
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Heng Tai Consumables Group Limited, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with documents specified in the paragraph headed “Documents delivered to the Registrar of Companies” in Appendix III to this prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the SFC take no responsibility as to the contents of any of these documents referred to above.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

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



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)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING SHARE HELD ON RECORD DATE

Underwriter of the Rights Issue



Capitalised terms used in this cover page have the same meanings as defined in this prospectus.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right in its absolute discretion to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are set out in the paragraphs headed “Termination of the Underwriting Agreement” on pages 1 and 2 of this prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

Shareholders should note that (i) the Shares have been dealt with on an ex-entitlement basis of the Right Issue from Tuesday, 6 December 2016; (ii) dealing in the Rights Shares in their nil-paid form is expected to commence from 9:00 a.m. on Monday, 19 December 2016; and (iii) dealings in such Shares and nil-paid Rights Shares will take place prior to the Latest Time for Termination while certain conditions precedent to the completion of the Underwriting Agreement remain unfulfilled. Shareholders and potential investors should exercise extreme caution when dealing in the Shares and, if they are in doubt about their position, consult their professional advisers.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 3 January 2017. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 14 to 17 of this prospectus.

CONTENTS

	<i>Page</i>
Expected Timetable	i
Termination of the Underwriting Agreement	1
Definitions	3
Letter from the Board	9
Appendix I — Financial information of the Group	27
Appendix II — Unaudited pro forma financial information of the Group	31
Appendix III — General Information of the Group	35

EXPECTED TIMETABLE

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	2016
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Monday, 19 December
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Wednesday, 21 December
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Wednesday, 28 December
	2017
Latest Time for Acceptance and payment for the Rights Shares and application for excess Rights Shares	4:00 p.m. on Tuesday, 3 January
Latest Time for Termination of the Underwriting Agreement by the Underwriter	4:00 p.m. on Wednesday, 4 January
Announcement of the results of the Rights Issue	Tuesday, 10 January
Despatch of share certificates for fully-paid Rights Shares	On or before Wednesday, 11 January
Despatch of refund cheques if the Rights Issue is terminated or in respect of unsuccessful or partially successful application for excess Rights Shares	On or before Wednesday, 11 January
Expected first day of dealings in fully-paid Rights Shares on the Stock Exchange	9:00 a.m. on Thursday, 12 January

Notes:

1. All dates and times set out in this prospectus refer to Hong Kong dates and times.
2. Dates or deadlines specified in this prospectus are indicative only and may be extended or varied by the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) at the HKExnews 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.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will be postponed if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- a. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- b. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of the abovementioned warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates of the events subsequent to the Latest Time for Acceptance mentioned in this section (including, without limitation, the Latest Time for Termination) may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events. If, prior to the Latest Time for Termination:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (f) any matter which, had it arisen or been discovered immediately before the date of the prospectus and not having been disclosed in the prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings of the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of termination notice by the Underwriter, the obligations of all parties, subject to the Underwriting Agreement, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

DEFINITIONS

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

“Agri-Products Business”	the trading of agri-products and the upstream farming business
“Announcement”	the announcement of the Company dated 20 October 2016 in relation to, among other things, the Increase in Authorised Share Capital and the Rights Issue
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Best Global”	Best Global Asia Limited, a company incorporated in the BVI and the entire issued share capital of which is wholly and beneficially owned by Mr. Lam
“Best Global Undertaking”	an irrevocable undertaking given by Best Global in favour of the Company and the Underwriter not to dispose of their shareholdings and to subscribe for all the Rights Shares it will be entitled under the Rights Issue
“Board”	the board of Directors or a duly authorised committee thereof
“Branch Share Registrar”	Union Registrars Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Brokerage Business”	the business of the principal operating company of the target group, which is licensed to carry on type 1 regulated activity (dealing with securities) under the SFO and to be acquired by the Group as announced by the Company on 5 September 2016
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 7 November 2016 in relation to, among other things, the Increase in Authorised Share Capital and the Rights Issue
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)

DEFINITIONS

“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability of which its issued Shares are listed on the main board of the Stock Exchange
“Conditions Precedent”	the conditions precedent of the Underwriting Agreement as set out in the section headed “Conditions of the Rights Issue and the Underwriting Agreement”
“Connected Persons”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“Directors Take-Up Undertakings”	collectively, the Best Global Undertaking and the World Invest Undertaking
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“EGM”	the extraordinary general meeting of the Company held on 23 November 2016 to approve, among other matters, the Increase in Authorised Share Capital and the Rights Issue
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Company considers it necessary or expedient not to offer the Rights Shares where, in the opinion of the Board (having obtained relevant and necessary legal opinions), it would or might be unlawful or impracticable to offer Rights Shares in such places on account of any legal or regulatory restrictions or special formalities in such places
“FMCG Trading Business”	the trading of packaged foods, beverages, household consumable products, cold chain products and cosmetics and skincare products
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s) other than (i) the Directors and their respective associates, which as at the date of the EGM comprise Best Global and World Invest; and (ii) any Shareholders who have a material interest in the Underwriting Agreement and the Rights Issue, who were required under the Listing Rules (and if applicable, the Takeovers Code) to abstain from voting on the resolutions to approve the Rights Issue at the EGM

DEFINITIONS

“Independent Third Party(ies)”	to the best knowledge, information and belief and having made all reasonable enquiries by the Directors, the party and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company
“Last Trading Day”	20 October 2016, being the last day of dealing of the Shares on the Stock Exchange prior to the publication of the Announcement
“Latest Practicable Date”	12 December 2016, being the latest practicable date prior to the publication of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Latest Time for Acceptance”	being ten Business Days after the Prospectus Posting Date, which is expected to be 4:00 p.m. on Tuesday, 3 January 2017 or such later date as stated in this prospectus for acceptance of and payment for the Rights Shares as well as the application for the excess Rights Shares
“Latest Time for Termination”	being 4:00 p.m. on the next Business Day following (but excluding) the Latest Time for Acceptance, i.e. Wednesday, 4 January 2017 or such later time or date as stated in this prospectus, being the latest time for the Underwriter to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logistics Services Business”	the provision of cold chain logistics services and value-added post-harvest food processing
“Mr. Lam”	Mr. Lam Kwok Hing, the Chairman, Chief Executive Officer and an executive Director of the Company and the spouse of Ms. Lee
“Ms. Lee”	Ms. Lee Choi Lin, Joecy, an executive Director of the Company and the spouse of Mr. Lam
“Options”	options granted pursuant to the Share Option Scheme entitling the holders to convert into Shares on exercise of the options
“Option Holders”	holders of the Options
“Overseas Shareholder(s)”	Shareholder(s) with registered addresses as shown in the register of members of the Company on the Record Date which are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this prospectus shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus Documents”	this prospectus, the PAL and the EAF
“Prospectus Posting Date”	Thursday, 15 December 2016 or such later time or date as announced by the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders and this prospectus, for information purpose only, to the Excluded Shareholders
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Wednesday, 14 December 2016, being the date for the determination of the entitlements under the Rights Issue
“Revised Timetable Announcement”	the announcement of the Company dated 18 November 2016 in relation to the revised expected timetable of the Rights Issue
“Rights Issue”	the issue of the Rights Shares, subject to the fulfilment of the Conditions Precedent, for subscription by the Qualifying Shareholders on the basis of one Rights Share for every one existing Share held by a Qualifying Shareholder on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	900,348,091 new Shares to be issued by the Company pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted on 21 December 2009
“Share Option Shares”	up to 49,177,770 Shares which may be allotted and issued by the Company upon exercise of the 49,177,770 outstanding Options
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Specific Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties or undertakings by the Company contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.24 per Rights Share
“subsidiary”	has the same meaning ascribed thereto in section 2 of the Companies (WUMP) Ordinance and “subsidiaries” shall be construed accordingly
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers administered by the SFC
“Underwriter”	Astrum Capital Management Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 20 October 2016 entered into between the Company and the Underwriter in relation to the underwriting and other arrangements in respect of the Rights Issue
“Underwritten Shares”	762,808,634 Rights Shares that the Underwriter has agreed to subscribe or procure subscribers or sub-underwriters to subscribe for, which are not subscribed by the Qualifying Shareholders (other than Best Global and World Invest) pursuant to the Underwriting Agreement
“World Invest”	World Invest Holdings Limited, a company incorporated in the BVI and the entire issued share capital of which is wholly and beneficially owned by Ms. Lee
“World Invest Undertaking”	an irrevocable undertaking given by World Invest in favour of the Company and the Underwriter not to dispose of their shareholdings and to subscribe for all the Rights Shares it will be entitled under the Rights Issue

