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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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This circular is provided for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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: 0197)

- (1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**
-

A notice convening the annual general meeting (the “AGM”) of the Company to be held at Harbour Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Friday, 20 December 2013 at 10:30 a.m. is set out on pages 14 to 17 of this circular. A proxy form for use at the AGM is enclosed with this circular and is also published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.hengtai.com.hk.

Whether or not you are able to attend the AGM, you are advised to complete the proxy form in accordance with the instructions printed thereon and deposit the same at the Branch Share Registrar, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

20 November 2013

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Harbour Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Friday, 20 December 2013 at 10:30 a.m. to consider and, if thought fit, to approve, <i>inter alia</i> , the General Mandate, the Repurchase Mandate and the re-election of retiring Directors
“AGM Notice”	the notice convening the AGM set out on pages 14 to 17 of this circular
“AGM Record Date”	Friday, 20 December 2013 being the record date for determining entitlements of the Shareholders to vote at the AGM
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time, and “ Article ” shall mean an article of the Articles of Association
“associate”	has the meaning ascribed to this term under the Listing Rules
“Best Global”	Best Global Asia Limited, a company incorporated in the BVI with its entire share capital wholly and beneficially owned by Mr. Lam Kwok Hing, who is the Chairman, the Chief Executive Officer and executive Director of the Company
“Board”	the board of Directors
“Branch Share Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
“BVI”	British Virgin Islands
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability and registered in Hong Kong under Part XI of the Companies Ordinance of Hong Kong, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“controlling shareholder”	has the meaning ascribed to this term under the Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“General Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to allot and issue further new Shares (including issue of options, warrants and other securities convertible into new Shares) not exceeding 20% of the then aggregate nominal value of the issued share capital of the Company as at the date of the passing of such resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	18 November 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association”	the memorandum of association of the Company as supplemented or modified from time to time
“Share Option Scheme”	the share option scheme adopted on 21 December 2009
“Options”	the options granted and remaining outstanding under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“Optionholders”	holders of the Options
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Register”	the register of members of the Company
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the then aggregate nominal value of the issued share capital of the Company as at the date of the passing of such resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to this term under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong
“World Invest”	World Invest Holdings Limited, a company incorporated in the BVI with its entire share capital wholly and beneficially owned by Ms. Lee Choi Lin Joecy, who is an executive Director of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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: 0197)

Executive Directors:

Mr. Lam Kwok Hing (*Chairman*)

Ms. Lee Choi Lin Joeey

Ms. Hung Sau Yung Rebecca

Ms. Gao Qin Jian

Non-executive Director:

Ms. Chan Yuk Foebe

Independent non-executive Directors:

Mr. John Handley

Ms. Mak Yun Chu

Mr. Poon Yiu Cheung Newman

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

31st Floor

Guangdong Finance Building

88 Connaught Road West

Sheung Wan

Hong Kong

20 November 2013

To the Shareholders, and for information purpose, the Optionholders

Dear Sirs or Madam

**(1) RE-ELECTION OF DIRECTORS;
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with (i) the AGM Notice; and (ii) information regarding certain resolutions to be proposed at the AGM to enable you to make informed decision on whether to vote for or against those resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, inter alia, (i) the re-election of Directors; (ii) the grant of the General Mandate; (iii) the grant of the Repurchase Mandate; and (iv) the extension of the General Mandate to include Shares that may be repurchased pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

According to Article 108, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation at every annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Accordingly, three directors, Mr. Lam Kwok Hing, Ms. Chan Yuk Foebe and Mr. Poon Yiu Cheung Newman, will retire from their offices by rotation at the AGM and all of them will be eligible to offer themselves for re-election. Separate ordinary resolutions will be proposed for each of their re-elections and their particulars are set out in Appendix I to this circular. As Mr. Poon Yiu Cheung Newman, an independent non-executive Director, has been serving on the Board for more than 9 years, the reasons for the Board believing that he is still independent and should be re-elected are also set out in Appendix I to this circular.

3. THE GENERAL MANDATE AND THE REPURCHASE MANDATE

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

The General Mandate

As at the Latest Practicable Date, the Company has an aggregate of 5,455,375,891 Shares in issue. Subject to the passing of the proposed resolution to grant the General Mandate to the Directors and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 1,091,075,178 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

A further resolution, if approved at the AGM, will extend the maximum number of Shares that may be issued under the General Mandate set out above by the number of Shares which may be repurchased by the Company under the Repurchase Mandate as described below.

The Directors have no immediate plan to issue any new Shares other than any Shares which may fall to be issued under the Options.

