

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



HENG TAI CONSUMABLES GROUP LIMITED

亨泰消費品集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00197)

PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY FIVE EXISTING SHARES HELD ON THE RECORD DATE; AND CLOSURE OF REGISTER OF MEMBERS

OPEN OFFER

The Company proposes to make the Open Offer, subject to the fulfilment of the Conditions Precedent, not less than 1,091,075,178 and not more than 1,153,410,978 Offer Shares (on the basis that none of the Directors Options will be exercised in whole or in part and converted into Shares and there will be no further issue of new Shares to any person or party on or before the Record Date save for the exercise of the Options other than the Directors Options) for subscription by the Qualifying Shareholders on the basis of one Offer Share for every five existing Shares held by a Qualifying Shareholder on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

As at the date of this announcement, the Underwriter is beneficially interested in 629,284,948 Shares, representing approximately 11.54% of the existing issued share capital of the Company.

Pursuant to the Underwriting Agreement, the Underwriter has (1) irrevocably undertaken to the Company that it will accept and subscribe for all the Offer Shares it will be entitled under the Open Offer, being 125,856,989 Offer Shares; and (2) agreed to underwrite and subscribe for any Offer Shares which are not taken up by the Qualifying Shareholders pursuant to their assured entitlements under the Open Offer and not validly applied for by excess applications.

The gross proceeds of the Open Offer (before expenses) are approximately between HK\$76.4 million and HK\$80.7 million. The estimated net proceeds of the Open Offer (after deducting the costs and expenses in relation to the Open Offer) are expected to amount to approximately not less than HK\$75.6 million and not more than HK\$79.9 million.

The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be Monday, 10 November 2014. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from Tuesday, 11 November 2014. To qualify for the Open Offer, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong for registration not later than 4:00 p.m. on Wednesday, 12 November 2014.

Any dealing in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the 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.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Thursday, 13 November 2014 to Monday, 17 November 2014 (both days inclusive) for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this book closure period.

GENERAL

The Open Offer is not subject to Shareholders' approval.

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

OPEN OFFER

On Friday, 24 October 2014, after trading hours, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Open Offer and details of the Open Offer are set out below:

Principal Terms of the Open Offer

Basis of the Open Offer:	One Offer Share for every five existing Shares held on the Record Date
Number of existing Shares in issue:	5,455,375,891 Shares as at the date of this announcement
Number of Offer Shares:	not less than 1,091,075,178 Offer Shares and not more than 1,153,410,978 Offer Shares
Subscription Price:	HK\$0.070 per Offer Share payable in cash and in full upon application
Amount to be raised:	Approximately between HK\$76.4 million and HK\$80.7 million before costs and expenses
Number of Offer Shares irrevocably undertaken to be subscribed by the Underwriter:	125,856,989 Offer Shares
Number of Offer Shares underwritten by the Underwriter:	not less than 965,218,189 Offer Shares and not more than 1,027,553,989 Offer Shares

The Underwriter will also apply for all the Offer Shares in excess of its entitlements under the Open Offer notwithstanding it has agreed to underwrite such Offer Shares.

As at the date of this announcement, the Company has 455,046,000 Options outstanding granted under the Share Option Schemes. Save for the Options, the Company has no other outstanding warrants, options or securities convertible into or exchangeable for Shares.

The Subscription Price

The Subscription Price for the Offer Share is HK\$0.070 per Offer Share payable in cash and in full upon application by a Qualifying Shareholder. The Subscription Price of HK\$0.070 per Offer Share represents:

- (a) a discount of approximately 37.5% to the closing price of HK\$0.112 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a discount of approximately 39.2% to the average closing price of HK\$0.1152 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 41.6% to the average closing price of HK\$0.1198 per Share for the last ten consecutive trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 33.3% to the theoretical ex-entitlement price of HK\$0.105 per Share calculated based on the closing price as quoted on the Stock Exchange on the Last Trading Day.