DEFINITIONS

“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, 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

15 December 2016

*To the Qualifying Shareholders and,
for information purpose only, the Excluded Shareholders*

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING SHARE HELD ON RECORD DATE

INTRODUCTION

Reference is made to the Announcement, the Circular, the Revised Timetable Announcement and the EGM poll results announcement of the Company dated 23 November 2016, in relation to, among other things, the Rights Issue.

Please note that the expected timetable for the Rights Issue as set out in the Announcement has been revised pursuant to the Revised Timetable Announcement.

At the EGM, resolutions approving the Increase in Authorised Share Capital and the Rights Issue were duly passed by the Shareholders or the Independent Shareholders (as the case may be) by way of poll. The Increase in Authorised Share Capital has become effective on 24 November 2016.

LETTER FROM THE BOARD

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The purpose of this prospectus is to provide you, among other things, further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to the Qualifying Shareholders, together with the financial and other information of the Group.

RIGHTS ISSUE

On 20 October 2016, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue and details of the Rights Issue and the Underwriting Agreement are set out below.

A. Principal Terms of the Rights Issue

Basis of the Rights Issue:	One Rights Share for every one existing Share held by a Qualifying Shareholder on the Record Date
Number of existing Shares:	900,348,091 Shares in issue as at the Latest Practicable Date
Number of Rights Shares:	900,348,091 Rights Shares
Subscription Price:	HK\$0.24 per Rights Share
Number of Rights Shares underwritten by the Underwriter:	762,808,634 Rights Shares
Right of excess applications:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment

The aggregate nominal values of the Rights Shares to be issued pursuant to the Rights Issue are HK\$90,034,809.10.

As at the Latest Practicable Date, the Company has 49,177,770 Options outstanding, which entitling the Option Holders to convert into 49,177,770 Shares. Save for the said Options, the Company has no other outstanding warrants, options or other securities convertible into or exchangeable for Shares.

The 900,348,091 Rights Shares proposed to be allotted and issued pursuant to the Rights Issue represent (i) 100% of the existing issued share capital of the Company; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

LETTER FROM THE BOARD

The Subscription Price

The Subscription Price of HK\$0.24 per Rights Share will be payable in full on acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 17.2% to the closing price of HK\$0.290 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 16.1% to the average closing price of HK\$0.286 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 15.5% to the average closing price of HK\$0.284 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 9.4% to the theoretical ex-entitlement price of approximately HK\$0.265 based on the closing price of HK\$0.290 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a discount of approximately 4.0% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares under prevailing market conditions where the Company noted that the closing price of the Shares as quoted on the Stock Exchange in the last six months were on the slow but continuous downward trend from less than HK\$0.40 to about HK\$0.26. The Directors (including the independent non-executive Directors who have given their view after taking into account the advice of Royal Excalibur Corporate Finance Company Limited, the independent financial adviser, details of which please refer to the Circular) consider the terms of the Rights Issue, including the Subscription Price, the rates of discount and the subscription rate as illustrated above to be fair and reasonable and in the interests of the Company and the Shareholders as a whole on the basis that the Qualifying Shareholders are offered a chance to elect to subscribe for the Rights Shares at a relatively low price and to maintain their respective pro rata shareholdings in the Company. The Directors also consider that the discount will encourage the Qualifying Shareholders to take up their entitlements, so as to participate in and share the potential growth of the Group, and for those Shareholders who elect not to take up the Rights Shares may dispose of their nil-paid Rights Shares. In view of the potential dilution of up to 50% to the shareholdings of those Shareholders who do not take up the Rights Shares, the Board considered that (i) the Rights Issue and the Underwriting Agreement is subject to the Independent Shareholders approval at the EGM; (ii) the Qualifying Shareholders have the option to subscribe the Rights Shares at their sole discretion; (iii) the Rights Issue provides an exit to the Qualifying Shareholders who elect not accepting the Rights Shares by

LETTER FROM THE BOARD

selling their nil-paid Rights Shares in the market for economic benefits; (iv) the Rights Issue allows the Qualifying Shareholders to maintain their shareholding interests in the Company with equal opportunity to participate in the enlarged capital base upon completion of the Rights Issue and at the same time can enjoy the discount from the subscription of the Rights Shares; and (v) the Rights Issue will not increase the future interest burden and finance costs of the Group, the Subscription Price, the subscription rate and the potential shareholding dilution effect are fair and reasonable and in the interests of the Shareholders.

The net price per Rights Share (after deducting the costs and expenses in relation to the Rights Issue and the underwriting commission) will be approximately HK\$0.23.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the then existing Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Fractions of the Rights Shares

On the basis of one Rights Share for every one existing Share in issue held on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the Conditions Precedent as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” in this prospectus below, share certificates for all fully-paid Rights Shares are expected to be posted on or before Wednesday, 11 January 2017 by ordinary mail to the Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Rights Shares by the Latest Time for Acceptance, i.e. 4:00 p.m. on Tuesday, 3 January 2017 at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) or if the Rights Issue is terminated, will be despatched on or before Wednesday, 11 January 2017 by ordinary mail at the risk of respective Shareholders.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Rights Shares in their nil-paid form otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

LETTER FROM THE BOARD

Basis of provisional allotment

The basis of the provisional allotment is one Rights Share (in nil-paid form) for every one existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment shall be made by completing a PAL and lodging the same with remittance for the Rights Shares accepted with the Branch Share Registrar by the Latest Time for Acceptance.

Qualifying Shareholders

The Company will send (a) the Prospectus Documents to the Qualifying Shareholders; and (b) the prospectus only, for information purpose only, to the Excluded Shareholders.

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must not be an Excluded Shareholder.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled to and the Excluded Shareholders should note that their shareholding in the Company will be diluted by 50% upon completion of the Rights Issue.

Overseas Shareholders

If, at the close of business on the Record Date, any Shareholder whose address as shown on the register of members of the Company is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will, if necessary, make enquiries to its legal advisers regarding the legal restrictions under the law of the relevant place and the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that it would not be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirement of the relevant regulatory body or stock exchange in that place to make any offer of the Rights Shares to Overseas Shareholders, the Rights Issue will not be available to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Excluded Shareholders.