LETTER FROM THE BOARD

The Repurchase Mandate

Subject to the passing of the proposed resolution to grant the Repurchase Mandate to the Directors and in accordance with the terms therein, the Company would be allowed to repurchase up to a maximum of 545,537,589 Shares, representing 10% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the Repurchase Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

Under the Listing Rules, the Company is required to give the Shareholders an explanatory statement containing all information which is reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to grant the Repurchase Mandate to the Directors. The explanatory statement is set out in Appendix II to this circular.

4. THE AGM AND CLOSURE OF REGISTER FOR AGM

The AGM will be held at Harbour Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Friday, 20 December 2013 at 10:30 a.m. The AGM Notice giving you notice of the AGM is set out on pages 14 to 17 of this circular.

A proxy form for use at the AGM is enclosed with this circular and is also published on the HKExnews website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.hengtai.com.hk. Whether or not you are able to attend the AGM, you are advised to complete the proxy form in accordance with the instructions printed thereon and deposit the same at the Branch Share Registrar,

Union Registrars Limited
18th Floor, Fook Lee Commercial Centre, Town Place
33 Lockhart Road, Wanchai, Hong Kong

as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

All resolutions set out in the AGM Notice will be decided by poll in accordance with the Articles of Association and the Listing Rules, except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. For the purpose of the Listing Rules, procedural or administrative matters are those that:

- (1) are not on the agenda of the AGM or in any supplementary circular to members; and
- (2) which relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing the Shareholders a reasonable opportunity to express their views.

LETTER FROM THE BOARD

The Register will be closed from Thursday, 19 December 2013 to Friday, 20 December 2013 (both days inclusive) in order to determine the Shareholders' entitlements to attend and vote at the AGM, during which no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Branch Share Registrar for registration not later than 4:00 p.m. on Wednesday, 18 December 2013.

Shareholders whose names appear on the Register on the AGM Record Date will be entitled to attend and vote at the AGM.

5. RESPONSIBILITY STATEMENT OF DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

6. RECOMMENDATIONS

The Directors consider the retiring Directors have been serving the Company well during their respective terms in office and believe they will continue to contribute their expertise and dedication to the Group in the coming years.

The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for and/or as means of payment by the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30 June 2013, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

In view of the reasons set out above and in this circular, the Directors believe that the re-election of Directors, the proposed grant of the General Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of the Board of
Heng Tai Consumables Group Limited
Lam Kwok Hing
Chairman

Mr. Lam Kwok Hing

Mr. Lam Kwok Hing, aged 57, is the Chairman, managing Director, executive Director and the Chief Executive Officer. Mr. Lam has been appointed the executive Director since April 2001 and is the overall strategic visionary of the Group. He manages the strategic planning, corporate policy development, marketing strategy and high level management for the Group's macro business activities. Over the past 10 years, Mr. Lam was instrumental in shaping the development and evolution of the Group and building the business from a small-scale packaged food trading house to an integrated food production and distribution enterprise. Since March 2012, the Board has appointed Mr. Lam as Chief Executive Officer in view of Mr. Lam's in-depth experience in the industry and the Group's overall operation. In the context of the challenging business environment, the Board believes that the arrangement would provide the Group with strong and consistent leadership, and allow for effective and efficient planning and implementation of business decisions and strategies which can generate benefits for the Group and the shareholders as a whole. As at the Latest Practicable Date, Mr. Lam held forty-three directorships in the subsidiaries of the Company. Mr. Lam has not held any other directorships in listed public companies in the last three years.

Save that Mr. Lam is the spouse of Ms. Lee Choi Lin Joecy ("Ms. Lee"), an executive Director of the Company and as disclosed below, Mr. Lam does not have any relationship with any other Director, senior management, substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Lam had a total interest of 852,451,895 Shares, representing approximately 15.63% of the total issued Shares. Of these 852,451,895 Shares, (i) 629,284,948 Shares were held by Best Global, which was wholly and beneficially owned by Mr. Lam; and (ii) 223,166,947 Shares were held by World Invest, which was wholly and beneficially owned by Ms. Lee, the spouse of Mr. Lam. Save as disclosed above, as at the Latest Practicable Date, Mr. Lam was not interested in any Share or underlying share in or any debenture of the Company or any of its associated corporation within the meaning of Part XV of the SFO.

