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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 19 to 20 of this circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 35 of this circular.

A notice convening the CCT EGM of Hua Lien International (Holding) Company Limited to be held at Dragon II, 2/F., The Kowloon Hotel, 19-21 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 22 March 2013 at 12:00 noon is set out on pages 41 to 42 of this circular. If you are not able to attend the meeting, please complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the registered address of the Company at Unit 2513A, 25th Floor, 113 Argyle Street, Mongkok, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

4 March 2013

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise.

“%”	Percentage
“2013-2014 Jamaica Supply and Service Agreement”	A legally binding supply and service agreements entered into between SATT and Project Company on 6 February 2013 in respect of the provision of E&M and service exclusively by SATT for an initial term of about two years commencing from date of approval by the Independent Shareholders at the CCT EGM up to 31 December 2014
“2013-2014 Revised Annual Caps”	a maximum aggregate annual value of the transaction contemplated under the 2012-2014 Supply and Service Agreements, the Addendum and the 2013-2014 Jamaica Supply and Service Agreement
“2012-2014 Supply and Service Agreements”	<p>(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;</p> <p>and</p> <p>(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;</p> <p>and 2012-2014 Supply and Service Agreement means one of these agreements</p>
“3-Year Revival Plan”	A capital expenditure of US\$126.8 million (approximately HK\$989 million) to be made by JV Company to Project Company for the revival and working capital of the three sugar estates of Project Company in Jamaica
“Addendum”	An addendum to the 2012-2014 Supply and Service Agreement between China Complant and SATT entered on 6 February 2013

DEFINITIONS

“African Companies”	African Company 1, African Company 2, African Company 3 and African Company 4; all of which are indirect wholly-owned 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 10 January 2012
“associate(s)”	has the meaning ascribed to it under the listing rules
“Benin PC”	Compagnie Béninoise de Bioénergie S.A. (貝寧生物能源股份有限公司), a company incorporated in Benin with limited liability and is a wholly-owned subsidiary of the Zheng Da
“Board”	the board of directors of the Company
“Business Day”	any day from 9 a.m. to 5 p.m. on which licensed banks are open in Hong Kong for general banking business, other than Saturdays, Sundays and public holidays in Hong Kong and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9 a.m. and 5 p.m.
“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

DEFINITIONS

“Company”	Hua Lien International (Holding) Company Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares 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 Chapter 14A of the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the 2012-2014 Supply and Service Agreement, the Addendum and the 2013-2014 Jamaica Supply and Service Agreement
“controlling shareholder(s)”	Controlling shareholder(s) of the Company, having the meanings ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“E&M”	the equipments, machineries, parts and raw materials with origin of source from the PRC
“CCT EGM”	an extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and 2013-2014 Revised Annual Caps
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 as to in relation to on the terms of the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps

DEFINITIONS

“Independent Financial Adviser” or “Donvex Capital”	Donvex Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps
“Independent Shareholder(s)”	the Shareholders other than COMPLANT and its associates
“Independent Third Party”	a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company
“Jamaica Sugar Industry Projects”	the projects relating to the developments and investments in the Jamaican sugar industry which, involve, inter alia, cultivation of sugar cane, manufacturing, development, sale and distribution of sugar, molasses and any other related business in the sugar estates in Jamaica
“JV EGM”	an extraordinary general meeting of the Company held on 31 December 2012 to approve the Joint Venture Agreement and the transactions contemplated thereunder
“JV Completion”	completion of the transactions contemplated under the Joint Venture Agreement
“Joint Venture Agreement”	the joint venture agreement entered into among COMPLANT, the JV Company and the Company on 3 August 2012, pursuant to which the Company has conditionally agreed to purchase and COMPLANT has conditionally agreed to sell the Sale JV Company Shares after the issue and allotment of the New JV Company Shares to COMPLANT by the JV Company at par value
“JV Company”	Joyful Right Limited (正樂有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by COMPLANT as at the Latest Practicable Date
“Latest Practicable Date”	28 February 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“parties”	parties to the 2013-2014 Jamaica Supply and Service Agreement, and “party” shall mean any of them

DEFINITIONS

“PRC”	the People’s Republic of China
“Project Company”	Pan-Caribbean Sugar Company Limited (泛加勒比糖業有限公司), a company incorporated in Jamaica with limited liability and is wholly-owned by the JV Company as at the Latest Practicable Date and it will be a 70% owned subsidiary upon JV Completion
“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
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Future Ordinance Chapter 571 of the Laws of Hong Kong as amended and supplemented from time to time
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	substantial shareholder(s) of the Company, having the meanings ascribed to it in the Listing Rules
“US\$”	United States 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 a joint venture company currently owned 65% by River Right Limited (a wholly-owned subsidiary of the Company), 25% by China-Africa Xin Xing Investment Limited (a wholly-owned subsidiary of China-Africa Development Fund) and 10% by COMPLANT as vehicle to establish Benin PC in Benin to engage in the ethanol biofuel business and trading of related products

For the purpose of illustration only and unless otherwise stated, conversions of US\$ to HK\$ in this circular is based on the exchange rate of US\$1.00 to HK\$7.8. Such conversion 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.

LETTER FROM THE BOARD



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)

Executive directors:

Mr. Tang Jianguo (*Chairman*)

Mr. Han Hong

Mr. Hu Yebi

Independent non-executive directors:

Dr. Zheng Liu

Mr. Yu Chi Jui

Ms. Li Xiao Wei

Principal place of business

in Hong Kong:

Unit 2513A, 25th Floor

113 Argyle Street

Mongkok

Kowloon

Hong Kong

Registered office:

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

4 March 2013

To the Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

1. INTRODUCTION

Reference is made to the announcement of the Company dated 5 December 2011 and the circular dated 21 December 2011 in relation to the Continuing Connected Transactions pursuant to the 2012-2014 Supply and Service Agreement and the announcement of the Company dated 3 August 2012 and 31 December 2012 and the circular dated 11 December 2012 in relation to the Joint Venture Agreement for the Jamaica Sugar Industry Projects.

** For identification purpose only*

LETTER FROM THE BOARD

In view of the ordinary resolution for the Joint Venture Agreement was duly passed by the Independent Shareholders by way of poll at the JV EGM held on 31 December 2012. At the date of circular, the JV Completion has not carried out and will take place after below Continuing Connected Transactions approved by Independent Shareholders at CCT EGM. The Project Company will become a 70% owned subsidiary of the Company upon JV Completion and it will become a connected person of the Company as defined under Listing Rules. In order to achieve the intended synergy on sourcing, the Board approved the E&M and service of the Project Company will be supplied by SATT.