As at the Record Date, there is no Shareholder whose address as shown on the register of members of the Company is in a place outside of Hong Kong.

It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or any of the PAL or EAF outside Hong Kong and wishing to take up the Rights Shares or make an application for the excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required

LETTER FROM THE BOARD

to be paid in such territory or jurisdiction in connection therewith. Any acceptance or application by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited has given, or be subject to, any of the above representation or warranty.

If you are in any doubt as to your position, you should consult your professional advisers.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the Excluded Shareholders pro rata to their shareholdings held at the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Any Rights Shares not taken up by the Qualifying Shareholders or otherwise subscribed for by transferees of the nil-paid Rights Shares and unsold entitlements of the Excluded Shareholders to the Rights Shares will be made available for excess applications by Qualifying Shareholders under the EAFs.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Procedures for acceptance and payment or transfer

PAL — Acceptance, payment and transfer

The PAL is enclosed with this prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to take up the provisional allotment of Rights Shares as specified in the PAL in full, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Branch Share Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Tuesday, 3 January 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Heng Tai Consumables Group Limited – Provisional Allotment Account**" and crossed "**Account Payee Only**". No receipts will be given for such remittances.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Branch Share Registrar not later than 4:00 p.m. on Tuesday, 3 January 2017, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of their provisional allotment and/or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:00 p.m. on Wednesday, 21 December 2016 to the Branch Share Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Branch Share Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the aforesaid representations and warranties.

If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph "Conditions of the Rights Issue and the Underwriting Agreement" of this prospectus is not fulfilled and/or waived (as applicable) at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post to their respective registered addresses at their own risk by the Branch Share Registrar on or before Wednesday, 11 January 2017.

LETTER FROM THE BOARD

EAF — Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made only by Qualifying Shareholders duly completing and signing an EAF together with a separate remittance for the full amount payable on application in respect of the excess Rights Shares being applied for, with the Branch Share Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Tuesday, 3 January 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Heng Tai Consumables Group Limited – Excess Application Account**" and crossed "**Account Payee Only**". No receipts will be given for such remittances.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair basis in proportion to the number of excess Rights Shares being applied for under each application, and on the following principles:

- (a) no preference will be given to topping up odd lots to whole board lots;
- (b) the allocation of any excess Rights Shares to any Qualifying Shareholders would not cause such Qualifying Shareholder triggering any obligation under Rule 26 of the Takeovers Code to make a general offer;
- (c) the allocation of any excess Rights Shares to any Qualifying Shareholders would not cause the Company breaching the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue; and
- (d) no application for any excess Rights Shares should be made with intention to abuse the mechanism.

Beneficial owners with their Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, such beneficial owners with their Shares held by such nominee company should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Branch Share Registrar on or before Wednesday, 11 January 2017. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus remittance without interest is also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post at his own risk by the Branch Share Registrar on or before Wednesday, 11 January 2017.

LETTER FROM THE BOARD

All cheques and banker's cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or banker's cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or banker's cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The Company may, at its discretion, treat an EAF as valid and binding on the person by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary mail at the risk of the persons entitled hereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the Conditions Precedent are not fulfilled or waived (as applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary mail to their respective registered addresses at their own risk on or before Wednesday, 11 January 2017.

B. Reasons for the Rights Issue and use of proceeds

The Group is principally engaged in (i) the FMCG Trading Business; (ii) the Agri-Products Business; and (iii) the Logistics Services Business.

Please refer to the Circular as to details of why Rights Issue had been chosen by the Board to raise further funds for the Group.

The Group intends to strengthen its existing businesses and constantly looks for investment opportunities apart from its existing business with potentials to further diversify its business and broaden the income sources to maximise the return to the Shareholders.

LETTER FROM THE BOARD

As announced on 5 September 2016, the Company via a wholly owned subsidiary Fiorfie Holdings Limited as the purchaser has conditionally agreed to acquire a target group company whereby its principal operating company, Sino Wealth Securities Limited, is a company incorporated in Hong Kong and is licensed to carry on type 1 regulated activity (dealing with securities) under the SFO. The relevant application for change in ownership of the aforesaid target group was submitted to SFC for approval in October 2016. With reference to the table regarding the performance pledges as stated in the annual report of the SFC for the year ended 2016, the processing time of licensing applications for corporations normally take 15 weeks. As the Company submitted the relevant applications to SFC in October 2016, the Board expected that such matter will be approved around February 2017. In the third week of November 2016, feedbacks from the SFC regarding the application for change in ownership of Sino Wealth Securities Limited were received. Corresponding replies have been submitted to the SFC in the fourth week of November 2016. As at the Latest Practicable Date, the Company received a verbal feedback from the SFC and was preparing response to such feedback. Save for the above, there were no outstanding feedbacks in relation to such application pending replies from the Company. So far as is known to the Directors, as at the Latest Practicable Date, there is no impediment or material issue that may affect completion of the said acquisition, and the acquisition is expected to complete on or before end of February 2017 after the SFC has approved the matter.

According to the reports named “Financial Review of the Securities Industry for the year ended 31 December 2011” and “Financial Review of the Securities Industry for the year ended 31 December 2015” both being published by the SFC respectively, the total number of active cash clients and active margin clients in Hong Kong increased from approximately 1.04 million and 135,201 as at 31 December 2011 to approximately 1.26 million and 241,948 respectively as at 31 December 2015, representing compound annual growth rates (the “CAGR”) of approximately 4.9% for the active cash clients and approximately 15.7% for the active margin clients over the aforesaid period. The gross interest income of the Stock Exchange participants (category C, where the aforesaid principal operating company of the target group belongs to) increased from approximately HK\$2,092 million in 2011 to approximately HK\$4,371 million in 2015, representing CAGR of approximately 20.2% over the aforesaid period.

In addition, according to the report named “Financial Review of the Securities Industry for the half year ended 30 June 2016” being published by the SFC, the total number of active cash clients and margin clients in Hong Kong further increased to approximately 1.28 million and 254,934 respectively as at 30 June 2016, representing a growth rate of approximately 1.6% for the active cash clients and approximately 5.37% for the active margin clients over the aforesaid period. The gross interest income of the Stock Exchange participants (category C, where the aforesaid principal operating company of target group belongs to) increased from approximately HK\$2,517 million for the second half 2015 to approximately HK\$3,023 million for the first half 2016, representing a growth rate of approximately 20.1%.

The Board considers that acquiring the Brokerage Business will be in the best interest of the Shareholders and the Company as a whole for the following reasons: (i) the brokerage business market in Hong Kong has been expanding and continuing to attract a reasonable rate of return as shown in the figures extracts from public reports which are better than the existing principal business of the Group so that the Group could diversify its business portfolio into different industry and may minimize the adverse impact due to industry wide business downturn; and (ii) the target has been carrying on Brokerage Business with an existing team of staff with necessary experience and qualifications which will remain after completion of the acquisition and has an existing network of customers which allows the Company to quickly establish its place in the brokerage market and avoid a possible long start up time and costs.

LETTER FROM THE BOARD

The estimated net proceeds of the Rights Issue (after deducting the costs and expenses in relation to the Rights Issue and the underwriting commission fees which is estimated to be around HK\$8.8 million) are expected to amount to approximately HK\$207.3 million.