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. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his shareholding in the Company on the Record Date and is also entitled to apply for excess Offer Shares in addition to their entitlements under the Open Offer. The Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Taking into account the estimated expenses in connection with the Open Offer, the net price per Offer Share is expected to be approximately HK\$0.069, upon full acceptance of the Offer Shares.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment of the Offer Shares, including the right to receive all future dividends and distributions which may be declared, made or paid on or after such date.

Fractions of the Offer Shares

The Company will not offer fractions of Offer Shares to the Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of the Offer Shares. However, the Offer Shares arising from the aggregation of fractional entitlements will be first made available for excess applications by the Qualifying Shareholders who wish to apply for a number of Offer Shares which exceeds their entitlements under the Open Offer. The balance (if any) will be underwritten by the Underwriter.

Share certificates and Refund Cheques for the Offer Shares

Subject to the fulfilment of the Conditions Precedent as set out in the section headed “Conditions of the Open Offer and the Underwriting Agreement” in this announcement below, share certificates for all fully-paid Offer Shares are expected to be posted to Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares by Tuesday, 16 December 2014 at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) are expected to be posted on or before Tuesday, 16 December 2014.

Qualifying Shareholders and Excluded Shareholders

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

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

The last day of dealings in the Shares on the Stock Exchange on a cum-entitlement basis will be Monday, 10 November 2014. The Shares will be dealt in on an ex-entitlement basis on the Stock Exchange from Tuesday, 11 November 2014. To qualify for the Open Offer, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, i.e. Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 12 November 2014.

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 of Hong Kong, such Shareholder may not be eligible to take part in the Open Offer 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 Offer Shares to Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Excluded Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus.

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

The Offer Shares to which the Excluded Shareholders would have been entitled will first be made available for application by Qualifying Shareholders by way of excess application. The balance (if any) will be undertaken by the Underwriter.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled to and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

CLOSURE OF REGISTER OF MEMBERS

The Company's register of members will be closed from Thursday, 13 November 2014 to Monday, 17 November 2014 (both days inclusive) for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares will be registered during this book closure period.

Beneficial owners with their Shares held by a nominee company whose name appears on the register of members of the Company should note that the Board will regard such nominee company as a single Shareholder. Beneficial owners with their Shares held by such nominee company are advised to consider whether they would like to arrange registration of their Shares in their own names prior to the relevant book closure period. Beneficial owners should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The Group is principally engaged in (i) the trading of packaged foods, beverages, household consumable products, cold chain products and cosmetics and skincare products (the "**FMCG Trading Business**"); (ii) the trading of agri-products and the upstream farming business (the "**Agri-Products Business**"); and (iii) the provision of cold chain logistics services and value-added postharvest food processing (the "**Logistics Services Business**").

The Board plans to expand its FMCG Trading Business and Logistics Services Business (i) in the North Eastern region of the PRC by leasing additional long-term and equipping and upgrading logistics and storage facilities (the "**North East Expansion Plan**"); and (ii) in Shanghai by upgrading existing logistics facilities (the "**Shanghai Expansion Plan**") in order to cater for additional storage and logistics business demand in these areas from its existing and potential new customers.

In view of the above plans, the Board considers that raising funds by way of the Open Offer would be the most appropriate way in the current volatile financial market and taking into account the depressed trading price of the Shares so that the Qualifying Shareholders would be able to participate in the potential future growth of the Group and to maintain its shareholding percentage.

The estimated gross proceeds from the Open Offer will be between approximately HK\$76.4 million and HK\$80.7 million and the net proceeds will be between approximately HK\$75.6 million and HK\$79.9 million (after deducting the costs and expenses in relation to the Open Offer which is estimated to be around HK\$800,000).

Based on preliminary estimates, the Board intends to earmark about HK\$40 million of the net proceeds for implementing the North East Expansion Plan, about HK\$30 million of the net proceeds for implementing the Shanghai Expansion Plan and the remaining proceeds as general working capital for the Group.

