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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)



BESTWAY INTERNATIONAL HOLDINGS LIMITED
百威國際控股有限公司*
(incorporated in Bermuda with limited liability)
(Stock code: 718)

**(1) MEMORANDUM OF UNDERSTANDING
IN RESPECT OF
(A) THE POSSIBLE SUBSCRIPTION OF
NEW HUA LIEN SHARES BY BESTWAY INVOLVING
POSSIBLE APPLICATION OF WHITEWASH WAIVER;
(B) POSSIBLE PLACING OF NEW HUA LIEN SHARES
AND
(2) RESUMPTION OF TRADING**

This announcement is jointly made by Hua Lien and Bestway pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MEMORANDUM OF UNDERSTANDING

On 23 May 2016, Hua Lien and Bestway entered into the Memorandum of Understanding, pursuant to which Hua Lien intends to allot and issue, and the Subscriber intends to subscribe for, 3,700,000,000 Subscription Shares at the tentative Subscription Price of HK\$0.16 per Subscription Share.

Pursuant to the Memorandum of Understanding, the Subscriber has been granted a 90-day exclusivity period commencing from the date of the Memorandum of Understanding. During the exclusivity period, Hua Lien shall not negotiate nor enter into any agreement with any person or entity (other than the Subscriber) relating to the Possible Subscription or any transaction of a similar nature.

* For identification purposes only

Pursuant to the Memorandum of Understanding, Hua Lien and Bestway also agreed that 800,000,000 Placing Shares will be placed at the tentative Placing Price of HK\$0.16 per Placing Share to the Placees in order to maintain the public float of Hua Lien at the completion of the Possible Subscription.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this joint announcement, the Subscriber and parties acting in concert with it do not own or have control or direction over any Hua Lien Shares and the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hua Lien.

If the Possible Subscription and the Possible Placing materialise, upon completion of the Possible Subscription and the Possible Placing, the Subscriber and the parties acting in concert with it may in aggregate be interested in approximately 55.30% of the entire issued share capital of Hua Lien as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming that there is no change in the issued share capital of Hua Lien other than the issue of the Subscription Shares and the Placing Shares from the date of this joint announcement and up to completion of the Possible Subscription and the Possible Placing and there is no exercise or conversion of any of the Convertible Notes).

Under Rule 26.1 of the Takeovers Code, if the Possible Subscription shall proceed to completion, the Subscriber would be obliged to make a mandatory general offer to the Hua Lien Shareholders for all the issued Hua Lien Shares and other securities of Hua Lien 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 (if any).

The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Hua Lien Independent Shareholders at an extraordinary general meeting of Hua Lien by way of a poll.

Completion of the Possible Subscription will be conditional upon, among other things, the Whitewash Waiver having been granted by the Executive, which is capable of being waived by the Subscriber. If it is waived by the Subscriber and both Hua Lien and the Subscriber proceed to completion of the Possible Subscription, the Subscriber will be obliged to make a mandatory general offer for all issued Hua Lien Shares not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it under Rule 26.1 of the Takeovers Code as a result of the Possible Subscription.

Under Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Subscription will continue to be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

RESUMPTION OF TRADING IN THE HUA LIEN SHARES

At the request of Hua Lien, trading in the Hua Lien Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 24 May 2016 pending the release of this joint announcement. Application has been made by Hua Lien to the Stock Exchange for resumption of trading in the Hua Lien Shares on the Stock Exchange with effect from 9:00 a.m. on 26 May 2016.

RESUMPTION OF TRADING IN THE BESTWAY SHARES

At the request of Bestway, trading in the Bestway Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 24 May 2016 pending the release of this joint announcement. Application has been made by Bestway to the Stock Exchange for resumption of trading in the Bestway Shares on the Stock Exchange with effect from 9:00 a.m. on 26 May 2016.

WARNING

The Memorandum of Understanding is non-legally binding in nature and there is no assurance that the Possible Subscription and the Possible Placing 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, Hua Lien Shareholders, Bestway Shareholders and their potential investors are advised to exercise caution when dealing in the Hua Lien Shares, the Bestway Shares and other securities and if they are in any doubt about their position, they should consult their professional adviser(s).