On 6 February 2013, SATT and Project Company entered into the 2013-2014 Jamaica Supply and Service Agreement, pursuant to which, Project Company has agreed to order E&M and service with the origin of source from the PRC exclusively from SATT for an initial term of about two years commencing from date of approval by the Independent Shareholders up to 31 December 2014. In brief, all the raw materials for daily operations and plant and machinery for 3-Year Revival Plan with original of source in the PRC will be supplied to Project Company under this 2013-2014 Jamaica Supply and Service Agreement. This has created additional sales orders of E&M and service from Project Company. On 6 February 2013, an Addendum has also been entered to cater for the resulting additional purchase orders of E&M and service to China Complant for fulfillment of orders from Project Company. Therefore, the Approved Annual Caps in respects of year ending 31 December 2013 and 2014 will be insufficient and the Board has decided to revise Approved Annual Caps of those years.

In addition to above, the delay in the start date of the construction works of ethanol biofuel facilities in Benin and large scale repairing and upgrading plan of African Company 1 triggered the reallocation of orders from 2012 to 2013 and from 2013 to 2014. Moreover, African Company 1 being responsible for some community service under the renewal contract with Government of Madagascar also created additional sales orders for fulfillment of this in 2013 and 2014. These factors further deepen the shortfall in approved annual caps for the year ending 31 December 2013 and 2014.

For the reasons of above two aspects, the Board therefore proposes to revise and increase the Approved Annual Caps for the year ending 31 December 2013 and 2014. Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for Continuing Connected Transactions, the Company will be required to comply with the provisions of Chapter 14A of the Listing Rules in relations to the relevant connected transaction.

Based on the reasons that:

- (i) the African Companies, Zheng Da and Project Company are associates of COMPLANT and by virtue of the fact that each of the African Companies is the indirect wholly-owned subsidiary of COMPLANT, Zheng Da is 10% owned by COMPLANT and Project Company will be 30% owned by COMPLANT upon JV Completion and China Complant is the company holding 70% of the entire issued capital of COMPLANT;

LETTER FROM THE BOARD

- (ii) China Complant is a connected person of the Company by virtue of being a controlling shareholder currently holding 800,000,000 Shares, which represent approximately 36.51% and COMPLANT is a connected person of the Company by virtue of being a substantial shareholder currently holding 300,000,000 Shares, which represent approximately 13.69% of the existing issued share capital of the Company as at the Latest Practicable Date; and
- (iii) SATT is a wholly-owned subsidiary of the Company.

The African Companies, Zheng Da, Project Company and China Complant are connected persons of the Company and the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2012-2014 Supply and Service Agreements constitute continuing connected transactions for the Company under the Listing Rules.

As the applicable percentage ratios of the Company as defined under Rule 14.07 of the Listing Rules in respect of the 2013-2014 Revised Annual Caps will exceed 5% on an annual basis and the annual consideration will exceed HK\$10,000,000, the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For these non-exempt continuing connected transactions, the Company must re-comply with rules 14A.35(3) and (4) of the Listing Rules if the Approved Caps are exceeded, namely the reporting, announcement and Independent Shareholders' approval requirements.

The purpose of this circular is to provide you with further details on the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Cap, the respective advice of the Independent Financial Adviser and the Independent Board Committee and the notice of CCT EGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders regarding the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps. Donvex Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

2. 2013-2014 JAMAICA SUPPLY AND SERVICE AGREEMENT AND ADDENDUM

(i) **Detail term of 2013-2014 Jamaica Supply and Service Agreement is as follows:**

Date:	6 February 2013
Parties:	SATT and Project Company
Terms:	Commencing from date of approval by the Independent Shareholders at the CCT EGM up to 31 December 2014
Conditions precedent:	The agreement is subject to and conditional upon the approval by the Independent Shareholders at the CCT EGM to be held in accordance with the requirements under the Listing Rules.
Nature of transactions:	<p>The 2013-2014 Jamaica Supply and Service Agreement is a master agreement which set out the principles upon which the supply of E&M and service by SATT to the Project Company are to be carried out.</p> <p>Pursuant to the 2013-2014 Jamaica Supply and Service Agreement, SATT will enter into definitive agreements with Project Company from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the 2013-2014 Jamaica 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.</p> <p>SATT and Project Company 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 Project Company shall be no less favourable than those offered by SATT to independent third parties in the market where Project Company is located.</p>
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.

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The formula for determination of consideration for supplies from SATT to Project Company is as follows:

$$\text{Consideration} = \frac{\text{Local market price in Jamaica}}{1 + \text{import duty in Jamaica}} \times \text{Percentage difference in quality attributes}$$

As the local price quote of imported goods in Jamaica is inclusive of import duty in most cases of 20% and the Project Company can enjoy duty-free import, the consideration for supplies from SATT has to calculate firstly by adjusting those local price quote of imported goods to duty-free local price and then further adjusting it with the percentage difference in quality attributes which include, among others, the durability and chemical composition for supplies for daily operations and the estimated useful life, processing capacity, operation efficiency and repair, maintenance and fuel requirement for long-lived assets. For example, the local price quote for heavy duty tractor head in Jamaica is US\$120,000 with estimated useful life of 10 years. If similar heavy duty tractor head, having all the same quality attributes except shorter estimated useful life of 7 years, can source through SATT, the consideration for this, after taken into consideration the local market price, import duty and difference in quality attributes, is US\$70,000 (US\$120,000 ÷ 1.20 x 7/10).

(ii) Detail term of the Addendum is as follows:

Date:	6 February 2013
Parties:	SATT and China Complant
Terms:	Commencing from date of approval by the Independent Shareholders at the CCT EGM up to 31 December 2014
Conditions precedent:	The Addendum is subject to and conditional upon the approval by the Independent Shareholders at the CCT EGM to be held in accordance with the requirements under the Listing Rules.
Additional scope of service under the Addendum:	Pursuant to the Addendum, China Complant will extend its service coverage to Jamaica for SATT to cater for the orders of E&M and service from Project Company. The other terms and conditions under 2012-2014 Supply and Service Agreement between SATT and China Complant shall remain unchanged.

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3. 2013-2014 REVISED ANNUAL CAPS

The table below sets out the breakdown of revised annual caps for year ending 31 December 2013 and 2014 for the Continuing Connected Transactions.

Transaction	Approved Annual Caps			Actual amount for the period ended 30 June 2012	2013-2014 Revised Annual Caps	
	Annual cap for the year ended 31 December 2012	Annual cap for the year ending 31 December 2013	Annual cap for the year ending 31 December 2014		Proposed revised annual cap for the year ending 31 December 2013	Proposed revised annual cap for the year ending 31 December 2014
	'000	'000	'000	'000	'000	'000
Continuing Connected Transactions between SATT and the African Companies and Zheng Da under The 2012-2014 Supply and Service Agreements	US\$48,760 (approximately HK\$380,328)	US\$49,960 (approximately HK\$389,688)	US\$29,560 (approximately HK\$230,568)	US\$7,790 (approximately HK\$60,762)	US\$104,300 (approximately HK\$813,540)	US\$121,940 (approximately HK\$951,132)
Continuing Connected Transactions between SATT and China Complant under The 2012-2014 Supply and Service Agreement	US\$35,550 (approximately HK\$277,290)	US\$36,550 (approximately HK\$285,090)	US\$19,550 (approximately HK\$152,490)	US\$3,198 (approximately HK\$24,944)	US\$81,969 (approximately HK\$639,358)	US\$98,210 (approximately HK\$766,038)

The past transactions were conducted within the approved limit as a result of the proper internal control of the Company. The Company confirms that the transaction amount for the year ended 31 December 2012 has not exceeded the Approved Annual Caps and no business will transact with the Project Company until the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps have been approved by Independent Shareholders in CCT EGM.

