
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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**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)

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

A notice convening the AGM of the Company to be held at Kowloon Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Tuesday, 23 December 2014 at 10:30 a.m. is set out on pages 17 to 20 of this circular. A proxy form for use at the AGM is enclosed with this circular and is also published on the 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, having its address from 24 November 2014 to 30 November 2014 at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, and from 1 December 2014 at A18/F., Asia Orient Tower, 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.

24 November 2014

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Accompanying document – Proxy form for the AGM

EXPECTED TIMETABLE

Latest time for lodging the transfer of shares	4:00 p.m. on Friday, 19 December 2014
for entitlements to attend and vote at the AGM	
Latest time for lodging the proxy forms	10:30 a.m. on Sunday, 21 December 2014
for use at the AGM	
Closure of Register	Monday, 22 December 2014 to Tuesday, 23 December 2014 (both dates inclusive)
Record Date for determination of entitlements to the AGM	Tuesday, 23 December 2014
Date and time of the AGM	10:30 a.m. on Tuesday, 23 December 2014
Announcement of the poll results of the AGM to	after 4:00 p.m. on Tuesday, 23 December 2014
be posted on the website of the Stock Exchange	
at www.hkexnews.hk and the Company's	
website at www.hengtai.com.hk	

Notes:

1. All dates and time set out in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) at the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hengtai.com.hk, as and when appropriate and in accordance with the Listing Rules.

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 Kowloon Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Tuesday, 23 December 2014 at 10:30 a.m. to consider and, if thought fit, to approve, <i>inter alia</i> , the Issue Mandate, the Repurchase Mandate and re-election of Directors
“AGM Notice”	the notice dated 24 November 2014 convening the AGM set out on pages 17 to 20 of this circular
“AGM Record Date”	Tuesday, 23 December 2014, 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 limited liability and its entire issued share capital is beneficially owned by Mr. Lam
“Board”	the board of Directors
“Branch Share Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, having its address from 24 November 2014 to 30 November 2014 at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong and from 1 December 2014 at A18/F., Asia Orient Tower, 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 its issued Shares 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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and/or deal with Shares in the manner set out in the ordinary resolution number 4 of the AGM Notice
“Latest Practicable Date”	21 November 2014, 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
“Mr. Lam”	Mr. Lam Kwok Hing, who beneficially owns 100% shareholding of Best Global and being the Chairman, executive Director and the Chief Executive Officer of the Company, and the spouse of Ms. Lee
“Ms. Lee”	Ms. Lee Choi Lin, Joecy, an executive Director and the spouse of Mr. Lam
“Open Offer”	the issue by way of an open offer of 1,091,075,178 new Shares of the Company, subject to the fulfilment of the conditions precedent as disclosed in the Prospectus and the terms and conditions set out in the Prospectus
“Options”	the options granted and remaining outstanding under the Share Option Schemes 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
“Prospectus”	the prospectus of the Company in relation to the Open Offer dated 21 November 2014

DEFINITIONS

“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 exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the then aggregate nominal value of the issued share capital of the Company in the manner set out in the ordinary resolution number 5 of the AGM Notice
“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 issued capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Option Schemes”	collectively (i) the old share option scheme of the Company adopted on 3 December 2001 and amended on 24 September 2005; and (ii) the new share option scheme adopted on 21 December 2009
“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
“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: 00197)

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

24 November 2014

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 Issue Mandate; (iii) the grant of the Repurchase Mandate; and (iv) the extension of the Issue 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, Ms. Lee Choi Lin Joecy, Mr. John Handley and Ms. Mak Yun Chu, 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 each of Mr. John Handley and Ms. Mak Yun Chu, an independent non-executive Directors, has been serving on the Board for more than 9 years, the reasons for the Board believing that he/she is still independent and should be re-elected are also set out in Appendix I to this circular.