The Company intends to inject the net proceeds of the Rights Issue, i.e. approximately HK\$207.3 million, into the Brokerage Business for compliance with its financial resources and for future expansion purpose such as the further development of its margin clients business. In the unlikely event that the aforesaid acquisition fails to complete, the Company intends to use the funds for acquiring alternative suitable brokerage business, or utilize the funds to start up similar business internally if there is no suitable target available. The Company will comply with the Listing Rules and will publish an announcement to inform the Shareholders if the aforesaid acquisition fails to complete, and if there will be any change of the intended use of proceeds of the Rights Issue.

According to the information provided by Sino Wealth Securities Limited, the dollar value of transactions (cash account client) handled by it for the seven months period from April 2016 to October 2016 was approximately HK\$5 billion. Given the aforesaid dollar value of transactions handled by Sino Wealth Securities Limited, the Company considers that the size of net proceeds from the Rights Issue is fair and reasonable and would utilize within 12 months from the date of completion of the acquisition of the Sino Wealth Securities Limited.

C. Underwriting Agreement

Date:	20 October 2016
Issuer:	The Company
Underwriter:	Astrum Capital Management Limited
Number of Underwritten Shares:	762,808,634 Rights Shares
Commission:	3.5% of the aggregate Subscription Price in respect of the number of the Underwritten Shares to be determined on the Record Date

Any Rights Share not taken up by the Qualifying Shareholders will be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.

LETTER FROM THE BOARD

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite 762,808,634 Rights Shares and the Underwriter will, where applicable, appoint such number of sub-underwriters independent to the Company and its Connected Persons and independent to the Underwriter. The Underwriter and each of the sub-underwriters will underwrite such number of the Underwritten Shares to the effect that none of the Underwriter and/or the sub-underwriters together with their respective parties acting in concert (as defined under the Takeovers Code) will trigger any obligation under Rule 26 of the Takeovers Code to make a general offer, and each of the Underwriter and any sub-underwriter to be appointed and the subscribers procured by each of the Underwriter and any sub-underwriter to be appointed shall not hold in aggregate 10% or more of the voting rights of the Company immediately after completion of the Rights Issue; and the Underwriter shall procure independent placees to take up such number of the Underwritten Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after completion of the Rights Issue.

The Board is expected that completion of the Rights Issue in accordance with the terms of the Underwriting Agreement and as set out in this prospectus will not trigger any general offer obligations under Rule 26 of the Takeovers Code and the public float requirement will be complied with.

Information of the Underwriter

The Underwriter is a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of the Announcement and the Latest Practicable Date, the Underwriter and their ultimate beneficial owners are Independent Third Parties and the Underwriter does not hold any Shares.

The Company will pay the Underwriter an underwriting commission of 3.5% of the aggregate Subscription Price in respect of the number of the Underwritten Shares to be determined on the Record Date. Out of the underwriting commission, the Underwriter shall pay any commissions, costs and expenses incurred by it and in respect of the sub-underwriting of the Underwritten Shares. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate, the size of the Rights Issue and the current and expected market condition.

The underwriting commission shall not be payable by the Company to the Underwriter if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriter.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions entitling the Underwriter, by notice in writing, to terminate its obligations thereunder on the occurrence of certain events. If, prior to the Latest Time for Termination:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

LETTER FROM THE BOARD

- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the prospectus and not having been disclosed in the prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings of the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of termination notice by the Underwriter, the obligations of all parties, subject to the Underwriting Agreement, shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following Conditions Precedent being fulfilled:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Increase in Authorised Share Capital by no later than the Prospectus Posting Date;
- (b) the passing of an ordinary resolution by the Independent Shareholders at the EGM to approve the Rights Issue by no later than the Prospectus Posting Date;

LETTER FROM THE BOARD

- (c) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents (and all other documents required to be attached thereto) duly signed by two Directors as confirmation of their having been approved by resolution of the Directors not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (d) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the prospectus, for information purpose only to the Excluded Shareholders;
- (e) the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Share, in both nil-paid and fully-paid forms, by no later than the first day of their dealings either unconditionally or subject to conditions which the Company accepts and the satisfaction of such conditions (if any);
- (f) none of the representations, warranties or undertakings given by the Company being breached, untrue, inaccurate or misleading in any material respect;
- (g) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms; and
- (h) the compliance and performance of the Best Global Undertaking and the World Invest Undertaking.

The Underwriter may at any time by notice in writing to the Company waive the Condition Precedent (f) above. Save and except the Condition Precedent (f), the other Conditions Precedent are incapable of being waived. If the Conditions Precedent are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other time and date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

If the Underwriting Agreement is terminated, the Rights Issue will not proceed.

As at the Latest Practicable Date, the Conditions Precedent (a) and (b) have been fulfilled.

Directors Take-Up Undertakings

Pursuant to the Underwriting Agreement, the Company will procure each of Best Global (which is legally and beneficially owned by Mr. Lam) and World Invest (which is legally and beneficially owned by Ms. Lee) to give an irrevocable undertaking respectively in favour of the Company and the Underwriter not to dispose of their shareholdings and to subscribe for all the Rights Shares they will be entitled under the Rights Issue. As at the Latest Practicable Date, the Company had obtained the two Directors Take-Up Undertakings.

LETTER FROM THE BOARD

Save for the above Directors Take-Up Undertakings, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares they are entitled under the Rights Issue.

D. Changes in shareholding structure

The following table sets out the possible changes in the shareholding structure of the Company arising from the Rights Issue:

Assuming no Options are exercised and no Share Option Shares are allotted and issued on or before the Record Date:

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming all Qualifying Shareholders take up their respective entitlements under the Rights Issue		Immediately upon completion of the Rights Issue assuming no Qualifying Shareholders (other than under the Directors Take-Up Undertakings) take up their respective entitlements under the Rights Issue	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Best Global (<i>Note 1</i>)	108,980,564	12.11	217,961,128	12.11	217,961,128	12.11
World Invest (<i>Note 2</i>)	28,558,893	3.17	57,117,786	3.17	57,117,786	3.17
Chan Cheuk Yu (<i>Note 3</i>)	94,902,984	10.54	189,805,968	10.54	N/A	N/A
Public Shareholders						
The Underwriter	–	–	–	–	762,808,634 (<i>Note 4</i>)	42.36
Chan Cheuk Yu (<i>Note 3</i>)	N/A	N/A	N/A	N/A	94,902,984	5.27
Other public Shareholders	<u>667,905,650</u>	<u>74.18</u>	<u>1,335,811,300</u>	<u>74.18</u>	<u>667,905,650</u>	<u>37.09</u>
Total	<u>900,348,091</u>	<u>100.00</u>	<u>1,800,696,182</u>	<u>100.00</u>	<u>1,800,696,182</u>	<u>100.00</u>

Note:

- The entire issued share capital of Best Global is wholly and beneficially owned by Mr. Lam.
- The entire issued share capital of World Invest is wholly and beneficially owned by Ms. Lee.
- Mr. Chan Cheuk Yu is the sole legal and beneficial owner of the entire issued capital of Glazy Target Limited. Out of the 94,902,984 shares held, Mr. Chan is deemed interested in the 66,432,089 shares held by Glazy Target Limited and 28,470,895 shares are held by Mr. Chan himself.