Mr. Lam has entered into a service agreement with the Company for an initial term of three years commencing on 1 July 2001, which continues thereafter until terminated by either party giving not less than three months' notice in writing to the other party. He shall be subject to retirement by rotation and re-election at annual general meetings at least once for every three years in accordance with the Articles of Association. In accordance with the service agreement, Mr. Lam is entitled to a director's emolument, a discretionary management bonus and retirement fund scheme which shall be determined by reference to his duties and responsibilities to the Company and subject to review by the Remuneration Committee from time to time. For the financial year ended 30 June 2013, Mr. Lam received a total director's emoluments of HK\$2,198,000.

There is no information relating to Mr. Lam that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of Shareholders.

Ms. Chan Yuk Foebe

Ms. Chan Yuk Foebe, aged 44, was appointed the executive Director in May 2002 and has been re-designated to the non-executive Director since December 2005. Ms. Chan holds a Bachelor Degree in Accountancy from Queensland University of Technology in Australia. Ms. Chan has over 10 years of experience in corporate finance and management. Prior to joining the Group, Ms. Chan held senior position in a listed company and an investment company. As at the Latest Practicable Date, Ms. Chan held one directorship in a subsidiary of the Company, and Ms. Chan was also the chairman, executive director and chief executive officer of China Zenith Chemical Group Limited, a company listed on the Main Board of the Stock Exchange. Save as disclosed above, Ms. Chan has not held any other directorships in listed public companies in the last three years.

Ms. Chan does not have any relationship with any other Director, senior management, substantial or controlling shareholder of the Company.

As at Latest Practicable Date, Ms. Chan held 19,183,500 Options, and the exercise of these Options in full would result in her interests in 19,183,500 Shares, representing approximately 0.35% of the total issued Shares. Save as disclosed above, as at the Latest Practicable Date, Ms. Chan was not interested in any Share or underlying share in or any debenture of the Company or any of its associated corporation within the meaning of Part XV of the SFO.

Ms. Chan has entered into a service agreement with the Company for a term of three years commencing on 14 December 2012. She shall be subject to retirement by rotation and re-election at annual general meetings at least once for every three years in accordance with the Articles of Association. In accordance with the service agreement, Ms. Chan is entitled to receive a director's emolument which shall be determined by reference to her duties and responsibilities to the Company and subject to review by the Remuneration Committee from time to time. For the financial year ended 30 June 2013, Ms. Chan did not receive any director's emolument.

There is no information relating to Ms. Chan that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of Shareholders.

Mr. Poon Yiu Cheung Newman

Mr. Poon Yiu Cheung Newman, aged 59, is an independent non-executive Director since November 2003. He holds a Bachelor of Arts Degree, majoring in accounting and economics from the University of Alberta in Canada. He is a senior executive in a multinational insurance company and has over 25 years of experience in insurance and accounting. Mr. Poon has not held any other directorships in listed public companies in the last three years.

Mr. Poon does not have any relationship with any other Directors, senior management, substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Poon held 21,394,500 Options, and the exercise of these Options in full would result in his interests in 21,394,500 Shares, representing approximately 0.39% of the total issued Shares. Save as disclosed above, as at the Latest Practicable Date, Mr. Poon was not interested in any Share or underlying share in or any debenture of the Company or any of its associated corporation within the meaning of Part XV of the SFO.

Mr. Poon has entered into a service agreement with the Company for a term of three years commencing on 26 November 2012. He shall be subject to retirement by rotation and re-election at annual general meetings at least once for every three years in accordance with the Articles of Association. In accordance with the service agreement, Mr. Poon is entitled to receive a director's fee which shall be determined by reference to his duties and responsibilities to the Company and subject to review by the Remuneration Committee from time to time. For the financial year ended 30 June 2013, Mr. Poon was entitled to receive a director's fee of HK\$100,000.

The Board noted that Mr. Poon has served the Company for more than 9 years. The Company has continued to receive a written confirmation on his independence from Mr. Poon annually. Mr. Poon fully satisfied with the factors of independence as set out in Rule 3.13 of the Listing Rules and there is no evidence that his tenure has had any impact on his independence. Accordingly, the Board considered that Mr. Poon is still independent and should be re-elected as an independent non-executive Director at the AGM. The re-appointment of Mr. Poon at the AGM will comply with the relevant provision as set out in the Appendix 14 of the Listing Rules, which requires, *inter alia*, the approval of a separate resolution by Shareholders.

There is no information relating to Mr. Poon that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of Shareholders.

This Appendix II serves as an explanatory statement, as required by the Listing Rules, to provide requisite information for you to make informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate at the AGM.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions and obtaining prior Shareholders' approval. The Listing Rules, however, prohibit a company from knowingly purchasing securities on the Stock Exchange from a connected person and a connected person is prohibited from knowingly selling his/her securities to the Company.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 5,455,375,891 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 545,537,589 fully paid Shares, representing 10% of the total issued Shares as at the date of the AGM.

