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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO**

(1) 2012-2014 SUPPLY AND SERVICE AGREEMENTS

AND

(2) 2012-2013 TENANCY AGREEMENT

(1) THE 2012-2014 SUPPLY AND SERVICE AGREEMENTS

Reference is made to the announcement and circular of the Company dated 16 December 2008 and 23 January 2009 respectively on among other things the continuing connected transactions in respect of the Existing Supply and Service Agreements for an initial term of three years commencing from 1 January 2009 and the announcement and circular of the Company dated 8 November 2010 and 22 November 2010 respectively on increased caps for the continuing connected transactions in respect of the Existing Supply and Service Agreements for the year ending 31 December 2010 and 2011. At the extraordinary general meeting of the Company held on 20 February 2009 and 8 December 2010, the Independent Shareholders approved, among other things, the Supply and Service Agreements and the relevant original and the increased annual caps respectively.

* *For identification purpose only*

The Approved Annual Caps previously set for the Existing Supply and Service Agreements for the three years ending 31 December 2011 will expire on 31 December 2011 and it is currently expected that the continuing connected transactions contemplated thereunder will continue on a recurring basis. In compliance with Rule 14A.35(1) of the Listing Rules, SATT had entered into the 2012-2014 Supply and Service Agreements with African Companies and Zheng Da (Zheng Da will assign this agreement to Benin PC once Benin PC is later incorporated) and 2012-2014 Supply and Service Agreement with China Complant for the extension of the Existing Supply and Service Agreements for a further three years commencing on 1 January 2012 to 31 December 2014 and the terms of 2012-2014 Supply and Service Agreement are based on the Existing Supply and Service Agreements.

(2) THE 2012-2013 TENANCY AGREEMENT

Reference is made to the circular and announcement of the Company dated 23 January 2009 and 8 November 2010 in relation to disclosed continuing connected transactions of Existing Tenancy Agreements, Tenancy Agreement 1 for an initial term of three years commencing from 1 January 2009 and Tenancy Agreement 2 for an initial term of two years commencing 1 January 2010. The Tenancy Agreement 1 and 2 will both expire on 31 December 2011.

It is intended to continue to lease the existing office premises for carrying out our principal activities of provision of supporting services to sweeteners and ethanol business upon expiration of Existing Tenancy Agreements on 31 December 2011. SATT has therefore entered into the 2012-2013 Tenancy Agreement with China Complant commencing on 1 January 2012 to 31 December 2013 for the extension of existing leases and lease of additional office premise.

LISTING RULES IMPLICATIONS

Based on the reasons that:

- (i) the African Companies, Zheng Da and China Complant are associates of COMPLANT by virtue of the fact that each of the African Companies is the indirect wholly-owned subsidiary of COMPLANT, Zheng Da is owned 10% by COMPLANT and China Complant is the company holding 70% of the entire issued capital of COMPLANT;
- (ii) COMPLANT is a connected person of the Company by virtue of being a substantial shareholder currently holding 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; and

(iii) SATT is an indirect wholly-owned subsidiary of the Company;

the African Companies, Zheng Da and China Complant are connected persons of the Company, the 2012-2014 Supply and Service Agreements and the 2012-2013 Tenancy Agreement constitute Continuing Connected Transactions for the Company.

As the applicable percentage ratios of the Company as defined under Rule 14.07 of the Listing Rules in respect of the transactions under the 2012-2014 Supply and Service Agreements will exceed 5% on an annual basis and the annual consideration will exceed HK\$10,000,000 for the three years ending 31 December 2014, the 2012-2014 Supply and Service Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As non-exempt Continuing Connected Transactions, the Company must re-comply with rules 14A.35(3) and (4) if the annual caps are exceeded, namely the reporting, announcement and Independent Shareholders' approval requirements.

As the applicable percentage ratio of the Company in respect of the aggregate yearly rental and management fee payable by SATT under the 2012-2013 Tenancy Agreement is less than 5% and annual consideration is less than HK\$1,000,000, the 2012-2013 Tenancy Agreement is exempted from the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The 2012-2014 Supply and Service Agreements are subject to approval by the Independent Shareholders at the EGM. COMPLANT and its associates will abstain from voting at the EGM. The Independent Board Committee has been formed to advise the Independent Shareholders on the terms of the non-exempt Continuing Connected Transactions and the proposed annual caps in respect thereof for the three financial years ending 31 December 2014 for the Continuing Connected Transactions under the 2012-2014 Supply and Service Agreements. The Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of terms of the Continuing Connected Transactions and the 2012-2014 Proposed Annual Caps.