Except the 2013-2014 Jamaica Supply and Service Agreement and the Addendum, all other terms and conditions under the 2012-2014 Supply and Service Agreements shall remain unchanged (save and except for the proposed 2013-2014 Revised Annual Caps). The proposed revised annual caps for the year ending 31 December 2013 and 2014 have been determined by reference to (i) the prevailing market condition in Jamaica; (ii) the historic amount of transactions between COMPLANT and Project Company; (iii) 3-Year Revival Plan; (iv) the progress of construction work of ethanol biofuel facilities of Benin PC; (v) the progress of large scale repairing and upgrading plan of African Company 1; and (vi) the additional community service to be provided by African Company 1 under the renewal contract with Government of Madagascar.

LETTER FROM THE BOARD

4. BASIS OF DETERMINATION OF 2013-2014 REVISED ANNUAL CAPS

4.1 BASIS FOR DETERMINATION THE 2013-2014 REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS BETWEEN SATT AND THE AFRICAN COMPANIES, ZHENG DA AND PROJECT COMPANY

The table below sets out the breakdown of proposed revised annual caps for year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT and the African Companies, Zheng Da and Project Company under the 2012-2014 Supply and Service Agreements and the 2013-2014 Jamaica Supply and Service Agreement.

	2013	2014
Existing Approved Annual Caps	US\$49,960,000	US\$29,560,000
2013-2014 Jamaica Supply and Service Agreement		
— for daily operations (<i>Note 1</i>)	US\$17,940,000	US\$15,420,000
— for 3-Year Revival Plan (<i>Note 2</i>)	US\$21,800,000	US\$66,960,000
Reallocation & addition of sales orders		
— Reallocation and addition by African Company 1 (<i>Note 3</i>)	US\$1,400,000	US\$10,000,000
— Reallocation by Zheng Da (<i>Note 4</i>)	US\$13,200,000	—
Proposed increase in annual caps	US\$54,340,000	US\$92,380,000
Proposed revised annual caps	US\$104,300,000 (approximately <u>HK\$813,540,000</u>)	US\$121,940,000 (approximately <u>HK\$951,132,000</u>)

As shown in above table, the proposed increase in annual caps for the year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT and the African Companies, Zheng Da and Project Company are US\$54,340,000 (approximately HK\$423,852,000) and US\$92,380,000 (approximately HK\$720,564,000) respectively. The increase was caused by the 2013-2014 Jamaica Supply and Service Agreement and the reallocation and addition of sales orders.

LETTER FROM THE BOARD

Note 1: 2013-2014 Jamaica Supply and Service Agreement — for daily operations The first part of the 2013-2014 Jamaica Supply and Service Agreement that involved the supply of E&M and service to the Project Company for the daily operations of US\$17,940,000 (approximately HK\$139,932,000) for 2013 and US\$15,420,000 (approximately HK\$120,276,000) for 2014. This E&M and service to Project Company were presently supplied by COMPLANT. The annual caps is estimated based on the historical data of total supplies for daily operations by COMPLANT for the period from August (first order delivery date) to December 2011 and for the year ended December 2012 of US\$5,353,000 (approximately HK\$41,753,000) and US\$12,128,000 (approximately HK\$94,598,000) respectively. The proposed annual caps on this for 2013 and 2014 are higher than the historic amount of transactions between COMPLANT and Project Company due to the consideration of (i) the increase in orders for spare parts for repairing the old bagasse boilers and the old power generation system and (ii) the increase in orders for fertilizers to cater for the expansion of farming area in 2013 and 2014.

Note 2: 2013-2014 Jamaica Supply and Service Agreement — for 3-Year Revival Plan The second part of the 2013-2014 Jamaica Supply and Service Agreement involved the supply of E&M and service to the Project Company for the 3-Year Revival Plan of US\$21,800,000 (approximately HK\$170,040,000) for 2013 and US\$66,960,000 (approximately HK\$522,288,000) for 2014. A total of US\$88,760,000 (approximately HK\$692,328,000) for the two years ending 31 December 2014, which represents the 70% capital commitment of US\$126.8 million (approximately HK\$989 million) under 3-Year Revival Plan that will be injected by stages into the Project Company by the Group as disclosed in the circular dated 11 December 2012.

Note 3: Reallocation and addition of sales orders by African Company 1 The reallocation of sales orders from 2012 to 2013 and from 2013 to 2014 of African Company 1 was due to the postponement of its large scale repair and upgrading plan as a result of the negotiation of second lease term of African Company 1 with the government of Madagascar, which is much more lengthy than expected. COMPLANT can only manage to sign the renewal contract of African Company 1 with government of Madagascar in June 2012 and this has caused one year delay of this two-year large scale repairing and upgrading work of African Company 1 (originally planned to start in 2012 and to be completed in 2013).

On the other hand, African Company 1 being responsible under the renewal contract with Government of Madagascar repairs some of community facilities (road, housing and dams and drainage systems and so forth) for the local tribes surrounding African 1 and the repair work was expected to last for two years and will need to add extra orders for 2013 and 2014 to fulfill this obligation.

The overall change in caps being made by African Company 1 with detailed figures of each category for 2013 and 2014 annual caps is depicted in below table.

	2013	2014
Reallocation of sales orders		
— from 2012 to 2013	+US\$9,600,000	—
— from 2013 to 2014	-US\$9,600,000	+US\$9,600,000
Addition of sales orders		
— community service	+US\$1,400,000	+US\$400,000
Reallocation and addition by African Company 1	+US\$1,400,000	+US\$10,000,000

LETTER FROM THE BOARD

Note 4: Reallocation of sales order by Zheng Da The reallocation was due to the delay in Zheng Da's ethanol biofuel facilities construction as a result of the postponement in the progress of Government of Benin in reclaiming the 4,800 hectares land from local tribes for leasing to Zheng Da as well as the lengthy registration process of Benin PC that can only be completed in December 2012. This has caused one year delay of two-year development plan for ethanol biofuel business of Zheng Da (originally it planned to start in 2012 and completed in 2013). As the above two pre-requisites for the importation of E&M and service to Benin have now been completed, the ethanol biofuel facilities construction will start in first quarter of 2013 and the appointed constructors will take measures to speed up the construction and trial run is planned to be on the first quarter in 2014 (the same completion date as original plan). As a result, the sales orders from Zheng Da in 2012 of US\$13,200,000 (approximately HK\$102,960,000) will now reallocate to 2013 and no reallocation is required for 2014.