3. REASONS FOR THE REPURCHASE

Although Directors have no present intention to repurchase any Share, Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time being, lead to an enhancement of net assets per Share and/or earnings per Share. Such repurchase will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available under the applicable laws of Cayman Islands, Hong Kong and the Memorandum of Association and Articles of Association for such purpose.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time being, lead to an enhancement of net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30 June 2013, being the date of its latest published audited consolidated accounts. The Directors do not intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

	Share prices	
	Highest (HK\$)	Lowest (HK\$)
2012		
November	0.231	0.165
December	0.227	0.178
2013		
January	0.270	0.203
February	0.210	0.181
March	0.188	0.161
April	0.170	0.150
May	0.191	0.157
June	0.209	0.147
July	0.163	0.145
August	0.153	0.133
September	0.140	0.131
October	0.155	0.130
November (up to and including the Latest Practicable Date)	0.167	0.138

6. DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge and having made all reasonable enquiries, any of their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company in the event that the Repurchase Mandate is approved at the AGM and exercised.

Further, no connected persons of the Company have notified the Company that they have present intention to sell any Shares to the Company nor any such connected persons have undertaken not to sell any of the Shares held by him to the Company in the event that the Repurchase Mandate is approved.

7. DIRECTORS' UNDERTAKING AND MINIMUM PUBLIC HOLDING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of Cayman Islands and Hong Kong.

The Company will not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

At as the Latest Practicable Date, Directors have no intention to repurchase any Shares under the Repurchase Mandate.

8. EFFECTS OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases upon the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rules 26 and 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Best Global, a company wholly owned by Mr. Lam Kwok Hing, who is the Chairman, the Chief Executive Officer and executive Director of the Company, held about 11.54% of the Shares, and World Invest, a company wholly owned by Ms. Lee Choi Lin Joecy, who is an executive Director, held about 4.09% of the Shares. Ms. Lee is the spouse of Mr. Lam and pursuant to the SFO, they are deemed to be interested in the Shares held by the other. Accordingly, each of them is deemed to be interested in aggregate about 15.63% of the issued Shares. Although the Directors have no present intention to repurchase any Shares pursuant to the Repurchase Mandate, if the Directors were to exercise the Repurchase Mandate in full, such Shares would represent approximately 17.36% of the then issued share capital of the Company, which would not give rise to an obligation of them to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which the exercise in full of the Repurchase Mandate would arise under the Takeovers Code.

9. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

THE AGM NOTICE



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: 0197)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**AGM**”) of Heng Tai Consumables Group Limited (the “**Company**”) will be held at Harbour Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Friday, 20 December 2013 at 10:30 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. to receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and auditor for the financial year ended 30 June 2013;
2.
 - (a) to re-elect Mr. Lam Kwok Hing as executive Director;
 - (b) to re-elect Ms. Chan Yuk Foebe as non-executive Director;
 - (c) to re-elect Mr. Poon Yiu Cheung Newman as independent non-executive Director;
 - (d) to authorise the board of Directors (“**Board**”) to fix the remuneration of Directors;
3. to re-appoint auditor and to authorise the Board to fix their remuneration;

AS SPECIAL BUSINESS

4. to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company of HK\$0.01 each (the “**Shares**”) and to make or grant offers, agreements, options, warrants and other

THE AGM NOTICE

securities to subscribe for or convertible into Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options, warrants and other securities to subscribe for or convertible into Shares which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
 - (bb) (provided that resolution nos. 5 and 6 are passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

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“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange).”

5. to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

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6. to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the ordinary resolution nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 5.”

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

Hong Kong, 20 November 2013

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

31st Floor
Guangdong Finance Building
88 Connaught Road West
Sheung Wan
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his stead. A proxy can vote on a poll. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is appointed.
2. In order to be valid, the proxy form must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, and deposit the same at the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong (“**Branch Share Registrar**”) as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof.
3. Completion and return of a proxy form will not preclude a member from attending in person and voting at the AGM or any adjournment thereof, should he so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Thursday, 19 December 2013 to Friday, 20 December 2013 (both days inclusive) during which no transfer of Shares will be registered. The record date for determining shareholders of the Company who will be entitled to attend the AGM will be on Friday, 20 December 2013. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Branch Share Registrar for registration not later than 4:00 p.m. on Wednesday, 18 December 2013.
5. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 8:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the website of Company at www.hengtai.com.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.