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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)

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST OF THE BVI HOLDING COMPANY**

#### **THE ACQUISITION**

The Board is pleased to announce that on 5 September 2016 (after trading hours of the Stock Exchange), the Purchaser and the Vendors entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire from the Vendors and the Vendors have conditionally agreed to sell to the Purchaser the BVI Holding Company's Shares at the Consideration of HK\$23,428,000 (subject to adjustment), which will be satisfied by cash.

Upon Completion, the Restructured Group will become indirect wholly-owned subsidiaries of the Company.

#### **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**As Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that on 5 September 2016 (after trading hours of the Stock Exchange), the Purchaser and the Vendors entered into the Agreement, pursuant to which, the Purchaser has conditionally agreed to acquire from the Vendors and the Vendors have conditionally agreed to sell to the Purchaser the BVI Holding Company's Shares at the Consideration of HK\$23,428,000 (subject to adjustment), which will be satisfied by cash.

## **THE AGREEMENT**

Date: 5 September 2016

### **Parties**

Purchaser: Fiorfie Holdings Limited, a wholly-owned subsidiary of the Company

Vendors: (i) Uni-Money Limited  
(ii) Mr. Wat Ying Hang

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendors and its beneficial owner (if applicable) are Independent Third Parties.

### **Subject matters of the Acquisition**

Pursuant to the terms of the Agreement, the Purchaser has conditionally agreed to acquire from the Vendors and the Vendors have conditionally agreed to sell to the Purchaser the BVI Holding Company's Shares, representing the entire issued share capital of the BVI Holding Company as at the Completion Date.

### **Consideration**

Subject to adjustment in accordance with provisions of the Agreement, the Consideration shall be HK\$23,428,000 (which is approximately the amount equivalent to the Initial Net Assets Value plus HK\$8 million) which shall be paid and satisfied by the Purchaser to the Vendors in the manner set out in below:

- (i) HK\$3,000,000 (the "**Refundable Deposit**") shall be paid from the Purchaser to the Vendors (or their respective nominee(s) they designated in writing) upon the signing of the Agreement; and
- (ii) the remaining balance of the Consideration shall be paid from the Purchaser to the Vendors (or their respective nominee(s) they designated in writing) at Completion.

For the avoidance of doubt, the Consideration to be paid and satisfied by the Purchaser to the Vendors (or their respective nominee(s) they designated in writing) shall be proportional to the Vendors' respective shareholding interests in the BVI Holding Company.

The Vendors and the Purchaser agree that if the Completion Net Assets Value is less than the Initial Net Assets Value by HK\$1 million or more, the Consideration shall be accordingly adjusted downwards, on a dollar-for-dollar basis.

### **Basis of determination of the Consideration**

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors, with reference to (i) the unaudited net asset value of Sino Wealth as at 30 June 2016; and (ii) the business prospect of the Restructured Group.

### **Conditions precedent**

The Agreement is conditional upon:

- (i) the incorporation of the BVI Holding Company and HK Company;
- (ii) the BVI Holding Company having acquired the Sino Wealth's Shares from Uni-Money and Mr. Wat respectively;
- (iii) the BVI Holding Company having received approval from the SFC for the BVI Holding Company to become a sole shareholder of Sino Wealth;
- (iv) the Purchaser (and each of its ultimate beneficial owners which will fall within the definition of "substantial shareholder" of Sino Wealth after Completion under the SFO) having received approval from the SFC for the Purchaser to become a shareholder of the BVI Holding Company after the Restructuring under the Agreement;
- (v) the warranties and representations given by the Vendors to the Purchaser pursuant to the Agreement remaining true, accurate and not misleading in all material respects from the date of the Agreement up to and inclusive of the Completion Date;
- (vi) the licence granted to Sino Wealth by the SFC to carry on type 1 regulated activity (dealing with securities) under SFO and all other licences, registrations and approvals granted and issued to Sino Wealth under the SFO and/or other applicable laws for carrying out type 1 regulated activity (as defined in the SFO) remaining in full force and effect and has not been revoked or imposed with any additional conditions by the SFC;
- (vii) Sino Wealth remaining solvent and a going concern authorised to conduct its business in same manner as the same is being conducted as at the date of the Agreement; and
- (viii) no legal or disciplinary proceedings being instituted or threatened against Sino Wealth or any of its directors and/or officers by any regulatory authority prior to Completion.