A circular containing, among other things,

- (i) information on the 2012-2014 Supply and Service Agreements;
- (ii) a letter from the Independent Board Committee to the Independent Shareholders; and
- (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be despatched to the Shareholders not later than 28 December 2011 in accordance with the relevant requirements of the Listing Rules.

BACKGROUND

Reference is made to the announcement and circular of the Company dated 16 December 2008 and 23 January 2009 respectively on among other things the continuing connected transactions in respect of the Existing Supply and Service Agreements. The extraordinary general meeting of the Company on 20 February 2009 duly passed by way of poll of resolutions to approve, among others, the Existing Supply and Service Agreements and the annual caps for three year ending 31 December 2011. Reference is also made to circular of the Company dated 22 November 2010 on among other things the Approved Annual Caps in respect of Existing Supply and Service Agreements for the year ending 31 December 2010 and 31 December 2011 be increased with the terms and conditions of the Existing Supply and Service Agreements remaining effective and unchanged. On the extraordinary general meeting of the Company on 8 December 2010 duly passed by way of poll of resolutions to approve, among others, the increase of annual caps for two years ending 31 December 2011.

The circular dated 23 January 2009 also disclosed Tenancy Agreement 1 and the announcement dated 8 November 2010 also provide details on Tenancy Agreement 2, the Tenancy Agreement 1 and 2 were exempted from the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(1) THE 2012-2014 SUPPLY AND SERVICE AGREEMENTS AND 2012-2014 PROPOSED ANNUAL CAPS

The Approved Annual Caps for the Existing Supply and Service Agreements set for three years ending 31 December 2011 will expire on 31 December 2011 and in view of the transactions will continue on a recurring basis, SATT had entered into the 2012-2014 New Supply Agreement in accordance to Rule 14A.35(1) of the Listing Rules.

(A) THE 2012-2014 SUPPLY AND SERVICE AGREEMENTS BETWEEN SATT AND AFRICAN COMPANIES AS WELL AS ZHENG DA

SATT had entered into the exclusive 2012-2014 Supply and Service Agreements with each of the African Company 1, African Company 2, African Company 3 and African Company 4 as well as Zheng Da (Zheng Da will assign this agreement to Benin PC once Benin PC is later incorporated) respectively, pursuant to which, each of them has agreed to order E&M and service exclusively from SATT for an initial term of three years commencing from 1 January 2012 in accordance with the following terms and conditions:

Date	5 December 2011
Parties	SATT; and African Company 1 SATT; and African Company 2 SATT; and African Company 3 SATT; and African Company 4 SATT; and Zheng Da

Terms: Three years from 1 January 2012

Conditions precedent: These agreements are all subject to and conditional upon the approval by the Independent Shareholders at the EGM to be held in accordance with the requirements under the Listing Rules.

The agreement with Zheng Da is further subject to and conditional upon China-Africa Xin Xing Investment Limited (an independent shareholder of Zheng Da under this agreement) having obtained the necessary consents and completed the approval procedures for the transaction contemplated by this agreement. If this condition is not satisfied or waived on or before 30 December 2011, the agreement with Zheng Da shall lapse.

Nature of transactions: The 2012-2014 Supply and Service Agreements are master agreements which set out the principles upon which the supply of E&M and service by SATT to the African Company 1, African Company 2, African Company 3 and African Company 4 as well as Zheng Da are to be carried out.

Pursuant to the 2012-2014 Supply and Service Agreements, SATT will enter into definitive agreements with each of the African Company 1, African Company 2, African Company 3 and African Company 4 as well as Zheng Da from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in each of the 2012-2014 Supply and Service Agreements. Such detailed terms include but without limitation, prices, payment and settlement terms, quantities, qualities, delivery and inspection of products and other terms and conditions in relation to the provision of E&M and service required.