This announcement is jointly made by Hua Lien and Bestway pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

Reference is made to the announcements of Hua Lien dated 10 September 2015 and 11 December 2015 in relation to a non-legally binding memorandum of understanding entered into between Hua Lien and the Previous Subscriber in respect of the Previous Possible Subscription (“**Previous MOU**”). Both Hua Lien and the Previous Subscriber agreed to terminate the Previous MOU on 25 May 2016 with no claim against each other thereunder.

THE MEMORANDUM OF UNDERSTANDING

The Hua Lien Board and the Bestway Board are pleased to jointly announce that on 23 May 2016, Hua Lien and Bestway entered into the Memorandum of Understanding, pursuant to which Hua Lien intends to allot and issue, and the Subscriber intends to subscribe for, 3,700,000,000 Subscription Shares. In addition to the Subscription Shares, pursuant to the Memorandum of Understanding, both parties agreed that 800,000,000 Placing Shares will be placed to the Placees in order to maintain the public float of Hua Lien at the completion of the Possible Subscription. Set out below are the principal terms of the Memorandum of Understanding:

Date: 23 May 2016

The Subscriber: Bestway or any of its affiliates

The Issuer: Hua Lien

The Possible Subscription and the Possible Placing

Pursuant to the Memorandum of Understanding, Hua Lien intends to allot and issue, and the Subscriber intends to subscribe for, 3,700,000,000 Subscription Shares. The Subscription Shares shall be subject to a one-year lock-up period. The consideration for the Possible Subscription will be paid in cash.

Pursuant to the Memorandum of Understanding, Hua Lien and Bestway also agreed that 800,000,000 Placing Shares at the tentative Placing Price of HK\$0.16 per Placing Share will be placed to the Placees in order to maintain the public float of Hua Lien at the completion of the Possible Subscription.

It is intended that the Subscriber will own (i) approximately 62.81% of the enlarged share capital of Hua Lien immediately upon completion of the Possible Subscription, assuming no conversion or exercise of the outstanding Convertible Notes; and (ii) approximately 55.30% of the enlarged share capital of Hua Lien immediately upon completion of the Possible Subscription and the Possible Placing, assuming no conversion or exercise of the outstanding Convertible Notes.

The Subscription Price and the Placing Price

Both the Subscription Price and the Placing Price are HK\$0.16 per Hua Lien Share, which represent:

- (i) a discount of 50.00% to the closing price of HK\$0.32 per Hua Lien Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 51.52% to the average of the closing price of HK\$0.33 per Hua Lien 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 premium of approximately 463.98% over the net asset value per Hua Lien Share of approximately HK\$0.0284 as at 31 December 2015 (based on the number of issued Hua Lien Shares as at the date of this joint announcement).

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

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

Potential Effect on the Shareholding Structure of Hua Lien

Set out below is the shareholding structure of Hua Lien (i) as at the date of this joint announcement; (ii) immediately after completion of the Possible Subscription and the Possible Placing (assuming no conversion of the Convertible Notes); and (iii) immediately after completion of the Possible Subscription and the Possible Placing (assuming full conversion of the Convertible Notes):

	As at the date of this joint announcement		Immediately after completion of the Possible Subscription and the Possible Placing (assuming no conversion of the Convertible Notes) (Note 4)		Immediately after completion of the Possible Subscription and the Possible Placing (assuming full conversion of the Convertible Notes) (Note 4)	
	Number of Hua Lien Shares	%	Number of Hua Lien Shares	%	Number of Hua Lien Shares	%
Substantial shareholders of Hua Lien						
The Subscriber and parties acting in concert with it	–	–	3,700,000,000	55.30	3,700,000,000	48.07
China Complant (Note 1)	800,000,000	36.51	800,000,000	11.96	800,000,000	10.40
COMPLANT (Note 1)	300,000,000	13.69	300,000,000	4.48	1,189,500,000	15.45
Director of Hua Lien and his associates						
Hollyview (Note 2)	212,495,083	9.70	212,495,083	3.17	212,495,083	2.76
Ms. Li Ling Xiu (Note 2)	3,448,000	0.16	3,448,000	0.05	3,448,000	0.04
<i>Sub-total</i>	<u>1,315,943,083</u>	<u>60.06</u>	<u>5,015,943,083</u>	<u>74.96</u>	<u>5,905,443,083</u>	<u>76.72</u>
Public shareholders of Hua Lien						
Placees	–	–	800,000,000	11.96	800,000,000	10.40
China-Africa Xin Xing Investment Limited (Note 3)	90,000,000	4.11	90,000,000	1.34	206,250,000	2.68
Other public shareholders of Hua Lien	785,236,917	35.83	785,236,917	11.74	785,236,917	10.20
<i>Sub-total of public shareholders of Hua Lien</i>	<u>875,236,917</u>	<u>39.94</u>	<u>1,675,236,917</u>	<u>25.04</u>	<u>1,791,486,917</u>	<u>23.28</u>
Total	<u>2,191,180,000</u>	<u>100.00</u>	<u>6,691,180,000</u>	<u>100.00</u>	<u>7,696,930,000</u>	<u>100.00</u>

Notes:

1. 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 Hua Lien Shares are beneficially owned by China Complant. 300,000,000 Hua Lien Shares are beneficially owned by COMPLANT. Besides these 300,000,000 Hua Lien Shares, COMPLANT also holds the Convertible Notes with an aggregate principal amount of HK\$533,700,000 which are convertible into 889,500,000 new Hua Lien Shares during its conversion period.

2. Hollyview beneficially owns 212,495,083 Hua Lien Shares. Hollyview is wholly-owned by Mr. Hu Yebi, an executive director of Hua Lien and Bestway. Ms. Li Ling Xiu beneficially owns 3,448,000 Hua Lien 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 SFO to be interested in an aggregate of 215,943,083 Hua Lien Shares.
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 Hua Lien Shares, China-Africa Xin Xing Investment Limited also holds the Convertible Notes with an aggregate principal amount of HK\$69,750,000 which are convertible into 116,250,000 new Hua Lien Shares during its conversion period.
4. Such scenarios are for illustrative purpose only. Hua Lien shall ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Possible Subscription and the Possible Placing.

Exclusivity Period

Pursuant to the Memorandum of Understanding, the Subscriber has been granted a 90-day exclusivity period commencing from the date of the Memorandum of Understanding. During the exclusivity period, Hua Lien shall not negotiate nor enter into any agreement with any person or entity (other than the Subscriber) relating to the Possible Subscription or any transaction of a similar nature.

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 on Hua Lien.

Undertaking

Hua Lien undertakes to the Subscriber that, from the date of the Memorandum of Understanding to the date of completion of the Possible Subscription and the Possible Placing, it will not allot or issue any new Hua Lien Shares or other securities of Hua Lien or grant any rights or borrow any new loans not for business operation purpose, or undergo re-organisation (save for the re-organisation at the subsidiary level of Hua Lien), mergers or acquisitions, or incur any other debts or liabilities other than those incurred during the course of normal business operation.

Nomination of Hua Lien Directors

The Subscriber intends to nominate no more than six persons to be appointed as executive Hua Lien Directors to the Hua Lien Board after the completion of the Possible Subscription, and at least two existing executive Hua Lien Directors shall resign from their positions immediately after this incoming director's appointment.

Conditions Precedent

Completion of the Possible Subscription shall 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 satisfied with the results of the due diligence conducted on Hua Lien and members of the Hua Lien Group in respect of its business and operations, legal and financials and other areas;
- (ii) the approval of the Bestway Board and the Bestway Shareholders;
- (iii) the Hua Lien Board having passed the necessary resolution(s) and the Hua Lien Independent Shareholders having passed the necessary resolution(s) at an extraordinary general meeting of Hua Lien to be convened and held to approve the Possible Subscription, the granting of a specific mandate to the Hua Lien 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) Hua Lien shall conduct the Possible Placing to ensure that Hua Lien would be in compliance with the minimum public float requirement under the Listing Rules upon completion of the Possible Subscription;
- (vi) the Listing Committee of the Stock Exchange having granted approval for the listing of and permission to deal in the Subscription Shares to be issued;
- (vii) the Executive having granted the Whitewash Waiver (waivable by the Subscriber);
- (viii) Hua Lien having maintained the listing status on the Stock Exchange;
- (ix) no material adverse change; and
- (x) no breach of representations, declarations, warrants or other responsibilities.

Non-legally Binding Effect

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

INFORMATION OF HUA LIEN

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

The Hua Lien Directors consider that the Possible Subscription represents an opportunity to strengthen the financial position and working capital of Hua Lien, and the Possible Subscription will be in the interests of Hua Lien and the Hua Lien Shareholders as a whole.

As the date of this joint announcement, (i) there were a total of 2,191,180,000 Hua Lien Shares in issue; and (ii) the Convertible Notes with the outstanding principal amount of HK\$603,450,000 entitling the holders thereof to convert for a total of 1,005,750,000 new Hua Lien Shares at the conversion price of HK\$0.60 per Hua Lien Share.

Save for the outstanding Convertible Notes disclosed above, Hua Lien does not have any outstanding warrants, options, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Hua Lien Shares as at the date of this joint announcement.

INFORMATION OF THE SUBSCRIBER

The Subscriber is principally engaged in (i) trading of medical equipment, commodities and securities; (ii) mining of tungsten in Mongolia; and (iii) distressed assets investment and management business.

As at the date of this joint announcement, the Subscriber does not hold any Hua Lien Share or other securities of Hua Lien. Mr. Hu Yebi, an executive Hua Lien Director and also an executive Bestway Director, is beneficially interested in 212,495,083 Hua Lien Shares through Hollyview, a company beneficially wholly owned by him. In addition, Mr. Hu is also deemed to be interested in 3,448,000 Hua Lien Shares held by his spouse, Ms. Li Ling Xiu.

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 Hua Lien and have not dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hua Lien in the six months prior to the date of this joint announcement.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

If the Possible Subscription and the Possible Placing materialise, immediately after completion of the Possible Subscription and the Possible Placing, the Subscriber and the parties acting in concert with it may in aggregate be interested in approximately 55.30% of the issued share capital of Hua Lien as enlarged by the allotment and issue of the Subscription Shares and the Placing Shares (assuming that there is no change in the issued share capital of Hua Lien other than the issue of the Subscription Shares and the Placing Shares from the date of this joint announcement and up to completion of the Possible Subscription and the Possible Placing and there is no exercise or conversion of any of the Convertible Notes).

Under Rule 26.1 of the Takeovers Code, if the Possible Subscription shall proceed to completion, the Subscriber would be obliged to make a mandatory general offer to the Hua Lien Shareholders for all the issued Hua Lien Shares and other securities of Hua Lien 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 Hua Lien Independent Shareholders at an extraordinary general meeting of Hua Lien by way of a poll.

Completion of the Possible Subscription will be conditional upon, among other things, the Whitewash Waiver having been granted by the Executive, which is capable of being waived by the Subscriber. If it is waived by the Subscriber and both Hua Lien and the Subscriber proceed to completion of the Possible Subscription, the Subscriber will be obliged to make a mandatory general offer for all issued Hua Lien Shares not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it under Rule 26.1 of the Takeovers Code as a result of the Possible Subscription. As at the date of this joint announcement, Bestway intends to reserve its rights to waive the Whitewash Waiver condition if the Whitewash Waiver is not granted or the condition of the Whitewash Waiver is not satisfied. Accordingly, the offer period will commence on the date of this joint announcement, i.e. 25 May 2016.

Under Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Subscription will continue to be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

RESUMPTION OF TRADING IN THE HUA LIEN SHARES

At the request of Hua Lien, trading in the Hua Lien Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 24 May 2016 pending the release of this joint announcement. Application has been made by Hua Lien to the Stock Exchange for resumption of trading in the Hua Lien Shares on the Stock Exchange with effect from 9:00 a.m. on 26 May 2016.

RESUMPTION OF TRADING IN THE BESTWAY SHARES

At the request of Bestway, trading in the Bestway Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 24 May 2016 pending the release of this joint announcement. Application has been made by Bestway to the Stock Exchange for resumption of trading in the Bestway Shares on the Stock Exchange with effect from 9:00 a.m. on 26 May 2016.

WARNING

The Memorandum of Understanding is non-legally binding in nature and there is no assurance that the Possible Subscription and the Possible Placing 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, Hua Lien Shareholders, Bestway Shareholders and their potential investors are advised to exercise caution when dealing in the Hua Lien Shares, the Bestway Shares and other securities and if they are in any doubt about their position, they should consult their professional adviser(s).

