

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your stockbroker, licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Heng Tai Consumables Group Limited, you should at once forward the Prospectus Documents to the purchaser(s) or the transferee(s) or to the stockbroker, bank manager, licensed securities dealer or registered institution in securities or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, Hong Kong Securities Clearing Company Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of the Prospectus Documents, make no representations 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 the Prospectus Documents.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “15. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents or any other documents referred to above.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.



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)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Capitalised terms used on this cover shall have the same meanings as those defined in the section headed “Definitions” in this Prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Friday, 19 April 2024. Dealings in the Rights Shares in their nil-paid form will take place from Friday, 3 May 2024 to Friday, 10 May 2024 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

The Rights Issue will be made on a non-underwritten basis. There is no requirement for a minimum level of subscription in the Rights Issue and there is no minimum amount to be raised under the Rights Issue. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid rights up to the latest time when the conditions of the Rights Issue are fulfilled (which is expected to be 4:00 p.m. on Thursday, 23 May 2024) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Thursday, 16 May 2024.

The procedures for acceptance and transfer of the Rights Shares are set out in the section headed “Procedures for acceptance and payment and/or transfer” in the “Letter from the Board” on pages 14 to 16 of this Prospectus.

30 April 2024

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DEFINITIONS

In this Prospectus, the following expressions shall have the following meanings unless the context otherwise requires:

“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 8 April 2024 in relation to the Rights Issue
“associates”	has the meaning ascribed thereto under the Listing Rules
“Best Global”	Best Global Asia Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned by Mr. Lam
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Company”	Heng Tai Consumables Group Limited, a company incorporated in the Cayman Islands with limited liability, with its issued Shares being listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Excess Rights Shares

DEFINITIONS

“Excess Rights Share(s)”	consist of (i) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and (ii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Glazy Target”	Glazy Target Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned by Mr. Chan
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Intermediary(ies)”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owners’ bank(s), broker(s), custodian(s), nominee(s) or other relevant person(s) who is a CCASS participant or who has/have deposited the beneficial owner’s Shares with a CCASS participant
“Last Trading Day”	8 April 2024, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Acceptance Date”	Thursday, 16 May 2024, being the last day for acceptance and payment for the Rights Shares and application and payment for Excess Rights Shares, or such other date as the Company may determine
“Latest Practicable Date”	23 April 2024, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information referred to in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on the Latest Acceptance Date
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mr. Chan”	Mr. Chan Cheuk Yu Stephen, an executive Director
“Mr. Lam”	Mr. Lam Kwok Hing, the chairman of the Board and an executive Director
“Mr. Tang”	Mr. Tang Ka Siu Johnny
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) in respect of whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be made available to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Tuesday, 30 April 2024 (or such other date may be determined by the Company) being the date of the Prospectus Documents to be made available and/or sent (as the case may be) to the Qualifying Shareholders (or in the case of the Non-Qualifying Shareholders, the Prospectus only)
“Qualifying Shareholders”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	the date by reference to which entitlements under the Rights Issue are expected to be determined, which is currently scheduled to be on Monday, 29 April 2024 or such later date as announced by the Company

DEFINITIONS

“Registrar”	Union Registrars Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue of up to 52,535,151 Rights Shares at the Subscription Price by way of rights on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date payable in full
“Rights Share(s)”	the new Share(s) proposed to be allotted and issued by the Company pursuant to the Rights Issue
“Smart Empire”	Smart Empire Group Limited, a company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Tang
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.350 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	Time and date (Hong Kong time) 2024
First day of dealings in nil-paid Rights Shares	Friday, 3 May
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Tuesday, 7 May
Last day of dealings in nil-paid Rights Shares	Friday, 10 May
Latest time for acceptance of and payment for the Rights Shares and application and payment for Excess Rights Shares	4:00 p.m. on Thursday, 16 May
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 23 May
Announcement of results of the Rights Issue	Thursday, 23 May
Despatch of share certificates for fully-paid Rights Shares or refund cheques (if the Rights Issue is terminated)	Friday, 24 May
Despatch of refund cheques for wholly or partially unsuccessful excess applications	Friday, 24 May
Commencement of dealings in the fully-paid Rights Shares	9:00 a.m. on Monday, 27 May
Designated broker commences to provide matching services for odd lots of Shares	9:00 a.m. on Monday, 27 May
Designated broker ceases to provide matching services for odd lots of Shares	4:00 p.m. on Monday, 17 June

All times and dates in this Prospectus refer to Hong Kong local times and dates.

The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this Prospectus are indicative only and may be varied. Any changes to the expected timetable will be announced by way of announcement(s) by the Company as and when appropriate.

EXPECTED TIMETABLE

Pursuant to Rule 2.07A of the Listing Rules and the articles of association of the Company, the Company will disseminate its corporate communications to its Shareholders by electronic means. A notice of the publication of the corporate communications will be provided to the Shareholders when the Company publishes any such corporate communications on its website and the Stock Exchange's website.

On 28 February 2024, the Company sent the one-time notification letters to its registered and non-registered shareholders (being such person or company whose Shares are held in CCASS), respectively. For registered shareholders, the Company announced that a notice of publication of the corporate communications to be published on the website of the Company (www.hengtai.com.hk) and the Stock Exchange's website (www.hkexnews.hk) will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the corporate communications. It is the responsibility of the Shareholders to provide email address that is functional. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will act according to the above arrangements. The Company will be considered to have complied with the Listing Rules if it sends the corporate communications to the email address provided by a Shareholder without receiving any "non-delivery message". For non-registered shareholders, they should liaise with and provide the email address to their Intermediaries. If no functional email address has been provided from the Intermediaries via HKSCC, a printed form of the notice will be sent to them by post at their postal address as provided by HKSCC. Shareholders who wish to receive a printed copy of the corporate communications, should send a request in writing to the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong or by email to 197-corpcomm@unionregistrars.com.hk.

The Prospectus will be made available to the Shareholders by way of publication on the website of the Company (www.hengtai.com.hk) and the Stock Exchange's website (www.hkexnews.hk), and a notice will be sent to the relevant Shareholders by email or by post.

The PAL and the EAF, as actionable corporate communication, shall be sent to the Qualifying Shareholders by post in printed form.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or extreme conditions caused by super typhoons as announced by the Government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be re-scheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on or before 4:00 p.m. on the date of the Latest Time for Acceptance, the dates mentioned in the “Expected Timetable” section may be affected. The Company will notify the Shareholders by way of announcement(s) on any changes to the expected timetable as soon as practicable in this regard.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Lam Kwok Hing (*Chairman*)
Ms. Lee Choi Lin Joecy
Ms. Gao Qin Jian
Mr. Chan Cheuk Yu Stephen
Mr. Mok Tsan San

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

Ms. Mak Yun Chu
Mr. Poon Yiu Cheung Newman
Mr. Hung Hing Man

*Headquarters and Principal Place
of Business in Hong Kong:*

31st Floor
Guangdong Finance Building
88 Connaught Road West
Sheung Wan
Hong Kong

30 April 2024

To the Qualifying Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement in relation to the proposed Rights Issue, on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.350 per Rights Share, to raise up to approximately HK\$18.4 million (before deducting the professional fees and other related expenses) by issuing up to 52,535,151 Rights Shares to the Qualifying Shareholders.

