

WINNER - HONG KONG

DEAL: Garden Fresh (HK) Fruit & Vegetable Beverage Co Ltd \$42.4m Convertible Bond Issuance



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BIOS:

John Gale

John Gale's previous role was at Stephenson Harwood in Hong Kong, where he spent 27 years. He spent 7 of those years as Managing Partner of the Hong Kong and China offices. John set up J.S. Gale & Co in April 2010.

John has advised on a wide range of corporate, commercial and financial services transactions in Hong Kong since his arrival in 1983. These have included mergers and acquisitions, disposals, joint ventures, debt and equity fund raisings, reorganisations and restructurings. Many have been cross-border and have involved advice on the Listing Rules and Takeovers and Share Repurchase Codes in Hong Kong. John is also a mediator accredited by CEDR and the HKIAC.

Vivian Lam

Vivian has extensive legal experience with advising on corporate and commercial matters and is experienced in dealing with PRC matters.

Arya Hashemi

Arya is an England and Wales qualified solicitor and moved to Hong Kong in 2010. Arya specialises in providing advice on a wide range of corporate matters.

DEAL OVERVIEW:

We were appointed by Garden Fresh (HK) Fruit & Vegetable Beverage Co., Limited to advise on its issue of convertible bonds. Our team consisted of John Gale (who headed our team), Vivian Lam and Arya Hashemi.

Garden Fresh is a subsidiary of the Singapore Stock Exchange-listed Sino Grandness Food Industry Group Limited. Sino Grandness manufactures and distributes bottled juices and canned fruits and vegetables world-wide. Sino Grandness has a market cap of S\$124,000,000 (US\$101,000,000). Garden Fresh operates Sino Grandness' bottled juices arm.

On 25 July 2012, Garden Fresh issued RMB270,000,000 worth of convertible bonds to Goldman Sachs Investments Holdings (Asia) Limited and its co-investors. The primary objective of the issue was to finance the company's beverage business activities in the People's Republic of China, including working capital, capital expenditure, mergers and acquisitions and operating expenses.

As is usually the case with such convertible bond issues, the work was intensive to meet the timetable. This was also in part due to the need to ensure legal process was followed in Singapore, China and in Hong Kong.

Garden Fresh is a subsidiary of the Singapore Stock Exchange-listed Sino Grandness Food Industry Group Limited.

We faced some interesting issues during the course of the transaction. As a result of Garden Fresh having provided security to Goldman Sachs and its co-investors to enter into the transaction, an arcane point of company law arose and was considered with the Hong Kong Companies Registry. This was whether the provision of security amounted to "financial assistance" made by Garden Fresh for the benefit of the investors purchasing bonds which, one day, would be convertible into shares.