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HENG TAI CONSUMABLES GROUP LIMITED
亨泰消費品集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 00197)

INSIDE INFORMATION

DISPOSAL OF SHARES BY A SUBSTANTIAL SHAREHOLDER

This announcement is made by Heng Tai Consumables Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 19 July 2018, the Company was informed by Mr. Chan Cheuk Yu, Stephen (“**Mr. Chan**”), an executive director of the Company that on 19 July 2018, Mr. Chan as seller entered into a legally binding but conditional term sheet (the “**Term Sheet**”) with China Development Investment Holdings Limited (the “**Purchaser**”), a company incorporated in Hong Kong with limited liability, pursuant to which Mr. Chan shall sell, and the Purchaser shall buy, the entire issued shares of Glazy Target Limited (the “**Target**”) and all shareholder’s loan due by the Target to Mr. Chan and other liabilities, if any, for a total consideration of HK\$313.2 million (subject to adjustment).

The Target is an investment holding vehicle wholly owned by Mr. Chan and its sole asset is the holding of 521,955,073 shares of the Company, representing about 27.87% of the issued shares of the Company as at the date of this announcement.

Pursuant to the Term Sheet, completion is conditional upon (1) the Purchaser obtaining a satisfactory due diligence review on the assets and affairs of the Target; (2) a sales and purchase agreement being agreed and entered into between the Seller and the Purchaser within three months from the date of the Term Sheet; (3) obtaining the approval by the board of the Purchaser; (4) the Purchaser not holding any shares of the Company during the period between the date of the Term Sheet to the date of completion of the transaction in question; and (5) the transaction being completed within six months from the date of the Term Sheet.

It is stipulated under the Term Sheet that the purchase price of the Target shall be adjusted by the difference in the amount of the net assets (or net liabilities, as the case may be) of the Target as shown in the management account of the Target at the time of completion and that shown in the management account of the Target as of 30 April 2018.

To the best knowledge, information and belief of the directors of the Company, the Purchaser is a third party independent of the Company and its connected persons (as defined in the Listing Rules) and is not acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with Mr. Chan or any other directors of the Company.

Mr. Chan has further informed the Company that, immediately upon completion of the subject transaction, the Purchaser and parties acting in concert with it will not hold shares or voting rights of the Company exceeding 30% or which the Purchaser will be required to make a mandatory offer for all the issued shares of the Company other than those already owned or agreed to be acquired by the Purchaser and parties acting in concert with it.

Upon completion of the subject transaction, Mr. Chan will no longer hold any shares of the Company.

Completion of the transaction is subject to certain conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 July 2018

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Lam Kwok Hing (Chairman), Ms. Lee Choi Lin, Joey, Ms. Hung Sau Yung, Rebecca, Ms. Gao Qin Jian and Mr. Chan Cheuk Yu, Stephen; and three independent non-executive directors, namely Ms. Mak Yun Chu, Mr. Poon Yiu Cheung, Newman and Mr. Hung Hing Man.