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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)

INSIDE INFORMATION —

EXEMPT CONNECTED TRANSACTION INVOLVING THE PROVISION OF FINANCIAL ASSISTANCE BY A CONNECTED PERSON

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions.

The Company is pleased to announce that, on 21 November 2014 (after trading hours), PCSC entered into the senior revolving credit facility agreement with COMPLANT, pursuant to which COMPLANT has agreed to make available to PCSC a revolving credit facility in the principal sum of a maximum of US\$50.00 million (approximately HK\$387.56 million) for not exceeding 12 months from first drawdown date. Extension of the maturity date is subject to further written agreement between COMPLANT and PCSC. The proceeds of the loan shall be used solely as to finance the remaining industrial and agricultural upgrade under the 3-Year Revival Plan. PCSC may at any time repay prior to maturity the whole or any part of the loan without any fee or penalty provided that it shall have given to COMPLANT not less than 5 working days' prior written notice. Interest on loan shall accrue at fixed rate of 6.15% per annum for accumulated drawdown up to US\$13.00 million and at 12 month US dollar LIBOR at drawdown date plus 400 basis points per annum for accumulated drawdown above US\$13.00 million to US\$50.00 million. The Senior Bridging Loan has no collateral and no convertibility for share of PCSC and the Company. The Senior Bridging Loan ranks senior in right of payment to its existing and future long-term debts. Upon the long-term bank loan(s) from IDB or other financial institution(s) for the 3-Year Revival Plan becoming available, all outstanding principal and all accrued interest thereon shall become immediately due and shall settle from funding of the long-term bank loan(s).

As COMPLANT is a connected person of the Company within the meaning of the Listing Rules, the Senior Bridging Loan constitutes a connected transaction of the Company. As the Senior Bridging Loan is provided for the benefit of the Company on normal commercial terms (or better to the Company) and no security over the assets of the Group is granted in respect of the Senior Bridging Loan, the Senior Bridging Loan is exempt from the reporting, announcement and independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules. Nevertheless, this constitutes Inside Information and an announcement is issued to disclose the main terms of the Senior Bridging Loan for the information of Shareholders and potential investors.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

* For identification purpose only

This announcement is made by Hua Lien International (Holding) Company Limited (“**Company**”, and together with its subsidiaries the “**Group**”) pursuant to Rule 13.09(2) 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) (“**Inside Information Provisions**”).

INTRODUCTION

On 21 November 2014, Pan Caribbean Sugar Company Limited (“**PCSC**”), a 70% indirectly owned subsidiary of the Company entered into the senior revolving credit facility agreement for a maximum of US\$50.00 million (approximately HK\$387.56 million) revolving credit facility from COMPLANT International Sugar Industry Co., Ltd. (“**COMPLANT**”, which is a substantial Shareholder as defined under the Listing Rules), at fixed rate of 6.15% per annum for accumulated drawdown up to US\$13.00 million and at 12 month US dollar LIBOR at drawdown date plus 400 basis points per annum for accumulated drawdown above US\$13.00 million to US\$50.00 million. The senior revolving credit facility ranks senior in right of payment to its existing and future long-term debts. Upon the long-term bank loan(s) from IDB or other financial institution(s) for the 3-Year Revival Plan becoming available, all outstanding principal and all accrued interest thereon shall become immediately due and shall settle from funding of the long-term bank loan(s) (the “**Senior Bridging Loan**”).

MAJOR TERMS OF THE SENIOR BRIDGING LOAN

Lender:	COMPLANT
Borrower:	PCSC
Maximum drawdown:	Maximum at US\$50.00 million (approximately HK\$387.56 million)
Repayment Date:	Not exceeding 12 months term from first drawdown date and shall repay in full in one lump sum for all principal outstanding and all interest accrued thereon at maturity of the credit facility. Extension of the maturity date is subject to further written agreement between Lender and Borrower.
Prepayment Option:	Borrower may at any time repay prior to maturity the whole or any part of the loan without any fee or penalty levied by Lender provided that Borrower has given not less than 5 working days’ prior written notice to Lender.
Interest:	For accumulated drawdown of US\$13.00 million or below — a fixed rate of 6.15% per annum on outstanding principal amount of the loan drawn, accrued daily on a 365-day year basis. (This interest rate is based on the directly incurred costs of Lender, which is at annual rate of 6.15% under its long-term Renminbi intercompany borrowing in the PRC. The Lender will exchange this borrowed Renminbi for US dollar to provide up to US\$13.00 million loan to Borrower. The fixed rate of 6.15% per annum is equal to the prevailing one to three year basic lending rate as specified by the People’s Bank of China.)

