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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)

CONNECTED TRANSACTION — PROPOSED EXTENSION OF THE MATURITY DATE OF OUTSTANDING CONVERTIBLE NOTE

On 29 November 2013, the Company and COMPLANT entered into the Deed of Amendment to extend the maturity date of the Outstanding Convertible Note for a further term of five years from 27 February 2014 to 27 February 2019.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The application for approval for the amendment on the terms and conditions of the Outstanding Convertible Note will be submitted to the Stock Exchange as soon as practicable.

COMPLANT is the registered and beneficial owner of 300,000,000 Shares, which represent approximately 13.69% of the issued share capital of the Company as at the date of this announcement, COMPLANT is therefore a connected person of the Company under the Listing Rules. Thus, the Extension to be effected by the Deed of Amendment between the Company and COMPLANT constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Therefore, the Extension is subject to reporting and announcement requirements, as well as approval by the Independent Shareholders at EGM, under the Listing Rules. The Company will establish an independent board committee and will appoint an independent financial adviser to advise the Independent Shareholders and the Independent Board Committee regarding the Extension. COMPLANT, China Complant and their respective associates will abstain from voting in respect of the resolution approving the Extension and the transaction contemplated under the Deed of Amendment at the EGM.

A circular setting out details of the Outstanding Convertible Note, the Extension and the respective letters of advice will be despatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

* For identification purpose only

BACKGROUND INFORMATION

Reference is made to the announcement of the Company dated 25 July 2008 and the circular of the Company dated 23 January 2009 in respect of, among other things, the Company's acquisition of SATT, a company engaged in the provision of supporting services to several African companies in respect of sweetener business. To pay up part of the consideration for the acquisition, the Company had issued two tranches of the Convertible Note in the aggregate amount of HK\$673,200,000.

As at the date of the Deed of Amendment, the Convertible Note has a principal outstanding amount of HK\$551,700,000 and COMPLANT was the holder of the Outstanding Convertible Note in the aggregate principal amount of HK\$533,700,000.

DEED OF AMENDMENT

On 29 November 2013, the Company and COMPLANT entered into the Deed of Amendment, to amend the existing term(s) of the Outstanding Convertible Note held by COMPLANT.

The proposed amendment

The proposed amendment of the terms and conditions of the Outstanding Convertible Note pursuant to the Deed of Amendment is as follows:-

The maturity date of the Outstanding Convertible Note is proposed to be extended from the 5th anniversary of the date of the first issue of the Outstanding Convertible Note (i.e. 27 February 2014) to 27 February 2019.

Save for the amendment above, the terms and conditions of the Outstanding Convertible Note remain intact and unchanged. The remaining Convertible Note with an outstanding amount of HK\$18,000,000 held by other holder(s) will remain to fall due on 27 February 2014.

Conditions precedent to the Deed of Amendment

Completion of the Deed of Amendment is conditional upon the satisfaction of the following conditions:

- (i) the passing by the Independent Shareholders of the necessary resolution(s) at the EGM approving the Deed of Amendment and the transactions contemplated thereunder;
- (ii) the Stock Exchange having approved the amendments on the Outstanding Convertible Note; and
- (iii) all other necessary consents and approvals required to be obtained on the part of the Company and COMPLANT in respect of the Deed of Amendment and the transaction contemplated thereunder having been obtained.

If the above conditions are not fulfilled on or before 31 January 2014 or such later date as may be agreed between the Company and COMPLANT, the Deed of Amendment will lapse and become null and void and the Company and COMPLANT will be released from all obligations thereunder. For the avoidance of doubt, all existing rights and obligations of the parties under the existing terms of the Outstanding Convertible Note prior to the entering into the Deed of Amendment shall not be affected in the event that the above conditions cannot be fulfilled.

Principal terms of the Outstanding Convertible Note

Principal amount	HK\$533,700,000
Interest rate	Zero coupon
Maturity date	The Business Day falling on the fifth anniversary of the issue date, which has been extended for a further term of five years to 27 February 2019. The Company shall redeem all outstanding principal amounts of the Outstanding Convertible Note on the maturity date. Upon occurrence of events of defaults, all outstanding principal amount of the Convertible Note shall be mandatorily redeemed by the Company at the request of the holders of Convertible Note.
Transferability	The Outstanding Convertible Note are freely transferable, but may not be transferred to a connected person of the Company without prior written consent of the Company
Redemption price	100% of the amount of the Outstanding Convertible Note
Early redemption	<p>The Noteholder shall have any right to require the Company to redeem any portion of the Outstanding Convertible Note, provided that:</p> <ul style="list-style-type: none">(i) the holder of the Outstanding Convertible Note shall have obtained the written consent of COMPLANT (if the Noteholder is not COMPLANT) in relation to the early redemption and the amount to be redeemed;(ii) the holder of the Outstanding Convertible Note shall have given to the Company not less than 15 Business Days' prior written notice of its intention to request such redemption, specifying the amount to be redeemed and the date of the proposed redemption together with the COMPLANT's written consent referred to in (i) above;(iii) the Company, having regard to the financial situation of the Group, accepts the request of the holders of the Convertible Notes for early redemption;(iv) the amount to be redeemed shall be at least HK\$600,000 or its integral multiples; and(v) the amount to be redeemed is not already the subject of a proposed conversion as stipulated in a conversion notice.

