



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】

**Heng Tai Announces Top-Up Placement of 400 Million Shares at
HK\$1.15 per Share
To Enhance Core Strengths in Agricultural Supply Chain in the PRC**

(23 November 2010, Hong Kong) – **Heng Tai Consumables Group Limited** (“**Heng Tai**” or the “Group”, Stock Code: 00197.hk), a premier integrated distributor of Fast Moving Consumer Goods (“FMCG”) and food products into the Greater China markets, announced today that its major shareholders will undertake a placement of existing shares and a top-up subscription of new shares (“Placing”). This Placing represents approximately 12.02% of the Company’s equity interests, was offered to no less than 6 Placees, all participants are independent third parties. The Placing will broaden the shareholder base and strengthen the financial position of the Company. The net proceeds from the Placing will be used for the development of the agricultural supply chain business and for general working capital.

Best Global Asia Limited and World Invest Holdings Limited, the major shareholders of **Heng Tai**, will undertake a top-up placing of up to 400 million shares (“Placing Shares”) to the investors at a placing price of HK\$1.15 per share. The placing price represents a discount of 14.81% to the closing price of HK\$1.35 on 22 November 2010. The Placing Shares represent approximately 13.67% of the existing issued share capital of the Group and approximately 12.02% of the issued share capital of the Group as enlarged by the Placing. UOB Kay Hian (Hong Kong) Limited is the placing agent.

The net proceeds of approximately HK\$451.6 million will be used: (i) for the acquisition or lease of approximately 25,000 Chinese mu of agricultural land in Shandong Province; (ii) for the establishment of a sales network of stores selling fresh produce in Hong Kong; (iii) for the construction and/or improvement of the infrastructure servicing the new agricultural land acquisition; (iv) to establish and develop an post harvest fresh produce processing centre and cold chain logistics facility in Guangdong Province; (v) the payment of advance plantation fees in respect of the Group’s agro developments; and (vi) the remaining balance for general working capital.

Mr LAM Kwok Hing, Chairman and Managing Director of **Heng Tai**, said, “This commitment by such high calibre investors reflects the market’s confidence in and recognition of **Heng Tai**’s business development strategy for our new Integrated Agriculture Supply Chain business. The Placing has significantly broadened the shareholder base, with solid institutional Investors, and will strengthen **Heng Tai**’s financial position to support the rapid growth plan that we have adopted over the past few years.”

In addition, **Heng Tai** considered to terminate the proposed issue of Taiwan Depository Receipts (“TDR”) on the Taiwan Stock Exchange (the “Proposed TDR Issue”). Taking into account that the application of the Proposed TDR Issue has been ongoing for several months, and the Placing will allow the group to finally execute the Group’s investment and development plans. **Heng Tai** intends to withdraw the application for the proposed TDR Issue and following the successful completion of this Placing, which will meet the Company’s immediate funding commitments.

Mr LAM concluded, “The strong support from investors and our current shareholders has allowed us to execute the initial steps of our long term strategic plan. From this solid platform we will continue to strengthen our competitive advantages, utilizing our foundations in sales & distribution, coupled with our established logistics business to maximize the value from our up-stream cultivation investments to realize our ambition to operate China’s premier integrated agro-products supply chain business”

Best Global Asia Limited and World Invest Holdings Limited, the major shareholders of **Heng Tai**, is wholly-owned by Mr LAM Kwok Hing, Chairman of **Heng Tai**, and his spouse respectively, totalling 17.61% interests in the Group, will become 15.50% immediately after completion of the Placement.

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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. The Group is now the premier integrated distributor of fast moving consumer goods (“FMCG”) and food products in Greater China, The company operates two distinct revenue models;

- (1) A One-Stop Service Platform for the sale of FMCG into the Chinese Market;
- (2) A Vertically Integrated Supply Chain operator for the Cultivation, Processing, and Sale of Agro Products, including and not limited to Citrus Fruit and Chinese Vegetables.

These two supply chains are integrated by the Logistics Business with distribution and fresh produce processing capabilities, which complete the value chain. **Heng Tai** owns and operates 2 logistics facilities in Shanghai and Zhongshan, and has farms in Jiangxi and Guangdong Provinces.

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