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HAITIAN INTERNATIONAL HOLDINGS LIMITED

海天國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1882)

PROPOSED ISSUE OF U.S DOLLAR DENOMINATED 2.00 PER CENT. CONVERTIBLE BONDS DUE 2019

**(WITH AN OPTION FOR THE ISSUE OF FURTHER U.S. DOLLAR
DENOMINATED 2.00 PER CENT. CONVERTIBLE BONDS DUE 2019)**

Managers

J.P.Morgan



The Board is pleased to announce that on 9 January 2014, the Company and the Managers entered into the Subscription Agreement, pursuant to which the Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds to be issued by the Company in an initial aggregate principal amount of U.S.\$200 million. In addition, the Company has granted to the Managers an option (the “**Option**”) to subscribe for all or any of the Option Bonds at any time, on or before the 30th day following the Closing Date. Such option shall be exercisable, in whole or in part, on one or more occasions, by written agreement of the Company and the Managers at least three business days before the date the Option Bonds are to be issued by the Company against payment for the Option Bonds.

Based on the initial Conversion Price of HK\$24.6740 and assuming full conversion of the Bonds (assuming the Option Bonds are not issued) at the initial Conversion Price, the Bonds will be convertible into 62,854,826 Shares, representing approximately 3.94 per cent. of the issued share capital of the Company as at the date of this announcement and approximately 3.79 per cent. of the issued share capital of the Company, as enlarged. The New Shares will be allotted and issued pursuant to the general mandate of the Company granted to the Directors at the annual general meeting held on 21 May 2013 and will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date. The issue of the Bonds is not subject to the approval of the Shareholders. As at the date of this announcement, there has been no issue of Shares under the general mandate granted.

The gross proceeds from the issue of the Bonds (assuming the Option is not exercised) are approximately U.S.\$200 million, or if the Option Bonds are issued in full, U.S.\$250 million. The total expenses and commissions (assuming the Option is not exercised) amount to approximately U.S.\$3,757,109. The Company will receive net proceeds in the amount of U.S.\$196,242,891 from the issue of the Bonds (assuming the Option is not exercised). The Company intends to use the net proceeds, whether or not the Option is exercised in full, for, *inter alia*, general corporate purposes.

An application will be made to the Hong Kong Stock Exchange for the listing of the Bonds on the Hong Kong Stock Exchange and for the listing of, and permission to deal in, the New Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Managers are independent third parties not connected with the Company or any of its Subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

The Managers have informed the Company that they intend to offer and sell the Bonds to not less than six placees (who will be independent individual, corporate and/or institutional investors). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the placees (and their respective ultimate beneficial owners) is and will be an independent third party not connected with the Company or any of its Subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "The Subscription Agreement" below for further information.

As the subscription and issue of the Bonds may or may not complete, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date: 9 January 2014

Parties: Company

Managers

Proposed issue of the Bonds:

Subject to the fulfilment of the conditions set out below in the section headed “Conditions Precedent” and in accordance with the provisions of the Subscription Agreement, the Company agrees to issue the Firm Bonds on 13 February 2014, or such later date, not being later than 27 February 2014, as the Company and the Managers may agree (the “**Closing Date**”) to the Managers or as they may direct. The Firm Bonds will be subscribed at a price equal to 100 per cent. of the principal amount of the Bonds (the “**Issue Price**”) plus accrued interest, if any from 13 February 2014 to the Closing Date subject to the adjustments contained in the Subscription Agreement. In addition, the Company has granted to the Managers an Option to subscribe for all or any of the Option Bonds up to a further aggregate principal amount of U.S.\$50 million at any time, on or before the 30th day following the Closing Date. Such option shall be exercisable, in whole or in part, on one or more occasions, by written agreement of the Company and the Managers at least three business days before the date the Option Bonds are to be issued by the Company against payment for the Option Bonds.

Accordingly, the maximum aggregate principal amount of the Bonds to be issued will be U.S.\$250 million.