The Company may redeem any portion of the Outstanding Convertible Notes at an amount equals the principal amount of the Outstanding Convertible Notes at any time after the date of issue of the Outstanding Convertible Notes up to and including the Maturity Date (as extended to 27 February 2019).

Conversion	The Noteholder will have the right to convert the whole or part of the principal amount of the Outstanding Convertible Note during the Conversion Period into Conversion Shares in amounts of not less than a whole multiple of HK\$600,000 on each conversion.
Conversion Price	HK\$0.6 per Conversion Share, subject to adjustment for, among other things, upon the occurrence of certain events including share subdivision or consolidation, capitalization issue, capital distribution, rights issues and other dilutive events.
Conversion Restrictions	<p>The Noteholder shall not have the right to convert the whole or part of the outstanding principal amount of the Outstanding Convertible Note into Shares to the extent that immediately after such conversion, the Noteholder together with parties acting in concert with it, taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or in such percentage as may from time to time be specified in the Takeovers Code being the level for triggering a mandatory general offer) or otherwise, a general offer shall be given in accordance with the requirement of the Takeovers Code or where applicable, waiver from the shareholders of the Company is obtained in accordance with the Takeovers Code.</p> <p>Further, the Noteholder shall not have the right to convert the whole or part of the outstanding principal amount of the Outstanding Convertible Note into Shares to the extent that immediately after such conversion, there will not be sufficient public float of the Shares as required under the Listing Rules.</p>
Voting right	The Noteholder will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the Noteholder.

REASONS FOR THE EXTENSION

The Outstanding Convertible Note would be due on 27 February 2014. The proposed amendment to extend the Maturity Date can relieve the imminent need of the Company to repay the Outstanding Convertible Note (in case the Outstanding Convertible Note remains outstanding as at its original maturity date), which in turn, can retain appropriate level of funds for its business development in Jamaica and Benin and general working capital of the Group.

Further, the Outstanding Convertible Note bears no interest and there is no need for guarantee or security, the Directors are of the view that it is in the better interest of the Company and its Shareholders as a whole to utilize the resources of the Group for business development instead of for redemption of the Outstanding Convertible Note. On the other hand, save and except for the Extension, all other terms and conditions of the Convertible Note remain unchanged.

In light of the above, the Board (excluding the independent non-executive directors who will form their views after considering the advice of the independent financial adviser) consider that the terms and conditions of the Deed of Amendment are fair and reasonable and the Extension is of the interest of the Company and the Shareholders as a whole. The Directors are of the view that the Extension will not pose any significant impact on the operations of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of the Deed of Amendment, COMPLANT is the holder of the Outstanding Convertible Note with the principal amount of HK\$533,700,000.

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon the full conversion of the convertible notes other than the Outstanding Convertible Note (assuming there being no other change in the share capital of the Company, save for the issue of the Conversion Shares upon the full conversion of the convertible notes other than the Outstanding Convertible Note); and (iii) immediately upon the full conversion of all convertible notes (including the Outstanding Convertible Note) (assuming there being no other change in the share capital of the Company, save for the issue of the Conversion Shares upon the full conversion of the Outstanding Convertible Note and the convertible note held by other holders):

Shareholders	As at the date of this announcement		Upon full conversion of convertible notes other than the Outstanding Convertible Note		Upon full conversion of the Outstanding Convertible Note and other convertible notes of the Company	
	Shares	%	Shares	%	Shares	%
China-Africa Xin Xing Investment Limited (Note 1)	90,000,000	4.11	206,250,000	8.82	206,250,000	6.39
China COMPLANT (Note 2)	800,000,000	36.51	800,000,000	34.23	800,000,000	24.79
COMPLANT (Note 3)	300,000,000	13.69	300,000,000	12.83	1,189,500,000	36.86
Public Shareholders	1,001,180,000	45.69	1,031,180,000	44.12	1,031,180,000	31.96
Total	<u>2,191,180,000</u>	<u>100.00</u>	<u>2,337,430,000</u>	<u>100.00</u>	<u>3,226,930,000</u>	<u>100.00</u>

Notes:

