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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)

MAJOR AND CONNECTED TRANSACTION

On 3 August 2012, the Company entered into the Joint Venture Agreement with COMPLANT and the JV Company, pursuant to which (i) the Company has conditionally agreed to purchase and COMPLANT has conditionally agreed to sell the Sale JV Company Shares after the issue and allotment of the New JV Company Shares to COMPLANT by the JV Company at par value, representing 70% of the equity interest in the JV Company after the issue and allotment of the New JV Company Shares to COMPLANT, for the Consideration of US\$3,270,000 (approximately HK\$25,375,000) which will be satisfied by the payment in cash to COMPLANT; and (ii) the Company and COMPLANT have undertaken to contribute capital amounting to US\$88,760,000 (approximately HK\$688,778,000) and US\$38,040,000 (approximately HK\$295,190,000) respectively into the JV Group by way of share capital and/or shareholders' loan, in the proportion of 70% and 30%.

Upon Completion, the JV Company will become an indirect non-wholly owned subsidiary of the Company and accordingly, the financial results of the JV Company will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in relation to the Transaction as defined in the Listing Rules exceed 25% but none of them exceeds 100%, the Transaction constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

As COMPLANT currently holds 300,000,000 Shares, which represent approximately 21.56% of the existing issued share capital of the Company as at the date of this announcement. By virtue of this shareholding interest, COMPLANT is a substantial Shareholder (as defined under the Listing Rules), and is accordingly a connected person of the Company. As the highest percentage ratio under Rule 14.07 of the Listing Rules exceeds 25%, the Transaction constitutes a non-exempted connected transaction for the Company and is subject to the reporting and announcement requirements and requires the approval of the Independent Shareholders. COMPLANT and its associates (as defined under the Listing Rules) are required to abstain from voting on the resolution(s) in respect of the Transaction at the EGM.

* For identification purpose only

An Independent Board Committee (comprising of all the independent non-executive Directors) will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Transaction. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing (i) details of the Transaction; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Transaction; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction; (iv) a notice of the EGM; and (v) other information as required by the Listing Rules is expected to be despatched to the Shareholders on or about 31 August 2012 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

THE JOINT VENTURE AGREEMENT

The principal terms of the Joint Venture Agreement are as follows:

Date

3 August 2012

Parties

- (1) COMPLANT;
- (2) The JV Company; and
- (3) The Company

COMPLANT, which currently holds 300,000,000 Shares, which represent approximately 21.56% of the existing issued share capital of the Company as at the date of this announcement. By virtue of this shareholding interest, it is a substantial Shareholder (as defined under the Listing Rules), and is accordingly a connected person of the Company.

The JV Company is wholly-owned by COMPLANT as at the date of this announcement, and is accordingly a connected person of the Company.

Subject matter of the Joint Venture Agreement

(A) Acquisition of the Sale JV Company Shares

Vendor: COMPLANT

Purchaser: The Company

The Company has conditionally agreed to purchase and COMPLANT has conditionally agreed to sell the Sale JV Company Shares after the issue and allotment of the New JV Company Shares to COMPLANT by the JV Company at par value, representing 70% of the equity interest in the JV Company after the issue and allotment of the New JV Company Shares to COMPLANT.

Consideration

The Consideration for the Sale JV Company Shares is US\$3,270,000 (approximately HK\$25,375,000) and will be satisfied upon the Completion by the payment in cash to COMPLANT from the Group's internal resources.

The Consideration has been determined after arm's length negotiations between the Company and COMPLANT with reference to, inter alia, the appraised net asset value of the JV Company as at 31 December 2011 of approximately RMB29,393,400 (equivalent to approximately HK\$36,242,000) as shown in a valuation report on the JV Company issued by 北京同仁和資產評估有限責任公司 (Beijing Tongrenhe Assets Appraisal Co. Ltd.), a PRC appraisal firm accredited by the State-owned Assets Supervision and Administration Commission of the State Council for State-owned assets valuation. The appraised net asset value of the JV Company was calculated based on the depreciated current replacement cost approach, one of the specifically prescribed methods under China Appraisal Society which is a member of the International Valuation Standards Committee. The Consideration is equal to the attributable appraised net asset value of the JV Company and the Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of the Independent Financial Adviser) consider that the Consideration is fair and reasonable.

(B) Undertaking

The Company and COMPLANT have undertaken to contribute capital amounting to US\$88,760,000 (approximately HK\$688,778,000) and US\$38,040,000 (approximately HK\$295,190,000) respectively into the JV Group by way of share capital and/or shareholders' loan, in the proportion of 70% and 30%. As at the date of this announcement, COMPLANT has contributed US\$38,040,000 (approximately HK\$295,190,000) into the JV Group by way of share capital and shareholders' loan.

