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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)

UNUSUAL PRICE AND VOLUME MOVEMENTS

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PROFIT WARNING REGARDING SUBSTANTIAL IMPAIRMENT

LOSS ON ASSETS

This announcement is made by the Company pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

The Board has noted the increase in the price and trading volume of the Shares on 15 March 2016 and wishes to state that, save for below profit warning, the Board is not aware of any reasons for such price and trading volume movements or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for FY 2015, the Directors expected that the financial performance for FY 2015 will record a deterioration of over 150% as compared to the results for FY 2014. The Board expects that the net loss for FY 2015 will be approximately HK\$500 million. Comparing with the financial performance of FY 2014, the Group expects to record a substantial impairment loss on certain assets including, inter alia, goodwill and PP&E, of approximately HK\$300 million for FY 2015.

** For identification purposes only*

The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Company, which has not been reviewed or confirmed by the Company's audit committee, and has not been reviewed or audited by the Company's auditors.

Shareholders and potential investors should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Placing, the Subscription and the Whitewash Waiver and/or dealing in the securities of the Company.

This announcement is made by Hua Lien International (Holding) Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has noted the increase in the price and trading volume of the shares of the Company (the “**Shares**”) on 15 March 2016 and wishes to state that, save for below profit warning, the Board is not aware of any reasons for such price and trading volume movements or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

Reference is also made to the announcements of the Company dated 16 September 2015 and 11 December 2015 (the “**Announcements**”) in relation to Rule 3 of the Takeover Code and inside information of the Company. Unless otherwise stated, capitalised terms used herein shall have same meanings as those defined in the Announcements. In view of this, this profit warning announcement would be regarded as profit forecasts under Rule 10.4 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), Pursuant to Rule 10 of the Takeover Code, the Profit Warning constitutes a profit forecast and would need to be reported on by the Company's financial adviser and auditors (the “**Profit Forecast Reports**”). The Profit Warning must be repeated in full together with the Profit Forecast Reports to be included in the next document sent to the Shareholders as stipulated under Rule 10.4 of the Takeovers Code. Taking into account (i) the practical difficulties

to include the Profit Forecast Reports in this announcement pursuant to Rule 10.4 of the Takeovers Code in terms of the additional time required for the preparation of the Profit Forecast Reports by the Company's financial adviser and auditors; and (ii) the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the Company does not include the Profit Forecast Reports in this announcement. The Profit Warning will be reported on in compliance with the requirements of the Takeovers Code as soon as practicable and the Profit Forecast Reports will be contained in the next document sent to the Shareholders.

The Board wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that the Group's net loss for the year ended 31 December 2015 (the “**FY 2015**”) will be substantially increased. The Directors expected that the financial performance for the FY 2015 will record a deterioration of over 150% as compared to the results for the year ended 31 December 2014 (the “**FY 2014**”). The Board expects that the net loss for the FY 2015 will be approximately HK\$500 million. Comparing with the financial performance of FY 2014, the further deterioration of approximately HK\$300 million is mainly due to, but not limited to, the following factors:

I. PROVISION FOR IMPAIRMENT LOSS ON GOODWILL

Sino-Africa Technology & Trading Limited (“**SATT**”) is engaged in provision of supporting services to sweetener business to its customers in African countries and Jamaica. The Board noticed that the deterioration of business performance of SATT and had prudently assessed those implications on the carrying value of the goodwill on SATT relating to the acquisition of the entire issued share capital of SATT during 2009.

The business unit under SATT has been affected by, inter alia, the deterioration of business and economic environment in the African countries in which SATT operates, the expected significant decline in long-term profitability of SATT resulting from the downtrend of the raw sugar price making customers cautious in placing orders for materials and services. In the recent annual goodwill impairment assessment for FY 2015, subject to the independent valuer engaged by the Company, the Board noted that further impairment provision on part of the remaining carrying value of the goodwill for SATT may be necessary for FY 2015, taking into account, inter alia, its unsatisfactory business performance and that the challenging situation is unlikely to improve in the near future.

At time of announcement, the independent valuer is still working on the valuation. Based on the internal information for the impairment assessment, an additional impairment provision on goodwill of approximately HK\$150 million will be needed for this business segment of supporting services to sweetener and ethanol business for FY 2015.

II. PROVISION FOR IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT

Pan Caribbean Sugar Company Limited (“PCSC”) is engaged in provision of sugar cane growing and sugar manufacturing business in Jamaica. The Board also noticed that the deterioration of business performance of PCSC due to drop in world sugar price. The Board conducted an impairment assessment in respect of the property, plant and equipment (the “PP&E”) of PCSC.

At time of announcement, the independent valuer is still working on the valuation. Based on the internal information for the impairment assessment, an impairment provision on PP&E of approximately HK\$150 million will be needed for this business segment of sugar cane growing and sugar manufacturing business for FY 2015.

However, those impairment losses on goodwill and PP&E are non-cash item and have no effect on the cash flow of the Group’s operation.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for FY 2015 and information currently available to the Company and the same has not been reviewed or confirmed by the Company’s audit committee, and has not been reviewed or audited by the Company’s auditors. Actual financial results of the Group for FY 2015 may be different from what is disclosed in this announcement. Further details on the financial results will be disclosed in March 2016 when the Group publishes its annual results for FY 2015.

Shareholders and potential investors should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Placing, the Subscription and the Whitewash Waiver and/or dealing in the securities of the Company.

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

Hong Kong, 15 March 2016

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. Wang Zhaohui and Dr. Xu Dandan 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 the information contained in this announcement and confirm, having made all reasonable enquiries, 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.