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## **HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED**

**華聯國際（控股）有限公司 \***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 969)**

**ANNOUNCEMENT PURSUANT TO RULE 3 OF THE TAKEOVERS CODE,  
RULE 13.09 OF THE LISTING RULES AND  
INSIDE INFORMATION PROVISIONS UNDER PART XIVA OF  
THE SECURITIES AND FUTURES ORDINANCE  
AND  
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 3 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE SUBSCRIPTION**

The Board is pleased to announce that on 10 September 2015, the Company and the Subscriber entered into the non-legally binding Memorandum of Understanding, pursuant to which the Company intended to allot and issue, at the Subscription Price, the Subscription Shares to the Subscriber.

*\* For identification purposes only*

Further announcement(s) in respect of the Possible Subscription in compliance with the Listing Rules and the Takeovers Code will be made by the Company as and when appropriate.

## **IMPLICATIONS OF THE POSSIBLE SUBSCRIPTION UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, the Subscriber and parties acting in concert with it do not own or have control or direction over any Shares and the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Save for 2,191,180,000 Shares and the HK\$603,450,000 convertible notes (“**Convertible Notes**”) convertible into 1,005,750,000 Shares as at the date of this announcement, the Company has no other class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in issue.

If the Possible Subscription materialises, upon completion of the Possible Subscription, the Subscriber and the parties acting in concert with it may in aggregate be interested in approximately 73.25% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares from the date of this announcement and up to completion of the Possible Subscription and there is no exercise or conversion of any Convertible Notes).

Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and any parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. In this regard, it is intended that the Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares after the signing of the Formal Subscription Agreement.

## **WARNING**

**The Memorandum of Understanding is non-legally binding in nature and there is no assurance that the Formal Subscription Agreement will be entered into. As the Memorandum of Understanding may or may not lead to the entering into of the Formal Subscription Agreement and the Possible Subscription may or may not proceed as contemplated or at all, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.**

## **POSSIBLE INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$600,000,000 divided into 6,000,000,000 Shares of HK\$0.10 each, of which 2,191,180,000 Shares have been allotted and issued as fully paid or credited as fully paid.

If the Possible Subscription materialises, the Board will propose to increase the authorised share capital of the Company. Details of the number of Shares to be increased will be included in the relevant announcement(s) and/or circular of the Company in accordance with the Listing Rules and/or the Takeovers Code, as appropriate and conditional upon the passing of an ordinary resolution at an extraordinary general meeting of the Company to be convened and held for this purpose.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 10.01 a.m. on Thursday, 10 September 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 17 September 2015.

## **MEMORANDUM OF UNDERSTANDING**

The Board is pleased to announce that on 10 September 2015, the Company and the Subscriber entered into the Memorandum of Understanding, further details of which are set out below:

Date: 10 September 2015

Subscriber: a wholly-owned subsidiary to be established by Great Wall Pan Asia International Investment Company Limited

Issuer: Hua Lien International (Holding) Company Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange under stock code 969

Subscription Price:	HK\$0.16 per Share
Subscription Share:	6,000,000,000 Shares
Transferability:	one year lock-up period
Nomination of Directors:	the Subscriber intends to nominate no more than six persons to be appointed as executive Directors to the Board upon completion of the Possible Subscription, and three existing executive Directors shall resign from their positions immediately after this incoming director's appointment.
Due diligence:	the Subscriber has been granted permission from the date of the Memorandum of Understanding to conduct business, legal, financial and other areas of due diligence.
Exclusivity period:	the Subscriber has been granted a 3-month exclusivity period under the Memorandum of Understanding, commencing from the date of the Memorandum of Understanding. During the Exclusivity Period, the Company shall not, directly or indirectly, negotiate or discuss, nor enter into any agreement, letter of intent, or memorandum of understanding, with any person or entity (other than the Subscriber) relating to the Possible Subscription.
Undertaking:	the Company undertakes to the Subscriber that, from the date of the Memorandum of Understanding to the date of completion, it will not allot or issue any new Shares or other securities of the Company or grant any rights or borrowing new loans not for business operation purpose, or undergo re-organisation, mergers or acquisitions, or incur any other debts or liabilities other than those incurred during the course of normal business operation.

## **Subscription Shares**

Pursuant to the Memorandum of Understanding, the Subscriber intended to subscribe, and the Company intended to allot and issue 6,000,000,000 Subscription Shares upon completion of the Possible Subscription.

## **Subscription Price**

The Subscription Price of HK\$0.16 per Share represents:

- (i) a discount of approximately 65.96% to the closing price of HK\$0.4700 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 65.52% to the average of the closing prices of approximately HK\$0.4640 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 55.42% to the net asset value per Share of approximately HK\$0.3589 as at 31 December 2014 as shown in the audited consolidated financial statements of the Group.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the liquidity, the recent trading performance of the Shares, the number of the Subscription Shares to be subscribed for under the Memorandum of Understanding.