Save and except conditions (i), (ii), (iii) and (iv) as set out above, the Purchaser may, to such extent as it thinks fit in its absolute discretion and is legally entitled to do so, waive any of the conditions by notice in writing to the Vendors.

If any of the conditions is not satisfied nor waived by the Purchaser on or before the Longstop Date, (a) the Agreement shall automatically terminate and cease to have effect on the Longstop Date; (b) the Vendors shall refund the Refundable Deposit in full to the Purchaser without any interest or costs as soon as possible; and (c) none of the parties of the Agreement shall have any claim of any nature or liabilities thereunder whatsoever against any of the other parties under the Agreement (save for any antecedent breach(es) of the terms thereof).

### **Completion**

Completion is subject to and conditional upon the conditions as set out in the paragraph headed “Conditions precedent” above being satisfied (or waived by the Purchaser in accordance with the Agreement) on or before the Longstop Date.

Upon Completion, the Restructured Group will become indirect wholly-owned subsidiaries of the Company and financial results of the Restructured Group will be consolidated into the accounts of the Group.

### **INFORMATION OF THE VENDORS**

Uni-Money is an investment holding company.

As at the date of this announcement, Sino Wealth is owned as to 94.1% by Uni-Money which is in turn wholly-owned by Mr. Suen, and as to 5.9% by Mr. Wat.

### **THE RESTRUCTURING AND INFORMATION OF THE RESTRUCTURED GROUP**

Sino Wealth is a company incorporated in Hong Kong and licensed to carry out type 1 (dealing in securities) regulated activity under the SFO and is principally engaged in securities brokerage business.

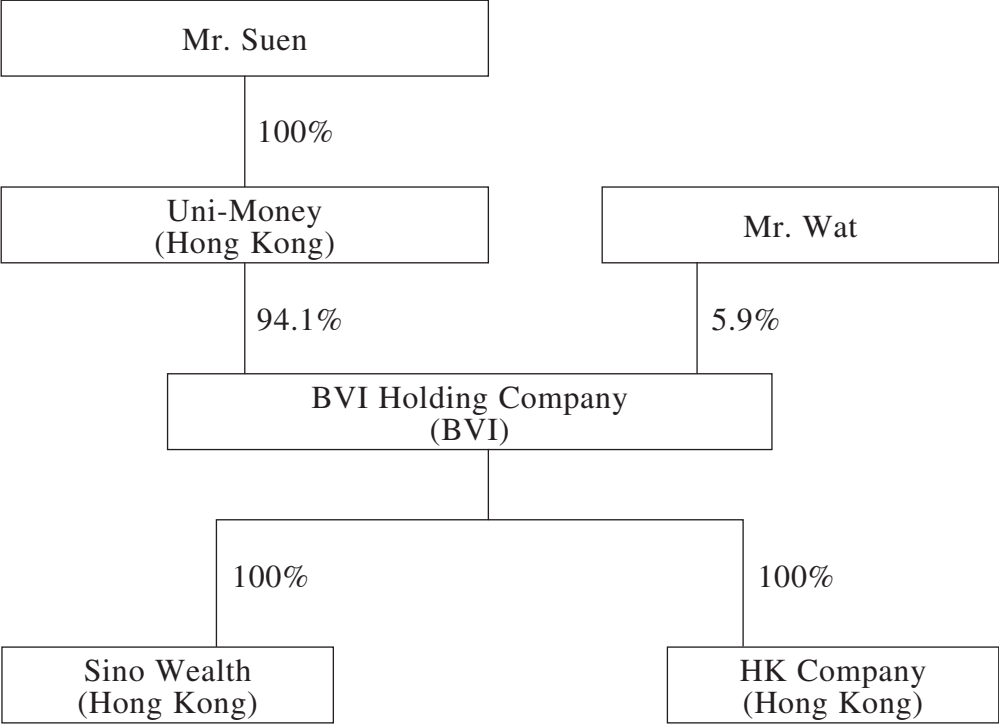
As at the date of this announcement, Uni-Money and Mr. Wat are the legal and beneficial owners of Sino Wealth’s Shares. The Vendors and the Purchaser have agreed that Sino Wealth shall undergo the Restructuring after signing of the Agreement. As part of the Restructuring, Uni-Money and Mr. Wat shall transfer their respective shareholding interests in Sino Wealth to the BVI Holding Company subject to the approval of the SFC.