3. THE ISSUE MANDATE AND THE REPURCHASE MANDATE

The Issue 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 Issue Mandate

As at the Latest Practicable Date, the Company has an aggregate of 5,455,375,891 Shares in issue. As disclosed in the Prospectus, if the Open Offer is completed, upon completion of the Open Offer, the Company will have an aggregate of 6,546,451,069 Shares.

Subject to the passing of the proposed resolution to grant the Issue Mandate to the Directors and in accordance with the terms therein, and assuming the Open Offer is not completed, 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 Issue Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

LETTER FROM THE BOARD

Subject to the passing of the proposed resolution to grant the Issue Mandate to the Directors and in accordance with the terms therein, and assuming the Open Offer is completed, the Company would be allowed to allot and issue up to a maximum of 1,309,290,213 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the Issue Mandate on the basis that no further Shares (other than those new Shares issued and allotted under the Open Offer), 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 Issue 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 Shares which may fall to be issued under the Open Offer (subject to the terms and conditions of the Open Offer) and Shares upon exercise of the conversion rights under the Options.

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, and assuming the Open Offer is not completed, 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.

Subject to the passing of the proposed resolution to grant the Repurchase Mandate to the Directors and in accordance with the terms therein, assuming the Open Offer is completed, the Company would be allowed to allot and issue up to a maximum of 654,645,106 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 (other than those new Shares issued and allotted under the Open Offer) 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.

LETTER FROM THE BOARD

4. THE AGM AND CLOSURE OF REGISTER FOR THE AGM

The AGM will be held at Kowloon Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Tuesday, 23 December 2014 at 10:30 a.m. The AGM Notice giving you notice of the AGM is set out on pages 17 to 20 of this circular.

A proxy form for use at the AGM is enclosed with this circular and is also published on the 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

**From 24 November 2014 to
30 November 2014**

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

From 1 December 2014

**A18/F., Asia Orient Tower,
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.

The Register will be closed from Monday, 22 December 2014 to Tuesday, 23 December 2014 (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 Friday, 19 December 2014.

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

LETTER FROM THE BOARD

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 Issue 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 2014, 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 Issue 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

Ms. Lee Choi Lin Joecy

Ms. Lee Choi Lin Joecy, aged 55, has been appointed the executive Director since April 2001. Ms. Lee is responsible for the general administration and management of the Group. She has over 15 years' experience in the marketing and distribution of fast moving consumer goods. Ms. Lee founded the original group company with other founding shareholders in 1994. As at the Latest Practicable Date, Ms. Lee held certain directorships in the subsidiaries of the Company. Ms. Lee has not held any other directorships in listed public companies in the past three years.

Save that Ms. Lee is the spouse of Mr. Lam, who is the Chairman, executive Director and the Chief Executive Officer of the Company, Ms. Lee does not have any relationship with any of the Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Lee is deemed interested in 1,943,527,073 Shares, representing approximately 29.69% of the total issued Shares as enlarged by the allotment and issue of the new Shares after completion of the Open Offer. Of these 1,943,527,073 Shares, (i) she is deemed interested in 1,720,360,126 Shares which were interested in by her spouse, Mr. Lam; and (ii) 223,166,947 Shares which were interested by her controlled corporation, World Invest which was wholly and beneficially owned by Ms. Lee. Save as disclosed above, as at the Latest Practicable Date, Ms. Lee was not interested in any Shares or underlying shares in or any debentures of the Company or any of its associated corporation within the meaning of Part XV of the SFO.

Ms. Lee has entered into a service agreement with the Company for an initial term of three years commencing on 1 July 2001 renewable automatically for successive terms of 1 year after the expiry of the then current term until terminated by not less than 3 months' notice in writing served by either party. She is 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. Pursuant to the service agreement, Ms. Lee is entitled to a director's emolument, a discretionary management bonus and retirement fund scheme which are 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 2014, Ms. Lee received a total director's emoluments of HK\$680,000.

Save for the information set out above, there is no information relating to Ms. Lee 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 in respect of Ms. Lee who stands for re-election at the AGM.

Mr. John Handley

Mr. John Handley, aged 71, has been appointed an independent non-executive Director since November 2001. Mr. Handley holds a Postgraduate Diploma in Export Marketing and has 30 years of experience in marketing consumer products in Australia and the Far East. During the past 20 years, he has completed a number of business consultancy contracts in the PRC and Asia for major European manufacturers. Mr. Handley is a member of the Institute of Export in United Kingdom and the Hong Kong Institute of Marketing and a Voting Member of the Hong Kong Jockey Club. Mr. Handley has not held any other directorships in listed public companies in the past three years nor does he have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Handley held 21,394,500 Options, and none of these Options has yet been exercised, lapsed or cancelled. The exercise of these Options in full on the Latest Practicable Date would result in his interests in 21,394,500 Shares, representing approximately 0.39% of the entire issued share capital of the Company. Save as disclosed above, Mr. Handley was not interested in any Shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Handley has entered into a service agreement with the Company for a term of three years commencing on 6 November 2013. He is 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. Pursuant to the service agreement, Mr. Handley is entitled to receive a director's fee which was determined by reference to his duties and responsibilities to the Company and is reviewed by the Remuneration Committee from time to time. For the financial year ended 30 June 2014, Mr. Handley received a director's fee of HK\$100,000.

The Company has received written confirmation from Mr. Handley on his independence taking into account 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 resolved that Mr. Handley is still independent and should be re-elected as an independent non-executive Director at the AGM. The re-appointment of Mr. Handley at the AGM will be in accordance with the relevant provision as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules, which requires, inter alia, the approval of a separate resolution by Shareholders.

Save for the information set out above, there is no information relating to Mr. Handley 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 in respect of Mr. Handley who stands for re-election at the AGM.

Ms. Mak Yun Chu

Ms. Mak Yun Chu, aged 56, has been appointed an independent non-executive Director since April 2004. She is the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Ms. Mak is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, and has over 10 years of experience in accounting and administration. Ms. Mak was also an independent non-executive director of Wealth Glory Holdings Limited (stock code: 8269) from September 2010 to November 2013, a company listed on the Growth Enterprise Market Board of the Stock Exchange.

Save as disclosed, Ms. Mak has not held any other directorships in listed public companies in the past three years nor does she have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Mak held 21,394,500 Options, and none of these Options has yet been exercised, lapsed or cancelled. The exercise of these Options in full on the Latest Practicable Date would result in her interests in 21,394,500 Shares, representing approximately 0.39% of the entire issued share capital of the Company. Save as disclosed above, Ms. Mak was not interested in any Shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Ms. Mak has entered into a service agreement with the Company for a term of three years commencing on 8 April 2013. She is 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. Pursuant to the service agreement, Ms. Mak is entitled to receive a director's fee which was determined by reference to her duties and responsibilities to the Company and is reviewed by the Remuneration Committee from time to time. For the financial year ended 30 June 2014, Ms. Mak received a director's fee of HK\$100,000.

The Company has received written confirmation from Ms. Mak on her independence taking into account the factors of independence as set out in Rule 3.13 of the Listing Rules and there is no evidence that her tenure has had any impact on her independence. Accordingly, the Board resolved that Ms. Mak is still independent and should be re-elected as an independent non-executive Director at the AGM. The re-appointment of Ms. Mak at the AGM will be in accordance with the relevant provision as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules, which requires, *inter alia*, the approval of a separate resolution by Shareholders.

Save for the information set out above, there is no information relating to Ms. Mak 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 in respect of Ms. Mak who stands for re-election at the AGM.

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. As disclosed in the Prospectus, if the Open Offer is completed, upon completion of the Open Offer the Company will have an aggregate of 6,546,451,069 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 and the Open Offer is not completed, 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.