SATT and each of the African Company 1, African Company 2, African Company 3 and African Company 4 as well as Zheng Da agree that such detailed terms shall be on normal commercial terms or, if there is no sufficient comparable transactions to judge whether they are on normal commercial terms, fair and reasonable to the Company. The terms offered to the African Company 1, African Company 2, African Company 3 and African Company 4 as well as Zheng Da shall be no less favourable than those offered by SATT to Independent Third Parties in the markets where each of the African Company 1, African Company 2, African Company 3 and African Company 4 as well as Zheng Da are located.

Basis of consideration: The consideration in respect of the supplies is determined by reference to the market prices of similar E&M and service required.

The Directors (including independent non-executive Directors), are of the view that the terms of the transactions contemplated under the 2012-2014 Supply and Service Agreements are on normal commercial terms, in the ordinary and usual course of business of the Company, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The 2012-2014 Proposed Annual Caps with African Companies and Zheng Da

Set out below is a summary of the historical transactions amounts between SATT and African Companies, the Approved Annual Caps for the three years ending 31 December 2011 and the 2012-2014 Proposed Annual Caps in respect of the 2012-2014 Supply and Service Agreements with African Companies and Zheng Da for the three years ending 31 December 2014.

Historical transactions amounts for the year/period ending			Proposed Annual Caps for the year ending		
31 December 2009	31 December 2010	30 June 2011	31 December 2012	31 December 2013	31 December 2014
US\$19,784,000 (approximately HK\$154,317,000)	US\$26,380,000 (approximately HK\$205,767,000)	US\$10,185,000 (approximately HK\$79,442,000)	US\$48,760,000 (approximately HK\$380,328,000)	US\$49,960,000 (approximately HK\$389,688,000)	US\$29,560,000 (approximately HK\$230,568,000)
Approved Annual Caps for the year ending					
31 December 2009	31 December 2010	31 December 2011			
US\$21,899,000 (approximately HK\$170,812,000)	US\$26,931,000 (approximately HK\$210,062,000)	US\$32,560,000 (approximately HK\$253,968,000)			

The 2012-2014 Proposed Annual Caps with African Companies and Zheng Da are determined with reference to a number of factors, including (i) the historical figures for the two years ended 31 December 2010 and for the six months ended 30 June 2011; (ii) the forecasted new ad-hoc orders from the African Company 1 of approximately US\$10 million for the year ending 31 December 2012 and of another approximately US\$10 million for the year ending 31 December 2013 for the large-scale repairing

and upgrading on its sugar production facilities when the new lease term of this sugar complex begins next year; and (iii) the forecasted increase in new ad-hoc orders from Zheng Da of approximately US\$13 million for year ending 31 December 2012 and of approximately US\$14 million for the year ending 31 December 2013 for the construction of the new ethanol biofuel plant in Benin. The 2014 proposed annual caps is lower than the proposed caps for 2012 and 2013 because the forecasted decrease in ad-hoc orders of approximately US\$24 million resulting from the large-scale repairing and upgrading of African Company 1 and the construction of new ethanol biofuel plant of Zheng Da will have finished by 2013 but such decrease will partly offset by increase in yearly recurring order of consumables of approximately US\$4 million from Zheng Da when the ethanol biofuel plant begins its full-scale production in 2014.

In light of the above, the Directors (including the independent non-executive Directors), are of the view that the 2012-2014 Proposed Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Reasons for and benefits of continuation of existing connected transactions with African Companies and new Continuing Connected Transactions with Zheng Da under 2012-2014 Supply and Service Agreements

Due to the historical connection and long-term cooperation relationship between the Group and African Companies, the Directors (including the independent non-executive Directors) considers that the transactions will continue on a recurring basis and it is beneficial to continue the Continuing Connected Transactions by way of entering into the 2012-2014 Supply and Service Agreements with African Companies, as the transactions with African Companies will help to maintain existing business scale and generate satisfactory cash flow for operation of the Group. As at the date of the announcement, African Companies are the only four customers of the SATT. While, the new Continuing Connected Transactions with Zheng Da will widen SATT's customer base and enable SATT to supply Zheng Da with the necessary E&M and service in reasonable time and quality enabling the construction of the ethanol biofuel project to be completed on schedule.