DEALING DISCLOSURE

As required under Rule 3.8 of the Takeovers Code, respective associates (as defined in the Takeovers Code) of Hua Lien and the Subscriber (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code)) are hereby reminded to disclose their dealings in any securities of Hua Lien pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DEFINITION

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

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Bestway”	Bestway International Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Bestway Shares are listed on the Main Board of the Stock Exchange (Stock code: 718)

“Bestway Board”	the board of Bestway Directors
“Bestway Director(s)”	the directors of Bestway
“Bestway Share(s)”	share(s) of HK\$0.05 each in the share capital of Bestway
“Bestway Shareholder(s)”	holder(s) of the Bestway Share(s)
“China Complant”	China National Complete Plant Import & Export Corporation (Group)
“COMPLANT”	COMPLANT International Sugar Industry Co., Ltd.
“Convertible Notes”	the convertible notes with an aggregate principal amount of HK\$603,450,000 issued by Hua Lien to COMPLANT and China-Africa Xin Xing Investment Limited which are convertible into an aggregate of 1,005,750,000 new Hua Lien Shares
“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 Hua Lien and the Subscriber in relation to the Possible Subscription
“Hollyview”	Hollyview International Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hua Lien”	Hua Lien International (Holding) Company Limited, a company incorporated in Cayman Islands with limited liability, whose issued Hua Lien Shares are listed on the Main Board of the Stock Exchange (Stock code: 969)
“Hua Lien Board”	the board of Hua Lien Directors
“Hua Lien Director(s)”	the directors of Hua Lien
“Hua Lien Group”	Hua Lien and its subsidiaries
“Hua Lien Independent Shareholders”	shareholders of Hua Lien other than (i) Bestway, its associates (as defined under the Listing Rules) and the parties acting in concert with it and (ii) other shareholders of Hua Lien who are interested in or involved in the Possible Subscription, the Possible Placing and/or the Whitewash Waiver, if any

“Hua Lien Share(s)”	share(s) of HK\$0.10 each in the capital of Hua Lien
“Hua Lien Shareholders”	holder(s) of the Hua Lien Share(s)
“Last Trading Day”	23 May 2016, being the last day on which the Hua Lien Shares were traded on the Stock Exchange prior to the suspension of trading in the Hua Lien Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the non-legally binding memorandum of understanding dated 23 May 2016 entered into between Hua Lien as potential issuer and Bestway as potential subscriber setting out the preliminary understanding in relation to the Possible Subscription
“Placees”	independent individuals, corporate, institutional investors or other investors to be procured by or on behalf of a placing agent(s) under the Possible Placing
“Placing Price”	HK\$0.16 per Hua Lien Share
“Placing Shares”	a maximum number of 800,000,000 new Hua Lien Shares proposed to be issued by Hua Lien to the Placees
“Possible Placing”	the proposed placing of the Placing Shares to the independent third parties
“Possible Subscription”	the proposed subscription by the Subscriber for the Subscription Shares
“PRC”	The People’s Republic of China, for the purpose of this joint announcement excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Possible Subscription”	possible subscription of 6,000,000,000 new Hua Lien Shares at a tentative subscription price of HK\$0.16 by the Previous Subscriber
“Previous Subscriber”	Great Wall Pan Asia International Investment Company Limited
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Bestway or any of its affiliates
“Subscription Price”	HK\$0.16 per Hua Lien Share

“Subscription Shares”	a total of 3,700,000,000 new Hua Lien Shares proposed to be allotted and issued to the Subscriber pursuant to the Memorandum of Understanding
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Whitewash Waiver”	a waiver from the obligation of the Subscriber to make a mandatory general offer to the Hua Lien Shareholders in respect of the Hua Lien Shares and securities issued by the Hua Lien not already owned or agreed to be acquired by the Subscriber and the parties acting in concert with it as a result of the Possible Subscription in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

By order of the Board
Bestway International Holdings Limited
Mr. Chua Hwa Por
Chairman

Hong Kong, 25 May 2016

As at the date of this joint announcement, the Hua Lien 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 Hua Lien Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than those relating to Bestway) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those relating to Bestway) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Bestway Board comprises Mr. Chua Hwa Por, Mr. Hu Yebi, Dr. Liu Hua and Dr. Meng Zhaoyi as executive directors, and Mr. Mao Kangfu, Dr. Gao Bin and Ms. Liu Yan as independent non-executive directors.

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