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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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.

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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**
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A notice convening the AGM of the Company to be held at Pacific Room on 2/F, Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Wednesday, 21 December 2016 at 10:30 a.m. is set out on pages 14 to 18 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](http://www.hkexnews.hk) and on the website of the Company at [www.hengtai.com.hk](http://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 Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, 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.

21 November 2016

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*Accompanying document – Proxy form for the AGM*

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## EXPECTED TIMETABLE

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Latest time for lodging the proxy forms  
for use at the AGM ..... 10:30 a.m. on Monday,  
19 December 2016

Record Date for determination of entitlements to the AGM ..... Tuesday, 20 December 2016

Date and time of the AGM ..... 10:30 a.m. on Wednesday,  
21 December 2016

Announcement of the poll results of the AGM to be  
posted on the website of the Stock Exchange  
at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's  
website at [www.hengtai.com.hk](http://www.hengtai.com.hk) ..... after 4:30 p.m. on Wednesday,  
21 December 2016

*Notes:*

- (i) All dates and times set out in this circular refer to Hong Kong dates and times.
- (ii) 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](http://www.hkexnews.hk) and the Company's website at [www.hengtai.com.hk](http://www.hengtai.com.hk) as and when appropriate and in accordance with the Listing Rules.

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## DEFINITIONS

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*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 Pacific Room on 2/F, Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Wednesday, 21 December 2016 at 10:30 a.m.
“AGM Notice”	the notice dated 21 November 2016 convening the AGM set out on pages 14 to 18 of this circular
“AGM Record Date”	Tuesday, 20 December 2016, 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 “ <b>Article</b> ” 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, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, 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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“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”	17 November 2016, 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, the Chairman, Executive Director and Chief Executive Officer and 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
“Optionholders”	holders of the Options
“Options”	the options granted and remaining outstanding under the Share Option Scheme to subscribe for Shares in accordance with the terms thereof
“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 exercise the powers of the Company to repurchase Shares up to a maximum number equivalent to 10% of the number of shares in issue 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)
“Shareholder(s)”	holder(s) of the Shares

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company 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 Codes on Takeovers and Mergers and Share Buy-Backs published by the Securities and Futures Commission of Hong Kong
“World Invest”	World Invest Holdings Limited, a company incorporated in the BVI with limited liability and its entire issued share capital is beneficially owned by Ms. Lee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Lam Kwok Hing (*Chairman*)  
Ms. Lee Choi Lin Joecy  
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

21 November 2016

*To the Shareholders,*

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.

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## LETTER FROM THE BOARD

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### 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 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 Ms. Mak Yun Chu, an independent non-executive Director, has been serving on the Board for more than 9 years, the reasons for the Board believing that 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:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) 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
- (iii) 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 900,348,091 Shares in issue.

Subject to the passing of the proposed resolution to grant the Issue 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 180,069,618 Shares, representing 20% of the number of 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.

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 the Shares which may fall to be issued under the Options and the new Shares to be issued upon the completion of rights issue. Details of the rights issue are stated in the circular of the Company dated 7 November 2016.

Since completion of the rights issue will take place on a date after the AGM, the new Shares to be issued under the rights issue will not affect the number of Shares that may be granted under the Issue Mandate, and also the Repurchase Mandate.



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## LETTER FROM THE BOARD

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### **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 90,034,809 Shares, representing 10% of the number of 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 RECORD DATE FOR THE AGM**

The AGM will be held at Pacific Room on 2/F, Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Wednesday, 21 December 2016 at 10:30 a.m. The AGM Notice giving you notice of the AGM is set out on pages 14 to 18 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](http://www.hkexnews.hk) and on the website of the Company at [www.hengtai.com.hk](http://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**  
**Suites 3301-04, 33/F,**  
**Two Chinachem Exchange Square,**  
**338 King's Road, North Point,**  
**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:

- (i) are not on the agenda of the AGM or in any supplementary circular to members; and
- (ii) 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.

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## LETTER FROM THE BOARD

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Shareholders whose names appear on the Register on Tuesday, 20 December 2016, the AGM Record Date, will be entitled to attend and vote at the AGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the matters to be proposed at the AGM or is required to abstain from voting.