All the above Continuing Connected Transactions are and will continue to be agreed on an arm's length basis with terms that are fair and reasonable to the Company and conducted in the ordinary and usual course of business under normal commercial terms (or better to the Group) or on terms not less favorable than those offered to Independent Third Parties under comparable market conditions, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the 2012-2014 Proposed Annual Caps are fair and reasonable. Therefore, the Directors (including the independent non-executive Directors) consider that it is beneficial to continue the Continuing Connected Transactions by way of entering into the 2012-2014 Supply and Service Agreement with African Companies and Zheng Da.

The independent non-executive Directors constituting the Independent Board Committee will give their view on the non-exempt Continuing Connected Transactions and the 2012-2014 Proposed Annual Caps in respect of the non-exempt Continuing Connected Transactions after considering the advice from the independent financial adviser, and their view will be given in the circular to be despatched to the Shareholders.

(B) THE 2012-2014 SUPPLY AND SERVICE AGREEMENT BETWEEN SATT AND CHINA COMPLANT

SATT had entered into 2012-2014 Supply and Service Agreement with China Complant, pursuant to which, China Complant has agreed to supply E&M and service to SATT so as to enable SATT to provide the same to African Company 1, African Company 2, African Company 3 and African Company 4 as well as Zheng Da and other independent customers for an initial term of three years commencing from 1 January 2012. However, SATT is not obliged to source E&M and service exclusively from China Complant. SATT shall source E&M and service from China Complant only if (i) SATT and the African Companies as well as Zheng Da have entered into definitive agreement in respect of the supply of E&M and service; (ii) the relevant E&M and service have to be sourced from the PRC; and (iii) China Complant is able to supply the relevant E&M and service to SATT within reasonable time in accordance with the supply and service agreement between SATT and China Complant.

The major terms and conditions of the 2012-2014 Supply and Service Agreement with China Complant are set out as below:

Date	5 December 2011
Parties	China Complant and SATT
Terms:	Three years from 1 January 2012
Conditions precedent:	This agreement is subject to and conditional upon the approval by the Independent Shareholders at the EGM to be held in accordance with the requirements under the Listing Rules.

Nature of transactions: The 2012-2014 Supply and Service Agreement with China Complant is the master agreement which set out the principles upon which the supply of E&M and service by China Complant to SATT are to be carried out.

Pursuant to the 2012-2014 Supply and Service Agreement with China Complant, China Complant will enter into definitive agreements with SATT from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the 2012-2014 Supply and Service agreement. Such detailed terms include but without limitation, prices, payment and settlement terms, quantities, qualities, delivery and inspection of products and other terms and conditions in relation to the provision of E&M and service required.

China Complant and SATT agree that such detailed terms shall be on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, fair and reasonable to the Company. The terms offered to SATT shall be no less favourable than those offered by China Complant to Independent Third Parties in the markets where SATT is located.

Basis of consideration: The consideration in respect of the supplies is determined by reference to the market prices of similar E&M and service required.

The 2012-2014 Proposed Annual Caps with China Complant

Set out below is a summary of the historical transactions amounts between SATT and China Complant, the Approved Annual Caps for the three years ending 31 December 2011 and the 2012-2014 Proposed Annual Caps in respect of the 2012-2014 Supply and Service Agreement with China Complant for the three years ending 31 December 2014.

Historical transactions amounts for the year/period ending			Proposed Annual caps for the year ending		
31 December 2009	31 December 2010	30 June 2011	31 December 2012	31 December 2013	31 December 2014
US\$8,381,000 (approximately HK\$65,372,000)	US\$14,533,000 (approximately HK\$113,360,000)	US\$5,013,000 (approximately HK\$39,100,000)	US\$35,550,000 (approximately HK\$277,290,000)	US\$36,550,000 (approximately HK\$285,090,000)	US\$19,550,000 (approximately HK\$152,490,000)
Approved Annual caps for the year ending					
31 December 2009	31 December 2010	31 December 2011			
US\$13,140,000 (approximately HK\$102,492,000)	US\$16,722,000 (approximately HK\$130,432,000)	US\$22,048,000 (approximately HK\$171,974,000)			

The 2012-2014 Proposed Annual Caps with China Complant is determined with reference to a number of factors, including (i) the historical figures for the two years ended 31 December 2010 and for the six months ended 30 June 2011; (ii) the 2012-2014 Proposed Annual Caps between SATT and the African Companies as well as Zheng Da; (iii) the average normal historical gross profit margin that will be earned by SATT on yearly recurring orders (the latest figure of the gross margin as shown by the latest published unaudited interim financial statements for the six months ended 30 June 2011 of the Group was approximately 49%); and (iv) the forecasted gross margin that will be earned by SATT on ad-hoc orders of E&M and service for the large-scale repairing and upgrading project of African Company 1 and for the construction of new ethanol biofuel plant in Benin by Zheng Da (the gross profit margin on those ad-hoc orders is estimated to be approximately 20%).