The Rights Issue is not underwritten.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among others, further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, and certain financial information and other general information of the Group.

RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue	:	one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$0.350 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	Approximately HK\$0.330 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	105,070,302 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 52,535,151 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$525,351.51
Total number of Shares in issue as enlarged by the allotment and issue of the Rights Shares (assuming that the Rights Issue is fully subscribed)	:	Up to 157,605,453 Shares
Gross proceeds from the Rights Issue	:	Up to approximately HK\$18.4 million before expenses
Net proceeds of the Rights Issue	:	Up to approximately HK\$17.4 million
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company has no other derivatives, options, warrants or other securities in issue which are convertible or exchangeable into any Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

LETTER FROM THE BOARD

Assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 52,535,151 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 50% of the total number of Shares in issue as at the Latest Practicable Date; and (ii) approximately 33.33% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue.

Subscription price

The Subscription Price is HK\$0.350 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, applies for Excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) equal to the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) equal to the average closing price of HK\$0.350 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 0.85% to the average closing price of HK\$0.353 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (d) equal to the theoretical ex-rights price of HK\$0.350 per Share based on the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a premium of approximately 1.45% over the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (f) a discount of approximately 96.21% to the net asset value of the Company of approximately HK\$9.23 per Share based on the audited total equity attributable to owners of the Company of approximately HK\$970,070,000 as at 30 June 2023 as disclosed in the annual report (the “**Annual Report**”) of the Company for the year ended 30 June 2023 and the 105,070,302 Shares in issue as at the Latest Practicable Date;
- (g) a discount of approximately 96.04% to the net asset value of the Company of approximately HK\$8.83 per Share based on the unaudited total equity attributable to owners of the Company of approximately HK\$928,213,000 as at 31 December 2023 as disclosed in the interim report (the “**Interim Report**”) of the Company for the six months ended 31 December 2023 and the 105,070,302 Shares in issue as at the Latest Practicable Date; and

LETTER FROM THE BOARD

- (h) no theoretical dilution effect (as defined under rule 7.27B of the Listing Rules) of the theoretical diluted price of HK\$0.350 per Share to the benchmarked price of HK\$0.350 per Share.

The Subscription Price was determined with reference to the recent market price of the Shares under the prevailing market conditions, the financial conditions of the Company, current market conditions and the reasons and benefits of Rights Issue as discussed in the paragraph headed “Reasons for and benefits of the Rights Issue and use of proceeds” below in this Prospectus. Even though the Subscription Price represents a discount of (i) approximately 96.21% to the net asset value of the Company of approximately HK\$9.23 per Share as at 30 June 2023; and (ii) approximately 96.04% to the net asset value of the Company of approximately HK\$8.83 per Share as at 31 December 2023 as mentioned above, having considered that (a) the Board does not intend to set the Subscription Price at a premium level to the recent market price of the Shares which would not be attractive to the Shareholders to participate in the Rights Issue; and (b) the Shares have been trading substantially below the net asset value of the Company per Share (based on the average closing price of approximately HK\$0.574 per Share during the six-month period prior to the Last Trading Day and the net asset value per Share of approximately HK\$8.83 as at 31 December 2023), the Board is of the view that it is more appropriate to determine the Subscription Price with reference to the recent market price of the Shares instead of the net asset value per Share.

In view of the above, and having considered that each Qualifying Shareholder will be provisionally allotted the Rights Shares at the same Subscription Price in proportion to his/her/its shareholdings held on the Record Date and the terms of the Rights Issue, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares (in their nil-paid and fully paid forms);
- (ii) the Stock Exchange having authorised the registration of, and the Companies Registry in Hong Kong having registered, respectively, not later than one Business Day prior to the Prospectus Posting Date, each of the Prospectus Documents is duly certified in compliance with section 342C of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;
- (iii) the Prospectus Documents having been made available to the Qualifying Shareholders on the Prospectus Posting Date and the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on the Prospectus Posting Date; and

LETTER FROM THE BOARD

- (iv) the compliance with the requirements under all applicable laws and regulations by the Company.

The Company shall use all reasonable endeavours to procure the fulfilment of the above conditions by the respective dates specified above. As at the Latest Practicable Date, none of the above conditions have been satisfied. If any of the conditions above are not fulfilled, the Rights Issue will not proceed.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which may be declared, made or paid, the record date of which is after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

The last day of dealings in the Shares on a cum-rights basis was Thursday, 18 April 2024. The Shares have been dealt with on an ex-rights basis from Friday, 19 April 2024.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue as explained below.

Based on the list of Shareholders provided by the Registrar, as at the Latest Practicable Date, there was no Overseas Shareholder with registered addresses situated outside Hong Kong. It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any

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acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by duly completing a PAL and lodging the same with a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

The Rights Issue on a non-underwritten basis

Subject to the fulfilment for the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If there is an under-subscription of the Rights Issue as a result of Excess Rights Shares not being fully taken up by Qualifying Shareholders or transferees of nil-paid Rights Shares, the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

Considering (i) the prevailing market conditions and the weak market sentiment of the capital market in Hong Kong recently which make it difficult for the Company to secure an underwriter to underwrite the Rights Issue; (ii) the Company does not have to bear additional costs for the underwriting commission of the underwriter if the Rights Issue is conducted on a non-underwritten basis; (iii) Qualifying Shareholders are entitled to apply for Rights Shares in excess of their provisional allotment by way of excess application; and (iv) out of the 12 recent rights issues that are announced within three months prior to and including the Last Trading Day and conducted by listed companies who are listed on Main Board of the Stock Exchange, 10 of them were conducted on a non-underwritten basis implying it is not uncommon to conduct rights issue on non-underwritten basis, the Board is of the view that the Right Issue conducted on a non-underwritten basis is fair and reasonable.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder(s) who apply to take up all or part of its entitlement under PAL or applies for Excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will, pursuant to Rule 7.19(5) of the Listing Rules, provide for Shareholders to apply on the basis that if the Rights

LETTER FROM THE BOARD

Shares are not fully taken up, the applications of any Shareholder (except for HKSCC Nominees Limited) for his/her/its entitlement under the PAL or for Excess Rights Shares under the EAF will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

Procedures for acceptance and payment and/or transfer

A PAL and a EAF will be sent to the Qualifying Shareholder(s) by post in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein.

If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by no later than 4:00 p.m. on Thursday, 16 May 2024 (or, under bad weather conditions, such later date as mentioned in the paragraph “Effect of bad weather and/or extreme conditions on the latest time for acceptance of and payment for the Rights Shares” in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “**HENG TAI CONSUMABLES GROUP LIMITED — PROVISIONAL ALLOTMENT ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”.

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 16 May 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAF by other Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If the Qualifying Shareholders wish to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation no later than 4:00 p.m. on Tuesday, 7 May 2024, with the Registrar, who will cancel the original PAL and issue new PAL(s) in the denominations required which will be available for collection from the Registrar, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the date of surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

LETTER FROM THE BOARD

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders accompanying completed PALs will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of the PAL with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferees, will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the Rights Shares, underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to you if the overpaid amount is at least HK\$100.

No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the laws and regulations of all relevant territories and jurisdictions, including the obtaining of any governmental or other consents and to pay taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any territory or jurisdiction.