APPLICATION FOR EXCESS OFFER SHARES

The Offer Shares to which the Excluded Shareholders would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by Qualifying Shareholders, and Offer Shares created by aggregation of fractional Offer Shares, will be available for excess application by the Qualifying Shareholders. Qualifying Shareholders will have the right to apply for any Offer Shares in excess of their own assured allotments under the Application Forms but are not assured of being allocated any Offer Shares in excess of those in their assured allotments. The Directors will allocate the excess Offer Shares at their absolute discretion on a fair and equitable basis, and the excess Offer Shares will be allocated to Qualifying Shareholders, who have applied for excess Offer Shares, on a pro-rata basis based on the number of the excess Offer Shares applied by them.

No preference will be given to topping up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares.

Application may be made by completing the EAFs by the Qualifying Shareholders and lodging the same with a separate remittance for the excess Offer Shares being applied for before the Latest Time for Acceptance.

Qualifying Shareholders should note that the number of excess Offer Shares which may be allocated to them may be different where they make applications for excess Offer Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders or investors. Qualifying Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owners prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date:	Friday, 24 October 2014 (after trading hours)
Issuer:	The Company
Underwriter:	Best Global
Number of underwritten Offer Shares	All Offer Shares, other than those undertaken to be subscribed by the Underwriter
Underwriting fee:	No underwriting fee

As at the date of this announcement, the Underwriter is beneficially interested in 629,284,948 Shares, representing approximately 11.54% of the existing issued share capital of the Company. The Underwriter is an investment holding company incorporated in the BVI and the entire issued share capital of which is wholly and beneficially owned by Mr. Lam. Its ordinary course of business does not carry out any underwriting activities.

Pursuant to the Underwriting Agreement, the Underwriter has (1) irrevocably undertaken to the Company that it will accept and subscribe for all the Offer Shares it will be entitled under the Open Offer, being 125,856,989 Offer Shares; and (2) agreed to underwrite and subscribe for any Offer Shares which are not taken up by the Qualifying Shareholders pursuant to their assured entitlements under the Open Offer and not validly applied for by excess applications.

No underwriting fee shall be payable to the Underwriter of its underwriting obligations and taking up of the Offer Shares which have not been taken up by the Qualifying Shareholders and not taken by excess application. The Company considers that no underwriting fee charged by the Underwriter is beneficial to the Company and allows the Company to reduce significantly the costs and expenses in conducting the Open Offer if a registered brokerage firm or an investment bank is appointed as the underwriter.

As at the date of this announcement, the Board had not received any information from any substantial Shareholders, other than the Underwriter, of their intention to take up their entitlements under the Open Offer.

Directors Options Undertakings

Pursuant to the Underwriting Agreement, the Company will procure each of Ms. Hung, Ms. Gao, Ms. Chan, Mr. Handley, Ms. Mak and Mr. Poon (each a Director) to give an irrevocable undertaking in favour of the Company and the Underwriter not to exercise any of the rights under their respective Directors Options to convert part or all of the Options they are holding respectively into Shares before completion of the Open Offer.

Termination of the Underwriting Agreement

If, at or prior to the Latest Time for Termination (provided that if the date of the Latest Time for Termination shall be a Business Day on which a Storm Warning is or remains hoisted between 9.00 a.m. and 4.00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no Storm Warning is or remains hoisted between 9:00 a.m. and 4:00 p.m. on that day), the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position, the Underwriter shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, or if the conditions of the Underwriting Agreement are not fulfilled in accordance with the terms thereof, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter or the Open Offer will not proceed.

CONDITIONS OF THE OPEN OFFER AND THE UNDERWRITING AGREEMENT

The Open Offer 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 delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents (and all other documents required to be attached thereto) duly signed by two Directors (or by their agents duly authorised in writing) as confirmation of their having been approved by resolution of the Directors not later than the Prospectus Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and, if permissible, the posting of the Prospectus and for information purpose only to the Excluded Shareholders;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares either unconditionally or subject to conditions which the Company accepts and the satisfaction of such conditions (if any);
- (d) if required, the endorsement, sanction, consent or approval of all other relevant judicial government or regulatory authorities in relation to the Underwriting Agreement having been obtained and not having been revoked;

- (e) the performance of the Directors Options Undertakings; and
- (f) the obligations of the Underwriter not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement.