For accumulated drawdown above US\$13.00 million to US\$50.00 million

- 12 month US dollar LIBOR at drawdown date plus 400 basis points per annum on outstanding principal amount of the loan drawn, accrued daily on a 365-day year basis.

(This interest rate is based on the estimated directly incurred costs of Lender, which is at annual rate of 12 month US dollar LIBOR at drawdown date plus 400 basis points under its US dollar intercompany borrowing sourced in Hong Kong, in order to provide up to US\$37.00 million additional loan to Borrower.)

These rates are all lower than the 12 months average of the monthly foreign currency commercial banks weighted loan rates as announced by Bank of Jamaica of 6.96% from October 2013 to September 2014 (Source: http://boj.org.jm/statistics/econdata/stats_list.php?type=5).

The interest shall be payable at maturity of the credit facility.

Senior to all long-term debts: Ranks senior in right of payment to Borrower's existing and future long-term debts.

Upon the long-term bank loan(s) from IDB or other financial institution(s) for the 3-Year Revival Plan becoming available, all outstanding principal and all accrued interest thereon shall become immediately due and shall settle from funding of the long-term bank loan(s).

Security: No guarantee, any pledge of assets or other security by the Group during the term of the credit facility.

Shares convertibility: No convertibility for share of Borrower or the Company by loan by Lender during the term of the credit facility.

PURPOSE OF THE SENIOR BRIDGING LOAN AND IMPACT ON THE GROUP

As detailed and defined in the circular dated 11 December 2012 in relation to the development of Jamaica Sugar Industry Projects, the Company and COMPLANT has invested of US\$88.76 million (approximately HK\$687.99 million) and US\$38.04 million (approximately HK\$294.85 million) respectively for a total amount of US\$126.80 million (approximately HK\$982.84 million) into JV Group to carry out the 3-Year Revival Plan. Under the 3-Year Revival Plan, the planned fund for working capital investment is approximately US\$21.12 million (approximately HK\$163.70 million) but the actual working capital investment has escalated to approximately US\$37.91 million (approximately HK\$293.84 million) as at 30 June 2014. Besides, as consequences of the PCSC's performance impacted by several forces, that included climatic conditions in Jamaica, subdued global prices of sugar because of a global surplus, foreign exchange depreciation of Jamaican dollar as well as low sugar refining margins because of high operation costs, the additional invested fund used on sustaining the operations has accumulated to US\$34.99 million (approximately HK\$271.21 million) as at 30 June 2014. The above increase in working capital investment of US\$16.79 million (approximately HK\$130.14 million) and the increase in US\$34.99 million (approximately HK\$271.21 million) used for operations had reduced the available fund for capital expenditure, the accumulated amount spent on capital expenditure on industrial and agricultural upgrade is only of approximately US\$53.90 million (approximately HK\$417.79 million) as at 30 June 2014 and additional fund of approximately US\$51.78 million (approximately HK\$401.35 million) is needed to complete the 3-Year Revival Plan.

As such results, PCSC is in the process of seeking long-term bank loan from IDB in scopes of continuing the existing renovation of the two sugar factories to boost their productivity and energy efficiency, continuing the existing rehabilitation of farm land and upgrading the farm land facilities and continuing the assistance to smallholder sugarcane farmers to increase their harvests that will supply our two factories for sugar refinery in form of crop loan and farm equipment hiring services (all those are within the scope of the 3-Year Revival Plan). IDB is still evaluating our loan application when their due diligence investigation and their internal approval procedures are presently ongoing, it is hard to estimate approximately when the loan decision will be made. Therefore, to ensure the progress of remaining industrial and agricultural upgrade is back on track, PCSC had considered obtaining additional short-term shareholder loans from the shareholders of Joyful Right Limited (an immediate holding company of PCSC and a joint venture company held 70% by the Company and 30% by the COMPLANT) in proportion to their shareholdings. However, due to the lack of surplus fund of the Company, this Senior Bridging Loan is provided solely by COMPLANT to meet PCSC's immediate funding need.