If any of the conditions of the Rights Issue as set forth in the paragraphs under "Conditions of the Rights Issue" above is not fulfilled by the latest time for the Rights Issue to become unconditional, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint

LETTER FROM THE BOARD

acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on Friday, 24 May 2024.

It should be noted that no receipt will be issued in respect of any PAL and/or remittances received.

Application for Excess Rights Shares

Qualifying Shareholders are entitled to apply for, by way of excess application:

- (i) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and
- (ii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares.

(i) and (ii) are collectively referred to as “Excess Rights Shares”.

Applications for the Excess Rights Shares may be made by completing the EAF and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar by no later than 4:00 p.m. on Thursday, 16 May 2024. The Directors will, subject to the compliance with the Listing Rules (including but not limited to the public float requirement under Rule 8.08(1)(a) of the Listing Rules), allocate any Excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to the Qualifying Shareholders applying such Excess Rights Shares on a pro-rata basis by reference to the number of the Excess Rights Shares applied for under each application;
- (ii) no references will be made to the Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders; and
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole-lot holdings.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under PAL(s) is greater than the aggregate number of the Excess Rights Shares being applied for under EAF(s), the Directors will allocate to each Qualifying Shareholder applying for the Excess Rights Shares the actual number of the Excess Rights Shares being applied for.

Shareholders whose Shares are held by a nominee company (or which are deposited in CCASS) should note that for the purpose of the Rights Issue, the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the Registrar. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the Excess Rights Shares will not be extended to beneficial owners individually.

LETTER FROM THE BOARD

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any excess applications may have been made with the intention to abuse the mechanism, such application(s) for the Excess Rights Shares may be rejected at the sole discretion of the Board.

Qualifying Shareholders who wish to apply for the Excess Rights Shares in addition to their provisional allotment must complete and sign an EAF (in accordance with the instructions printed thereon) and lodge it, together with a separate remittance for the amount payable on application in respect of the Excess Rights Shares applied for, with the Registrar in Hong Kong, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by no later than 4:00 p.m. on Thursday, 16 May 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “**HENG TAI CONSUMABLES GROUP LIMITED — EXCESS APPLICATION ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”.

An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Thursday, 23 May 2024. If no Excess Rights Shares are allotted to a Qualifying Shareholder who has applied for the Excess Rights Shares, the remittance tendered on application is expected to be returned to the Qualifying Shareholder in full without interest by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on Friday, 24 May 2024. If the number of the Excess Rights Shares allotted to a Qualifying Shareholder is fewer than that applied for, the surplus application monies without interest are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on Friday, 24 May 2024.

Irrevocable undertaking

As at the Latest Practicable Date, the Board has not received any information or undertaking from any substantial shareholder(s) or Shareholder(s) of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue.

Fractional entitlements of the Rights Shares

In any event, fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. All nil-paid Rights Shares created from the aggregation of fractions of the Rights Shares will be provisionally allotted (in nil-paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the paragraph headed “Application for Excess Rights Shares” above.

LETTER FROM THE BOARD

Arrangement on odd lot trading

Upon completion of the Rights Issue, the board lots of the Company will remain as 5,000 Shares. In order to facilitate the trading of odd lots of Shares which will arise upon completion of the Rights Issue, the Company has appointed Global Mastermind Securities Limited to stand in the market and provide matching services on a best effort basis for the holders of odd lots of Shares during the period from 9:00 a.m. on Monday, 27 May 2024 to 4:00 p.m. on Monday, 17 June 2024 (both days inclusive).

Shareholders who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot may directly or through their brokers contact Ms. Cora Lau of Global Mastermind Securities Limited at Unit 1201-02, 12/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong or via (852) 2763-3928 during 9:00 a.m. to 4:00 p.m. within such period.

Holders of Shares in odd lots should note that the matching services mentioned above are on a best effort basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate number of odd lots of Shares available for matching. Shareholders are advised to consult their professional advisers if they are in doubt about the above arrangements.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on Friday, 24 May 2024 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares (except for HKSCC Nominees Limited).

Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be posted on Friday, 24 May 2024 by ordinary post to the applicants' registered address, at their own risk.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

The board lot size of the nil-paid Rights Shares will be the same as that of the fully-paid Rights Shares, i.e. 5,000 Shares in one board lot.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and

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settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products (the “**FMCG Trading Business**”); (ii) the trading of agriproducts (the “**Agri-Products Trading Business**”) and the upstream farming business (the “**Upstream Farming Business**”) (collectively the “**Agri-Products Business**”); and (iii) other businesses primarily arising from the securities brokerage and margin financing business (the “**Other Business**”).

References are made to the Annual Report and the Interim Report, the Group recorded consecutive loss for the year attributable to owners of the Company of approximately HK\$216.13 million and HK\$125.60 million for the years ended 30 June 2022 and 2023 respectively and consecutive loss for the period attributable to owners of the Company of approximately HK\$54.41 million and HK\$42.83 million for six months ended 31 December 2022 and 31 December 2023 respectively. The bank and cash balance of the Group decreased from approximately HK\$147.0 million as at 31 December 2022 to approximately HK\$121.83 million as at 30 June 2023 and then further decreased to approximately HK\$87.08 million as at 31 December 2023. The decrease in bank and cash balance was mainly due to the net cash

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used in operating activities of approximately HK\$35.45 million for the six months ended 31 December 2023 (as compared to approximately HK\$14.42 million for the six months ended 31 December 2022). As at 31 December 2023, the Group had available bank and cash balance of approximately HK\$68.6 million after netting HK\$5.8 million of bank loans and HK\$12.7 million earmarked for the intended use of the remaining proceeds raised from the rights issue of the Company on 11 January 2017 (please refer to the section headed “Use of Proceeds from Rights Issue” in the Interim Report for the details). The Board considers the abovementioned HK\$68.6 million bank and cash balance to be the minimal amount to secure the Group’s liquidity position at a safe and sufficient level for its existing operations based on the net cash used in operating activities of approximately HK\$35.45 million for the six months ended 31 December 2023.

In order to (i) develop the fertilizers trading business under the Group’s existing Agri-Products Business (please refer to the discussion below for the reasons of development of fertilizers trading business); (ii) maintain an adequate cash level for the operation of the existing business of the Group; and (iii) strengthen the financial position of the Group, the Board intends to raise fund by way of Rights Issue (please refer to paragraph headed “Fund-raising alternatives” below for the view of the Board in relation to other fund-raising alternatives).

Assuming all the Rights Shares have been taken up and there is no change in the number of Shares in issue on or before the Record Date, the gross proceeds from the Rights Issue will be approximately HK\$18.4 million and the net proceeds from the Rights Issue after deducting the expenses are estimated to be up to approximately HK\$17.4 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) 80% of the net proceeds from the Rights Issue (i.e. approximately HK\$13.9 million), for development of the fertilizers trading business under the Agri-Products Business and the expected timeline for the intended use will be used by 30 September 2025; and
- (ii) 20% of the net proceeds from the Rights Issue (i.e. approximately HK\$3.5 million), for general working capital of the Group and the expected timeline for the intended use will be used by 30 June 2025.