Conversion of the Bonds:

Based on the initial Conversion Price of HK\$24.6740 and assuming full conversion of the Bonds (assuming the Option Bonds are not issued) at the initial Conversion Price, the Bonds will be convertible into 62,854,826 Shares, representing approximately 3.94 per cent. of the issued share capital of the Company as at the date of this announcement and approximately 3.79 per cent. of the issued share capital of the Company as enlarged assuming full conversion of the Bonds (assuming the Option Bonds are not issued). The New Shares will be allotted and issued pursuant to the general mandate of the Company granted to the Directors at the annual general meeting held on 21 May 2013 and will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date. The issue of the Bonds is not subject to the approval of the Shareholders. As at the date of this announcement, there has been no issue of Shares under the general mandate granted.

Distribution:

The Bonds and the New Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds will be offered and sold in an institutional offering outside the United States in reliance on Regulation S of the Securities Act. None of the Bonds will be offered to the public in Hong Kong or the Cayman Islands nor will they be placed to any connected persons of the Company. The Bonds have not been offered or sold and will not be offered or sold in Hong Kong to the public within the meaning of the Companies Ordinance.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Managers are independent third parties not connected with the Company or any of its Subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.

The Company will promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealing in the Bonds by any connected person of the Company.

Lock-up Undertaking:

The Company has undertaken with the Managers that neither the Company nor any person acting on its behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription Agreement and the date which is 90 days after the Closing Date (or (if later) the Option Closing Date (if applicable) (both dates inclusive)) except for the Bonds and the New Shares issued upon conversion of the Bonds.

Shareholder Undertaking: The Company has undertaken to procure that Sky Treasure Capital Limited undertakes that, for a period from the date of the Subscription Agreement until 90 days from the Closing Date, neither it nor its nominee nor any person acting on its behalf will (except with the prior written approval of the Managers) (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any of the shares held by Sky Treasure as of the date of the Subscription Agreement (the “**Relevant Shares**”), or issue, offer, sell, contract to sell, pledge or otherwise dispose of any securities exchangeable for or convertible into or exercisable for the Relevant Shares, warrants or other rights to purchase the Relevant Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Relevant Shares, including equity swaps, forward sales and options representing the right to receive any Relevant Shares; (b) enter into any other arrangement that transfers to others, in whole or in part, any of the economic consequences of ownership of the Relevant Shares; (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Relevant Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing.

Conditions Precedent: The obligations of the Managers to subscribe and pay for the Bonds are subject to, among others, the following conditions precedent:

1. **Due Diligence:** the Managers being satisfied with the results of their due diligence investigations with respect to the Company and its subsidiaries and the Offering Circular shall have been prepared in form and content satisfactory to the Managers;
2. **Other Contracts:** the execution and delivery (on or before the Closing Date) of the other Contracts, each in a form reasonably satisfactory to the Managers, by the respective parties;

3. **Lock-up:** Sky Treasure Capital Limited shall have executed a lock-up agreement on the date of the Subscription Agreement in the form set out in the Subscription Agreement;
4. **Auditors' Letters:** upon the publication date of the circular for the offering of the Bonds (the "Offering Circular") and on the Closing Date and the Option Closing Date (if any), there having been delivered to the Managers letters, in form and substance satisfactory to the Managers, dated the aforesaid publication date in the case of the first letter and dated the Closing Date and the Option Closing Date (if any) in the case of the subsequent letters, and addressed to the Managers from PricewaterhouseCoopers, Certified Public Accountants to the Company;
5. **Compliance:** at the Closing Date and the Option Closing Date (if any):
 - (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct at, and as if made on such date;
 - (ii) the Company having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
 - (iii) there having been delivered to the Managers a certificate in the form set out in the Subscription Agreement, dated as of such date, of a duly authorised officer of the Company to such effect. Such certificate signed by a duly authorised officer of the Company shall be deemed to be a representation and warranty by the Company, as to the matters covered thereby, to each Manager;
6. **Material Adverse Change:** after the date hereof or, if earlier, the dates as of which information is given in the Offering Circular up to and at the Closing Date and the Option Closing Date (if any), there shall not have occurred any change (nor any development or event involving a prospective change), in the financial condition, prospects, earnings, results of operations or business of the Company or of the Consolidated Group, which, in the opinion of the Managers, is material and adverse in the context of the issue and Offering of the Bonds;

7. **Other consents:** on or prior to the Closing Date there shall have been delivered to the Managers copies of all consents and approvals required in relation to the issue of the Bonds and the Shares to be issued upon conversion of the Bonds and the performance of its obligations under the Trust Deed, the Agency Agreement and the Bonds (including the consents and approvals required from all lenders);
8. **Listing:** the Hong Kong Stock Exchange having agreed to list the New Shares upon conversion of the Bonds and the Hong Kong Stock Exchange having agreed, subject to any conditions satisfactory to the Managers, to list the Bonds (or, in each case, the Managers being satisfied that such listing will be granted); and
9. **Legal Opinions:** on or before the Closing Date and the Option Closing Date (if any), there having been delivered to the Managers opinions, in form and substance satisfactory to the Managers, dated the Closing Date or the Option Closing Date, as the case may be, of legal counsels, and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Managers may reasonably require.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent.

Termination:

The Managers may, by notice to the Company given at any time prior to payment of the net subscription monies for the Firm Bonds or the Option Bonds (if any) to the Company, terminate the Subscription Agreement in any of the following circumstances:

1. if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
2. if any of the conditions precedent have not been satisfied or waived by the Managers on or prior to the Closing Date or the Option Closing Date, as the case may be;

3. if in the opinion of the Managers, there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the success of the Offering and distribution of the Bonds or dealings in the Bonds in the secondary market;
4. if, in the opinion of the Managers, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, and/or the Hong Kong Stock Exchange; (ii) a suspension or a material limitation in trading in the Company's securities on the Hong Kong Stock Exchange; (iii) a general moratorium on commercial banking activities in the United States, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong or the United Kingdom; or (iv) a change or development involving a prospective change in taxation affecting the Bonds and the Shares to be issued upon conversion of the Bonds or the transfer thereof; or
5. if, in the opinion of the Managers, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the Offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

Subject to the foregoing, completion of the subscription and issue of the Firm Bonds or the Option Bonds (if any) will take place on the Closing Date or the Option Closing Date (if any).

The Directors consider that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Company:	Haitian International Holdings Limited.
Managers:	J.P. Morgan Securities plc and UBS AG, Hong Kong Branch.
Principal amount of Firm Bonds:	U.S.\$200 million aggregate principal amount of 2.00 per cent. Convertible Bonds due 2019, convertible into fully-paid ordinary shares with a par value of HK\$0.10 each in the share capital of the Company.
Option Bonds:	The Company has granted to the Managers an Option to subscribe for all or any of the Option Bonds at any time, on or before the 30th day following the Closing Date. Such option shall be exercisable, in whole or in part, on one or more occasions, by written agreement between the Company and the Managers at least three business days before the date the Option Bonds are to be issued by the Company against payment for the Option Bonds.
Number of Places:	Not less than six places (who will be independent individual, corporate and/or institutional investors) and each of them (and their respective ultimate beneficial owners) will be an independent third party not connected with the Company, or any of its Subsidiaries or any of their respective directors, chief executives or substantial shareholders or any of their respective associates.
Issue price:	100 per cent. of the principal amount of the Bonds.
Form and Denomination:	The Bonds are in registered form in the denomination of US\$250,000 each.
Subscription Price:	The subscription amount payable in respect of each Bond on the Closing Date is U.S.\$250,000.
Interest:	The Bonds bear interest from and including 13 February 2014 at the rate of 2.00 per cent. per annum payable semi-annually in arrear in equal instalments of US\$2,500 per authorised denomination of US\$250,000 on 13 February and 13 August in each year.
Maturity date:	13 February 2019 (the “ Maturity Date ”).

- Negative pledge: So long as any Bond remains outstanding, the Company will not, and will ensure that none of its principal Subsidiaries will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity equally and rateably or such other security as either (x) the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (y) shall be approved by an extraordinary resolution of the Bondholders.
- Conversion period: The Conversion Right in respect of a Bond may be exercised on or after 26 March 2014 to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date falling 7 days prior to the Maturity Date (both days inclusive) or, if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to and including the close of business (at the place aforesaid) on a date no later than seven days (in the place aforesaid) prior to the date fixed for redemption thereof.
- The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into Hong Kong dollars at the fixed rate of HK\$7.7544 = US\$1.00) by the Conversion Price in effect on the relevant conversion date.
- Conversion price: The price at which Shares will be issued upon exercise of a Conversion Right will initially be HK\$24.6740 per Share.
- The Conversion Price will be subject to adjustment for, among other things, subdivision, reclassification or consolidation of Shares, bonus issues, rights issues, capital distributions, distributions and other dilutive events as described in the terms and conditions of the Bonds. The Conversion Price may not be reduced so that, on conversion of the Bonds, Shares would fall to be issued at a discount to their par value.
- Final redemption: Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will redeem each Bond at 100 per cent. of its principal amount on 13 February 2019.

Redemption at the option of the Company:

On giving not less than 30 nor more than 60 days' notice (an "**Optional Redemption Notice**") to the Trustee and the Bondholders, the Bonds may be redeemed by the Company in whole, but not in part, on the date specified in the Option Redemption Notice at their principal amount together with interest accrued but unpaid to such date:

- (i) at any time after 13 February 2017, provided that the Closing Price of a Share (translated into US dollars at the prevailing rate), for 20 out of 30 consecutive Trading Days the last of which occurs not more than 10 days prior to the date on which the Optional Redemption Notice is given was at least 130 per cent. of the Conversion Price then in effect immediately prior to the date upon which notice of such redemption is given (translated into US dollars at the fixed exchange rate of HK\$7.7544: US\$1.00); or
- (ii) at any time if, immediately prior to the date the relevant Optional Redemption Notice is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 90 per cent. or more in principal amount of the Bonds issued (including any Option Bonds and further Bonds issued).

Redemption for Taxation Reasons:

The Bonds may be redeemed, at the option of the Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Trustee and to the Bondholders (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption at their principal amount together with interest accrued but unpaid to such date (if any), if (a) the Company satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the Cayman Islands or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 9 January 2014, and (b) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Redemption at the option of the Bondholders:	The Company will, at the option of the holder of any Bond, redeem all or some only of such holder's Bonds on 13 February 2017, at 100 per cent. of the principal amount of the Bonds.
Redemption for Relevant Event:	Following the occurrence of a Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the relevant event put date at their principal amount together with interest accrued but unpaid to such date (if any). To exercise such right, the holder of the relevant Bond must deposit during normal business hours at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable during normal business hours from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Company.
Listing:	Applications will be made to the Hong Kong Stock Exchange for the listing of the Bonds to the Hong Kong Stock Exchange and for the listing of, and permission to deal in, the New Shares.
Clearing Systems:	The Bonds will be represented by the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Closing Date with a common depository for, Euroclear and Clearstream, Luxembourg.
Voting rights:	Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, they will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares.
Transferability:	The Bonds are freely transferrable subject to the terms and conditions and the Agency Agreement.
Status:	The Bonds constitute direct, unconditional, unsubordinated and (subject to the terms and conditions) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to the terms and conditions at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF CONVERSION

Based on the initial Conversion Price of HK\$24.6740 per Share and assuming full conversion of the Bonds (assuming the Option Bonds are not issued), the Bonds will be convertible into 62,854,826 Shares, representing approximately 3.94 per cent. of the issued share capital of the Company as at the date of this announcement and approximately 3.79 per cent. of the issued share capital of the Company as enlarged by the issue of the New Shares.