The JV Company has undertaken to procure the Project Company to repay the outstanding short-term payables advanced by COMPLANT to COMPLANT, which amounted to approximately US\$11 million (approximately HK\$85 million) as at 29 February 2012, on or before 31 December 2012.

Conditions precedent

Completion of the Transaction is conditional upon each of the following conditions being fulfilled or waived:

- (i) the passing of ordinary resolution(s) at the EGM by poll in accordance with the requirements of the Listing Rules and all other applicable laws and regulations to approve the Joint Venture Agreement and the transactions contemplated thereunder;
- (ii) all necessary consents and approvals (including those under the Listing Rules and those approvals, consents, registrations from the relevant government, regulatory bodies and authorities pursuant to the law in Hong Kong and the PRC or third parties) in relation to the transactions contemplated under the Joint Venture Agreement having been obtained by COMPLANT and the Company and if any approval, consent or registration is subject to certain conditions, such conditions have to be accepted by COMPLANT at COMPLANT's discretion;
- (iii) there has been no material change in respect of the business, operation and financial condition of the JV Group or no such material change will be expected to happen before the Completion Date;
- (iv) all warranties given by COMPLANT shall remain true and accurate in all respect and not misleading;

- (v) the Company being satisfied with and accepting the result of the due diligence review in relation to the business, operation, assets and liabilities of the JV Group; and
- (vi) the JV Company having completed the issue and allotment of 99 JV Company Shares to COMPLANT and COMPLANT is the sole legal and beneficial owner of the Sales JV Company Shares.

and if the above conditions have not been fulfilled or waived (other than conditions (i), (ii) and (vi) which may not be waived) on or before 31 October 2012 (or a later date by agreement in writing between the Company and the COMPLANT), the provisions of the Joint Venture Agreement (other than, among others, the condition clause) shall from such date have no effect and no party shall have any liability under them.

Completion

Completion shall take place on the tenth Business Day after the fulfilment or waiver of the conditions precedent of the Joint Venture Agreement.

INFORMATION OF COMPLANT AND THE JV COMPANY

COMPLANT is a subsidiary of China Complant, a state-owned company incorporated in the PRC. COMPLANT, through its subsidiaries, is principally engaged in sugar cane planting and production of sugar products and ethanol in Africa and Jamaica. It is a substantial Shareholder holding approximately 21.56% of the issue capital of the Company.

The JV Company is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by COMPLANT as at the date of this announcement. Its principal assets comprise its investment in a wholly-owned subsidiary, the Project Company. It is principally engaged in the Jamaica Sugar Industry Projects through the Project Company.

Background of the Jamaica Sugar Industry Projects

As stated in the announcement of the Company dated 1 June 2011, the Company had entered into a novation agreement with COMPLANT to the effect that COMPLANT's respective interests under the sale and purchase agreement and the leases with the Government of Jamaica will be novated to the Company entirely. The novation agreement was subsequently terminated on 20 July 2011 and details of the termination agreement are set out in the Company's announcement dated 20 July 2011.

On 15 August 2011, COMPLANT nominated the Project Company as purchaser completed the acquisition of certain factory lands with an aggregate area of approximately 58.76 hectares and assets from the Government of Jamaica together with other statutory parties as sellers at a cash consideration in the sum of US\$9,000,000 (approximately HK\$69,840,000) for the factory lands and the assets plus an undertaking to make a capital expenditure of US\$126.8 million (approximately HK\$984.0 million) for the revival and working capital of the three sugar estates in Jamaica (comprising the Frome Estate in the parish of Westmoreland, Monymusk Estate in the parish of Clarendon and Bernard Lodge Estate in the parish of Saint Catherine) (collectively, the "**Sugar Estates**").

COMPLANT also nominated the Project Company as lessee to lease all pieces of the leased lands from the same parties with an aggregate area of approximately 32,571.51 hectares for a term of 50 years (with an option to renew for a further 25 years) commencing on 15 August 2011. The initial rent under the lease is US\$35 per hectare per annum, subject to increases with reference to the inflation rate in the United States of America. The leased lands will be used for sugar cane farming, cassava farming or any other sugar cane related business (such as sugar, molasses, ethanol and co-generation from sugar cane and related crops).