The expected cash outflow for developing the fertilizers trading business under the Agri-Products Business for its start-up period from April 2024 to September 2025 (18 months in total) will be approximately HK\$14.1 million. As mentioned above, approximately HK\$13.9 million of the net proceeds from the Rights Issue will be earmarked for development of the fertilizers trading business under the Agri-Products Business which is sufficient to cover its expected cash outflow.

In the event that there is under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion as mentioned above (i.e. 80% for development of the fertilizers trading business under the Agri-Products Business and 20% for general working capital of the Group). The Company intends to fulfil the shortfall of funding needs for development of the fertilizers trading business (if any) by its internally generated resources and/or banking facilities.

LETTER FROM THE BOARD

References are made to the business update announcements of the Company dated 9 February 2024 and 26 March 2024 regarding the introduction of new types of fertilizers to the Group's farming base in Jiangxi in the PRC. The Company has employed an expert in the area of fertilizer products and conducted a thorough review on the specifications and experimental results of the abovementioned fertilizers provided by the supplier. The findings indicated that the quality of early crop oranges and ponkans can be enhanced through the use of these fertilizers. In order to support the strategic goal of promoting and trading the newly introduced fertilizers as mentioned above, the Company intends to leverage the benefits of these fertilizers by promoting them in the domestic market of the PRC. The Company intends to allocate 80% of the net proceeds from the Rights Issue (i.e. approximately HK\$13.9 million) for development of the fertilizers trading business under its Agri-Products Business. The Company will allocate funds for marketing and promotional activities including advertising, branding initiatives and participation in industry events and exhibitions. The Company plans to hire additional experienced sales representatives who will be responsible for actively promoting and selling the fertilizers to potential customers and employ product specialists to provide in-depth knowledge and technical support to customers. These specialists will possess expertise in fertilizer products, including a deep understanding of the specifications and experimental results of the newly introduced fertilizers. There will also be additional logistics and distribution costs occur encompassing transportation, warehousing and packaging equipment and associated administrative expenses.

With reference to the data available for the public from National Bureau of Statistics in the PRC (<https://data.stats.gov.cn/easyquery.htm?cn=C01>), the gross agricultural output value in the PRC has been in an increasing trend in recent years as shown from the table below:

Year	2022	2021	2020	2019	2018
Gross agricultural output value (RMB billion) (approximate)	8,444	7,834	7,175	6,607	6,145

The Board also made reference to the National Modern Facility Agriculture Construction Plan* (2023–2030) (“全國現代設施農業建設規劃(2023–2030年)”) (the “**Agriculture Construction Plan**”) published by the Ministry of Agriculture and Rural Affairs of the PRC in June 2023 (http://www.moa.gov.cn/gk/zcjd/202306/t20230615_6430302.htm). The Agriculture Construction Plan emphasized the importance of continuing the development of the agricultural industry in the PRC to provide strong support for expanding food sources and ensure a stable supply of grains and agricultural products. The Agriculture Construction Plan also guides the local governments to increase channels of rewards for the local agricultural businesses. Based on the positive outlook of the agricultural industry in the PRC and the supportive policy intent from the official authorities in the PRC, the Company intends to introduce and supply fertilizers to domestic market in the PRC.

LETTER FROM THE BOARD

Fund-raising alternatives

Apart from the Rights Issue, the Board has considered various fund-raising alternatives before resolving to the Rights Issue, including but not limited to bank borrowings, placing of new shares and open offer. The Board notes that bank borrowings, if available, would result in additional interest burden of the Company and create pressure to the liquidity of the Company particularly given the recent global interest rate hikes. Instead of the recurring nature of potential finance costs to be incurred under bank borrowings, the professional fees under the Rights Issue are one-off and are estimated to be HK\$1.0 million merely. Based on the net proceeds of approximately HK\$17.4 million under the Rights Issue and the floating interest rates of at least 6.06% per annum of the existing bank loans of the Group (details of which please refer to note 30 to the consolidated financial statements of the Annual Report), the potential finance costs would be approximately HK\$1.1 million per year if the Company raises fund by way of bank borrowings. The gearing ratio of the Group (expressed as a ratio of total bank borrowings to total assets) would also increase from approximately 0.6% for the six months ended 31 December 2023 to approximately 2.5% (as compared to no increment to the gearing ratio of the Group by the professional fees of the Rights Issue). In addition, other than potential finance costs, the Company has to repay the principal amounts upon maturity of the bank borrowings. Hence, the Board does not consider bank borrowings to be beneficial to the Company.

As for placing of new Shares, it would lead to immediate dilution in the shareholding interests of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company and it is relatively smaller in scale as compared to fund raising through rights issue. As for open offer, while it is similar to a rights issue, offering Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. As opposed to open offer, Rights Issue would allow Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro-rata shareholding interests in the Company and dealing with the Shares.

Having considered all the other fund-raising alternatives, the Directors are of the view that the Rights Issue is in the best interests of the Company and the Shareholders as a whole, and that it is an appropriate fund-raising method to strengthen the capital base of the Company and support the Company's continuing business development and growth.

As at the Latest Practicable Date, save as disclosed in this Prospectus, the Company currently (i) does not have any agreement, arrangement, understanding, intention, or negotiation (either concluded or in process) on any potential fundraising activities; and (ii) has no other plan or intention to carry out any future corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Rights Issue.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue assuming full acceptance by the Shareholders (assuming no change in the number of Shares in issue on or before the Record Date).

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming full acceptance by the Shareholders	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Substantial Shareholders				
Mr. Lam (<i>Note 1</i>)	14,623,695	13.92%	21,935,542	13.92%
Glazy Target (<i>Note 2</i>)	15,053,003	14.33%	22,579,504	14.33%
Mr. Tang (<i>Note 3</i>)	11,435,550	10.88%	17,153,325	10.88%
Public Shareholders				
Other public Shareholders	<u>63,958,054</u>	<u>60.87%</u>	<u>95,937,082</u>	<u>60.87%</u>
Total	<u><u>105,070,302</u></u>	<u><u>100.00%</u></u>	<u><u>157,605,453</u></u>	<u><u>100.00%</u></u>

Notes:

1. Mr. Lam is the sole legal and beneficial owner of the entire issued capital of Best Global. Out of the 14,623,695 Shares held, Mr. Lam is deemed to be interested in the 13,753,945 Shares held by Best Global and 869,750 Shares are held by Mr. Lam himself.
2. The entire issued share capital of Glazy Target is wholly and beneficially owned by Mr. Chan and Mr. Chan is deemed to be interested in the 15,053,003 Shares held by Glazy Target.
3. Mr. Tang is the sole legal and beneficial owner of the entire issued capital of Smart Empire. Out of the 11,435,550 Shares held, Mr. Tang is deemed to be interested in the 8,510,550 Shares held by Smart Empire and 2,925,000 Shares are held by Mr. Tang himself.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising activities during the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As (i) the Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the Last Trading Day; (ii) the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%; and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under Chapter 7 of the Listing Rules. The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Listing Committee granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed "Conditions of the Rights Issue" in this Prospectus. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue may or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

Any dealings in the Shares from the Latest Practicable Date up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or Rights Shares in nil-paid form are recommended to consult their professional advisers.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this Prospectus.