The increase in proposed caps with China Complant for the year ending 31 December 2012 and 2013 is explained by the increase of forecasted purchase from China Complant of approximately US\$8 million for each of year ending 31 December 2012 and 2013 to meet ad-hoc orders from African Company 1 for its large-scale repairing and upgrading

for 2012 and 2013 and the approximately US\$11 million and US\$12 million increase in forecasted purchase from China Complant for 2012 and 2013 respectively to meets ad-hoc orders from Zheng Da for its construction of new ethanol biofuel plant in Benin. The decrease in 2014 proposed caps with China Complant comparing with that of 2012 and 2013 is due the forecasted decrease in ad-hoc order of approximately US\$20 million from African Company 1 and Zheng Da when the large-scale repairing and upgrading of African Company 1 and the construction work for new ethanol biofuel plant will have completed by 2013 and such decrease will partly offset by the increase in recurring order of consumables of approximately US\$3 million when the new ethanol biofuel plant of Zheng Da begins full-scale production in 2014.

In light of the above, the Directors (including the independent non-executive directors) are of the view that the above 2012-2014 Proposed Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Reasons for and benefits of continuation of existing connected transactions with China Complant under 2012-2014 Supply and Service Agreement

China Complant has been supplying, among other things, E&M and service to SATT for its supply in turn to African Companies since 1 January 2009. Although the Group is at liberty to purchase similar items from other independent suppliers, it has decided to continue the purchase from China Complant under 2012-2014 Supply and Service Agreement with China Complant as China Complant has offered a competitive price and has been able to consistently meet the Group's requirement in terms of quantity, quality control and logistic supports.

All the existing continuing connected transactions and transactions under 2012-2014 Supply and Service Agreement with China Complant are and will continue to be agreed on an arm's length basis with terms that are fair and reasonable to the Company and conducted in the ordinary and usual course of business under normal commercial terms (or better to the Group) or on terms not less favorable than those obtained from Independent Third Parties under comparable market conditions, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the 2012-2014 Proposed Annual Caps with China Complant are fair and reasonable. Therefore, the Directors (including the independent non-executive Directors) considers that it is beneficial to continue the Continuing Connected Transactions by way of entering into the 2012-2014 Supply and Service Agreement with China Complant.

The independent non-executive Directors constituting the Independent Board Committee will give their view on the non-exempt Continuing Connected Transactions and the proposed caps in respect of the non-exempt Continuing Connected Transactions after considering the advice from the independent financial adviser, and their view will be given in the circular to be despatched to the Shareholders.

(2) 2012-2013 TENANCY AGREEMENT

As the Existing Tenancy Agreements will expire on 31 December 2011, 2012-2013 Tenancy Agreement is entered into between SATT and China Complant to renew existing lease on office premises. Principal terms of the 2012-2013 Tenancy Agreement are summarized as follows:

Date:	5 December 2011
Landlord:	China Complant
Tenant:	SATT
Premises:	Rooms 306, 307, 402, 403, 404, 405, 610 and 1006, Complant Mansion, No.9 Xi Bin He Lu, An Ding Men, Beijing, the PRC
Rental:	RMB773,617 (equivalent to approximately HK\$928,000) per year; and the rental is payable on an bi-annual basis
Management fee:	RMB38,680 (equivalent to approximately HK\$47,000) per year which is inclusive of charges for water, electricity, air-conditioning, management and cleaning of common areas of the premises
Term:	an initial term of two years commencing from 1 January 2012

Applicable Percentage Ratio under Listing Rules

The yearly rental and management fee payable under 2012-2013 Tenancy Agreement are in total RMB812,297 (approximately HK\$975,000) per year for the two years ending 31 December 2013.