1. 國家開發銀行股份有限公司 holds 100% of 國開金融有限責任公司 which holds 100% of 中非發展基金有限公司 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 the convertible note of principal amount of HK\$24,000,000 issued by the Company in 2011 which can be converted into 40,000,000 Shares and the convertible note of principal amount of HK\$45,750,000 issued by the Company in 2013 which can be converted into 76,250,000 Shares.
2. China National Complete Plant Import & Export Corporation (Group) (中國成套設備進出口(集團)總公司), a state owned company incorporated in the PRC and is a wholly owned subsidiary of State Development & Investment Corp (國家開發投資公司) and owns 70% equity interest in COMPLANT
3. In addition to the 300,000,000 Shares, COMPLANT holds the Outstanding Convertible Note of principal amount of HK\$533,700,000 convertible into 889,500,000 Shares.

LISTING RULES IMPLICATIONS

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The application for approval for the amendment on the terms and conditions of the Outstanding Convertible Note will be submitted to the Stock Exchange as soon as practicable.

As COMPLANT is the registered and beneficial owner of 300,000,000 Shares, which represent approximately 13.69% of the share capital of the Company, it is therefore a connected person of the Company under the Listing Rules. The Extension to be effectuated by the Deed of Amendment between the Company and COMPLANT constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Therefore, the Extension is subject to reporting and announcement requirements, as well as approval by the Independent Shareholders at the EGM, under the Listing Rules. The Company will establish an independent board committee and will appoint an independent financial adviser to advise the Independent Shareholders and independent board committee regarding the Extension. COMPLANT and its associates will abstain from voting in respect of the resolution approving the Extension and the transaction contemplated there under at the EGM.

GENERAL

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

The Independent Board Committee, comprising Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei, being all independent non-executive Directors, will be established by the Company to advise the Independent Shareholders on the terms of the Deed of Amendment and whether the entering into the Deed of Amendment is in the interest of the Company and the Shareholders as a whole. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened and held to consider and, if thought fit, to approve the Deed of Amendment and the Extension contemplated thereunder. All COMPLANT and its holding company, namely, China Complant and their respective associates shall abstain from voting to approve the Deed of Amendment and the Extension contemplated thereunder at the EGM.

A circular containing, among other things, information regarding details of (i) on the Deed of Amendment; (ii) the terms of the Outstanding Convertible Note; and (iii) the respective letters of advice from the Independent Board Committee and the independent financial adviser will be dispatched to the Shareholders as soon as practicable on or before 20 December 2013 in accordance with the requirements set out in the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are open for business throughout their normal business hours, excluding a Saturday

“China Complant”	China National Complete Plant Import & Export Corporation (Group) (中國成套設備進出口(集團)總公司), a state owned company incorporated in the PRC and is a wholly owned subsidiary of State Development & Investment Corp (國家開發投資公司) and owns 70% equity interest in COMPLANT and a controlling shareholder of the Company
“Company”	Hua Lien International (Holding) Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“COMPLANT”	COMPLANT International Sugar Industry Co., Ltd. (中成國際糖業股份有限公司), a company incorporated in the Cayman Islands with limited liability and a substantial shareholder of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	being HK\$0.6 per Conversion Share
“Conversion Share(s)”	the Share(s) issuable upon the conversion of the Outstanding Convertible Note
“Convertible Note”	the convertible note due 27 February 2014 in the principal amount of HK\$673,200,000 issued by the Company, details of which are set out in the circular of the Company dated 23 January 2009
“Deed of Amendment”	the deed of amendment entered into by the Company and COMPLANT dated 29 November 2013 to extend the Maturity Date of the Convertible Note
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Deed of Amendment
“Extension”	the extension of the maturity date of the Outstanding Convertible Note from 27 February 2014 to 27 February 2019
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	The independent board committee of the Company comprising Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei, being all independent non-executive Directors, to be established to give recommendations to the Independent Shareholders in respect of the Deed of Amendment and the Extension contemplated thereunder

“Independent Shareholders”	Shareholders other than COMPLANT and China Complant and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	being 27 February 2014
“Outstanding Convertible Note”	the Convertible Note in the principal amount of HK\$533,700,000 held by COMPLANT
“PRC”	the People’s Republic of China
“SATT”	Sino-Africa Technology & Trading Limited (中非技術貿易有限公司), a company incorporated in the British Virgin Islands with limited liability
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Merges
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board
Hua Lien International (Holding) Company Limited
Tang Jianguo
Chairman

Hong Kong, 29 November 2013

As at the date of this announcement, the Board comprises six directors, of which three are executive directors, namely Mr. Tang Jianguo, Mr. Han Hong and Mr. Hu Yebi, and three are independent non-executive directors, namely Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei.