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HENG TAI CONSUMABLES GROUP LIMITED

亨泰消費品集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00197)

DISCLOSEABLE TRANSACTION ACQUISITIONS OF BONDS

The Board announces that, on 22 June 2020 (after trading hours of the Stock Exchange), the Purchaser entered into the Agreements with the Vendors pursuant to which the Purchaser has agreed to acquire the Bonds in the total principal amount of HK\$25,500,000 at the consideration of HK\$25,500,000 in cash.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions (when aggregated) is more than 5% but less than 25%, the Acquisitions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

The Board announces that, on 22 June 2020 (after trading hours of the Stock Exchange), the Purchaser entered into the Agreements with the Vendors pursuant to which the Purchaser has agreed to acquire the Bonds in the total principal amount of HK\$25,500,000 at the consideration of HK\$25,500,000 in cash. Details of the Agreements are set out below.

THE FIRST AGREEMENT

Date: 22 June 2020 (after trading hours of the Stock Exchange)

Parties: the Purchaser as purchaser; and

the First Vendor as vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Vendor is an Independent Third Party.

The Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company principally engaged in investment holding and provision of administrative services.

Assets to be acquired

Prior to the completion, the First Vendor was the legal and beneficial owner of the First Bonds.

Under the First Agreement, the Purchaser has agreed to acquire the First Bonds in the principal amount of HK\$5,500,000.

Consideration

The consideration for the First Bonds shall be HK\$5,500,000, which shall be payable by the Purchaser to the First Vendor within three (3) days after the Purchaser having received (i) the original new bond certificate issued by Issuer with respect to the First Bonds; and (ii) a certified true copy of the updated register of bondholders certified by a director of Issuer with the Purchaser being a bondholder of the First Bonds duly registered therein.

The consideration was determined by the Purchaser and the First Vendor after arm's length negotiation with reference to the face value of the First Bonds and the accrued interest of the First Bonds. The consideration will be satisfied by the internal resources of the Group.

Completion

Completion took place immediately after the entering into of the First Agreement, upon which the Purchaser and First Vendor have signed the documents for the transfer of the First Bonds.

Pursuant to the First Agreement, the First Vendor undertook to the Purchaser that:

- (a) he shall deliver to Issuer (i) the original certificate in respect of the First Bonds for cancellation; (ii) the documents for transfer of the First Bonds duly completed and executed by the First Vendor and the Purchaser; and (iii) such other documents as may be required for the purpose of registration of the transfer of the First Bonds; and
- (b) he shall use his best endeavours to procure (i) the transfer of the First Bonds to the Purchaser; (ii) the issue of new bond certificate by Issuer with respect to the First Bonds in the name of the Purchaser; and (iii) the registration of the Purchaser as the holder of the First Bonds in the register of bondholders maintained by Issuer within 10 days after the completion.

THE SECOND AGREEMENT

Date: 22 June 2020 (after trading hours of the Stock Exchange)

Parties: the Purchaser as purchaser; and
the Second Vendor as vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Second Vendor is an Independent Third Party. The Second Vendor is also independent from and not associated with the First Vendor.

Assets to be acquired

Prior to the completion, the Second Vendor was the legal and beneficial owner of the Second Bonds.

Under the Second Agreement, the Purchaser has agreed to acquire the Second Bonds in the principal amount of HK\$20,000,000.

Consideration

The consideration for the Second Bonds shall be HK\$20,000,000, which shall be payable by the Purchaser to the Second Vendor within three (3) days after the Purchaser having received (i) the original new bond certificate(s) issued by Issuer with respect to the Second Bonds; and (ii) a certified true copy of the updated register of bondholders certified by a director of Issuer with the Purchaser being a bondholder of the Second Bonds duly registered therein.

The consideration was determined by the Purchaser and the Second Vendor after arm's length negotiation with reference to the face value of the Second Bonds and the accrued interest of the Second Bonds. The consideration will be satisfied by the internal resources of the Group.

Completion

Completion took place immediately after the entering into of the Second Agreement, upon which the Purchaser and Second Vendor have signed the documents for the transfer of the Second Bonds.

Pursuant to the Second Agreement, the Second Vendor undertook to the Purchaser that:

- (a) he shall deliver to Issuer (i) the original certificates in respect of the Second Bonds for cancellation; (ii) the documents for transfer of the Second Bonds duly completed and executed by the Second Vendor and the Purchaser; and (iii) such other documents as may be required for the purpose of registration of the transfer of the Second Bonds; and
- (b) he shall use his best endeavours to procure (i) the transfer of the Second Bonds to the Purchaser; (ii) the issue of new bond certificate(s) by Issuer with respect to the Second Bonds in the name of the Purchaser; and (iii) the registration of the Purchaser as the holder of the Second Bonds in the register of bondholders maintained by Issuer within 10 days after the completion.