4.2 BASIS FOR DETERMINATION THE 2013-2014 REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS BETWEEN SATT AND CHINA COMPLANT

The table below sets out the breakdown of proposed revised annual caps for year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT and China Complant under 2012-2014 Supply and Service Agreement and the Addendum.

	2013	2014
Existing Approved Annual Caps	US\$36,550,000	US\$19,550,000
2013-2014 Jamaica Supply and Service Agreement		
— for daily operations (<i>Note 1</i>)	US\$14,296,000	US\$12,104,000
— for 3-Year Revival Plan (<i>Note 2</i>)	US\$18,956,000	US\$58,226,000
Reallocation and addition of sales orders		
— Reallocation and addition by African Company 1 (<i>Note 3</i>)	US\$1,167,000	US\$8,330,000
— Reallocation by Zheng Da (<i>Note 4</i>)	US\$11,000,000	—
Proposed increase in annual caps	US\$45,419,000	US\$78,660,000
Proposed revised annual caps	US\$81,969,000 (approximately <u>HK\$639,358,000</u>)	US\$98,210,000 (approximately <u>HK\$766,038,000</u>)

As shown in above table, the proposed increase in annual caps for the year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT and China Complant are US\$45,419,000 (approximately HK\$354,268,000) and US\$78,660,000 (approximately HK\$613,548,000) respectively. The 2013-2014 Revised Annual Caps with China Complant is determined with reference to a number of factors, including (i) the new sales orders under 2013-2014 Jamaica Supply and Service Agreement; (ii) the reallocation and addition of sales orders; and (iii) the expected gross profit margin that will be earned by SATT.

LETTER FROM THE BOARD

Note 1: 2013-2014 Jamaica Supply and Service Agreement — for daily operations This represent an increase of forecasted purchase from China Complant of US\$14,296,000 (approximately HK\$111,509,000) and US\$12,104,000 (approximately HK\$94,411,000) for the year ending 31 December 2013 and 2014 respectively as a result of the expected increase in orders for the daily operations of Project Company.

Note 2: 2013-2014 Jamaica Supply and Service Agreement — for 3-Year Revival Plan This represent an increase of forecasted purchase from China Complant of US\$18,956,000 (approximately HK\$147,857,00) and US\$58,226,000 (approximately HK\$454,163,000) for the year ending 31 December 2013 and 2014 respectively as a result of the expected increase in orders for the 3-Year Revival Plan of Project Company.

Note 3: Reallocation and addition of sales orders by African Company 1 The change was to align the purchase from China Complant for satisfying the reallocation and addition of sales orders for the large scale of repairing and upgrading plan and additional community service from African Company 1.

The overall change in caps being made by African Company 1 for 2013 and 2014 annual caps with detailed figure is depicted below table.

	2013	2014
Reallocation of sales orders		
— from 2012 to 2013	+US\$8,000,000	—
— from 2013 to 2014	-US\$8,000,000	+US\$8,000,000
Addition of sales orders		
— community service	+US\$1,167,000	+US\$330,000
Reallocation and addition by African 1	<u>+US\$1,167,000</u>	<u>+US\$8,330,000</u>

Note 4: Reallocation of sales orders by Zheng Da The reallocation of US\$11,000,000 (approximately HK\$85,800,000) of purchase from 2012 to 2013 is to align the reallocation in sales orders to fulfill materials required for the construction of the ethanol biofuel facilities of Zheng Da. No reallocation is required for 2014.

5. BENEFITS OF 2013-2014 REVISED ANNUAL CAPS

The Group is principally engaged in provision of supporting service to sweetener and ethanol businesses in African and other countries. The Board considers that the 2013-2014 Jamaica Supply and Service Agreement and 2013-2014 Revised Annual Caps would allow the Group to benefit from the intended synergy as mentioned in circular dated 11 December 2012 as the Group's existing supporting service for sugar and sweetener business provided by SATT can extend to Project Company to replace its local procurement, which is of higher cost, after the approval in CCT EGM. Leveraged on the resultant increase in order size, SATT would have more bargaining power to obtain a more comparative price for its customers including the Project Company and this would enable the Project Company to save material cost and SATT would be more profitable as a result of increase in business volume.

LETTER FROM THE BOARD

The Directors (excluding members of the Independent Board Committee whose views will be given after taking into account the advice from Donvex Capital, the Independent Financial Adviser), are of the view that the terms of the transactions contemplated under the 2013-2014 Jamaica Supply and Service Agreement and the Addendum 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 and the 2013-2014 Revised Annual Caps are also fair and reasonable and in the interest of the Company and its Shareholders as a whole.

6. RELATIONSHIP BETWEEN THE GROUP, SATT, ZHENG DA, PROJECT COMPANY, AFRICAN COMPANIES, CHINA COMPLANT AND COMPLANT

The Group is principally engaged in the provision of supporting service to sweetener and ethanol businesses in African and other countries.

SATT is a wholly-owned subsidiary of the Company.

Zheng Da is 65% owned subsidiary of the Company and 10% owned by COMPLANT.

The Project Company will be 70% owned subsidiary of the Company and 30% owned by COMPLANT upon JV Completion. The principal business of the Project Company involves sugar cane farming, sugar cane products manufacturing and distribution. Project Company is regarded as connected person of the Company under the Listing Rules.

African Companies are indirect wholly-owned subsidiaries of COMPLANT.

As at the date of this circular, China Complant held approximately 36.51% and COMPLANT, a subsidiary of China Complant, held approximately 13.69% of the total issued share capital of Company. China Complant and COMPLANT are therefore a controlling shareholder and a substantial shareholder of the Company respectively.

7. LISTING RULES IMPLICATIONS

The 2013-2014 Jamaica Supply and Service Agreement, the Addendum and 2012-2014 Supply and Service Agreements constitutes continuing connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules. Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for Continuing Connected Transactions, the Company will be required to comply with the provisions of Chapter 14A of the Listing Rules in relations to the relevant connected transaction.

As the applicable percentage ratios of the Company (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under each of the 2013-2014 Revised Annual Caps will exceed 5% on an annual basis and the annual consideration will exceed HK\$10,000,000, the transactions contemplated under each of the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under 14A.35(3) and (4) of the Listing Rules.

LETTER FROM THE BOARD

As at the Latest practicable Date, China Complant and Complant are interested in 800,000,000 and 300,000,000 Shares representing approximately 36.51% and 13.69% respectively of the issued share capital of the Company, China Complant and Complant is a controlling shareholder and substantial shareholder of the Company and has an interest in the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are required to abstain from voting for the resolutions to approve the 2013-2014 Jamaica Supply and Service Agreement and the 2013-2014 Revised Annual Caps at the CCT EGM.

8. VOTES OF DIRECTORS AND CONNECTED PERSONS

Mr. Tang Jianguo and Mr. Han Hong are Directors and are therefore controllers under rule 14A.10 of the Listing Rules. By virtue of the relationships with China Complant and COMPLANT in way that Mr. Tang Jianguo (also being director and president of COMPLANT and director and vice president and general manager of China Complant) and Mr. Han Hong (also being director and deputy general manager of COMPLANT), Mr. Tang Jianguo and Mr. Han Hong are considered to have a material interest in the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps. They had abstained from voting for the resolution for approving the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps. Save as disclosed above, no other Director has material interests in the Continuing Connected Transactions disclosed herein.