LETTER FROM THE BOARD

4. The Underwriter will, where applicable, appoint such number of sub-underwriters independent to the Company and its Connected Persons and independent to the Underwriter. The Underwriter and each of the sub-underwriters will underwrite such number of the sub-underwritten Shares to the effect that none of the Underwriter and/or the sub-underwriters together with their respective parties acting in concert (as defined under the Takeovers Code) will trigger any obligation under Rule 26 of the Takeovers Code to make a general offer, and each of the Underwriter and any sub-underwriter to be appointed and the subscribers procured by each of the Underwriter and any sub-underwriter to be appointed shall not hold in aggregate 10% or more of the voting rights of the Company immediately after completion of the Rights Issue; and the Underwriter shall procure independent places to take up such number of Underwritten Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with immediately after completion of the Rights Issue.

E. Warning of the risk of dealings in the Shares

The Rights Issue is conditional upon, inter alia, the fulfilment of the Conditions Precedent set out under the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” in this prospectus. Therefore, the Rights Issue may or may not proceed.

Any dealing in the Shares (including the nil-paid Rights Shares) from the date of the Announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares (including the nil-paid Rights Shares) are recommended to consult their own professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

Any Shareholder or other person dealing in Shares (including the nil-paid Rights Shares) up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be at 4:00 p.m. on Wednesday, 4 January 2017), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and/or nil-paid Rights Shares, who is in any doubt about their position, is recommended to consult their own professional advisers.

F. Application for listing

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty, the Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 5,000.

No part of the securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

G. Fund raising exercise of the Company in the past twelve months

During the past twelve months immediately before the Latest Practicable Date, the Company conducted the following equity fund raising activity:

Date of initial announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
4 May 2016	Placing of 150,000,000 new Shares under general mandate	Approximately HK\$49.8 million	For future investment of the Group	The proceeds have not been utilised

Note: The Company has no intention to change the intended use of the proceeds from the above placing.

H. Adjustments in relation to the Options

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Options. The Company will notify the Option Holders adjustments to be made (if any) pursuant to the terms of the Share Option Scheme.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in appendices to this prospectus.

This prospectus is in English and Chinese. In the case of any inconsistency, the English version shall prevail.

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

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 30 June 2014, 2015 and 2016 were disclosed in the annual reports of the Company:

1. for the year ended 30 June 2014, (pages 26 to 84 at <http://202.66.146.82/listco/hk/hengtai/annual/2014/ar2014.pdf>);
2. for the year ended 30 June 2015, (pages 26 to 88 at <http://202.66.146.82/listco/hk/hengtai/annual/2015/ar2015.pdf>); and
3. for the year ended 30 June 2016, (pages 27 to 90 at http://www.irasia.com/listco/hk/hengtai/annual/ar166497-e_197ht_2016ar.pdf)

respectively, which were published on both the websites of the Stock Exchange (www.hkex.com.hk)* and the Company (www.hengtai.com.hk)*. The auditor of the Company has not issued any qualified opinion on the Group's financial statements for the financial years ended 30 June 2014, 2015 and 2016.

* *Information contained in the websites of the Stock Exchange and the Company does not form part of this prospectus.*

2. INDEBTEDNESS

At the close of business on 31 October 2016, being the latest practicable date for the purpose of ascertaining certain information relating to this indebtedness statement prior to the printing of this prospectus, the Group had an aggregate outstanding indebtedness of approximately HK\$41.0 million, which was comprised of:

	At 31 October 2016 HK\$'000
Bank loans, secured (<i>Note 1</i>)	41,000
Finance lease payable, secured (<i>Note 2</i>)	44
	<hr/>
	41,044
	<hr/> <hr/>
The borrowings are repayable as follows:	
Within one year	41,016
In the second year	17
In the third to fifth years, inclusive	11
	<hr/>
	41,044
	<hr/> <hr/>

Save for the aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 October 2016, the Group did not have any debt securities issued and outstanding, or any other borrowings or indebtedness including bank overdrafts and liabilities under acceptances (other than normal trade payables) or acceptance credits or hire purchases commitments, or any other borrowings subject to mortgages or charges, or any other material contingent liabilities or guarantees.

Note 1: The range of interest rate of the Group's bank loans at 31 October 2016 was from approximately 1.2% per annum to approximately 2.0% per annum, and the Group's bank loans were secured by corporate guarantees executed by the Company and certain subsidiaries of the Company and a charge over the Group's available-for-sale financial assets, held-to-maturity investments and pledged bank deposits.

Note 2: The Group's finance lease payable was secured by the lessor's title to the leased asset, which was a copier.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the cash flows generated from the operating activities, the financial resources presently available to the Group, the existing banking facilities available and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for at least twelve months from the date of this prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2016, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Financial review

The Group's income was derived from three business units: (i) the FMCG Trading Business; (ii) the Agri-Products Business; and (iii) the Logistics Services Business. These three businesses come together to form two vertically integrated supply chains allowing the Group to effectively deliver perishable and non-perishable consumer products in China.

As disclosed in the annual report of the Company for the year ended 30 June 2016, the Group generated total revenue of approximately HK\$1,366.3 million as compared to HK\$1,641.4 million for the financial year ended 30 June 2015, representing a fall of approximately 16.8%. The decline in revenue was mainly attributable to the decline in revenue of the Agri-Products Business by approximately 21.9% as a result of the negative impact on the agri-products trading business stemmed from the weak market demand caused by the anti-extravagance atmosphere in China, the shortage of imported fruit products due to Thailand's drought, as well as the trimming of the Group's upstream farming business. The revenue contributions from the FMCG Trading Business and the Logistics Services Business also recorded a fall of mid-teen percent primarily due to the weak market demand and fierce competition. The net loss for the financial year ended 30 June 2016 was approximately HK\$274.7 million, compared to the net loss of approximately HK\$73.3

million for the financial year ended 30 June 2015. The increase in the net loss was mainly attributable to the decrease in turnover and increase in other operating expenses, which were primarily the impairment losses on cosmetic products distribution, agri-trading and agri-related logistics businesses. As at 30 June 2016, the Group also had the total assets of approximately HK\$2,712 million and the total liabilities of approximately HK\$204 million.

Prospects

In the coming year, the Group will continue to strengthen the traditional trading business by enhancing product portfolio and sales channels as well as investing in appropriate logistics facilities to support the trading business. On the other hand, the Group will continue to adopt stable and reasonable pricing strategy that not only enables us to build up a strong network with different customers, but also underpins the improving trend in the gross profit margin despite the deteriorating operating environment.

Following various cost-saving initiatives undertaken over past few years, the Group will continue to implement different measures to control operating expenses. The Group's efforts have been getting traction that both selling and administrative expenses were reduced evidently in past few years, and the Group will make every effort to maintain this encouraging trend in coming years.

Furthermore, the Group will diversify its investments to reduce operational risks and aim to earn stable income and cash flow. In September 2016, the Group entered into a conditional agreement with independent third parties to acquire a target group company whereby its principal operating company is a company incorporated in Hong Kong and is licensed to carry on type 1 regulated activity (dealing in securities) under the SFO. The Group considers that the acquisition will allow the Group to diversify its business and provide a prime opportunity for the Group to tap into the business of financial services industry in Hong Kong, so as to broaden the revenue and earning sources of the Group.