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

1. FINANCIAL SUMMARY OF THE GROUP

Financial information of the Group for each of the three years ended 30 June 2021, 2022 and 2023, and the six months ended 31 December 2023 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hengtai.com.hk) (details of website addresses as set out below):

- (i) annual report of the Company for the year ended 30 June 2021 published on 28 October 2021 (pages 38–121)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1028/2021102800960.pdf>);
- (ii) annual report of the Company for the year ended 30 June 2022 published on 28 October 2022 (pages 38–117)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1028/2022102800927.pdf>);
- (iii) annual report of the Company for the year ended 30 June 2023 published on 30 October 2023 (pages 35–111)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1030/2023103000900.pdf>); and
- (iv) interim report of the Company for the six months ended 31 December 2023 published on 27 March 2024 (pages 1–18)

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0327/2024032700830.pdf>)

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 March 2024, being the latest practicable date for the purpose of ascertaining certain information relating to this statement of indebtedness prior to the printing of this Prospectus, the Group had an aggregate outstanding lease liabilities of approximately HK\$6.2 million. The Group's lease liabilities amounting to approximately HK\$3.4 million were secured by rental deposits paid by the Group and approximately HK\$2.8 million were unsecured at 31 March 2024.

Save for the aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 March 2024, the Group did not have any debt securities issued and outstanding, or any other borrowings or indebtedness including bank loans and overdrafts, liabilities under acceptances (other than normal trade payables) or acceptance credits, hire purchases commitments, mortgages, charges or guarantees, or any other material contingent liabilities or guarantees.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the estimated net proceeds from the Rights Issue and the financial resources available to the Group including internally generated funds, bank and other facilities, the Group will have sufficient working capital for its operation for at least twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in (i) the trading of packaged foods, beverages and household consumable products (the “**FMCG Trading Business**”); (ii) the trading of agri-products (the “**Agri-Products Trading Business**”) and the upstream farming business (the “**Upstream Farming Business**”) (collectively the “**Agri-Products Business**”); and (iii) other businesses primarily arising from the securities brokerage and margin financing business (the “**Other Business**”).

Since the financial year ended 30 June 2023, the global economy has continued to face a number of uncertainties, including slow global economic growth coupled with high interest rate environment, as well as persistent geopolitical uncertainty and the negative spillovers from the wars in Ukraine and the Middle East. In China, the economy has been gradually recovering from the pandemic at a slow and unbalanced pace. While the retail sales grew by 7.2% in 2023, the annual foreign trade value dropped by 5%, of which the total imports to China even fell 5.5% compared to last year, reflecting the fact that the import industries in China did not benefit from the lifting of the pandemic restrictions due to the weak market demand and keen competition from domestic products. The Group’s traditional trading business for imported products also encountered difficulties and challenges despite the reopening of China’s economy for the six months ended 31 December 2023 (“**FP2023**”). The competition from domestic products has been increasingly intense, especially considering their pricing strategies, shrinking gap compared to imported products’ quality and variety and their overwhelming advertisements and promotions. In view of the above, the Group continued to develop its trading business for domestic fresh produce and the Upstream Farming Business to mitigate the negative impact from the decrease in the contribution from the imported products trading businesses. On the other hand, the Group has adopted more stable post pandemic pricing strategies for FP2023, despite that most of domestic brands used aggressive pricing strategies to obtain market share. Therefore, the overall gross profit margin has still improved amidst the challenging environment for FP2023, primarily thanks to the stable pricing strategies, higher operational efficiency stemmed from the food processing centre in Dongguan and better product mix of the FMCG Trading Business.

The FMCG Trading Business sells finished consumer products into the domestic Chinese consumer market. These products are largely sourced overseas through the Group's wide-reaching global procurement network and are imported from different regions around the world including Europe, the Americas, Australasia and South East Asia. This business unit can be classified into three categories including packaged foods, beverages and household consumable products with their respective contribution of approximately 79%, 16%, and 5%. Packaged foods, including biscuits, candies, chocolate, condiments, margarine, milk powder products, healthy food, noodles, snacks, rice and nourishing and exclusively licensed branded products, remained as the most important category, followed by beverage products. For FP2023, the contribution percentage of packaged foods further increased compared to that of the six months ended 31 December 2022 ("FP2022"), primarily due to the drop of the contribution from household consumable products. The competition for household consumable products was particularly stiff, hence the Group shifted more resources to other categories for FP2023.

The FMCG Trading Business was the most important business unit and contributed approximately 61% of the Group's total revenues for FP2023. Although China reopened its economy, the economic growth was a weak and unbalanced one. The fierce competition from domestic brands severely worsened the operating environment of this business unit and most of domestic brands continuously used low prices to grab a larger market share on top of their tremendous advertising activities. Against the backdrop of the above negative factors, the Group continuously refined its product mix and sourced new products to increase its competitiveness and maintain its profitability.

The Agri-Products Business contains trading fresh produce imported from countries like Australasia and South East Asia, supplemented by sourcing of fresh produce domestically as well as upstream cultivations in China. Similar to the FMCG Trading Business, the imported agri-products trading business encountered severe difficulties in the post-pandemic era. For FP2023, the negative impact on this business segment was more serious than the FMCG Trading Business due to the purchase costs and supply chain instability arising from the short life cycle and perishable nature of imported agricultural products, leading to a more cautious stance by customers to place orders. On the other hand, the competition of the Chinese fresh produce market was very intense as the gap in product quality and product variety between domestic fresh produce and imported fresh produce have been shrinking over past few years, resulting in the continuous increase in the popularity of domestic products. Therefore, the Group has been continuously developing its trading business for domestic fresh produce as a supplementary business, and the development has been gaining traction. The revenue of the trading business for domestic agricultural products increased by 21.5% compared to FP2022. The operation commencement for the food processing centre in Dongguan has also facilitated its development and lower the transportation costs thanks to the convenient location of the centre, which greatly enhanced the gross profit margin of the trading business for the domestic agricultural products.

The Group continued to carefully operate in the plantations of early crop oranges and ponkans in the Jiangxi's farming base. For FP2023, the revenue of the Upstream Farming Business increased by approximately 26.3%, primarily attributable to the increase in production yield due to improved cultivation skills and average selling prices. The Group has been investing a lot of resources into research and development to improve its agricultural

skills over past few years, including establishing an agricultural research and test-lab centre and engaging different farming experts during the course of developing arable lands. Furthermore, an agricultural science industrial park (the “**Agricultural Industrial Park**”) has been establishing to facilitate the development of the Upstream Farming Business. The Agricultural Industrial Park comprises various facilities such as the research and development centre, a fruit processing centre and some agri-tourism recreational facilities like restaurant, souvenir shops and accommodation, of which the fruit processing centre, now in operation, provides a wide range of functions including fruit washing, sorting and grading, packing and storage to effectively enhance product quality assurance and brand building.

References are made to the business update announcements of the Company dated 9 February 2024 and 26 March 2024 regarding the introduction of new types of fertilizers to the Group’s farming base in Jiangxi in the PRC. The Company has employed an expert in the area of fertilizer products and conducted a thorough review on the specifications and experimental results of the abovementioned fertilizers provided by the supplier. The findings indicated that the quality of early crop oranges and ponkans can be enhanced through the use of these fertilizers. In order to support the strategic goal of promoting and trading the newly introduced fertilizers as mentioned above, the Company intends to leverage the benefits of these fertilizers by promoting them in the domestic market of the PRC. The Company intends to allocate 80% of the net proceeds from the Rights Issue (i.e. approximately HK\$13.9 million) for development of the fertilizers trading business under the Agri-Products Business.