The Board considers that the above Possible Subscription and Subscription Price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## Potential Effect on the Shareholding Structure of the Company

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Possible Subscription but before conversion of any Convertible Notes; and (iii) immediately after completion of the Possible Subscription but after full conversion of Convertible Notes:

Shareholders	As at the date of this announcement		Immediately after completion of the Possible Subscription but before conversion of any Convertible Notes (Note 5)		Immediately after completion of the Possible Subscription but after full conversion of Convertible Notes (Note 5)	
	Shares	Per cent. (Approx.)	Shares	Per cent. (Approx.)	Shares	Per cent. (Approx.)
Subscriber and parties acting in concert with it (Note 1)	—	—	6,000,000,000	73.25	6,000,000,000	65.24
China National Complete Plant Import & Export Corporation (Group) ("China Complant") (Note 2)	800,000,000	36.51	800,000,000	9.77	800,000,000	8.70
COMPLANT International Sugar Industry Co., Ltd. ("COMPLANT") (Note 2)	300,000,000	13.69	300,000,000	3.66	1,189,500,000	12.93
China-Africa Xin Xing Investment Limited (Note 3)	90,000,000	4.10	90,000,000	1.10	206,250,000	2.24
Hollyview International Limited ("Hollyview") (Note 4)	212,495,083	9.70	212,495,083	2.59	212,495,083	2.31
Ms. Li Ling Xiu (Note 4)	3,448,000	0.16	3,448,000	0.05	3,448,000	0.04
Other Shareholders	785,236,917	35.84	785,056,917	9.58	785,056,917	8.54
<b>Total</b>	<b>2,191,180,000</b>	<b>100.00</b>	<b>8,191,000,000</b>	<b>100.00</b>	<b>9,196,750,000</b>	<b>100.00</b>

*Notes:*

1. As at the date of this announcement, save for the Possible Subscription (which, if successfully materialised, will involve the allotment and issue of 6,000,000,000 Shares to the Subscriber), the Subscriber and parties acting in concert with it do not hold, control or have direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities of the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
2. State-owned Assets Supervision and Administration Commission holds 100% of State Development & Investment Corporation which holds 100% of China Complant which in turn holds 70% in COMPLANT. 800,000,000 Shares are beneficially owned by China Complant. 300,000,000 Shares are beneficially owned by COMPLANT. Besides these 300,000,000 Shares, COMPLANT also holds convertible notes of principal amount of HK\$533,700,000 which can be converted into 889,500,000 Shares during its conversion period.
3. China Development Bank holds 100% of China Development Bank Capital Corporation Ltd. which holds 100% of China-Africa Development Fund which in turn holds 100% in China-Africa Xin Xing Investment Limited. Besides these 90,000,000 Shares, China-Africa Xin Xing Investment Limited also holds convertible notes of principal amount of HK\$69,750,000 which can be converted into 116,250,000 Shares during its conversion period; and
4. Hollyview beneficially owns 212,495,083 Shares. Hollyview is wholly-owned by Mr. Hu Yebi, an executive director of the Company. Ms. Li Ling Xiu beneficially owns 3,448,000 Shares. Ms. Li Ling Xiu is the spouse of Mr. Hu Yebi. As such, Mr. Hu Yebi and Ms Li Ling Xiu are deemed by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) to be interested in an aggregate of 215,943,083 Shares.
5. Such scenarios are for illustrative purpose only. The Company shall ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Possible Subscription.

### **Conditions Precedent**

Completion of the Possible Subscription will be conditional upon the satisfaction or, where relevant, the waiver of the following conditions precedent by the Subscriber at its sole discretion:

- i. the Subscriber having notified the Company that it is satisfied with the results of the due diligence conducted on the Company and members of the Group in respect of its business and operations, legal and financials and other areas;
- ii. the approval of the board of directors of the Subscriber;

- iii. the Board having passed the necessary resolution(s) and the Shareholders (being such Shareholders as are allowed to vote under the Listing Rules and the Takeovers Code) having passed the necessary resolution(s) at an extraordinary general meeting of the Company to be convened and held to approve the Possible Subscription, the granting of a specific mandate to the Board to allot and issue the Subscription Shares, the Whitewash Waiver and the possible increase in authorised capital;
- iv. the governmental approval and permits, if necessary;
- v. the Company and the Subscriber having taken all necessary steps and actions (such steps and actions must be acceptable to and endorsed by the Stock Exchange, the Subscriber), including but not limited to the allotment and issue of new shares by the Company and/or the sale of Shares by the Subscriber to independent third party(ies), with a view to ensuring the Company would be in compliance with the minimum public float requirement under the Listing Rules after completion of the Possible Subscription;
- vi. the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares to be issued;
- vii. the Executive granting the Whitewash Waiver;
- viii. the Company maintain the listing status on the Stock Exchange;
- ix. no material adverse change; and
- x. no breach of representations, declarations, warrants or other responsibilities.

Save for conditions (ix) and (x) above, the Subscriber will not waive the other conditions.

### **Legal Effect**

The Memorandum of Understanding is non-legally binding except for provisions relating to confidentiality, exclusivity and governing law and jurisdiction provision.