As the applicable percentage ratio of the Company in respect of the aggregate yearly rental and management fee an aggregated basis under the 2012-2013 Tenancy Agreements is less than 5% and the annual consideration is less than HK\$1,000,000, the 2012-2013 Tenancy Agreement shall be exempted from the reporting, announcement and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Historical rental and management fee under Existing Tenancy Agreements

Set out below is a summary of the historical rental and management fee between SATT and China Complant under Existing Tenancy Agreements. As the applicable percentage ratio of the Company in respect of the aggregate yearly rental and management fee on an aggregated basis under the Existing Tenancy Agreements is less than 5% and the annual consideration is less than HK\$1,000,000, the Existing Tenancy Agreement were exempted from the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

	Tenancy Agreement 1	Tenancy Agreement 2	Total
For the year ended 2009	Rental Rmb553,440 (approximately HK\$664,000) & Management fee Rmb16,596 (approximately HK\$20,000)	N/A	Rmb570,036 (approximately HK\$684,000)
For the year ended 2010	Rental Rmb553,440 (approximately HK\$664,000) & Management fee Rmb16,596 (approximately HK\$20,000)	Rental Rmb170,820 (approximately HK\$205,000) & Management fee Rmb8,541 (approximately HK\$10,000)	Rmb749,397 (approximately HK\$899,000)
For the year ended 2011	Rental Rmb553,440 (approximately HK\$664,000) & Management fee Rmb 16,596 (approximately HK\$20,000)	Rental Rmb170,820 (approximately HK\$205,000) & Management fee Rmb8,541 (approximately HK\$10,000)	Rmb749,397 (approximately HK\$899,000)

Reason for entering the 2012-2013 Tenancy Agreement

The 2012-2013 Tenancy Agreement is a renewal of existing leases and lease of additional office premise to provide office premises for SATT to carry out its business.

The Directors (including Independent non-executive Directors) are of the view that the lease and the terms therein are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that it was entered in the ordinary and usual course of business of SATT after due negotiations and on arm's length basis with reference to the prevailing market conditions.

INFORMATON ON THE GROUP

The Group is principally engaged in provision of supporting services to sweetener and ethanol business.

INFORMATION ON 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, is a wholly-owned subsidiary of State Development & Investment Corp. (國家開發投資公司), and owns 70% equity interest in the COMPLANT.

INFORMATION ON COMPLANT

COMPLANT is owned as to 70% by China Complant and as to 30% by Africa-Asia Investment Limited. It is a Substantial Shareholder holding 21.56% of the issued share capital of the Company.

INFORMATION ON AFRICAN COMPANY 1; AFRICAN COMPANY 2; AFRICAN COMPANY 3 AND AFRICAN COMPANY 4 AS WELL AS ZHENG DA

African Company 1 is a company incorporated in the Republic of Madagascar and its issued share capital is owned by two wholly-owned subsidiaries of COMPLANT. It is principally engaged in manufacturing of sugar/sweetener products in Africa.

African Company 2 is a company incorporated in the Republic of Sierra Leone and its issued share capital is owned by two wholly-owned subsidiaries of COMPLANT. It is principally engaged in manufacturing of sugar/sweetener products in Africa.

African Company 3 is a company incorporated in the Republic of Benin and its issued share capital is owned by two wholly-owned subsidiaries of COMPLANT. It is principally engaged in manufacturing of sugar/sweetener products in Africa.

African Company 4 is a company incorporated in the Republic of Madagascar and its issued share capital is owned by two wholly-owned subsidiaries of COMPLANT. It is principally engaged in manufacturing of sugar/sweetener products in Africa.

Zheng Da is a company incorporated in BVI and its issued share capital is owned 65% by River Right Limited (a wholly-owned subsidiary of the Company), 25% owned by China-Africa Xin Xing Investment Limited (a wholly-owned subsidiary of the China- Africa Development Fund) and 10% by COMPLANT as vehicle to establish Benin PC in Benin to engage in the ethanol biofuel business and the trading of related products.

IMPLICATIONS UNDER THE LISTING RULES

Based on the reasons that:

- (i) the African Companies, Zheng Da and China Complant are associates of COMPLANT by virtue of the fact that each of the African Companies is the indirect wholly-owned subsidiary of COMPLANT, Zheng Da is owned 10% by COMPLANT and China Complant is the company holding 70% of the entire issued capital of COMPLANT;
- (ii) COMPLANT is a connected person of the Company by virtue of being a substantial shareholder currently holding 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; and
- (iii) SATT is an indirect wholly-owned subsidiary of the Company;

the African Companies, Zheng Da and China Complant are connected persons of the Company and the 2012-2014 Supply and Service Agreements and 2012-2013 Tenancy Agreement constitute Continuing Connected Transactions for the Company.