The Other Business contains providing securities trading, margin financing and IPO subscription brokerage services through Sino Wealth Securities Limited. The revenue of the securities brokerage and margin financing business decreased by approximately 11.3% compared to FP2022, which was primarily attributable to the decrease in brokerage commission. For FP2023, the Hong Kong capital market was still extremely weak, and the downtrend continued in early 2024. In view of the weak capital market conditions and the uncertainties over the market outlook, the Group has been trimming down its operations in this business unit since last financial year to reduce various expenses and operation risks. The downsizing process will continue in near future until completely pulling out of this business unit.

Looking forward, the overall operating environment is fraught with uncertainties, some sectors such as real estate and foreign trade industries in China are still currently at its trough without signs of recovery. Furthermore, the presidential election in the United States held in late 2024 will also significantly increase political risks, alongside the ongoing geographical conflicts in Ukraine and the Middle East. Against this backdrop, the Group will focus on its core businesses, including the FMCG Trading Business by expanding procurement network, and the Upstream Farming Business by enhancing our cultivation skills and sourcing a reliable and diversified supply of high quality fertilizers to pursue stabilized quality of our self-grown agricultural products. On the other hand, the Group will carefully develop the agri-tourism business based on the market demand and continue to enhance the processing centre in Dongguan and the Agricultural Industrial Park in Jiangxi. In any event, the Group will continue to implement cost-saving initiatives as well as ensure a strong and healthy financial position to weather any unforeseeable headwinds.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION
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A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS TO THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2023 and taking into account of certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2023 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023, as extracted from the Group’s unaudited condensed consolidated statement of financial position as at 31 December 2023, as extracted from the published interim report of the Company for the six months period ended 31 December 2023, and is adjusted for the effect of the Rights Issue described below.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 <i>HK\$’000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$’000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 immediately after the completion of the Rights Issue <i>HK\$’000</i> <i>(Note 3)</i>	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2023 prior to the completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2023 immediately after the completion of the Rights Issue <i>HK\$</i> <i>(Note 5)</i>
Based on 52,535,151 Rights Shares to be issued at the subscription price of HK\$0.35 per Rights Share				
924,829	17,400	942,229	8.80	5.98

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

- Note 1:* The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 is extracted from the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 December 2023, which is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2023 of approximately HK\$928,213,000 with adjustments for the other intangible assets of approximately HK\$3,276,000 and the investment in a club membership of approximately HK\$108,000.
- Note 2:* The estimated net proceeds from the Rights Issue of approximately HK\$17,400,000 are based on 52,535,151 Rights Shares to be issued (in the proportion of one (1) rights share for every two (2) existing shares held on record date) at the subscription price of HK\$0.35 per Rights Share, after deduction of the estimated related expenses of approximately HK\$1,030,000.
- Note 3:* The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue is calculated based on the combination of unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 of approximately HK\$924,829,000 (Note 1) and estimated net proceeds from the Rights Issue of approximately HK\$17,400,000 (Note 2).
- Note 4:* The unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2023 was HK\$8.80 which was based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 of approximately HK\$924,829,000 (Note 1), divided by 105,070,359 Shares as at 31 December 2023.
- Note 5:* The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2023 immediately after the completion of the Rights Issue was HK\$5.98 which was based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 immediately after the completion of the Rights Issue of approximately HK\$942,229,000 (Note 3), divided by the sum of 105,070,359 Shares as at 31 December 2023, 57 shares reduction under capital reorganisation were completed on 6 March 2024 and 52,535,151 Rights Shares, assuming the Rights Issue had been completed on 31 December 2023.
- Note 6:* Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2023.

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, RSM Hong Kong, Certified Public Accountants, Hong Kong.



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30 April 2024

The Board of Directors
Heng Tai Consumables Group Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Heng Tai Consumables Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2023 and related notes (“**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of the Company’s prospectus dated 30 April 2024, in connection with the proposed rights issue of the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group’s net tangible assets as at 31 December 2023 as if the proposed rights issue had been taken place at 31 December 2023. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s condensed consolidated financial statements as included in the interim report for the six months ended 31 December 2023, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 13 of Appendix D1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The purpose of Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

RSM Hong Kong
Certified Public Accountants

30 April 2024

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of the Shares from the Latest Practicable Date up to completion of the Rights Issue) were and will be as follows:

As at the Latest Practicable Date	<i>HK\$</i>
<i>Authorised:</i>	
<u>100,000,000,000</u> Shares	<u>1,000,000,000.00</u>
<i>Issued and fully paid-up share capital:</i>	
<u>105,070,302</u> Shares	<u>1,050,703.02</u>
 Immediately after completion of the Rights Issue (assuming full subscription under the Rights Issue)	
<i>Authorised:</i>	
<u>100,000,000,000</u> Shares	<u>1,000,000,000.00</u>
<i>Issued and fully paid-up share capital:</i>	
105,070,302 Shares in issue as at the Latest Practicable Date	1,050,703.02
52,535,151 Rights Shares to be allotted and issued under the Rights Issue	525,351.51
<u>157,605,453</u> Shares	<u>1,576,054.53</u>

All the Shares in issue are fully-paid and rank *pari passu* in all respects including as regards to dividends, voting rights and return of capital. All Rights Shares to be issued will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee for the listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms). No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other

than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company did not have any other outstanding derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into or confer any right to subscribe for the Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

(i) Directors' interests in securities of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company or their respective close associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules, were as follows:

Long positions

Name	Capacity/nature of interest	Number of Shares interested	Approximate percentage of the total issued share capital of the Company
Mr. Lam (<i>note 1</i>)	Interest in controlled corporation and beneficial owner	14,623,695	13.92%
Ms. Lee Choi Lin Joecy (<i>note 1</i>)	Family interest	14,623,695	13.92%
Mr. Chan (<i>note 2</i>)	Interest in controlled corporation	15,053,003	14.33%

Notes:

1. 14,623,695 Shares are comprised of (i) 13,753,945 Shares which are held by Best Global; and (ii) 869,750 Shares which are held by Mr. Lam as beneficial owner. Ms. Lee is the spouse of Mr. Lam, by virtue of the SFO, Ms. Lee is deemed to be interested in said 14,623,695 Shares.
2. 15,053,003 Shares are held by Glazy Target, which is wholly and beneficially owned by Mr. Chan. Mr. Chan is deemed to be interested in the 15,053,003 Shares held by Glazy Target.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Substantial shareholders' interests

As at the Latest Practicable Date so far as is known to any Director or chief executive of the Company, other than the interests disclosed above in respect of certain Directors and chief executive of the Company, the interests and short positions of persons in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Long positions

Name of Shareholder	Capacity/nature of interest	Number of Shares held	Approximate percentage of the total issued share capital of the Company
Best Global (<i>note 1</i>)	Beneficial owner	13,753,945	13.09%
Glazy Target (<i>note 2</i>)	Beneficial owner	15,053,003	14.33%
Smart Empire (<i>note 3</i>)	Beneficial owner	8,510,550	8.10%
Mr. Tang (<i>note 3</i>)	Interest in controlled corporation and beneficial interest	11,435,550	10.88%