As stated in the announcement of the Company dated 2 December 2016, the Company was approached by Mr. Cheung Wai Ming ("Mr. Cheung") exploring whether the Company would like to sell a plot of land situated in Zhongshan, the PRC (which is owned by a member of the Group) ("the Land") alone or together with the holding companies. The Company was receptive to the proposal taking into account that the Company has been planning to consolidate the existing logistics centre operation in Zhongshan and the new logistics centre in Huidong, Guangdong Province, PRC for business and financial efficacies. On 2 December 2016, the Group and Mr. Cheung entered into a memorandum of understanding (the "MOU") in relation to the proposed acquisition by Mr. Cheung and the proposed disposal (the "Proposed Disposal") of the Land that shall form part of the sale of the 100% equity interest of a wholly owned subsidiary of the Group ("Target Company") and the amount that is due by the Target Company to the Group. Please refer to the announcement of the Company dated 2 December 2016 for details of the transactions contemplated under the MOU. As at the Latest Practicable Date, the Group was still negotiating with Mr. Cheung on the terms and conditions of the formal sale and purchase agreement for the Proposed Disposal. The Proposed Disposal, if materialises, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Should (i) the Group enter into the formal

agreement; or (ii) the Group decide not to proceed with the transactions contemplated under the MOU; or (iii) there be any material development on the Proposed Disposal, the Company will inform the Shareholders by way of announcement(s) in accordance with the Listing Rules as and when appropriate.

Whether the Proposed Disposal materialises or not, it will not affect the acquisition of the Brokerage Business and also will not affect the Rights Issue contemplated under this prospectus.

Save as disclosed, there is no material change in the trend of business of the Group since 30 June 2016 up to the Latest Practicable Date. Save for any unforeseen events, the Group is cautiously optimistic on the prospect and the financial performance over coming years.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

I. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company prepared in accordance with Paragraph 13 of Part B of Appendix 1 and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 June 2016.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared for illustrative purpose only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2016 or at any future date.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company is based on the audited consolidated net tangible assets of the Group as at 30 June 2016 and adjusted as described below:

	<i>HK\$'000</i>
Adjusted consolidated net tangible assets as at 30 June 2016 (<i>Note 1</i>)	2,342,050
Estimated net proceeds from the Rights Issue (<i>Note 2</i>)	207,300
	2,549,350
Unaudited pro forma adjusted consolidated net tangible assets	2,549,350
Adjusted consolidated net tangible assets per Share as at 30 June 2016 (<i>Note 3</i>)	HK\$2.601
Unaudited pro forma adjusted consolidated net tangible assets per Share after the Rights Issue (<i>Note 4</i>)	HK\$1.416

Notes:

1. It represented the consolidated total net assets of the Group attributable to the owners of the Company of HK\$2,509,269,000 less goodwill of approximately HK\$69,045,000, other intangible assets of approximately HK\$98,066,000 and investment in a club membership of approximately HK\$108,000 which are extracted from the audited consolidated statement of financial position of the Group as at 30 June 2016.
2. The estimated total proceeds of the Rights Issue is approximately HK\$216,100,000. Expenses associated with the Rights Issue are approximately HK\$8.8 million, resulting in a net cash inflow of approximately HK\$207,300,000.
3. The calculation of the adjusted consolidated net tangible assets per Share is based on 900,348,091 Shares in issue as at 30 June 2016.
4. The calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share is based on 1,800,696,182 Shares, which is an aggregate of 900,348,091 Shares in issue at the Latest Practicable Date and 900,348,091 Rights Shares after the completion of the Rights Issue.

**II. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group.



29th Floor, Lee Garden Two, 28 Yun Ping Road
Causeway Bay, Hong Kong

15 December 2016

The Board of Directors
Heng Tai Consumables Group Limited
31/F., Guangdong Finance Building
88 Connaught Road West
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Heng Tai Consumables Group Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets as at 30 June 2016 as set out on page 31 of the prospectus (the “Prospectus”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are set out in Section I of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group’s net tangible assets as at 30 June 2016 as if the transaction had been taken place at 30 June 2016. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s consolidated financial statements as included in the annual report for the year ended 30 June 2016, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply Hong Kong Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2016 would have been as presented.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for the Rights Issue and use of proceeds" set out on page 17 of the Prospectus.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

RSM Hong Kong
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This prospectus, 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 prospectus 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 prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date, upon completion of the Increase in Authorised Share Capital and upon completion of the Rights Issue were and will be as follows:

A. As at the Latest Practicable Date:

<i>Authorised share capital:</i>		<i>HK\$</i>
10,000,000,000	Shares	1,000,000,000.00
<hr/>		<hr/>

Issued and fully-paid:

900,348,091	Shares	90,034,809.10
<hr/>		<hr/>

B. Upon completion of the Rights Issue and assuming no Options are exercised and no Share Option Shares are allotted and issued from the Latest Practicable Date up to and including the Record Date, the issued share capital of the Company will be increased by the allotment and issue of the Rights Shares to:

<i>Proposed to be issued under the Rights Issue:</i>		<i>HK\$</i>
900,348,091	Rights Shares	90,034,809.10
<hr/>		<hr/>

Upon completion of the Rights Issue:

1,800,696,182	Shares	180,069,618.20
<hr/>		<hr/>

All fully-paid Rights Shares to be issued will rank pari passu in all respects with each other, including as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the fully-paid Rights Shares.

The Shares in issue are listed on the Stock Exchange. Subject to the grant of listing of and permission to deal in the Rights Shares (in both nil-paid and fully-paid forms) by the Stock Exchange, the fully-paid Rights Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any securities exchange other than the Stock Exchange and no application is being made or proposed or sought for the Shares, the Rights Shares or any other securities of the Company to be listed or dealt in on any other securities exchange.

No member of the Group the capital of which is under option, or agreed conditionally or unconditionally to be put under option other than the 49,177,770 Options, which are outstanding and entitling the Option Holders to convert into 49,177,770 Shares as at the Latest Practicable Date.

Details of the Options are as follows:

Name or category of participants	Number of Options as at the Latest Practicable Date	Date of grant of Options	Exercise period of Options	Exercise prices of Options (HK\$)
Executive directors				
Ms. Hung Sau Yung, Rebecca	3,000,000	16 January 2015	16 January 2015 to 15 January 2020	0.914
Ms. Gao Qin Jian	3,000,000	16 January 2015	16 January 2015 to 15 January 2020	0.914
Independent non-executive directors				
Mr. John Handley	2,000,000	16 January 2015	16 January 2015 to 15 January 2020	0.914
Mr. Poon Yiu Cheung, Newman	1,500,000	16 January 2015	16 January 2015 to 15 January 2020	0.914
Ms. Mak Yun Chu	2,000,000	16 January 2015	16 January 2015 to 15 January 2020	0.914
Employees (in aggregate)	7,900,000	16 January 2015	16 January 2015 to 15 January 2020	0.914
Other eligible participants (in aggregate)	1,388,885	15 June 2011	1 January 2012 to 31 December 2016	5.720
	1,388,885	15 June 2011	1 January 2013 to 31 December 2017	5.720
	27,000,000	16 January 2015	16 January 2015 to 15 January 2020	0.914
	<u>49,177,770</u>			

Save for the said Options, the Company has no other outstanding warrants, options or other securities convertible into or exchangeable for Shares.

3. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(a) Directors' and chief executive's interests in the Shares

Name of Directors	Capacity/ Nature of interest	Number of Shares held		Number of underlying Shares	Aggregate percentage of interest as at the Latest Practicable Date
		Long position	Short position		
Mr. Lam Kwok Hing	Interest in controlled corporation and family interest	137,539,457 (note 1)	–	–	15.28%
Ms. Lee Choi Lin, Joecy	Interest in controlled corporation and family interest	137,539,457 (note 2)	–	–	15.28%
Ms. Hung Sau Yung, Rebecca	Beneficial owner	–	–	3,000,000 (note 3)	0.33%
Ms. Gao Qin Jian	Beneficial owner	–	–	3,000,000 (note 3)	0.33%
Mr. John Handley	Beneficial owner	–	–	2,000,000 (note 3)	0.22%
Ms. Mak Yun Chu	Beneficial owner	–	–	2,000,000 (note 3)	0.22%
Mr. Poon Yiu Cheung, Newman	Beneficial owner	–	–	1,500,000 (note 3)	0.17%

Note 1: Mr. Lam, the spouse of Ms. Lee, is deemed interested in the 108,980,564 Shares Best Global and 28,558,893 Shares Ms. Lee are interested, and his interests duplicate those of Best Global and Ms. Lee.

Note 2: Ms. Lee, the spouse of Mr. Lam, is deemed interested in the 108,980,564 Shares Mr. Lam is interested and the 28,558,893 Shares held by World Invest, and her interests duplicate those of Mr. Lam and World Invest.

Note 3: The number of underlying Shares refers to the number of Shares which may be converted from the Options held by the holders.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

4. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in ten per cent. or more of the issued voting shares of any other member of the Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such capital.

(a) Interests in the Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares held		Percentage of total holding
		Long position	Short position	
Best Global	Beneficial owner	108,980,564	–	12.11%
Chan Cheuk Yu (<i>Note</i>)	Beneficial owner and interest in controlled corporation	94,902,984	–	10.54%
Glazy Target Limited (<i>Note</i>)	Beneficial owner	66,432,089	–	7.38%

Note: Mr. Chan Cheuk Yu is the sole legal and beneficial owner of the entire issued capital of Glazy Target Limited. Out of the 94,902,984 shares held, Mr. Chan is deemed interested in the 66,432,089 shares held by Glazy Target Limited and 28,470,895 shares are held by Mr. Chan himself.

(b) Interests in other members of the Group

Name of member of the Group	Name of shareholder	Interests in relevant voting shares (or equivalent)	Percentage of the total issued voting shares (or equivalent)
Modern Tech Limited	Huang Chenbo	1,000 shares	10%
Modern Tech Limited	Yee Michael Anthony	900 shares	9%
惠東縣裕盛農業有限公司 (Huidong County Yusheng Agriculture Company Limited*)	惠東縣萬信農業有限公司 (Huidong County Wanxin Agriculture Company Limited*)	total capital: HK\$1,000,000 (of which HK\$156,069 has been paid up)	10%
成武縣金亨農業發展有限公司 (Chengwu County Jinheng Agricultural Development Company Limited*)	成武宏發冷庫 (Chengwu Hongfa Cold Storage*)	total capital: RMB1,500,000 (of which RMB1,000,000 has been paid up)	30%

* *English transliteration/translation of the Chinese name for identification purpose only.*

Save as disclosed above, the Directors and chief executive of the Company are not aware of any other persons (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in ten per cent. or more of the issued voting shares of any other member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any member of the Group which is not expiring or determinable by the Director within one year without payment of compensation other than statutory compensation.

6. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus and is or may be material:

- (i) the sale and purchase agreement dated 30 October 2015 between Glazy Target Limited, Mr. Chan Cheuk Yu and Fiorfie Trading Limited for the acquisition of entire issued share capital of Best Title Global Limited and the shareholder's loan due and owing, which involved the issue of consideration shares;
- (ii) the deed of assignment dated 18 November 2015 between Glazy Target Limited, Fiorfie Trading Limited and Best Title Global Limited, which was one of the completion documents for the transactions contemplated under the sale and purchase agreement stated in paragraph 6(i) above;
- (iii) the placing agreement dated 4 May 2016 between Sino Wealth Securities Limited and the Company for placing of 150,000,000 new Shares of the Company;
- (iv) the share purchase agreement dated 5 September 2016 between Uni-Money Limited, Mr. Wat Ying Hang and Fiorfie Holdings Limited;
- (v) the Underwriting Agreement; and
- (vi) the memorandum of understanding between HT Jenco International (Holdings) Limited, a wholly-owned subsidiary of the Company, and Mr. Cheung dated 2 December 2016 in relation to the Proposed Disposal of the Land that shall form part of the sale of the 100% equity interest of the Target Company and the amount that is due by the Target Company to the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claims of material importance is known to the Directors to be pending or threatened against any member of the Group.

8. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS OF THE GROUP

None of the Directors had any interest, either direct or indirect, in any assets which had been since 30 June 2016 (being the date to which the latest published audited accounts of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

9. EXPERT AND CONSENT

The following are the qualifications of the expert who had given opinions contained in this prospectus:

Name	Qualification
RSM Hong Kong	Certified Public Accountants

As at the Latest Practicable Date, RSM Hong Kong did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and did not have any interest, either direct or indirect, in any assets which had been since 30 June 2016 (being the date to which the latest published audited accounts of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

RSM Hong Kong has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of the respective reports, letters and references to its name in the form and context in which it is included.

10. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, legal and accountants' fees, registration, translation, printing and other related expenses are estimated to be approximately HK\$8.8 million and will be payable by the Company.

11. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

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
Authorised representatives	Lam Kwok Hing 31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong Wong Siu Hong 31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
Auditor and reporting accountants	RSM Hong Kong 29th Floor Lee Garden Two 28 Yun Ping Road, Causeway Bay Hong Kong
Underwriter	Astrum Capital Management Limited Room 2704, 27/F Tower 1, Admiralty Centre 18 Harcourt Road, Hong Kong
Legal Advisor as to Hong Kong Law for the Rights Issue	David Chan & Carmen Chan, Solicitors 3006, West Tower Shun Tak Centre 168 - 200 Connaught Road Central Hong Kong

Principal bankers	China Citic Bank International Limited 61-65 Des Voeux Road Central Hong Kong
	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
	LUSO International Banking Ltd. Avenida Dr. Mario Soares, No. 47 Macau
Principal share registrar and transfer Office in Cayman Islands	Royal Bank of Canada Trust Company (Cayman) Limited 4/F, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Union Registrars Limited Suites 3301-04, 33/F Two Chinachem Exchange Square 338 King's Road, North Point Hong Kong

12. PARTICULAR OF THE DIRECTORS AND SENIOR MANAGEMENT

(i) Name and Address of Directors and Senior Management

Name	Business Address
<i>Executive Directors</i>	
Mr. Lam Kwok Hing (Chairman)	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
Ms. Lee Choi Lin, Joecy	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
Ms. Hung Sau Yung, Rebecca	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
Ms. Gao Qin Jian	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
<i>Non-executive Director</i>	
Ms. Chan Yuk, Foebe	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. John Handley	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
Ms. Mak Yun Chu	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong

Mr. Poon Yiu Cheung, Newman 31st Floor, Guangdong Finance Building
88 Connaught Road West
Sheung Wan
Hong Kong

Senior Management

Mr. Wong Siu Hong 31st Floor, Guangdong Finance Building
(Chief Financial Officer and 88 Connaught Road West
Company Secretary) Sheung Wan
Hong Kong

Mr. Chu Yi Chit, Javin 31st Floor, Guangdong Finance Building
(Chief Investment and 88 Connaught Road West
Corporate Relations Officer) Sheung Wan
Hong Kong

Mr. Wong Kam Wing 31st Floor, Guangdong Finance Building
(General Manager) 88 Connaught Road West
Sheung Wan
Hong Kong

Ms. Tong Lai Choi, Katrina 31st Floor, Guangdong Finance Building
(Human Resources Manager) 88 Connaught Road West
Sheung Wan
Hong Kong

(ii) **Biographical Details of Directors**

Executive Directors

Mr. Lam Kwok Hing (Chairman)

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. 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. Mr. Lam is the spouse of Ms. Lee, who is also the executive Director and co-founder of the Company.