The 2012-2014 Supply and Service Agreements

As the applicable percentage ratios of the Company as defined under Rule 14.07 of the Listing Rules in respect of the transactions under the 2012-2014 Supply and Service Agreements will exceed 5% on an annual basis and the annual consideration will exceed HK\$10,000,000 for the three years ending 31 December 2014, the 2012-2014 Supply and Service Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As non-exempt Continuing Connected Transactions, the Company must comply with rules 14A.35(3) and (4) if the annual caps are exceeded, namely the reporting, announcement and Independent Shareholders' approval requirements.

The 2012-2013 Tenancy Agreements

As the applicable percentage ratio of the Company in respect of the aggregate yearly rentals and management fees payable by SATT under the 2012-2013 Tenancy Agreement is less than 5% and the annual consideration is less than HK\$1,000,000, the 2012-2013 Tenancy Agreement is exempted from the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

An EGM will be convened to obtain the approval of Independent Shareholders regarding, among other things, the proposed terms of the non-exempt Continuing Connected Transactions and the proposed annual caps in respect thereof for the three financial years ending 31 December 2014 under the 2012-2014 Supply and Service Agreements.

For the purpose of the EGM, the Board will appoint (1) an Independent Board Committee to consider and advise the Independent Shareholders on the terms of the non-exempt Continuing Connected Transactions and the proposed annual caps in respect thereof for the three financial years ending 31 December 2014 under the 2012-2014 Supply and Service Agreements; and (2) an independent financial adviser to advise the Independent Board Committee on the terms of the non-exempt Continuing Connected Transactions and the proposed annual caps in respect thereof for the three financial years ending 31 December 2014 under the 2012-2014 Supply and Service Agreements. COMPLANT and its associates will abstain from voting on the ordinary resolutions to be proposed at the EGM.

A circular containing, among other things, (1) details relating to the non-exempt Continuing Connected Transactions and the 2012-2014 Proposed Annual Caps in respect thereof for the three financial years ending 31 December 2014 under the 2012-2014 Supply and Service Agreements; (2) a letter of recommendation on the non-exempt Continuing Connected Transactions and the proposed annual caps in respect thereof for the three financial years ending 31 December 2014 under the 2012-2014 Supply and Service Agreements from the Independent Board Committee to the Independent Shareholders; and (3) a letter of advice on the non-exempt Continuing Connected Transactions and the proposed annual caps in respect thereof for the three financial years ending 31 December 2014 under the 2012-2014 Supply and Service Agreements from an independent financial adviser to the Independent Shareholders and the Independent Board Committee will be despatched to the shareholders of the Company on or before 28 December 2011 in accordance with the relevant requirements of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“2012-2014 Supply and Service Agreements” (i) the five legally binding supply and service agreements entered into between SATT and each of the African Company 1, African Company 2, African Company 3 African Company 4 as well as Zheng Da respectively on 5 December 2011 in respect of the provision of E&M and service exclusively by SATT for an initial term of three years commencing from 1 January 2012;

and

(ii) a legally binding supply and service agreement entered into between China Complant and SATT on 5 December 2011 in respect of the provision of E&M and service by China Complant for an initial term of three years commencing from 1 January 2012

and 2012-2014 Supply and Service Agreement mean one of these agreements

“2012-2013 Tenancy Agreements” a legally binding tenancy agreement entered into between China Complant as landlord and SATT as tenant on 5 December 2011 in respect of leasing office units located at Rooms 306, 307, 402, 403, 404, 405, 610 and 1006, Complant Mansion, No. 9 Xi Bin He Lu, An Ding Men, Beijing, the PRC for an initial term of two years commencing from 1 January 2012.