Notes:

1. Mr. Lam is the sole legal and beneficial owner of the entire issued capital of Best Global. Out of the 14,623,695 Shares held, Mr. Lam is deemed to be interested in the 13,753,945 Shares held by Best Global and 869,750 Shares are held by Mr. Lam himself.
2. 15,053,003 Shares are held by Glazy Target, which is wholly and beneficially owned by Mr. Chan. Mr. Chan is deemed to be interested in the 15,053,003 Shares held by Glazy Target.
3. Mr. Tang is the sole legal and beneficial owner of the entire issued capital of Smart Empire. Out of the 11,435,550 Shares held, Mr. Tang is deemed to be interested in the 8,510,550 Shares held by Smart Empire and 2,925,000 Shares are held by Mr. Tang himself.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the senior management of the Company are not aware of any other person who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or arbitration of material importance known to the Directors to be pending or threatened by or against any members of the Group.

5. MATERIAL CONTRACTS

The following contract (not being a contract entered into in the ordinary course of business of the Group) had been entered into by the members of the Group within the two years immediately preceding the issue of this Prospectus and are or may be material:

- (a) the deed of settlement (the “**Deed of Settlement**”) dated 13 May 2022 entered into between Sui Tai & Associates Limited, an indirect wholly-owned subsidiary of the Company, as bond holder and Graphex Group Limited as bond issuer, in relation to the extension of repayment date of the total outstanding principal amount of the bonds in the amount of HK\$25,500,000 as at the date of the Deed of Settlement; and
- (b) the second supplemental agreement (the “**Second Supplemental Agreement**”) dated 17 August 2022 entered into between the Heng Tai Finance Limited (the “**Subscriber**”), an indirect wholly-owned subsidiary of the Company, as subscriber and China Healthwise Holdings Limited (“**China Healthwise**”) as issuer in relation to the conditional amendments to the convertible bond, in the aggregate principal amount of HK\$120,000,000, which is unsecured and issued by China Healthwise to the Subscriber on 11 October 2018 of which HK\$72,300,000 remaining outstanding and held by the Subscriber as at the date of the Second Supplemental Agreement.

Save for the above, the Group did not enter into any contract which was or might be material other than those entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries within two years immediately preceding the date of this Prospectus.

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested in and which is significant to the business of the Group.

None of the Directors had any direct or indirect interest in any assets which had been, since 30 June 2023 (being the date to which the latest published annual report for the audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

8. QUALIFICATION AND CONSENT OF THE EXPERT

The following is the qualification of the professional adviser who has given opinion or advice contained in this Prospectus:

Name	Qualification
RSM Hong Kong	Certified Public Accountants, Hong Kong

As at the Latest Practicable Date, RSM Hong Kong has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report and/or references to its name in the form and context in which they appear in this Prospectus.

As at the Latest Practicable Date, RSM Hong Kong did not have any shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, RSM Hong Kong did not have any direct or indirect interest in any assets which have been, since 30 June 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	31st Floor, Guangdong Finance Building 88 Connaught Road West Sheung Wan Hong Kong
Authorised Representatives	Mr. Lam Kwok Hing Mr. Wong Siu Hong
Company Secretary	Mr. Wong Siu Hong — <i>Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and the CPA Australia</i>
Independent Auditor	RSM Hong Kong 29th Floor Lee Garden Two 28 Yun Ping Road Causeway Bay Hong Kong
Legal Advisers as to Hong Kong Law	Michael Li & Co. Rooms 1901A, 1902 & 1902A, 19/F. New World Tower I 16–18 Queen’s Road Central Central, Hong Kong
Financial adviser	Nuada Limited Unit 1606, 16/F OfficePlus @Sheung Wan 93–103 Wing Lok Street Sheung Wan, Hong Kong

Principal Bankers	Bank of China Limited 158 Han Zhong Road Jing An District Shanghai, 200070 the PRC
	China CITIC Bank International Limited 61–65 Des Voeux Road Central Hong Kong
	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
	LUSO International Banking Ltd. Avenida Dr. Mario Soares, No. 47 Macau
Principal share registrar and transfer office in Cayman Islands	Suntera (Cayman) Limited Suite 3204, Unit 2A Block 3, Building D P.O. Box 1586, Gardenia Court Camana Bay, Grand Cayman KY1-1100, Cayman Islands
Hong Kong Branch Share Registrar and Transfer Office	Union Registrars Limited Suites 3301–04, 33/F. Two Chinachem Exchange Square 338 King's Road North Point Hong Kong

10. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Lam Kwok Hing

Mr. Lam, aged 67, is the chairman, managing Director, executive Director and the chief executive officer of the Company. He is a member of the remuneration committee and the nomination committee of the Company. Mr. Lam has been appointed as the executive Director since April 2001 and is responsible for the overall strategic visionary of the Group. He also holds certain directorships in the subsidiaries of the Company. Mr. Lam founded the original group company with other founding shareholders in 1994. He manages the strategic planning, corporate policy development, marketing strategy and high level management for the Group's macro business activities. Over the past decade, Mr. Lam was instrumental in shaping the development and evolution of the Group and

building the business from a small-scale packaged food trading house to an integrated distribution and logistics enterprise. Since March 2012, the Board has appointed Mr. Lam as Chief Executive Officer in view of Mr. Lam's in-depth experience in the industry and the Group's overall operation. In the context of the challenging business environment, the Board believes that the arrangement would provide the Group with strong and consistent leadership, and allow for effective and efficient planning and implementation of business decisions and strategies which can generate benefits for the Group and the shareholders as a whole. Mr. Lam is the spouse of Ms. Lee Choi Lin Joecy, who is also the Executive Director and co-founder of the Company. Mr. Lam is also a director of Best Global Asia Limited, a substantial shareholder of the Company.

Ms. Lee Choi Lin Joecy

Ms. Lee Choi Lin Joecy ("**Ms. Lee**"), aged 64, has been appointed as the executive Director since April 2001 and holds certain directorships in the subsidiaries of the Company. Ms. Lee is responsible for the general administration and management of the Group. She has over 20 years' experience in marketing and distribution of fast moving consumer goods. Ms. Lee founded the original group company with other founding shareholders in 1994. Ms. Lee is the spouse of Mr. Lam Kwok Hing, who is the chairman, managing Director, executive Director and the chief executive officer of the Company.

Ms. Gao Qin Jian

Ms. Gao Qin Jian ("**Ms. Gao**"), aged 63, has been appointed as the executive Director since January 2012. She also held certain directorships in the subsidiaries of the Company. Ms. Gao received her bachelor degree in business, majoring in business administration from Fudan University in the PRC. She is also a senior accountant granted by Shanghai Expertise Qualification Review Committee, Accounting Series. Ms. Gao has over 25 years' experience in accounting and finance, as well as extensive managerial experience in the distribution and logistics industries. Prior to joining the Group in 2004, she was the deputy general manager of one of the renowned retail chain stores in the PRC. Ms. Gao is also the general manager of the Group overseeing the Group's FMCG Trading Business in northern and eastern regions of the PRC.