The BVI Holding Company will be an investment holding company incorporated in BVI with limited liability. As at the date of this announcement, Uni-Money and Mr. Wat are in the course of incorporating the BVI Holding Company.

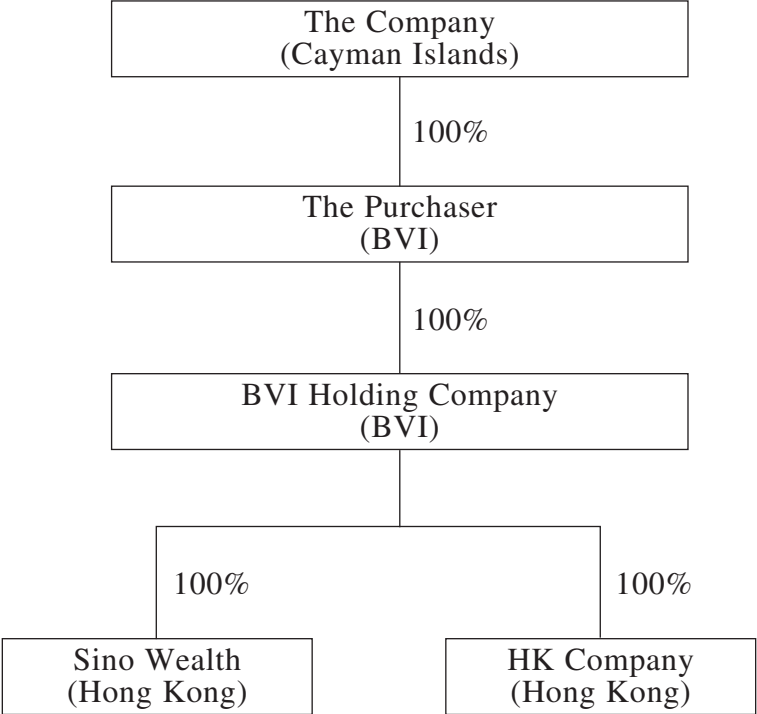
The HK Company will be incorporated in Hong Kong with limited liability. After the Restructuring, the HK Company will be wholly-owned by the BVI Holding Company. The HK Company will apply for money lender license and will engage in money lending business. As at the date of this announcement, the HK Company has yet been incorporated.

Set out below are the shareholding structures of the Restructured Group (i) after the Restructuring but immediately preceding the Completion; and (ii) immediately after the Completion:

(i) *After the Restructuring but immediately preceding the Completion*



(ii) *Immediately after the Completion*



Set out below are the audited financial information of Sino Wealth for the years ended 31 March 2015 and 2016:

	<b>For the year ended 31 March 2016 (Audited) <i>Approximately</i> HK\$'000</b>	For the year ended 31 March 2015 (Audited) <i>Approximately</i> HK\$'000
Revenue	<b>3,969</b>	5,247
(Loss)/Profit before taxation	<b>(1,270)</b>	2,088
(Loss)/Profit after taxation	<b>(1,060)</b>	2,667

As at 30 June 2016, the unaudited net asset value of Sino Wealth was approximately HK\$15.4 million.