According to the business plan related to the Jamaica Sugar Industry Projects, a total amount of US\$126.8 million (approximately HK\$984.0 million) should be invested within three years after the overall purchasing/leasing of the factory lands, the assets and the leased lands (i.e. from 15 August 2011 to 15 August 2014) to (i) carry out the 3-year revival plan of the industrial and agricultural production plant and facilities of Frome Estate and Monymusk Estate so as to promote the industrial efficiency and agricultural productivity with an annual output of 150,000 tons of raw sugar; and to maximize the power generation and increase the power supply to the state grid by reducing the energy consumption and increasing the production efficiency; (ii) build two new alcohol plants to produce rum alcohol at Frome Estate and Monymusk Estate; and (iii) encourage and support the farmers to grow cassava in a large-scale at proper time so as to increase the production of alcohol by using cassava as feed stock. Among the US\$126.8 million (approximately HK\$984.0 million), US\$47.7 million (approximately HK\$370.2 million) would be used on the agricultural facilities, US\$57.82 million (approximately HK\$448.7 million) would be used on the industrial facilities, and US\$21.28 million (approximately HK\$165.1 million) would be used as working capital.

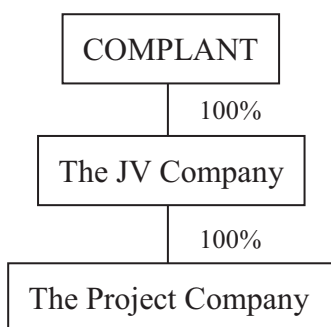
Set out below is a summary of the unaudited financial results of the JV Group for the year ended 31 December 2011 and the two months ended 29 February 2012, which was prepared in accordance with the Hong Kong Financial Reporting Standards:

| | Year ended 31 December 2011 (unaudited) J\$'000 | Two months ended 29 February 2012 (unaudited) J\$'000 |
|-----------------------------------|--|--|
| Total assets | 3,524,065 | 4,381,136 |
| Total liabilities | 4,233,139 | 4,836,326 |
| Net liabilities | (709,074) | (455,190) |
| Turnover | 249,760 | 1,712,800 |
| Net (loss)/profit before taxation | (709,074) | 253,884 |
| Net (loss)/profit after taxation | (709,074) | 253,884 |

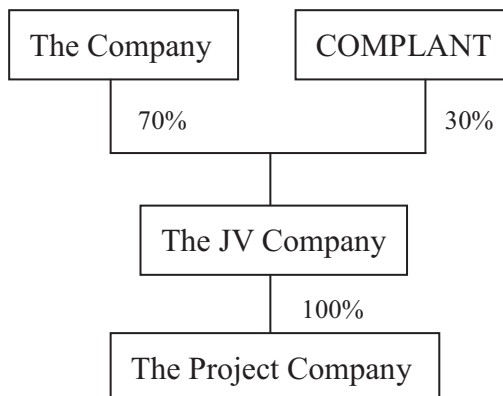
Shareholding Structure of the JV Company

As at the date of this announcement, the entire issued share capital of the JV Company comprises 1 JV Company Share, which is owned by COMPLANT. As one of the conditions precedent to Completion, the JV Company will issue and allot the New JV Company Shares which comprises 99 JV Company Shares to COMPLANT at par value, and the Sale JV Company Shares will represent 70% of the equity interest in the JV Company after the issue and allotment of the New JV Company Shares to COMPLANT. The cost for COMPLANT to acquire the Sale JV Company Shares will be US\$70, being the aggregate par value of the Sale JV Company Shares. Upon Completion, the JV Company will be owned as to 70% and 30% by the Company and COMPLANT respectively, and accordingly the JV Company will become a subsidiary of the Company. The corporate structures of the JV Company before and after the Transaction are shown as follows:

Before the Transaction



After the Transaction



REASONS FOR AND THE BENEFITS OF THE TRANSACTION

The Company is an investment holding company. The Group is principally engaged in sugar-related business, including provision of supporting services to sugar sweetener and ethanol business to African countries, trading of raw materials and goods related to the sugar business, management and technical staff related to the sugar business in African countries.

The Board considers that the Jamaica Sugar Industry Projects would allow the Group to expand its business into the Jamaican sugar industry, which in the Directors' opinion would be strategic beneficial to the Group by extending the width and depth of the existing business, taking into account the Group's current business of providing supporting services to sweetener and ethanol businesses in African and other countries. Included in the revival plans of the Sugar Estates is to build a modernized sugar refinery at one of the Sugar Estates to produce raw sugar and refined sugar. Besides, upon completion of the revival plans of the Sugar Estates, the Group may, subject to the results of the feasibility studies, be initiated to build a dehydration factory at one of the Sugar Estates to produce fuel ethanol.