Mr. Chan Cheuk Yu Stephen

Mr. Chan, aged 46, has been appointed as the executive Director since February 2017 and holds certain directorships in the subsidiaries of the Company. Mr. Chan received his Bachelor's degree with first honour in financial economics from Coventry University, UK and a Master's degree in finance from University of London, Imperial College of Science, Technology and Medicine. He was an executive Director of the institutional sales of a reputable brokerage firm immediately prior to joining the Company. He has more than 15 years' experience in investment banking, securities, IPOs, corporate actions and derivatives. Mr. Chan is also a director of Glazy Target Limited, a substantial shareholder of the Company.

Mr. Mok Tsan San

Mr. Mok Tsan San (“**Mr. Mok**”), aged 53, has been appointed as the executive Director since July 2022. Mr. Mok holds a bachelor of science degree in civil engineering from Ohio State University in the United States. He is the managing director of Capital Union Investments Limited, a direct investment firm with a portfolio in Greater China and overseas. With over 20 years of solid experience in fund raising and investment syndication in a number of ventures, he has helped, funded, and/or personally invested in and advised in, among others, a number of Silicon Valley technology companies. Mr. Mok is mainly responsible for formulating strategic development plans and supervising the Group’s current and future investment projects. Mr. Mok began his career in Babbie Asia Limited (now named as Jacobs Engineering Group Inc.), an international civil engineering consulting firm as an engineer. Mr. Mok was a founder of Up Marine Holdings Limited, which was focusing on marine business in the Greater China region as well as many other countries in Asia with its position being an innovative company to design, build and distribute creative marine products and services and to promote the marine-related lifestyle. Mr. Mok has been appointed as an executive director and also the authorised representative of CCIAM Future Energy Limited (stock code: 145), a company listed on the Main Board of the Stock Exchange since April 2023. He has also been an executive director of Chinese Strategic Holdings Limited (stock code: 8089) since August 2014. The listing of the shares of Chinese Strategic Holdings Limited on GEM of the Stock Exchange was cancelled with effect from 4 May 2022.

Independent Non-executive Directors**Ms. Mak Yun Chu**

Ms. Mak Yun Chu (“**Ms. Mak**”), aged 66, has been appointed as the independent non-executive Director since April 2004. She is also the chairman of the audit committee, remuneration committee and nomination committee of the Company. Ms. Mak is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, and has over 20 years’ experience in accounting and administration. Ms. Mak has also been an independent non-executive director of Kingkey Financial International (Holdings) Limited (former name “UKF (Holdings) Limited”, stock code: 1468), a company listed on the Main Board of the Stock Exchange since March 2016.

Mr. Poon Yiu Cheung Newman

Mr. Poon Yiu Cheung Newman (“**Mr. Poon**”), aged 69, has been appointed as the independent non-executive Director since November 2003. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Poon received his bachelor of Arts Degree, majoring in accounting and economics from the University of Alberta in Canada. Mr. Poon was a senior executive in a multinational insurance company and held a senior accounting position in a renowned hotel and has over 30 years’ experience in insurance and accounting.

Mr. Hung Hing Man

Mr. Hung Hing Man (“**Mr. Hung**”), aged 53, has been appointed as the independent non-executive Director since February 2017. He is also a member of the audit committee of the Company. Mr. Hung received his master’s degree in business administration from the University of Western Sydney. He is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Taxation Institute of Hong Kong and the Society of Chinese Accountants and Auditors. Mr. Hung is currently a proprietor of a certified public accountants firm. He has extensive working experience in corporate finance, accounting, auditing and taxation sectors. Mr. Hung has also been an independent non-executive director of China Information Technology Development Limited (stock code: 8178), a company listed on the GEM of the Stock Exchange since April 2015. He was an independent non-executive director of Town Health International Medical Group Limited (stock code: 3886), a company listed on the Main Board of the Stock Exchange from 10 February 2023 to 15 December 2023. He was also an independent non-executive director of REXLot Holdings Limited (In Liquidation) from January 2019 to November 2020. The listing of the shares of REXLot Holdings Limited (In Liquidation) on the Stock Exchange was cancelled with effect from 10 May 2021.

Senior Management**Mr. Wong Siu Hong, chief financial officer and company secretary of the Company**

Mr. Wong Siu Hong (“**Mr. Wong**”), aged 55, joined the Group in March 2003. Mr. Wong holds a Bachelor Degree in Business, majoring in accounting and commercial law in Australia. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and the CPA Australia. Prior to joining the Group, Mr. Wong worked in a multinational accounting firm. He has over 20 years’ experience in accounting and auditing. He is responsible for the Group’s financial planning and management and overseeing the corporate governance function.

Mr. Chu Yi Chit Javin, chief investment and corporate relations officer of the Company

Mr. Chu Yi Chit Javin (“**Mr. Chu**”), aged 46, joined the Group in May 2012. Mr. Chu holds a master of science degree in accounting and finance from the London School of Economics with Distinction and a bachelor of business administration degree from the Hong Kong University of Science and Technology. He is a member of the CFA Institute and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Chu had worked for several sizable and renowned corporations. He has over 20 years’ experience in corporate finance and accounting. He is responsible for overseeing the Group’s project investments and all external communication with the financial and investor community.

Ms. Hung Sau Yung Rebecca, general manager for group administration and accounting of the Company

Ms. Hung Sau Yung Rebecca (“**Ms. Hung**”), aged 57, joined the Group in March 1998. Ms. Hung received her bachelor degree in business majoring in accounting from Queensland University of Technology in Australia. Ms. Hung has over 25 years’ experience in accounting and administration. Prior to joining the Group, she worked as an administration and accounting manager in a Hong Kong trading company. Ms. Hung was the executive Director since January 2012 and retired in December 2018. After her retirement, Ms. Hung is the general manager overseeing the internal financial operations and controls as well as managing the administrative functions of the Group.

The business address of the Directors and senior management is the same as the Company’s head office and principal place of business in Hong Kong at 31st Floor, Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong.

11. DIRECTOR’S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

12. EXPENSES

The expenses in connection with the Rights Issue, including the fees of legal and financial advisers and auditors, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1.0 million, which are payable by the Company.

13. LEGAL EFFECT

This Prospectus, the PAL and the EAF, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

14. BINDING EFFECT

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this Prospectus, together with the PAL and the EAF and the written consent referred to in the paragraph headed “8. Qualification and Consent of the Expert” in this Appendix III, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

16. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hengtai.com.hk) for a period of 14 days from the date of this Prospectus:

- (i) the accountant’s report on the unaudited pro forma financial information of the Group set out in Appendix II to this Prospectus;
- (ii) the material contracts referred to in the paragraph headed “5. Material Contracts” in this appendix; and
- (iii) the written consent of the expert referred to in the paragraph headed “8. Qualification and Consent of the Expert” in this appendix.

17. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong;
- (b) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities;
- (c) As at the Latest Practicable Date, save as disclosed elsewhere in this Prospectus, there was no material contract for the hire or hire purchase of plant to or by any member of the Group for a period of over a year which is substantial in relation to the Group’s business; and
- (d) In the event of any inconsistency, the English texts of this Prospectus and the accompanying form of proxy shall prevail over their respective Chinese texts.