### 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 2016, 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*

**Mr. Lam Kwok Hing**

Mr. Lam Kwok Hing, aged 60, is the Chairman, Managing Director, Executive Director and the Chief Executive Officer of the Company. He is a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Lam has been appointed the Executive Director since April 2001 and is the overall strategic visionary of the Group. He also held certain directorships in the subsidiaries of the Company. Mr. Lam founded the original group company with other founding shareholders in 1994. He manages the strategic planning, corporate policy development, marketing strategy and high level management for the Group's macro business activities. Over the past decade, 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 distribution and logistics 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 general benefits for the Group and the shareholders as a whole. Mr. Lam is the spouse of Ms. Lee Choi Lin Joecy, who is also the Executive Director and co-founder of the Company. Mr. Lam is also a director of Best Global, the substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Lam has not held any other directorships in listed public companies in the past three years. Save that Mr. Lam is the spouse of Ms. Lee, Mr. Lam does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lam had a total interest of 137,539,457 Shares, representing approximately 15.28% of the total issued Shares. Of these 137,539,457 Shares, (i) 108,980,564 Shares were held by Best Global, which was wholly and beneficially owned by Mr. Lam; and (ii) 28,558,893 Shares were held by World Invest, which was wholly and beneficially owned by Ms. Lee. Save as disclosed above, Mr. Lam 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. Lam 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 one year after the expiry of the then current term until terminated by not less than three months' notice in writing served by either party. 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. Lam is entitled to a director's emolument, a discretionary management bonus and retirement fund scheme which are 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 2016, Mr. Lam received a total director's emoluments of HK\$2,636,000.

Save for the information set out above, 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 in respect of Mr. Lam who stands for re-election at the AGM.

**Ms. Chan Yuk Foebe**

Ms. Chan Yuk Foebe, aged 47, was appointed the Executive Director in May 2002 and has been re-designated to the Non-executive Director since December 2005. She is a member of the Audit Committee of the Company. She also held a directorship in a subsidiary of the Company. 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 positions in a listed company and an investment company. Ms. Chan is 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, Ms. Chan 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. Chan 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. Chan has renewed her service agreement with the Company for a term of three years commencing on 14 December 2015. 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. Chan 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 2016, Ms. Chan did not receive any director's emolument.

Save for the information set out above, 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 in respect of Ms. Chan who stands for re-election at the AGM.

**Ms. Mak Yun Chu**

Ms. Mak Yun Chu, aged 58, has been appointed the 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 is also an independent non-executive director of UKF (Holdings) Limited since March 2016, a company listed on the Main Board of the Stock Exchange. She was an independent non-executive director of Wealth Glory Holdings Limited 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 2,000,000 Options. The exercise of these Options in full on the Latest Practicable Date would result in her interests in 2,000,000 Shares, representing approximately 0.22% 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 renewed her service agreement with the Company for a term of three years commencing on 8 April 2016. 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 2016, Ms. Mak was entitled to receive a director's fee of HK\$150,000.

The Board noted that Ms. Mak has served the Company for more than 9 years. The Company has continued to receive a written confirmation on her independence from Ms. Mak annually. Ms. Mak fully satisfied with 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 considered 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 900,348,091 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate, 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 90,034,809 fully paid Shares, representing 10% of the total number of 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 2016, 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\$)
<b>2015</b>		
November	0.910	0.560
December	0.610	0.510
<b>2016</b>		
January	0.520	0.295
February	0.365	0.305
March	0.495	0.345
April	0.405	0.355
May	0.460	0.325
June	0.370	0.325
July	0.365	0.249
August	0.335	0.260
September	0.310	0.255
October	0.295	0.255
November (up to and including the Latest Practicable Date)	0.275	0.250

**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, held about 12.11% of the Shares, and World Invest, a company wholly owned by Ms. Lee, held about 3.17% 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 15.28% 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 16.98% 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.



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## THE AGM NOTICE

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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)

### 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 Pacific Room on 2/F, Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Wednesday, 21 December 2016 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 2016;
2.
  - (a) to re-elect Mr. Lam Kwok Hing as an Executive Director;
  - (b) to re-elect Ms. Chan Yuk Foebe as a 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 the Company’s 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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## THE AGM NOTICE

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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 number of Shares which may be 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 number of issued Shares on the date of the passing of this resolution; and
  - (bb) (provided that resolutions no. 5 and 6 are passed) the number of issued Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of Shares 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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## THE AGM NOTICE

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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 number 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 number of issued Shares 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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## THE AGM NOTICE

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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 the number of issued Shares repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the number 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, 21 November 2016

*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

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## THE AGM NOTICE

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*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 Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, 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 record date for determining shareholders of the Company who will be entitled to attend the AGM will be Tuesday, 20 December 2016.
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 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](http://www.hengtai.com.hk) and on the website of the Stock Exchange at [www.hkexnews.hk](http://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.