

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**PROFIT WARNING**

This announcement is made by Heng Tai Consumables Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”), pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on information currently available, the unaudited consolidated financial results of the Group for six months ended 31 December 2020 (the “**FY2020/21 Interim Results**”) are expected to record a decrease in revenue of about 19% and a decrease in gross profit of about 50%, but loss from operations also decreased by about 10% as compared to the previous corresponding financial period.

The Board considered that the Group’s FY2020/21 Interim Results have continuously been adversely affected by the continuous weakening demand in the PRC consumer market and continuous competition from other brands against the consumable goods and agri-products which the Group have been trading coupled with the unfavorable and ongoing adverse global trading environment and the disruptions caused by the global COVID-19 pandemic.

In addition to the above mentioned macro-economic and community wide issues which have been affecting our Group, the more aggressive pricing strategies including special promotions and discounts to existing customers and the increase in the purchase costs for imported products due to various factors such as freight restrictions and factory shutdown also have squeezed our gross profit margin for the said financial period.

As a result of all the factors, the Group’s operations were affected by a decrease in total revenue and a decrease in gross profit during the said financial period as compared to the previous corresponding financial period.

On the other hand, the Group has successfully implemented and adopted various costs cutting measures and reduced the selling and distribution expenses and administrative expenses by about 25% together as compared to the previous corresponding financial period and allowed the Group to off-set to a certain extent the impact caused by the decrease in revenue and gross profit.

As the Company is still in the process of finalizing the FY2020/21 Interim Results, this profit warning announcement is only based on preliminary assessment by the Board in accordance with the information currently available and the latest consolidated management accounts of the Group, which are subject to finalization and are not based on any figures or information reviewed or audited by the Company's auditors. Shareholders and potential investors should read the FY2020/21 Interim Results announcement carefully, which is expected to be published before end of February 2021.

On behalf of the Board  
**Heng Tai Consumables Group Limited**  
**Lam Kwok Hing**  
*Chairman*

Hong Kong, 11 February 2021

*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.*