Based on the initial Conversion Price of HK\$24.6740 per Share and assuming full conversion of the Bonds (assuming the Option Bonds are issued in full), the Bonds will be convertible into 78,568,533 Shares, representing approximately 4.92 per cent. of the issued share capital of the Company as at the date of this announcement and approximately 4.69 per cent. of the issued share capital of the Company as enlarged by the issue of the New Shares.

The following table summarises the potential effects on the shareholding structure of the Company as a result of the Bond issue (by reference to the shareholdings as at the date of this announcement and assuming full conversion of the Firm Bonds and the Option Bonds):

Shareholder	Existing (as at the date of this announcement)		Assuming the Firm Bonds are fully converted into Shares at the initial Conversion Price of HK\$24.6740 each		Assuming the Firm Bonds and the Option Bonds are fully converted into Shares at the initial Conversion Price of HK\$24.6740 each	
	No. of Shares	per cent. of issued share capital of the Company	No. of Shares	per cent. of enlarged share capital of the Company	No. of Shares	per cent. of enlarged share capital of the Company
Sky Treasure Capital Limited (Note 1)	958,844,006	60.08	958,844,006	57.80	958,844,006	57.26
Bondholders	0	0	62,854,826	3.79	78,568,533	4.69
Other Shareholders	637,155,994	39.92	637,155,994	38.41	637,155,994	38.05
Total	<u>1,596,000,000</u>	<u>100.00</u>	<u>1,658,854,826</u>	<u>100.00</u>	<u>1,674,568,533</u>	<u>100.00</u>

Note:

- The interest in these Shares is held by Sky Treasure and Premier Capital Management (PTC) Ltd. is deemed under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) to be interested in the 958,844,006 Shares held by Sky Treasure.

USE OF PROCEEDS

The gross proceeds from the issue of the Bonds is approximately U.S.\$200 million or, if the Option Bonds are issued in full, U.S.\$250 million. The total expenses and commissions (assuming the Option is not exercised) amount to approximately U.S.\$3,757,109. The Company will receive net proceeds in the amount of approximately U.S.\$196,242,891 from the issue of the Bonds (assuming the Option is not exercised). The Company intends to use the net proceeds, whether or not the Option is exercised, for, *inter alia*, general corporate purposes.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE BONDS

The Directors consider the issue of the Bonds as an opportunity to broaden the capital base of the Company. Accordingly, the Directors consider the terms of the Subscription Agreement fair and reasonable and in the interests of the Shareholders and the Company as a whole.

FUND RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not carried out any issue of equity securities during the 12 months immediately preceding the date of this announcement.

COMPARISON OF CONVERSION PRICE

The initial Conversion Price of HK\$24.6740 represents:

- (1) a premium of approximately 30 per cent. over the closing price of HK\$18.98 per Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 33 per cent. over the average closing price of HK\$18.59 per Share for the last five consecutive trading days up to and including the Last Trading Day; and
- (3) a premium of approximately 36 per cent. over the average closing price of HK\$18.14 per Share for the last ten consecutive trading days up to and including the Last Trading Day.

The initial Conversion Price was determined after arm's length negotiations between the Company and the Managers with reference to the closing price of the Shares quoted on the Hong Kong Stock Exchange on the Last Trading Day.

GENERAL MANDATE

By a resolution of the shareholders of the Company passed at the annual general meeting held on 21 May 2013, the Company granted a general mandate to the Directors to allot and issue up to 20 per cent. of the issued share capital of the Company, being 1,596,000,000 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. As at the date of this announcement, the Company is entitled to issue up to 319,200,000 Shares pursuant to such general mandate. The New Shares will be issued under such general mandate.

INFORMATION ABOUT THE COMPANY

The Group is principally engaged in the design, development, manufacture and sale of plastic injection moulding machineries and related parts.