All Conditions Precedents are incapable of being waived. If any of the Conditions Precedents are not fulfilled on or before the Latest Time for Termination (or such later date as the Company and the Underwriter may agree in writing), the Underwriting Agreement shall terminate and save for any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination, no party shall have any claim against the other party for costs, damages, compensation or otherwise.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

CHANGES IN SHAREHOLDING STRUCTURE

Scenario 1

Assuming that (a) the Open Offer proceeds and is completed; (b) the assured allotments of Underwriter under the Open Offer is applied for in full; (c) no Share Option Shares are allotted and issued; and (d) there is no change in the shareholding structure of the Company from the date of this announcement to the date immediately before completion of the Open Offer, set out below is the shareholding structure of the Company as at the date of the announcement and immediately after completion of the Open Offer for illustration purpose only:

	As at the date of this announcement		Immediately after completion of the Open Offer assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer		Immediately after completion of Open Offer assuming no Qualifying Shareholders, except the Underwriter, take up their respective entitlements under the Open Offer and no Qualifying Shareholder apply for any excess Offer Shares	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Underwriter	629,284,948	11.54	755,141,938	11.54	1,720,360,126	26.28
World Invest	223,166,947	4.09	267,800,336	4.09	223,166,947	3.41
Sub total	852,451,895	15.63	1,022,942,274	15.63	1,943,527,073	29.69
Public Shareholders	4,602,923,996	84.37	5,523,508,795	84.37	4,602,923,996	70.31
Total	5,455,375,891	100.00	6,546,451,069	100.00	6,546,451,069	100.00

Note: The number of shares and percentage figures included in the above table have been subject to rounding adjustments.

Scenario 2

Assuming that (a) the Open Offer proceeds and is completed; (b) the assured allotments of Underwriter under the Open Offer is applied for in full; (c) all Share Option Shares are allotted and issued (which does not include the 143,367,000 Shares which may be allotted under the Directors Options); and (d) there is no other change in the shareholding structure of the Company from the date of this announcement to the date immediately before completion of the Open Offer, set out below is the shareholding structure of the Company as at the date of the announcement and immediately after completion of the Open Offer for illustration purpose only:

	As at the date of this announcement (assuming all Share Option Shares are allotted and issued)		Immediately after completion of the Open Offer assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer		Immediately after completion of Open Offer assuming no Qualifying Shareholders, except the Underwriter, take up their respective entitlements under the Open Offer and no Qualifying Shareholder apply for any excess Offer Shares	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Underwriter	629,284,948	10.91	755,141,938	10.91	1,782,695,926	25.76
World Invest	223,166,947	3.87	267,800,336	3.87	223,166,947	3.22
Sub total	852,451,895	14.78	1,022,942,274	14.78	2,005,862,873	28.98
Public Shareholders	4,914,602,996	85.22	5,897,523,595	85.22	4,914,602,996	71.02
Total	5,767,054,891	100.00	6,920,465,869	100.00	6,920,465,869	100.00

Note: The number of shares and percentage figures included in the above table have been subject to rounding adjustments.

WARNING OF THE RISK OF DEALING IN THE SHARES

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

Any dealing in the Shares from the date of this announcement up to the date on which all the Conditions Precedent are fulfilled will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the 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.

EXPECTED TIMETABLE FOR THE OPEN OFFER

The expected timetable for the Open Offer set out below is indicative only and it has been prepared on the assumption that all the Conditions Precedent will be fulfilled. The expected timetable for the Open Offer is set out below:

2014

Last day of dealings in securities on cum-entitlement basis of the Open Offer	Monday, 10 November
Ex-date (the first day of dealings in securities on ex-entitlement basis of the Open Offer)	Tuesday, 11 November
Latest time for lodging transfers of shares in order to qualify for the Open Offer	4:00 p.m. on Wednesday, 12 November
Register of members closes (both days inclusive)	Thursday, 13 November to Monday, 17 November
Record Date of the Open Offer	Monday, 17 November
Register of members re-opens	Tuesday, 18 November
Despatch of the Prospectus Documents	Friday, 21 November
Latest Time for Acceptance and payment for the Offer Shares and the excess Offer Shares	4:00 p.m. on Friday, 5 December
Latest Time for Termination of the Underwriting Agreement by the Underwriter	4:00 p.m. on Monday, 8 December
Announcement of the results of the Open Offer	Monday, 15 December
Despatch of certificates for Offer Shares	On or before Tuesday, 16 December
Despatch of refund cheques	On or before Tuesday, 16 December
Expected first day of dealings in Offer Shares	9:00 a.m. on Wednesday, 17 December

APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares in fully-paid form. Dealings in the Offer Shares in their fully-paid form will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company did not conduct any fund raising exercise during the past 12 months immediately preceding the date of this announcement.

ADJUSTMENTS IN RELATION TO THE SHARE OPTION SCHEMES

The Open Offer 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 holders of Options regarding adjustments to be made (if any) pursuant to the terms of the Share Option Schemes.

GENERAL

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

The Open Offer is not subject to Shareholders' approval.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Application Form”	the application form for use by the Qualifying Shareholders to apply for the Offer Shares under the Open Offer
“Best Global”	Best Global Asia Limited, a company incorporated in the BVI with its entire issued share capital beneficially owned by Mr. Lam
“Board”	the board of directors of the Company or a duly authorised committee thereof
“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

“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the main board of the Stock Exchange
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Conditions Precedent”	the conditions precedent of the Underwriting Agreement as set out in the section headed “Conditions of the Open Offer and the Underwriting Agreement”
“Directors”	directors of the Company
“Directors Options”	collectively 143,367,000 Options under Ms. Hung Options, Ms. Gao Options, Ms. Chan Options, Mr. Handley Options, Ms. Mak Options and Mr. Poon Options
“Directors Options Undertakings”	collectively Ms. Hung’s Undertaking, Ms. Gao’s Undertaking, Ms. Chan’s Undertaking, Mr. Handley’s Undertaking, Ms. Mak’s Undertaking and Mr. Poon’s Undertaking
“EAF”	the excess application form for use by the Qualifying Shareholders who wish to apply for Offer Shares in excess of their entitlements under the Open Offer
“Excluded Shareholders”	the Overseas Shareholders whom the Directors, having made enquiry regarding the legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares to such Overseas Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China

“Last Trading Day”	24 October 2014, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Friday, 5 December 2014 or such later date as the Company may determine as the latest time for acceptance of the application and payment for the Offer Shares
“Latest Time for Termination”	at 4:00 p.m. on the Business Day immediately following the Latest Time for Acceptance, which is expected to be Monday, 8 December 2014 for the Underwriter to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Handley”	Mr. John Handley, an independent non-executive Director
“Mr. Handley Options”	21,394,500 Options held by Mr. Handley entitling him to convert into 21,394,500 Shares
“Mr. Handley’s Undertaking”	an irrevocable undertaking to be given by Mr. Handley in favour of the Company and the Underwriter not to exercise any of the right under Mr. Handley Options to convert part or all of them into Shares before completion of the Open Offer
“Mr. Lam”	Mr. Lam Kwok Hing, who beneficially owns 100% shareholding of Best Global and being the Chairman, Chief Executive Officer and the executive Director of the Company
“Mr. Poon”	Mr. Poon Yiu Cheung, Newman, an independent non-executive Director
“Mr. Poon Options”	21,394,500 Options held by Mr. Poon entitling him to convert into 21,394,500 Shares
“Mr. Poon’s Undertaking”	an irrevocable undertaking to be given by Mr. Poon in favour of the Company and the Underwriter not to exercise any of the right under Mr. Poon Options to convert part or all of them into Shares before completion of the Open Offer