#### **REASONS FOR AND BENEFITS FROM THE ACQUISITION**

The Group is principally engaged in (i) the trading of packaged foods, beverages, household consumable products, cold chain products and cosmetics and skincare products; (ii) the trading of agri-products and the upstream farming business; and (iii) the provision of cold chain logistics services and value-added post-harvest food processing.

The Group has been actively seeking various investment opportunities to evolve itself from a traditional trading company to an integrated company to provide its customers with one-stop services via both offline and online platforms. Having considered that Hong Kong is a global financial center, the Board 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.

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **LISTING RULES IMPLICATIONS**

As more than one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**As Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in securities of the Company.**

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the BVI Holding Company’s Shares by the Purchaser from the Vendors pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 5 September 2016 entered into among the Purchaser and the Vendors in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day other than a Saturday, Sunday or public holiday in Hong Kong when banks in Hong Kong are open for business
“BVI”	the British Virgin Islands
“BVI Holding Company”	a new company proposed to be incorporated in BVI with limited liability as part of the Restructuring and upon completion of the Restructuring, Uni-Money and Mr. Wat shall become the shareholders of such new company in the same proportion as their respective shareholding interest in Sino Wealth immediately before the Restructuring
“BVI Holding Company’s Shares”	the entire issued share capital of the BVI Holding Company as at the Completion Date
“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 (stock code: 00197)
“Completion”	completion of the sale and purchase of the BVI Holding Company’s Shares in accordance with the terms and conditions of the Agreement

“Completion Date”	the date falling on the fifth Business Day after all the conditions specified in the Agreement have been satisfied (or, as the case may be, waived), or such other dates as the parties thereto may agree in writing
“Completion Net Assets Value”	the amount derived from the total assets of the Restructured Group less the total liabilities of the Restructured Group as revealed in the unaudited consolidated financial statements of the Restructured Group as at the month end immediately preceding the Completion Date
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration payable in respect of all of the BVI Holding Company’s Shares
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Company”	a new company proposed to be incorporated in Hong Kong as part of the Restructuring and upon completion of the Restructuring, such new company shall be the wholly-owned subsidiary of BVI Holding Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Group and the connected persons of the Group
“Initial Net Assets Value”	the amount derived from the total assets of Sino Wealth less the total liabilities of Sino Wealth as revealed in its unaudited financial statements for the three months ended 30 June 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“Longstop Date”	4 March 2017, being six (6) months commencing from the date of the Agreement or such other date as may be agreed in writing by the Purchaser and the Vendors
“Mr. Suen”	Mr. Suen Man Simon, being the sole legal and beneficial shareholder of Uni-Money
“Mr. Wat”	Mr. Wat Ying Hang, being one of the Vendors
“Purchaser”	Fiorfie Holdings Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“Restructured Group”	the group consisting of the BVI Holding Company, Sino Wealth and HK Company upon the completion of the Restructuring
“Restructuring”	the restructuring of Sino Wealth, the structure of the Restructured Group after the Restructuring is set out in the section headed “The Restructuring and information of the Restructured Group” in this announcement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and when the context requires, its subsidiary legislation
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sino Wealth”	Sino Wealth Securities Limited, a company incorporated in Hong Kong with limited liability
“Sino Wealth’s Shares”	the 20,000,000 ordinary shares in the share capital of Sino Wealth, all of which have been issued and are fully paid, and which represent the entire paid up or registered as paid up share capital of Sino Wealth
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Uni-Money”	Uni-Money Limited, a company incorporated in Hong Kong with limited liability, being one of the Vendors

“Vendors” collectively Uni-Money and Mr. Wat

“%” per cent.

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

Hong Kong, 5 September 2016

*As at the date of this announcement, the Board comprises 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, Foebé; and three independent non-executive Directors, namely Mr. John Handley, Ms. Mak Yun Chu and Mr. Poon Yiu Cheung, Newman.*