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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)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A POSSIBLE ACQUISITION**

This announcement was made by the Company on a voluntary basis.

THE MOU

Reference is made to the announcement of the Company dated 21 May 2021.

On 28 May 2021 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Vendor in relation to the Possible Acquisition.

The exclusivity period of the MOU is two months from the date of the MOU granted by the Vendor to the Purchaser under the MOU, where the Vendor shall not, directly or indirectly, solicit, initiate, encourage, enter into or participate in any inquiry, discussion or proposal with any other third party on any sale or transfer of any shares or material assets of the Target Company or its subsidiary, is legally binding. The Possible Acquisition is subject to the satisfactory due diligence review of the Target Company and its subsidiary to be carried out by the Purchaser and successful negotiation between the Purchaser and the Vendor as to the final terms for the Possible Acquisition.

The MOU will be terminated upon the expiry of the abovementioned exclusivity period of two months, or upon the execution of the Formal Agreement, or by agreement of the parties, whichever is the earliest.

The Target Company is a private company incorporated in the British Virgin Islands with limited liability which is principally engaged in the provision of cryptocurrency investment and exchange platform and the provision of digital asset custody and digital wealth management. The Vendor, a Hong Kong businessman and an Independent Third Party, currently owns the majority equity interests in the Target Company.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

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.

The Company has continuously been exploring suitable investment opportunities. The Board, having reviewed the preliminary information relating to the Target Company and the market it operates, considers that this market has been gaining significant momentum and has steadily been adopted or entered into by different finance entities in recent years, and has been forecasted to experience continuous growth. The Board has also noted that the Target Company has demonstrated its ability to offer its core cryptocurrency investment and exchange platform alongside wealth management and custody services, and considers that, if the Possible Acquisition could materialise, it would enhance the Group's investment portfolios.

The entering into of the MOU does not impose any legal obligation on any party and is valid for two months. If the parties are unable to enter into the Formal Agreement within such exclusivity period, the MOU shall lapse automatically and neither the Purchaser nor the Vendor will bear any responsibility for the other party.

As at the date of this announcement, the Purchaser has not commenced any substantial due diligence review and no term of the Formal Agreement has been finalized. If the Formal Agreement is entered into, it may constitute a notifiable transaction under Chapter 14 of the Listing Rules. Further announcement will be made in compliance of the Listing Rules.

The Board would like to remind that, as at the date of this announcement, no legally binding agreement on the Possible Acquisition has been entered into. Accordingly, the Possible Acquisition may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability, with its issued Shares being listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Formal Agreement”	the formal sale and purchase agreement that may be entered into by the Purchaser and the Vendor regarding the Possible Acquisition upon satisfactory due diligence review to be carried out by the Purchaser on the Target Company and its subsidiary and successful negotiation between the Purchaser and the Vendor as to the final terms for the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	any person or company and their respective ultimate beneficial owner, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is third party independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 28 May 2021 and entered into between the Vendor and the Purchaser in relation to the Possible Acquisition
“Possible Acquisition”	the proposed acquisition by the Purchaser of a non-controlling interest in the Target Company from the Vendor
“Purchaser”	Shining Impact Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirectly wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a private company incorporated in the British Virgin Islands with limited liability, which is principally engaged in the provision of cryptocurrency investment and exchange platform and the provision of digital asset custody and digital wealth management
“Vendor”	a Hong Kong businessman and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 28 May 2021

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lam Kwok Hing (Chairman), Ms. Lee Choi Lin Joey, 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.