INFORMATION ON THE BONDS

The principal terms of the Bonds are as follows:

Issuer:	Earthasia International Holdings Limited
Issue date of the Bonds:	(i) 9 March 2020 (being the First Bonds in the principal amount of HK\$5,500,000);
	(ii) 27 March 2020 (being the Second Bonds in the principal amount of HK\$5,000,000);

- (iii) 6 April 2020 (being the Second Bonds in the principal amount of HK\$5,000,000); and
- (iv) 28 April 2020 (being the Second Bonds in the principal amount of HK\$10,000,000)

Total principal amount: HK\$25,500,000

Interest: 6% per annum, payable annually in arrears

Maturity date: the Bonds will mature on the second anniversary of the issue date of the Bonds, or if such date is not a Business Day, the Business Day immediately following such date

Status: The Bonds are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations

Transferability: The Bonds are freely transferable but may only be transferred to a connected person (as defined under the Listing Rules) of the Issuer with the consent of the Stock Exchange

Redemption: (a) *Redemption at maturity*
Unless previously redeemed or purchased and cancelled as provided in the terms and conditions of the Bonds, the Issuer shall redeem all the outstanding Bonds on the maturity date at 100% of the principal amount

(b) *Early Redemption at the option of the Issuer*
The Issuer may at any time before the maturity by serving at least ten (10) days' prior written notice on the bondholder redeem the Bonds (in whole or in part) at 100% of the principal amount together with payment of interests accrued up to the date of such early redemption

Events of default: The Bonds contain events of default provisions which provide that on the occurrence of certain events of default specified in the Bonds, the Bonds will immediately become due and repayable at 100% of the principal amount

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products; (ii) the trading of agri-products and the upstream farming business; (iii) the provision of cold chain logistics services and value-added post-harvest food processing; and (iv) other businesses primarily arising from the securities brokerage business and the tourist retailing business.

Since the rate of return of the Bonds is generally more favourable and higher than the interest rates of fixed deposits offered by well-recognised financial institutions in Hong Kong, the Directors are of the view that the Acquisitions would generate interest income for the Group. As the interest under the Bonds is 6% per annum, it is expected that the Acquisitions will receive interest income in the amount of HK\$1,530,000 per year and a total interest income of HK\$3,060,000 under the Bonds, unless otherwise redeemed by the Issuer before the maturity date of the Bonds.

The Directors are of the view that the terms of the Agreements and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE ISSUER

The Issuer is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 6128). The Issuer and its subsidiaries are principally engaged in the provision of landscape architectural services in Hong Kong and the PRC, catering business in Italy and the PRC and graphene business in the PRC.

Based on the audited consolidated financial statements of the Issuer which have been prepared in accordance with International Financial Reporting Standards, the consolidated net assets of the Issuer as at 31 December 2019 were approximately HK\$221,147,000. The key financial data of the Issuer as extracted from its financial reports are set out as follows:

	For the year ended	
	31 December	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	313,941	197,311
Loss before tax	(64,802)	(49,087)
Loss after tax	(65,404)	(46,983)

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisitions (when aggregated) is more than 5% but less than 25%, the Acquisitions constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Acquisitions”	collectively, the First Acquisition and the Second Acquisition
“Agreements”	collectively, the First Agreement and the Second Agreement
“Board”	the board of Directors
“Bonds”	collectively, the First Bonds and the Second Bonds
“Business Day”	a day on which commercial banks and foreign exchange markets settle payments in Hong Kong, excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“First Acquisition”	the acquisition of the First Bonds in the principal amount of HK\$5,500,000
“First Agreement”	the agreement dated 22 June 2020 and executed by the First Vendor and the Purchaser in relation to the First Acquisition
“First Bonds”	6% coupon bonds due 2022 in the aggregate principal amount of HK\$5,500,000 issued by the Issuer
“First Vendor”	Tan Ye Lam Mark, being the vendor under the First Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who is/are independent of the Company and its connected persons and their respective associates
“Issuer”	Earthasia International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 6128)

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Sui Tai & Associates Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Second Acquisition”	the acquisition of the Second Bonds in the principal amount of HK\$20,000,000
“Second Agreement”	the agreement dated 22 June 2020 and executed by the Second Vendor and the Purchaser in relation to the Second Acquisition
“Second Bonds”	6% coupon bonds due 2022 in the aggregate principal amount of HK\$20,000,000 issued by the Issuer
“Second Vendor”	吳文杯 (for transliteration purpose only, Wu Wenbei), being the vendor under the Second Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	collectively, the First Vendor and the Second Vendor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Heng Tai Consumables Group Limited
Lam Kwok Hing
Chairman

Hong Kong, 22 June 2020

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lam Kwok Hing (Chairman), Ms. Lee Choi Lin, Joecy, Ms. Gao Qin Jian and Mr. Chan Cheuk Yu, Stephen; and three independent non-executive directors, namely Ms. Mak Yun Chu, Mr. Poon Yiu Cheung, Newman and Mr. Hung Hing Man.