“African Companies” African Company 1, African Company 2, African Company 3 and African Company 4; all of which are subsidiaries of COMPLANT

“African Company 1” La Sucrierie de COMPLANT de Madagascar (中成馬達加斯加糖業股份有限公司), a company incorporated in Republic of Madagascar

“African Company 2” COMPLANT Magbass Sugar Complex Company Limited (中成馬格巴斯糖業有限責任公司), a company incorporated in Republic of Sierra Leone

“African Company 3”	La Sucrierie de COMPLANT du Benin (中成貝寧糖業股份有限公司), a company incorporated in Republic of Benin
“African Company 4”	Sucrierie Cote Ouest de COMPLANT de Madagascar (Ouest Sucre) (中成馬達加斯加西海岸糖業股份有限公司), a company incorporated in Republic of Madagascar
“Approved Annual Cap(s)”	annual cap(s) approved at the extraordinary general meeting of the Company held on 20 February 2009 and 8 December 2010
“associate(s)”	has the meaning ascribed to it under the listing rules
“Benin PC”	a wholly owned subsidiary company intended to be established by Zheng Da and based in Benin to engage in the ethanol biofuel business and the trading in related products
“Board”	the board of directors of the Company
“BVI”	British Virgin Islands
“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) and owns 70% equity interest in COMPLANT
“Company”	Hua Lien International (Holding) Company Limited, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the main board of the Stock Exchange
“COMPLANT”	COMPLANT International Sugar Industry Co., Ltd. (中成國際糖業股份有限公司), a company incorporated in the Cayman Islands with limited liability and a substantial shareholder of the Company
“connected person”	has the meaning ascribed to it under the listing rules

“Continuing Connected Transactions”	the transactions contemplated under the 2012-2014 Supply and Service Agreement and the 2012-2013 Tenancy Agreement
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting to be convened by the Company to consider and, if thought fit, approve the Continuing Connected Transactions and the annual caps for the year 2012-2014 under the 2012-2014 Supply and Service Agreements
“E&M”	equipments, machineries, parts and raw materials with origin of source from the PRC
“Existing Supply and Service Agreements”	<p>(i) the four legally binding supply and service agreements entered into between SATT and each of the African Company 1, African Company 2, African Company 3 and African Company 4 respectively on 15 December 2008 in respect of the provision of E&M and service exclusively by SATT for an initial term of three years commencing from 1 January 2009;</p> <p>and</p> <p>(ii) a legally binding supply and service agreement entered into between China Complant and SATT on 15 December 2008 in respect of the provision of E&M and service by China Complant for an initial term of three years commencing from 1 January 2009</p> <p>and Supply and Service Agreement mean one of these agreements</p>
“Existing Tenancy Agreements”	Tenancy Agreement 1 and Tenancy Agreement 2
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Board Committee”	the independent committee of the Board comprising three independent non-executive Directors, namely, Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei, which has been formed for the purpose of advising the Independent Shareholders in respect of the Continuing Connected Transactions and the proposed annual cap for three financial years ending 31 December 2014 under the 2012-2014 Supply and Service Agreements
“Independent Financial Adviser”	Donvex Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) of the regulated activities under the Securities and Futures Ordinance
“Independent Shareholders”	Shareholders other than COMPLANT and its associates
“Independent Third Parties”	a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“2012-2014 Proposed Annual Caps”	a maximum aggregate annual value of the transaction contemplated under the 2012-2014 Supply and Service Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“SATT”	Sino-Africa Technology & Trading Limited (中非技術貿易有限公司), a company incorporated in BVI with limited liability and is a wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreement 1”	a legally binding tenancy agreement entered into between China Complant as landlord and SATT as tenant on 15 December 2008 in respect of leasing office units located at Rooms 402, 403, 404 and 610, Complant Mansion, No. 9 Xi Bin He Lu, An Ding Men, Beijing, the PRC for an initial term of three years commencing from 1 January 2009
“Tenancy Agreement 2”	a legally binding tenancy agreement entered into between China Complant as landlord and SATT as tenant on 30 December 2009 in respect of leasing office units located at Rooms 306, 307 and 405, Complant Mansion, No. 9 Xi Bin He Lu, An Ding Men, Beijing, the PRC for an initial term of two years commencing from 1 January 2010.
“USD”	U.S. dollars, the lawful currency of the United States of America
“Zheng Da”	Zheng Da Investments Limited (正達投資有限公司), a company incorporated under the law of BVI with limited liability and is 65% owned by the Company
“%”	percentage

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

Hong Kong, 5 December 2011

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 RMB and USD to Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.20 and USD1.00 to HK\$7.80. 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.