China Complant and COMPLANT is a connected person of the Company with material interest in the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps will abstain from voting at the CCT EGM. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save and except China Complant and COMPLANT, no other Shareholder is required to abstain from voting on the resolutions in relation to the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and SATT and the 2013-2014 Revised Annual Caps to be approved at the CCT EGM.

9. CCT EGM

A notice convening the CCT EGM to be held at Dragon II, 2/F., The Kowloon Hotel, 19-21 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 22 March 2013 at 12:00 noon is set out on pages 41 to 42 of this circular for the purpose of considering and, if thought fit, passing the resolution set out therein.

A proxy form for use at the CCT EGM is enclosed herein. If you are not able to attend the EGM, please complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the registered office of the Company in Hong Kong at Unit 2513A, 25th Floor, 113 Argyle Street, Mongkok, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the CCT EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the CCT EGM or any adjournment thereof, should you so wish.

LETTER FROM THE BOARD

Under the Listing Rules, the connected persons of the Company with a material interest in the transaction and any Shareholder with a material interest in the transaction and its associates, will be required to abstain from voting on the resolution approving 2013-2014 Jamaica Supply and Service Agreement, the Addendum and 2013-2014 Revised Annual Caps at the CCT EGM. China Complant and COMPLANT holding approximately 36.51% and 13.69% of the issued shares of the Company respectively will abstain from voting on the resolution.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Independent Shareholders at the CCT EGM will be taken by poll and the Company will announce the results of the poll by issuing formal announcement in accordance with the Listing Rules.

10. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 19 to 20 of this circular which contains its recommendation to the Independent Shareholders on the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps. Your attention is also drawn to the letter of advice from Donvex Capital as set out on pages 21 to 35 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps.

The Independent Board Committee, after taking into account the advice from the Donvex Capital considers that the terms of the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and 2013-2014 Revised Annual Caps are fair and reasonable and on normal commercial terms; and is in the interests of the Company and the Shareholders as a whole, and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the CCT EGM to approve the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and 2013-2014 Revised Annual Caps.

The Board considers that the resolution as set out in the notice of the CCT EGM and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the CCT EGM.

11. FURTHER INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee which sets out its recommendation to the Independent Shareholders, the letter from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders, the additional information set out in the appendix to this circular and the notice of CCT EGM.

Yours faithfully,
For and on behalf of the Board of
Hua Lien International (Holding) Company Limited
Tang Jianguo
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

Executive directors:

Mr. Tang Jianguo (*Chairman*)

Mr. Han Hong

Mr. Hu Yebi

Independent non-executive directors:

Dr. Zheng Liu

Mr. Yu Chi Jui

Ms. Li Xiao Wei

Principal place of business

in Hong Kong:

Unit 2513A, 25th Floor

113 Argyle Street

Mongkok

Kowloon

Hong Kong

Registered office:

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

4 March 2013

To the Independent Shareholders

Dear Sir or Madam,

**REVISION OF ANNUAL CAPS
FOR
CONTINUING CONNECTED TRANSACTIONS**

We refer to the circular to the Shareholders dated 4 March 2013 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

** For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether, in our opinion, the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are in the interests of the Company and its Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. Donvex Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders.

We wish to draw your attention to the “Letter from Donvex Capital” as set out on pages 21 to 35 of the Circular. We have considered the terms and conditions of the transactions, the advice of Donvex Capital and the other factors contained in the “Letter from the Board” as set out on pages 6 to 18 of the Circular.

Having considered the terms of the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps and taken into account the advice of the Donvex Capital, we consider that the terms of the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the CCT EGM to approve the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps.

Yours faithfully,
Independent Board Committee of
Hua Lien International (Holding) Company Limited

Dr. Zheng Liu
*Independent non-executive
Director*

Mr. Yu Chi Jui
*Independent non-executive
Director*

Ms. Li Xiao Wei
*Independent non-executive
Director*

LETTER FROM DONVEX CAPITAL

The following is the text of a letter of advice from Donvex Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the continuing connected transactions which has been prepared for the purpose of incorporation in this circular:



Unit 1305, 13th Floor,
Carpo Commercial Building
18-20 Lyndhurst Terrace
Central
Hong Kong

4 March 2013

*To the Independent Board Committee and the Independent Shareholders of
Hua Lien International (Holding) Company Limited*

Dear Sirs,

REVISION OF ANNUAL CAPS FOR THE CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders (as defined hereafter) in relation to the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the proposed revised annual caps for the two years ending 31 December 2013 and 2014, details of which are set out in the letter from the Board (the “Board Letter”) contained in this circular (the “Circular”) dated 4 March 2013 issued by the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Based on the reasons that:

- a. On 6 February 2013, SATT and Project Company entered into the 2013 and 2014 Jamaica Supply and Service Agreement, pursuant to which, Project Company has agreed to order E&M and service with the origin of source from the PRC exclusively from SATT for an initial term of about two years commencing from date of approval by the Independent Shareholders up to 31 December 2014. On 6 February 2013, an Addendum has also been entered to cater for the resulting additional purchase orders of E&M and service to China Complant for fulfillment of orders from Project Company. This has created additional sales orders of E&M and service from Project Company and the resulting additional purchase orders of E&M and service from China Complant for fulfilment of orders from Project Company;
- b. The delay in the start date of the construction works of ethanol biofuel facilities in Benin and large scale repairing and upgrading plan of African Company 1 triggered the reallocation from 2012 to 2013 and 2013 to 2014; and

LETTER FROM DONVEX CAPITAL

- c. African Company 1 being responsible for some community services under the renewal contract with Government of Madagascar also created additional sale orders for fulfilment of this in 2013 and 2014;

Therefore, the Approved Annual Caps in respects of the two years ending 31 December 2013 and 2014 will be insufficient and the Board decided to revise Approved Annual Caps.

Given that the highest of the relevant Percentage Ratios in respect of the 2013-2014 Revised Annual Caps for the two financial year ending 31 December 2013 and 2014 will, on an annual basis, be more than 5% and the annual consideration is more than HK\$10,000,000, the 2013-2014 Revised Annual Caps are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rule.

II. THE INDEPENDENT BOARD COMMITTEE

Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei, the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of Independent Shareholders as a whole; and to advise the Independent Shareholders as to whether to vote in favour of the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps.

Donvex Capital Limited is independent of and not connected with any members of the Group or any of their substantial shareholders, directors or chief executives, or any of their respective associates, and is accordingly qualified to give an independent advice in respect 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps.

BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time they were made and continue to be true until the date of the CCT EGM.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

LETTER FROM DONVEX CAPITAL

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the connected transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments, including any material change in market and economic conditions, may affect or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

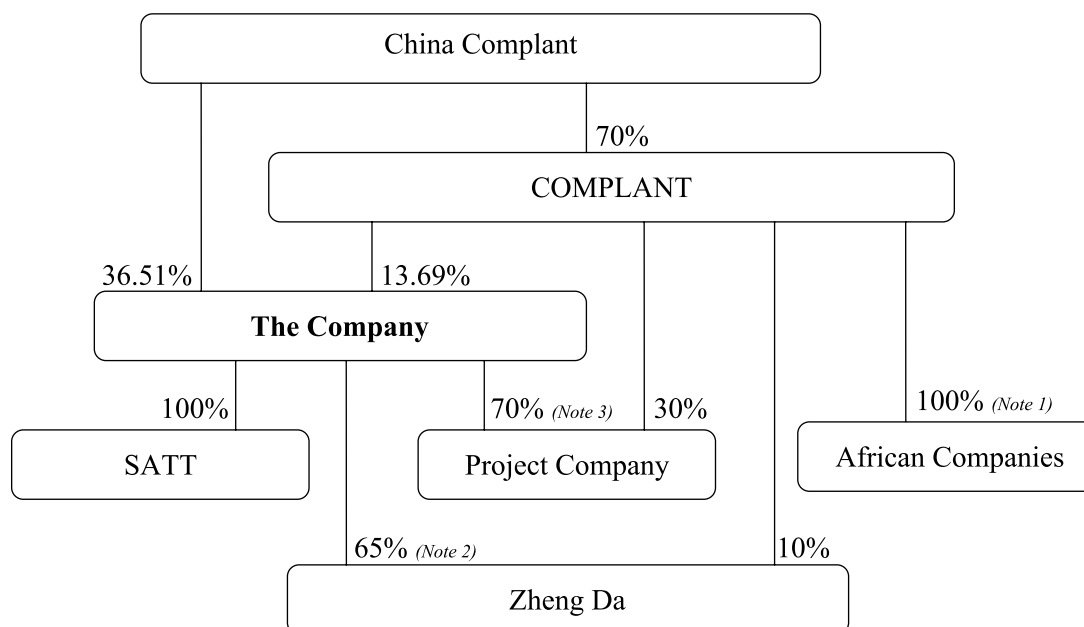
Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Donvex Capital is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

1. Background of the 2012-2014 Supply and Service Agreements

The following diagram illustrates the corporate structure among the Company and COMPLANT, China Complant, SATT, Project Company, the African Companies and Zheng Da:



LETTER FROM DONVEX CAPITAL

Note:

1. African Companies comprise African Company 1, African Company 2, African Company 3 and African Company 4, all of which are indirect wholly owned subsidiaries of COMPLANT.
2. Zheng Da is a joint venture company currently owned 65% by River Right Limited (a wholly-owned subsidiary of the Company), 25% by China-Africa Xin Xing Investment Limited (a wholly-owned subsidiary of China-Africa Development Fund) and 10% by COMPLANT.
3. Project Company will become a 70% subsidiary of the Company upon JV Completion.

Information of the Group

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

Information of China Complant

China National Complete Plant Import & Export Corporation (Group) (“China Complant”), a state-owned company incorporated in the PRC, is a wholly-owned subsidiary of the State Development & Investment Corp., and owns 70% equity interest in the COMPLANT. It is a Controlling Shareholder holding 36.51% of the issued share capital of the Company. China Complant, one of the PRC central-government enterprises, is a comprehensive foreign trade conglomerate mainly engaging in import and export of complete plant and technology, general contracting, leasehold management and the relevant services.

In accordance with the website of China Complant (<http://www.complant.com/ejituan1.htm>), China Complant is responsible for organizing and implementing China-aided projects in foreign countries before the reorganisation into a comprehensive foreign trade conglomerate. China Complant has long established relations, through economic and technical cooperation, with government bodies and industrial and commercial circles in more than 100 countries (including various African countries and Jamaica) and regions. Therefore, we are of the view that the Addendum with China Complant will be beneficial to the Group as a whole through its established relationship with Jamaican Government.

Information of 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 13.69% of the issued share capital of the Company. COMPLANT, through its subsidiaries, is principally engaged in sugar cane planting and production of sugar products and ethanol in Africa and Jamaica.

LETTER FROM DONVEX CAPITAL

Information of African Company 1; African Company 2; African Company 3 and African Company 4

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 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.

Information of Zheng Da

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-African Xin Xing Investment Limited (a wholly-owned subsidiary of 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.

Information of SATT

SATT is engaged in the provision of supporting services to the African Company 1, African Company 2, African Company 3 and African Company 4 and other companies in respect of sweetener business including, but not limited to, (i) facilities, raw materials and goods supply services; (ii) management and technical staff; (iii) related consulting services on construction and contract manufacturing services.

Information of Project Company

The Project Company will be 70% owned subsidiary of the Company and 30% owned by COMPLANT upon JV Completion. The principal business of the Project Company involves sugar cane farming, sugar cane products manufacturing and distribution. Project Company is regarded as connected person of the Company under the Listing Rules.

LETTER FROM DONVEX CAPITAL

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 respectively as well as Zheng Da (Zheng Da will later assign this agreement to Benin PC when Benin PC starts its operation), 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.

The 2012-2014 Supply and Services Agreement between SATT and China Complant

SATT had also entered into the 2102-2014 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 agreements in respect of the supply of materials and services; (ii) the relevant E&M and services 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.

2. 2013-2014 Jamaica Supply and Service Agreement and Addendum

(i) Detail term of 2013-2014 Jamaica Supply and Service Agreement is as follows:

Date:	6 February 2013
Parties:	SATT and Project Company
Terms:	Commencing from date of approval by the Independent Shareholders at the CCT EGM up to 31 December 2014
Conditions precedent:	The agreement is subject to and conditional upon the approval by the Independent Shareholders at the CCT EGM to be held in accordance with the requirements under the Listing Rules.
Nature of transactions:	The 2013-2014 Jamaica Supply and Service Agreement is a master agreement which set out the principles upon which the supply of E&M and service by SATT to the Project Company are to be carried out.

LETTER FROM DONVEX CAPITAL

Pursuant to the 2013-2014 Jamaica Supply and Service Agreement, SATT will enter into definitive agreements with Project Company from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the 2013-2014 Jamaica 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.

SATT and Project Company 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 Project Company shall be no less favourable than those offered by SATT to independent third parties in the market where Project Company 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 formula for determination of consideration for supplies from SATT to Project Company is as follows:

$$\text{Consideration} = \frac{\text{Local market price in Jamaica}}{1 + \text{import duty in Jamaica}} \times \frac{\text{Percentage difference in quality attributes}}{\text{in quality attributes}}$$

As the local price quote of imported goods in Jamaica is inclusive of import duty of 20% in most cases and the Project Company can enjoy duty-free import, the consideration for supplies from SATT will be calculated first by adjusting those local price quote of imported goods to duty-free local price and then further adjusting it with the percentage difference in quality attributes which include, among others, the durability and chemical composition for supplies for daily operations and the estimated useful life, processing capacity, operation efficiency and repair, maintenance and fuel requirement for long-lived assets. For example, if the local price quote for a heavy duty tractor head in Jamaica with an estimated useful life of 10 years is priced at US\$120,000, then the consideration paid by the Project Company to SATT for a heavy duty tractor having the same quality factors except a shorter estimated useful life of 7 years will be US\$70,000 (US\$120,000 ÷ 1.20 x 7/10).