The Directors (excluding the independent non-executive Directors whose opinion will be subject to the advice of the Independent Financial Adviser) consider that the Joint Venture Agreement was entered into on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation, and the terms are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in relation to the Transaction as defined in the Listing Rules exceed 25% but none of them exceeds 100%, the Transaction constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

As COMPLANT currently holds 300,000,000 Shares, which represent approximately 21.56% of the existing issued share capital of the Company as at the date of this announcement. By virtue of this shareholding interest, COMPLANT is a substantial Shareholder (as defined under the Listing Rules), and is accordingly a connected person of the Company. As the highest percentage ratio under Rule 14.07 of the Listing Rules exceeds 25%, the Transaction constitutes a non-exempted connected transaction for the Company and is subject to the reporting and announcement requirements and requires the approval of the Independent Shareholders. COMPLANT and its associates (as defined under the Listing Rules) are required to abstain from voting on the resolution(s) in respect of the Transaction at the EGM.

GENERAL

An Independent Board Committee (comprising of all the independent non-executive Directors) will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the Transaction. 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 Joint Venture Agreement and the transactions contemplated thereunder.

A circular containing (i) details of the Transaction; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Transaction; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction; (iv) a notice of the EGM; and (v) other information as required by the Listing Rules is expected to be despatched to the Shareholders on or about 31 August 2012 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

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| “Board” | the board of Directors |
| “Business Day” | a day (not being a Saturday or days on which a typhoon signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at 10:00 a.m.) on which banks are generally open for general banking business in Hong Kong |
| “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). |
| “Company” | Hua Lien International (Holding) Company Limited (華聯國際(控股)有限公司*), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange |

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| “COMPLANT” | COMPLANT International Sugar Industry Co., Ltd. (中成國際糖業股份有限公司), which is a substantial Shareholder (as defined under the Listing Rules) |
| “Completion” | completion of the transactions contemplated under the Joint Venture Agreement |
| “Completion Date” | the date when the Completion takes place |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Consideration” | the aggregate consideration payable by the Company to COMPLANT for the acquisition of the Sale JV Company Shares pursuant to the Joint Venture Agreement |
| “Director(s)” | the director(s) of the Company |
| “EGM” | an extraordinary general meeting of the Company to be convened to approve the Joint Venture Agreement and the transactions contemplated thereunder |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent board committee of the Company to be formed by the Company to advise the Independent Shareholders as to whether the Transaction is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole |
| “Independent Financial Adviser” | the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Transaction |
| “Independent Shareholder(s)” | Shareholder(s) other than COMPLANT and its associates (as defined under the Listing Rules), who are not involved in or interested in the Transaction |
| “Jamaica Sugar Industry Projects” | the projects relating to the developments and investments in the Jamaican sugar industry which, involve, inter alia, cultivation of sugar cane, manufacturing, development, sale and distribution of sugar, molasses and any other related business in the sugar estates in Jamaica |
| “Joint Venture Agreement” | the joint venture agreement entered into among COMPLANT, the JV Company and the Company on 3 August 2012, pursuant to which the Company has conditionally agreed to purchase and COMPLANT has conditionally agreed to sell the Sale JV Company Shares after the issue and allotment of the New JV Company Shares to COMPLANT by the JV Company at par value |

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| “JV Company” | Joyful Right Limited (正樂有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by COMPLANT as at the date of this announcement |
| “JV Company Share(s)” | the ordinary share(s) of US\$1 in the capital of the JV Company |
| “JV Group” | the JV Company and its subsidiary, including the Project Company |
| “Listing Rules” | the Rules governing the Listing of Securities on The Stock Exchange |
| “New JV Company Shares” | 99 JV Company Shares to be issued and allotted to COMPLANT by the JV Company at par value pursuant to the Joint Venture Agreement |
| “PRC” | the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Project Company” | Pan-Caribbean Sugar Company Limited, a company incorporated in Jamaica with limited liability and is wholly-owned by the JV Company as at the date of this announcement |
| “Sale JV Company Shares” | 70 JV Company Shares after the issue and allotment of the New JV Company Shares to COMPLANT by the JV Company at par value, representing 70% of the equity interest in the JV Company after the issue and allotment of the New JV Company Shares to COMPLANT |
| “Share(s)” | share(s) of HK\$0.1 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transaction” | all the transactions as a whole contemplated by the Joint Venture Agreement |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “J\$” | Jamaica dollars, the lawful currency of Jamaica |
| “RMB” | Renminbi, the lawful currency of the PRC |

“US\$” United States dollars, the lawful currency of the United States of America
“%” per cent.

By order of the Board
Hua Lien International (Holding) Company Limited
Hu Yebi
Executive Director

Hong Kong, 3 August 2012

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

For the purpose of illustration only and unless otherwise stated, conversions of Jamaica dollars, Renminbi and United States dollars in Hong Kong dollars in this announcement is based on the exchange rate of J\$1.00 to HK\$0.0912, RMB1.00 to HK\$1.233 and US\$1.00 to HK\$7.76. Such conversions should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.