DEFINITIONS

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

“Agency Agreement”	the agency agreement (the “ Agency Agreement ”) dated on or about the Closing Date relating to the Bonds made between, inter alia, the Company and the trustee and the agents named therein
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Board”	the board of Directors
“Bondholders”	holder(s) of the Bonds from time to time
“Bonds”	the Firm Bonds and the Option Bonds (if any)
“Change of Control”	a “Change of Control” occurs when: (i) any person or persons (other than Sky Treasure) directly or indirectly, acting together, acquires Control of the Company;

	(ii) Sky Treasure, together with any voting rights controlled directly or indirectly by Sky Treasure, including through any voting consent agreement, ceases to be the single largest holder of voting rights in the Company; or
	(iii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person or persons, acting together, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control of the Company or the successor entity
“Closing Date”	13 February 2014 or such other date as the Company and the Managers may agree
“Closing Price”	in respect of a Share for any Trading Day, the closing market price quoted by the Hong Kong Stock Exchange or, as the case may be, the Alternative Stock Exchange for such Trading Day
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Haitian International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Group”	the Company and its Subsidiaries
“Control”	(a) the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Company or (b) the right to appoint and/or remove all or the majority of the members of the Company's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
“Conversion Price”	the price at which Shares will be issued upon exercise of a Conversion Right which will initially be HK\$24.6740 per Share and will be subject to adjustment in the manner provided in the terms and conditions of the Bonds

“Conversion Right”	each Bond shall entitle the holder to convert such Bond into Shares credited as fully paid at any time during the conversion period
“Director(s)”	director(s) of the Company
“Firm Bonds”	U.S.\$200 million aggregate principal amount of 2.00 per cent. Convertible Bonds due 2019
“Global Certificate”	a global certificate representing the Bonds to be issued
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Last Trading Day”	9 January 2014, being the last full trading day immediately before the time at which the Subscription Agreement was signed
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Managers”	J.P. Morgan Securities plc and UBS AG, Hong Kong Branch
“New Shares”	Shares to be allotted and issued by the Company upon conversion of the Bonds
“Option Bonds”	the additional U.S.\$50 million aggregate principal amount of 2.00 per cent. Convertible Bonds due 2019
“Option Closing Date”	a date to be agreed by the Company and the Managers upon exercise of the option to subscribe for all or any of the Option Bonds, being a date which is no later than 15 business days after the date on which the Option shall have been exercised
“Paying Agent”	The Hongkong and Shanghai Banking Corporation Limited
“PRC”	the People’s Republic of China (for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan)

“Regulation S”	Regulation S under the Securities Act
“Relevant Event”	A “Relevant Event” occurs: <ul style="list-style-type: none"> (i) when the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding 30 consecutive Trading Days on the relevant stock exchange; or (ii) when there is a Change of Control
“Relevant Indebtedness”	any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over-the-counter or other securities market (whether or not initially distributed by way of private placement)
“Securities Act”	the US Securities Act of 1933, as amended
“Share(s)”	the ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Sky Treasure”	Sky Treasure Capital Limited, the controlling shareholder (as defined under the Listing Rules) of the Company
“Subscription Agreement”	the subscription agreement entered into between the Company and the Managers dated 9 January 2014 in respect of the issue of the Bonds
“Subsidiary(ies)”	(a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person

“Trading Day”	a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange (or in respect of any other security, the relevant stock exchange or securities market), is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“Trustee”	The Hongkong and Shanghai Banking Corporation Limited
“U.S.” or “United States”	the United States of America
“U.S.\$” or “U.S. Dollars”	United States dollars, the lawful currency of the United States

By order of the Board
Haitian International Holdings Limited
Zhang Jingzhang
Chairman

Hong Kong, 9 January 2014

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Jingzhang, Mr. Zhang Jianming, Prof. Helmut Helmar Franz, Mr. Zhang Jianfeng, Mr. Zhang Jianguo and Ms. Chen Ningning; the Non-executive Directors are Mr. Guo Mingguang and Mr. Liu Jianbo; and the Independent Non-executive Directors are Mr. Lou Baijun, Mr. Gao Xunxian, Dr. Steven Chow and Mr. Jin Hailiang.