As at the Latest Practicable Date, Mr. Lam holds certain directorships in the subsidiaries of the Company. Mr. Lam is also the sole director of Best Global. Mr. Lam did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Lee Choi Lin, Joecy

Ms. Lee, aged 56, 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. Ms. Lee is the spouse of Mr. Lam, who is the Chairman, Managing Director, executive Director and the Chief Executive Officer as well as a co-founder of the Company.

As at the Latest Practicable Date, Ms. Lee holds certain directorships in the subsidiaries of the Company. Ms. Lee did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Hung Sau Yung, Rebecca

Ms. Hung, aged 50, has been appointed the executive Director since January 2012. She received her Bachelor Degree in Business majoring in accounting from Queensland University of Technology, Australia. Ms. Hung has over 20 years' experience in accounting and administration. Prior to joining the Group in 1998, she worked as an administration and accounting manager in a Hong Kong trading company.

Ms. Hung did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Gao Qin Jian

Ms. Gao Qin Jian, aged 56, has been appointed the executive Director since January 2012. Ms. Gao received her Bachelor Degree in Business, majoring in business administration from Fudan University in the PRC. She is also a Senior Accountant granted by Shanghai Expertise Qualification Review Committee, Accounting Series. Ms. Gao has over 20 years' experience in accounting and finance, as well as extensive managerial experience in the distribution and logistics industries. Prior to joining the Group in 2004, she was the deputy general manager of one of the renowned retail chain stores in the PRC. Ms. Gao is also the General Manager of the Group overseeing the Group's FMCG Trading Business and Logistics Services Business in northern and eastern regions of the PRC.

As at the Latest Practicable Date, Ms. Gao holds certain directorships in the subsidiaries of the Company. Ms. Gao did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Non-Executive Director

Ms. Chan Yuk, Foebe

Ms. Chan, 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. Ms. Chan holds a Bachelor Degree in Accountancy from the Queensland University of Technology in Australia. Ms. Chan has over 10 years' experience in corporate finance and management. Prior to joining the Group, Ms. Chan held senior positions in a listed company and an investment company.

As at the Latest Practicable Date, Ms. Chan holds a directorship in a subsidiary of the Company. Ms. Chan is also the chairman, executive director and chief executive officer of China Zenith Chemical Group Limited (stock code: 362), a company listed on the Main Board of the Stock Exchange.

Independent Non-Executive Directors

Mr. John Handley

Mr. John Handley, aged 73, has been appointed the independent non-executive Director since November 2001. Mr. Handley holds a Postgraduate Diploma in Export Marketing and has over 40 years' experience in marketing an extensive range of consumer products in Australasia and the Far East. During the last 30 years, he has completed a number of consultancy contracts in the PRC and Asian markets for major European manufacturers and held a senior position in a global mobile phone marketing and media company for 10 years. Mr. Handley is a member of the United Kingdom Institute of Export and a fellow member of the Hong Kong Institute of Marketing and an Honorary Voting Member of the Hong Kong Jockey Club.

Mr. Handley did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

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' 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.

Mr. Poon Yiu Cheung, Newman

Mr. Poon Yiu Cheung, Newman, aged 62, has been appointed the independent non-executive Director since November 2003. Mr. Poon holds a Bachelor of Arts Degree, majoring in accounting and economics from the University of Alberta in Canada. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Poon was a senior executive in a multinational insurance company and now holds a senior accounting position in a renowned hotel and has over 25 years' experience in insurance and accounting.

Mr. Poon did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Senior Management**Mr. Wong Siu Hong (*Chief Financial Officer and Company Secretary*)**

Mr. Wong, aged 48, joined the Group in March 2003 and is the Chief Financial Officer and Company Secretary of the Company. Mr. Wong holds a Bachelor Degree in Business, majoring in accounting and commercial law in Australia. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and the CPA Australia. Prior to joining the Group, Mr. Wong worked in a multinational accounting firm and has over 15 years' experience in accounting and auditing. He is responsible for the Group's financial planning and management and overseeing the corporate governance function.

As at the Latest Practicable Date, Mr. Wong holds certain directorships in the subsidiaries of the Company. Mr. Wong is also an independent non-executive director of CECEP COSTIN New Materials Group Limited (stock code: 2228), a company listed on the Main Board of the Stock Exchange.

Mr. Chu Yi Chit Javin (*Chief Investment and Corporate Relations Officer*)

Mr. Chu Yi Chit Javin, aged 39, joined the Group in May 2012. Mr. Chu holds a Master of Science Degree in Accounting and Finance from the London School of Economics with Distinction and a Bachelor of Business Administration Degree from the Hong Kong University of Science and Technology. He is a member of the CFA Institute and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Chu had worked for several sizable and renowned corporations and has over 15 years' experience in corporate finance and accounting. He is responsible for overseeing the Group's project investments and all external communication with the financial and investor community.

Mr. Chu did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Wong Kam Wing (*General Manager*)

Mr. Wong, aged 63, joined the Group in September 1995 and is currently the General Manager overseeing the Fresh Produce Division for the Group. Mr. Wong has over 25 years' experience in the consumer goods industry. Mr. Wong is responsible for managing the operations and development of the Group's logistics and food processing facility based out of Zhongshan, Guangdong Province. He is also responsible for overseeing the sales and distribution operations for fresh produces covering southern China including Hong Kong and Macau.

As at the Latest Practicable Date, Mr. Wong holds certain directorships in the subsidiaries of the Company. Mr. Wong did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Ms. Tong Lai Choi, Katrina (*Human Resources Manager*)

Ms. Tong, aged 61, joined the Group in May 2010. Ms. Tong holds a Master of Business Degree from Australia. Ms. Tong is responsible for overseeing the human resources function of the Group in Hong Kong and the PRC. She has over 20 years' experience in the human resources field.

Ms. Tong did not hold any directorship in other public company, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours between 10:00 a.m. – 4:00 p.m. on Monday to Friday (except public holiday) at the head office and principal place of business of the Company in Hong Kong at 31st Floor, Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong up to and including 3 January 2017:

- (a) the memorandum and articles of association of the Company;
- (b) annual reports of the Group for the three years ended 30 June 2014, 2015 and 2016;
- (c) the letter from the Board;
- (d) the material contracts referred to under the section headed “Material Contracts” in this Appendix;
- (e) the report from RSM Hong Kong on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (f) the letter of consent referred to under the section headed “Expert and Consent” in this Appendix;
- (g) the Circular; and
- (h) this prospectus.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the consent letter referred to in the section headed “Expert and Consent” in this appendix have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance.

15. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

16. GENERAL

- (a) The Company Secretary of the Company is Mr. Wong Siu Hong, who is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and the CPA Australia.
- (b) As at the Latest Practicable Date, there is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong from outside Hong Kong.
- (c) In the event of inconsistency, the English version of the Prospectus Documents shall prevail over the Chinese version.