## **INFORMATION OF THE SUBSCRIBER**

The Subscriber is a wholly-owned subsidiary to be established by Great Wall Pan Asia International Investment Company Limited, incorporated in Hong Kong and wholly-owned by Great Wall Asset Management Corporation (“GWAMC”) which is one of the leading asset management corporations (“AMCs”) in the PRC.

The principal businesses of the GWAMC are distressed asset management, investment and asset management and comprehensive financial services. Its sole shareholder is the Ministry of Finance of the PRC.

GWAMC was established on 18 October 1999 pursuant to the approval of the State Council, as one of the four AMCs in the PRC responsible for the acquisition and disposal of distressed assets of the five largest state owned banks to facilitate the reform and commercialisation of such banks.

In 2006, with the approval of the State Council, GWAMC began to commercialise its business, and gradually expanded its business scope to include financial intermediary services, proprietary investment, financial leasing, insurance, trust, banking, securities and other financial services businesses.

As at 31 December 2014, GWAMC had disposed of approximately RMB820.0 billion of distressed assets received from the major state-owned banks and other commercial banks from its policy oriented operations. It also had total assets of approximately RMB268.9 billion and total owners’ equity of approximately RMB40.7 billion. For the financial year ended 31 December 2014, it had net profit after tax of approximately RMB6.1 billion from its commercialisation business.

As at the date of this announcement, the Subscriber does not hold any Share or other securities of the Company. The Subscriber has confirmed that save for the Memorandum of Understanding, the Subscriber and the parties acting in concert with it have not acquired any voting rights of the Company and have not dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in the six months prior to the date of this announcement.

## **REASONS FOR THE POSSIBLE SUBSCRIPTION**

The Group is principally engaged in provision of supporting services to sweetener business, sugar cane growing and sugar manufacturing in Jamaica.

The Directors consider that the Possible Subscription represents an opportunity to strengthen the financial position of the Company, and the Possible Subscription will be in the interest of the Company and the Shareholders as a whole.

## **WHITEWASH WAIVER**

If the Possible Subscription materialises, immediately after completion of the Possible Subscription, the Subscriber and the parties acting in concert with it may in aggregate be interested in approximately 73.25% of the issued share capital of the Company.

Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. In this regard, it is intended that the Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares after the signing of the Formal Subscription Agreement (if any). The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the extraordinary general meeting of the Company by way of a poll.

## **POSSIBLE INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$600,000,000 divided into 6,000,000,000 Shares of HK\$0.10 each, of which 2,191,180,000 Shares have been allotted and issued as fully paid or credited as fully paid.

If the Possible Subscription materialises, the Board will propose to increase the authorised share capital of the Company. Details of the number of Shares to be increased will be included in the relevant announcement(s) and/or circular of the Company in accordance with the Listing Rules and/or the Takeovers Code, as appropriate and conditional upon the passing of an ordinary resolution at an extraordinary general meeting of the Company to be convened and held for this purpose.

## **WARNING**

**The Memorandum of Understanding is non-legally binding in nature and there is no assurance that the Possible Subscription will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of Takeovers Code, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company and if they are in any doubt about their position, they should consult their professional adviser(s).**

## **FURTHER ANNOUNCEMENT**

Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 10.01 a.m. on Thursday, 10 September 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 17 September 2015.

## **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Company”	Hua Lien International (Holding) Company Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange under stock code 969
“connected person(s)”	has the meaning given to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Formal Subscription Agreement”	the definitive formal subscription agreement to be entered into between the Company and the Subscriber in relation to the Possible Subscription
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders other than (i) the Subscriber, its associates (as defined under the Listing Rules) and the parties acting in concert with it and (ii) other Shareholders who are interested in or involved in the Possible Subscription and/or the Whitewash Waiver, if any
“Last Trading Day”	9 September 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the suspension of trading in the Shares pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Memorandum of Understanding”	the memorandum of understanding dated 10 September 2015 and entered into between the Company as issuer and the Subscriber as subscriber setting out the preliminary understanding in relation to the Possible Subscription
“Possible Subscription”	the subscription by the Subscriber for the Subscription Shares
“PRC”	the People’s Republic of China
“SFC”	The Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	a wholly-owned subsidiary to be established by Great Wall Pan Asia International Investment Company Limited
“Subscription Price”	HK\$0.16 per Share

“Subscription Shares”	a total of 6,000,000,000 new Shares which may be allotted and issued to the Subscriber pursuant to the Formal Subscription Agreement
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Whitewash Waiver”	a waiver from the obligation of the Subscriber to make a mandatory general offer to the Shareholders in respect of the Shares and securities issued by the Company not already owned or agreed to be acquired by the Subscriber and the parties acting in concert with them as a result of the Possible Subscription in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Hua Lien International (Holding) Company Limited**  
**Liu Xueyi**  
*Chairman*

Hong Kong, 16 September 2015

*As at the date of this announcement, the Board comprises eight directors, of which five are executive directors, namely Mr. Liu Xueyi, Mr. Han Hong, Mr. Hu Yebi, Mr. Hu Zhirong and Mr. Wang Zhaohui and three are independent non-executive directors, namely Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*