LETTER FROM DONVEX CAPITAL

(ii) Detail term of the Addendum is as follows:

Date: 6 February 2013

Parties: SATT and China Complant

Terms: Commencing from date of approval by the Independent Shareholders at the CCT EGM up to 31 December 2014

Conditions precedent: The Addendum is subject to and conditional upon the approval by the Independent Shareholders at the CCT EGM to be held in accordance with the requirements under the Listing Rules.

Additional scope of service under the Addendum: Pursuant to the Addendum, China Complant will extend its service coverage to Jamaica for SATT to cater for the orders of E&M and service from Project Company.

The other terms and conditions under 2012-2014 Supply and Service Agreement between SATT and China Complant shall remain unchanged.

In respect of our work done on the assessment of the fairness and reasonableness of the principal terms of the 2013-2014 Jamaica Supply and Service Agreement and the Addendum, we have reviewed the parties involved, length of the terms, conditions precedent, nature of transactions, the basis of consideration and the additional scope of service under the Addendum as compared to those terms with terms of 2012-2014 Supply and Service Agreements, where we conclude that (i) save for the 2013-2014 Revised Annual Caps, the terms of the 2012-2014 Supply and Service Agreements remain the same; (ii) the terms and condition of 2013-2014 Jamaica Supply and Service Agreement are similar to that of 2012-2014 Supply and Service Agreement; and (iii) the Addendum is just extending the service coverage of China Complant to Jamaica for dealing with orders from Project Company. As such, we conclude that the principal terms of the 2013-2014 Supply and Service Agreements and the Addendum are on normal commercial terms and are fair and reasonable and in the interests of the Independent Shareholders as a whole.

In respect of our work done on the assessment of the fairness and reasonableness of the detailed terms of the 2013-2014 Jamaica Supply and Service Agreement, in particular in assessing the calculation of consideration, we found that the formula for determining the consideration for supplies from SATT to Project Company has incorporated (i) the local market prices of similar E&M in Jamaica as an input parameter; (ii) the adjustment of import duties in Jamaica; and (iii) the adjustment of quality attributes which include factor such as durability, chemical composition, estimate useful life, processing capacity, operation efficiency and repair, maintenance and fuel requirement for long-lived assets. As such, in view of the consideration as calculated by the formula is directly dependent

LETTER FROM DONVEX CAPITAL

on the local market prices of similar E&M in Jamaica and is adjusted by import duty and quality attributes, we conclude that the detailed terms of the 2013-2014 Jamaica Supply and Service Agreement will not be less favourable than those offered by SATT to independent third parties in Jamaica, and are therefore on normal commercial terms and are fair and reasonable to the Company.

3. Reason for the revision of the Annual Caps

Based on the reasons that:

- a. On 6 February 2013, SATT and Project Company entered into the 2013-2014 Jamaica Supply and Service Agreement, pursuant to which, Project Company has agreed to order E&M and service with the origin of source from the PRC exclusively from SATT for an initial term of about two years commencing from date of approval by the Independent Shareholders up to 31 December 2014. In brief, all the raw materials for daily operations and plant and machinery for 3-Year Revival Plan with original of source in the PRC will be supplied to Project Company under this 2013-2014 Jamaica Supply and Service Agreement. On 6 February 2013, an Addendum has been entered to cater for the resulting additional purchase orders of E&M and service to China Complant for fulfillment of orders from Project Company. This has created additional sales orders of E&M and service from Project Company and the resulting additional purchase orders of E&M and service from China Complant for fulfilment of orders from Project Company;
- b. The delay in the start date of the construction works of ethanol biofuel facilities in Benin and large scale repairing and upgrading plan of African Company 1 triggered the reallocation from 2012 to 2013 and 2013 to 2014; and
- c. African Company 1 has made responsible for some community services under the renewal contract with Government of Madagascar also created additional sale orders for fulfilment of this in 2013 and 2014.

Therefore, the Approved Annual Caps in respects of the two years ending 31 December 2013 and 2014 will be insufficient and the Board decided to revise existing Approved Annual Caps.

LETTER FROM DONVEX CAPITAL

4. Basis of Determination of 2013-2014 Revised Annual Caps

2013-2014 revised annual caps

The table below sets out the breakdown of revised annual caps for year ending 31 December 2013 and 2014 for the Continuing Connected Transactions.

Transaction	Existing Annual Caps			Actual amount for the period ended 30 June 2012 '000 (unaudited)	2013-2014 Revised Annual Caps	
	Annual cap for the year ended 31 December 2012 '000	Annual cap for the year ending 31 December 2013 '000	Annual cap for the year ending 31 December 2014 '000		Proposed revised annual cap for the year ending 31 December 2013 '000	Proposed revised annual cap for the year ending 31 December 2014 '000
Continuing Connected Transactions between SATT and the African Companies and Zheng Da under The 2012-2014 Supply and Service Agreements	US\$48,760 (approximately HK\$380,328)	US\$49,960 (approximately HK\$389,688)	US\$29,560 (approximately HK\$230,568)	US\$7,790 (approximately HK\$60,762)	US\$104,300 (approximately HK\$813,540)	US\$121,940 (approximately HK\$951,132)
Continuing Connected Transactions between SATT and China Complant under The 2012-2014 Supply and Service Agreements	US\$35,550 (approximately HK\$277,290)	US\$36,550 (approximately HK\$285,090)	US\$19,550 (approximately HK\$152,490)	US\$3,198 (approximately HK\$24,944)	US\$81,969 (approximately HK\$639,358)	US\$98,210 (approximately HK\$766,038)

The past transactions were conducted within the approved limit as a result of the proper internal control of the Company. The Company confirms that the transaction amount for the year ended 31 December 2012 has not exceeded (and the Company will through its internal control system to ensure that the transaction will not) the Approved Annual Caps and no business will transact with the Project Company until the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps have been approved by Independent Shareholders in CCT EGM.

Except the 2013-2014 Jamaica Supply and Service Agreement and the Addendum, all other terms and conditions under the 2012-2014 Supply and Service Agreements shall remain unchanged (save and except for the proposed 2013-2014 Revised Annual Caps). The proposed revised annual caps for the year ending 31 December 2013 and 2014 have been determined by reference to (i) the prevailing market condition in Jamaica; (ii) the historic amount of transactions between COMPLANT and Project Company; (iii) 3-Year Revival Plan; (iv) the progress of construction work of ethanol biofuel facilities of Benin PC; (v) the progress of large scale repairing and upgrading plan of African Company 1; and (vi) the additional community service to be provided by African Company 1 under the renewal contract with Government of Madagascar.

