PRESS RELEASE

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.hk)

To: Business Editor **【For Immediate Release】**

2010 Annual Net Profit Soared 100.5% to HK$221 Million
Leveraging on Core Strengths to Explore the Agro Business

Financial Highlights (for the year ended 30 June)

	2010	2009	Change
	HK$ 'mn	HK$ 'mn	%
Turnover	**2,367**	1,897	+24.8%
Gross Profit	**546**	405	+34.8%
Gross Profit Margin	**23.1%**	21.4%	+1.7 % pt.
Net Profit	**221**	110	+100.5%
Basic earnings per share	**HK8.3 cents**	HK5.8 cents	+43.1%
Dividend per share	**HK1 cent**	-	N/A

(28 October 2010, Hong Kong) – **Heng Tai Consumables Group Limited** ("**Heng Tai**" or the "Group", Stock Code: 00197.hk), an integrate distributor of fast moving consumer goods ("FMCG") and fresh produce in the Chinese market, announced its annual results today, for the year ended 30 June 2010 (the "Year").

Heng Tai had a remarkable financial year, with a quick recovery from the effects of the global financial crisis on the back of significant growth in net profit attributable to shareholders of HK$221 million double the net profit posted in the previous year. Turnover surged by 24.8% to HK$2,367 million with the resulting gross profit at a healthy HK$546 million, the gross profit margin increased from 21.4% in 2009 to 23.1%. Basic earnings per share were HK8.3 cents, up 43.1% from 5.8 cents in the previous year.

The Group's Board of Directors (the "Board") recommended the payment of a final dividend of HK1 cent per share for the year ended 30 June 2010 (2009 final dividend: Nil). The Board also proposed a bonus issue of shares in the proportion of 1 bonus share for every 20 shares held by shareholders (2009: 1 bonus share for every 20 existing shares).

Mr LAM Kwok Hing, the Chairman and Managing Director of **Heng Tai**, said, "The Group recorded a satisfactory performance during the Year. The growth in **Heng Tai**'s turnover was mainly attributable to the strong performance of the agro products trading business, the upturn of the FMCG, as well as the expansion in clientele portfolio as well as the strategic growth of the Group's geographical footprint. This was all driven by the general improvement of the domestic and global economy but goes to show the stability of and strength of the Group's core business fundamentals."

The Group's current assets amounted to HK$1,371 million, which consisted of, amongst other things, bank and cash balances of HK$519 million. The Gearing ratio improved from 10.2% as at 30 June 2009 to approximately 8.5% as at 30 June 2010.

The Group generated HK$2.37 billion dollars in turnover for the year under review. The FMCG Trading business, agro products trading business, and logistics services unit contributed HK$1.1 billion, HK$1.06 billion, and HK$204 million respectively representing 46%, 45%, and 9% of the groups total revenue. Of which the FMCG including packaged food, frozen and chilled products, cosmetics and skincare products, beverages, household consumable products accounted for [23]%, [12]%, [8]%, [2]% and [1]% of the Group's turnover.

During the Year, **Heng Tai continued it's shift in focus towards the higher margin agro business.** The Group completed the acquisition of approximately 15,000 mu (1,000 Hectares) of farmland in Huidong, Guangdong Province to further enhance the vertical integration. Together with the 16,000 mu (1,066 Hectares) citrus plantation in Jiangxi, the total production farm base of **Heng Tai** was amounted to 31,000 mu (2,066 Hectares), which both are expected to contribute income during 2011.

On 4 January 2010, **Heng Tai** completed a bonus share issue of 129,764,500 new shares to its shareholders by way of a special dividend on the basis of 1 bonus share for every 20 existing shares in **Heng Tai**.

Currently, **Heng Tai** aims to proceed with the acquisition of an up-stream farming facility near Qingdao in Shandong Province and a retail vegetable sales window, set in the local Chinese wet markets in Hong Kong. The Group also plan to setup an agro processing plant in Huidong, Guangdong Province. The Phase 2 upgrade of the Zhongshan logistics facility is also slated for 2011. This upgrade will cater to the increasing demand from large F&B chains.

2011 will mark the official start of the long awaited "vertically integrated supply chain" business model,that the Group has been maneuvering towards for the past 2-3 years.

Mr LAM concluded, "Looking forward, with the backdrop of a series of positive economic stimulus plans by the Chinese Government, China's strength in its strong domestic demand and underlying economy, we are committed to capturing the tremendous opportunities by expanding our product range and services, developing a seamless logistic infrastructure, as well as broadening our customer base, so as to improve profitability and maximize shareholders return."

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About Heng Tai Consumables Group Limited (00197.hk)

Heng Tai Consumables Group Limited ("**Heng Tai**") is a listed company (197.HK) in Hong Kong founded by industry veterans in the 1990s as a fast-moving consumer goods ("FMCG") trading company. It is now an integrated FMCG supply chain service provider with strong distribution capability in China. **Heng Tai** has been leveraging its distribution process to expand into higher-margin upstream agriculture business since 2008. The business currently comprises of three highly synergistic segments: 1) downstream FMCG trading; 2) midstream logistics including cold chain and value added post harvest processing; and 3) upstream cultivation and trading of fruits and vegetables. **Heng Tai** owns and operates 2 logistics facilities in Shanghai and Zhongshan, and has farms in Jiangxi and Guangdong Provinces.

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