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 and the Open Offer is completed, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 654,645,106 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 2014, 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 <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2013		
November	0.164	0.127
December	0.182	0.143
2014		
January	0.172	0.145
February	0.163	0.144
March	0.157	0.142
April	0.161	0.129
May	0.140	0.120
June	0.138	0.126
July	0.134	0.126
August	0.159	0.120
September	0.141	0.119
October	0.126	0.084
November (up to and including the Latest Practicable Date)	0.136	0.103

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 and so far as the Company is aware, in the event that the Repurchase Mandate is exercised in full, the shareholdings of Mr. Lam, together with his parties acting in concert are as follows:

First Scenario: Assuming the Open Offer is not completed

Nature of Interest		As at the Latest Practicable Date		Assuming the Repurchase Mandate is exercised in full	
		<i>Interested Shares</i>	<i>Approximate %</i>	<i>Interested Shares</i>	<i>Approximate %</i>
Mr. Lam	Interest in control corporation (via Best Global)	629,284,948	11.54	629,284,948	12.81
	Spousal interest (Ms. Lee via World Invest)	223,166,947	4.09	223,166,947	4.55
		<u>852,451,895</u>	<u>15.63</u>	<u>852,451,895</u>	<u>17.36</u>
Total number of issued Shares		5,455,375,891		4,909,838,301	

Accordingly, in the first scenario, in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, it will not give rise to an obligation on Mr. Lam and parties acting in concert with him to make a mandatory offer under Rule 26 of the Takeovers Code.

Second Scenario: Assuming the Open Offer is completed (and for illustration purpose only)

		Assuming (1) the Repurchase Mandate is exercised in full; (2) no qualifying shareholders under the Open Offer, except Best Global in its capacity as the underwriter of the Open Offer, take up their respective entitlements under the Open Offer and no qualifying shareholders under the Open Offer apply for any excess new Shares under the Open Offer			
	Nature of Interest	As at the Latest Practicable Date			
		<i>Interested Shares</i>	<i>Approximate %</i>	<i>Interested Shares</i>	<i>Approximate %</i>
Mr. Lam	Interest in control corporation (via Best Global)	629,284,948	11.54	1,720,360,126	29.20
	Spousal interest (Ms. Lee via World Invest)	223,166,947	4.09	223,166,947	3.79
		<u>852,451,895</u>	<u>15.63</u>	<u>1,943,527,073</u>	<u>32.99</u>
Total number of issued Shares		6,546,451,069		5,891,805,962	

In the second scenario, on the basis that the Open Offer is completed, there will be 6,546,451,069 Shares in issue as at the date of the AGM and assuming no other issue or repurchase of Shares prior to the date of the AGM, if the Repurchase Mandate is fully exercised, the shareholding percentage of Mr. Lam and parties acting in concert with him would increase to approximately 32.99% Shares in aggregate. 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 increase may give rise to an obligation on the part of Mr. Lam to make a general offer for all the Shares not already owned by him under Rules 26 and 32 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any other consequences which will give rise under the Takeovers Code as a result of the exercise of the power in full under the Repurchase Mandate.

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: 00197)

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 Kowloon Room I, Mezzanine Floor, Kowloon Shangri-La Hotel, 64 Mody Road, Kowloon, Hong Kong on Tuesday, 23 December 2014 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 2014;
2.
 - (a) to re-elect Ms. Lee Choi Lin Joecy as an executive Director;
 - (b) to re-elect Mr. John Handley as an independent non-executive Director;
 - (c) to re-elect Ms. Mak Yun Chu as an independent non-executive Director; and
 - (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 (the “**Shares**”) and 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 be and the same is hereby generally and unconditionally approved;

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- (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 resolutions no. 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 resolutions no. 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, 24 November 2014

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, having its address from 24 November 2014 to 30 November 2014 at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong and from 1 December 2014 at A18/F., Asia Orient Tower, 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 Monday, 22 December 2014 to Tuesday, 23 December 2014 (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 Tuesday, 23 December 2014. 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 Friday, 19 December 2014.
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 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.