This bridge financing from COMPLANT to PCSC in this transitional time will benefit PCSC and the Company as a shareholder, which could boost the vitality to the Company's investment in PCSC. On the other hand, the weighted average interest rate is presently approximately 2% lower than the market rate in Jamaica, this will save some of the valuable cash resources of PCSC for its operations. In addition, the Senior Bridging Loan is senior only to other long-term debts, this will not hinder PCSC to obtain other local short-term bank financing. Moreover, the Senior Bridging Loan has no convertibility into share of PCSC, it will not dilute the Company's interest in PCSC. For the aforesaid reasons, the Directors (including the independent non-executive Directors), other than Mr. Liu Xueyi and Mr. Han Hong by virtue of both also being the directors of COMPLANT as well as Mr. Wang Zhaohui by virtue of also being the finance manager of COMPLANT and they are considered to have material interest in the Senior Bridging Loan and have abstained from voting on the board resolution for approving the Senior Bridging Loan, are of the opinion that the terms and conditions of the Senior Bridging Loan are fair and reasonable, on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES AND LISTING RULES IMPLICATIONS

The Group is principally engaged in the provision of supporting services for sweeteners business as well as sugar cane plantation and sugar manufacturing in Jamaica.

PCSC is a limited liability company incorporated in Jamaica and a 70% indirectly owned subsidiary of the Company. It is principally engaged in sugar cane plantation and sugar manufacturing in Jamaica.

COMPLANT is a substantial Shareholder of the Company as defined under the Listing Rules. As at the date of this announcement, COMPLANT is interested in 13.69% of the existing issued share capital of the Company. As such, COMPLANT is a connected person of the Company within the meaning of the Listing Rules.

As COMPLANT is a connected person of the Company within the meaning of the Listing Rules, the Senior Bridging Loan extended by COMPLANT constitutes a connected transaction of the Company. As the Senior Bridging Loan is provided for the benefit of the Company on normal commercial terms (or better to the Company) and no security over the assets of the Group is granted in respect of the Senior Bridging Loan, the Senior Bridging Loan is exempt from the reporting, announcement and independent Shareholders' approval requirements under the Rule 14A.90 of the Listing Rules. Nevertheless, this constitutes Inside Information and an announcement is issued to disclose the main terms of the Senior Bridging Loan for the information of Shareholders and potential investors.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“3-Year Revival Plan”	the business plan relating to the Jamaica Sugar Industry Projects, a total investment amount of US\$126.80 million (approximately HK\$982.84 million) to carry out the 3-year revival plan of the industrial and agricultural production plants and facilities of Frome Estate, Monymusk Estate and Bernard Lodge Estate in Jamaica
“Board”	the board of Directors
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“IDB”	Inter-American Development Bank (a multilateral development bank with mission to support efforts by Latin America and the Caribbean countries to reduce poverty and inequality, which established in 1959, with headquarters is in Washington, DC of the United States of America with country offices in 26 borrowing countries, plus a regional office in Asia and office in Europe) is one of the leading source of development financing for Latin America and the Caribbean countries, which approved lending and grants for the regions of US\$14 billion in 2013 (Source: http://www.iadb.org/en/about-us/about-the-inter-american-development-bank,5995.html)
“Inside Information”	has the meaning ascribed thereto under the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance
“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
“JV Group”	Joyful Right Limited, a 70% non-wholly owned subsidiary of the Company, incorporated in the British Virgin Islands with limited liability and its wholly-owned subsidiary, PCSC
“LIBOR”	London Interbank Offered Rate
“Listing Rules”	the Rules governing the Listing of Securities on The Stock Exchange
“Long-Term”	Term over 12 months
“Shareholder(s)”	holder(s) of share(s) of HK\$0.1 each in the share capital of the Company

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
Liu Xueyi
Chairman

Hong Kong, 21 November 2014

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.

For the purpose of illustration only and unless otherwise stated, conversions of US\$ in HK\$ in this announcement is based on the exchange rate of US\$1.00 to HK\$7.7511. 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.