“Ms. Chan”	Ms. Chan Yuk, Foebe, a non-executive Director
“Ms. Chan Options”	19,183,500 Options held by Ms. Chan entitling her to convert into 19,183,500 Shares
“Ms. Chan’s Undertaking”	an irrevocable undertaking to be given by Ms. Chan in favour of the Company and the Underwriter not to exercise any of the right under Ms. Chan Options to convert part or all of them into Shares before completion of the Open Offer
“Ms. Gao”	Ms. Gao Qin Jian, an executive Director
“Ms. Gao Options”	30,000,000 Options held by Ms. Gao entitling her to convert into 30,000,000 Shares
“Ms. Gao’s Undertaking”	an irrevocable undertaking to be given by Ms. Gao in favour of the Company and the Underwriter not to exercise any of the right under Ms. Gao Options to convert part or all of them into Shares before completion of the Open Offer
“Ms. Hung”	Ms. Hung Sau Yung, Rebecca, an executive Director
“Ms. Hung Options”	30,000,000 Options held by Ms. Hung entitling her to convert into 30,000,000 Shares
“Ms. Hung’s Undertaking”	an irrevocable undertaking to be given by Ms. Hung in favour of the Company and the Underwriter not to exercise any of the right under Ms. Hung Options to convert part or all of them into Shares before completion of the Open Offer
“Ms. Mak ”	Ms. Mak Yun Chu, an independent non-executive Director
“Ms. Mak Options”	21,394,500 Options held by Ms. Mak entitling her to convert into 21,394,500 Shares
“Ms. Mak’s Undertaking”	an irrevocable undertaking to be given by Ms. Mak in favour of the Company and the Underwriter not to exercise any of the right under Ms. Mak Options to convert part or all of them into Shares before completion of the Open Offer

“Offer Shares”	not less than 1,091,075,178 new Shares and not more than 1,153,410,978 new Shares proposed to be issued by the Company pursuant to the Open Offer
“Options”	options granted pursuant to the Share Option Schemes entitling the holders to convert into Shares on exercise of the options
“Open Offer”	the issue by way of an open offer, subject to the fulfilment of the Conditions Precedent, for subscription by the Qualifying Shareholders on the basis of one Offer Share for every five existing Shares held by a Qualifying Shareholder on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholders”	Shareholders with registered addresses as shown in the register of members of the Company on the Record Date which are outside Hong Kong
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Date”	Friday, 21 November 2014, or such later date as the Company may notify the Underwriter in writing, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and, if permissible, the Prospectus and for information purpose only to the Excluded Shareholders
“Prospectus Documents”	collectively, the Prospectus, the Application Form and the EAF
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders;
“Record Date”	the date by reference to which entitlements to the Open Offer will be determined being Monday, 17 November 2014 or such other date as the Company may notify the Underwriter
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company

“Share Option Schemes”	collectively (i) the old share option scheme of the Company adopted on 3 December 2001 and amended on 24 September 2005; and (ii) the new share option scheme adopted on 21 December 2009
“Share Option Shares”	up to 311,679,000 Shares which may be allotted and issued by the Company upon exercise of the 455,046,000 outstanding Options, which does not include the 143,367,000 Shares which may be allotted under the Directors Options
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.070 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Best Global, being a substantial shareholder of the Company
“Underwriting Agreement”	the underwriting agreement dated 24 October 2014 and entered into between the Company and the Underwriter in relation to the Open Offer
“World Invest”	World Invest Holdings Limited, a company incorporated in the BVI with its entire issued share capital beneficially owned by Ms. Lee Choi Lin, Joecy, an executive Director and the spouse of Mr. Lam

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

Hong Kong, 24 October 2014

Should there be any inconsistency between the English and the Chinese versions of this announcement, the English version shall prevail.

As at the date of this announcement, the Board comprised four executive Directors, namely Mr. LAM Kwok Hing (Chairman), Ms. LEE Choi Lin, Joecy, Ms. HUNG Sau Yung, Rebecca and Ms. GAO Qin Jian; one non-executive Director, namely Ms. CHAN Yuk, Foebie; and three independent non-executive Directors, namely Mr. John HANDLEY, Ms. MAK Yun Chu and Mr. POON Yiu Cheung, Newman.