LETTER FROM DONVEX CAPITAL

Basis for determination the 2013-2014 revised annual caps for continuing connected transactions between SATT and the African Companies, Zheng Da and Project Company

The table below sets out the breakdown of proposed revised annual caps for year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT, the African Companies, Zheng Da and Project Company under the 2012-2014 Supply and Service Agreements and the 2013-2014 Jamaica Supply and Service Agreement.

	2013	2014
Existing Approved Annual Caps	US\$49,960,000	US\$29,560,000
2013-2014 Jamaica Supply and Service Agreement		
— for daily operations (<i>Note 1</i>)	US\$17,940,000	US\$15,420,000
— for 3-Year Revival Plan (<i>Note 2</i>)	US\$21,800,000	US\$66,960,000
Reallocation & addition of sales orders		
— Reallocation and addition by African Company 1 (<i>Note 3</i>)	US\$1,400,000	US\$10,000,000
— Reallocation by Zheng Da (<i>Note 4</i>)	US\$13,200,000	—
Proposed increase in annual caps	US\$54,340,000	US\$92,380,000
Proposed revised annual caps	US\$104,300,000 (approximately <u>HK\$813,540,000</u>)	US\$121,940,000 (approximately <u>HK\$951,132,000</u>)

As shown in above table, the proposed increase in annual caps for the year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT, the African Companies, Zheng Da and Project Company are US\$54,340,000 (approximately HK\$423,852,000) and US\$92,380,000 (approximately HK\$720,564,000) respectively. The increase was caused by the 2013-2014 Jamaica Supply and Service Agreement and the reallocation and addition of sales orders.

Note 1: 2013-2014 Jamaica Supply and Service Agreement - for daily operations The first part of the 2013-2014 Jamaica Supply and Service Agreement that involved the supply of E&M and service to the Project Company for the daily operations of US\$17,940,000 (approximately HK\$139,932,000) for 2013 and US\$15,420,000 (approximately HK\$120,276,000) for 2014. This E&M and service to Project Company were presently supplied by COMPLANT. The annual caps is estimated based on the historical data of total supplies for daily operations by COMPLANT for the period from August (first order delivery date) to December 2011 and for the year ended December 2012 of US\$5,353,000 (approximately HK\$41,753,000) and US\$12,128,000 (approximately HK\$94,598,000) respectively. The proposed annual caps on this for 2013 and 2014 are higher than the historic amount of transactions between COMPLANT and Project Company due to the consideration of (i) the increase in orders for spare parts for repairing the old bagasse boilers and the old power generation systems; and (ii) the increase in orders for fertilizers to cater for the expansion of farming area in 2013 and 2014.

LETTER FROM DONVEX CAPITAL

Note 2: **2013-2014 Jamaica Supply and Service Agreement - for 3-Year Revival Plan** The second part of the 2013-2014 Jamaica Supply and Service Agreement involved the supply of E&M and service to the Project Company for the 3-Year Revival Plan of US\$21,800,000 (approximately HK\$170,040,000) for 2013 and US\$66,960,000 (approximately HK\$522,288,000) for 2014. A total of US\$88,760,000 (approximately HK\$692,328,000) for the year ending 31 December 2013 to 2014, which represents the 70% capital commitment of US\$126.8 million (approximately HK\$989 million) under 3-Year Revival Plan that will be injected by stages into the Project Company by the Group as disclosed in the circular dated 11 December 2012.

Note 3: **Reallocation and addition of sales orders by African Company 1** The delay of sales orders from 2012 to 2013 and from 2013 to 2014 of African Company 1 was due to the postponement of its large scale repair and upgrading plan as a result of the negotiation of second lease term of African Company 1 with the government of Madagascar, which is much more lengthy than expected. COMPLANT can only manage to sign the renewal contract of African Company 1 with government of Madagascar in June 2012 and this has caused one year delay of this two-year large scale repairing and upgrading work of African Company 1 (originally planned to start in 2012 and to be completed in 2013).

On the other hand, African Company 1 being responsible under the renewal contract with Government of Madagascar repairs some of community facilities (road, housing and dams and drainage systems and so forth) for the local tribes surrounding African 1 and the repair work was expected to last for two years and will need to add extra orders for 2013 and 2014 to fulfill this obligation.

The overall change in caps made by African Company 1 with detailed figures of each category for 2013 and 2014 annual caps is depicted in below table.

	2013	2014
Reallocation of sales orders		
— from 2012 to 2013	+US\$9,600,000	—
— from 2013 to 2014	-US\$9,600,000	+US\$9,600,000
Addition of sales orders		
— community service	+US\$1,400,000	+US\$400,000
Reallocation and addition by African Company 1	+US\$1,400,000	+US\$10,000,000

Note 4: **Reallocation of sales order by Zheng Da** The reallocation was due to the delay in Zheng Da ethanol biofuel facilities construction as a result of the postponement in the progress of Government of Benin in reclaiming the 4,800 hectares land from local tribes for leasing to Zheng Da as well as the lengthy registration process of Benin PC that can only be completed in December 2012. This has caused one year delay of two-year development plan for ethanol biofuel business of Zheng Da (originally it planned to start in 2012 and completed in 2013). As the above two pre-requisites for the importation of E&M and service to Benin have now been completed, the ethanol biofuel facilities construction will start in first quarter of 2013 and the appointed constructors will take measures to speed up the construction and trial run is planned to be on the first quarter in 2014 (the same completion date as original plan). As a result, the reallocation of sales orders from Zheng Da in 2012 of US\$13,200,000 (approximately HK\$102,960,000) will now move to 2013 and no reallocation is required for 2014.

LETTER FROM DONVEX CAPITAL

Basis for determination the 2013-2014 revised annual caps for continuing connected transactions between SATT and China Complant

The table below sets out the breakdown of proposed revised annual caps for year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT and China Complant under 2012-2014 Supply and Service Agreement and the Addendum.

	2013	2014
Existing Approved Annual Caps	US\$36,550,000	US\$19,550,000
2013-2014 Jamaica Supply and Service Agreement		
— for daily operations (<i>Note 1</i>)	US\$14,296,000	US\$12,104,000
— for 3-Year Revival Plan (<i>Note 2</i>)	US\$18,956,000	US\$58,226,000
Reallocation and addition of sales orders		
— Reallocation and addition by African Company 1 (<i>Note 3</i>)	US\$1,167,000	US\$8,330,000
— Reallocation by Zheng Da (<i>Note 4</i>)	US\$11,000,000	—
Proposed increase in annual caps	US\$45,419,000	US\$78,660,000
Proposed revised annual caps	US\$81,969,000 (approximately <u>HK\$639,358,000</u>)	US\$98,210,000 (approximately <u>HK\$766,038,000</u>)

As shown in above table, the proposed increase in annual caps for the year ending 31 December 2013 and 2014 for the Continuing Connected Transactions between SATT and China Complant are US\$45,419,000 (approximately HK\$354,268,000) and US\$78,660,000 (approximately HK\$613,548,000) respectively. The 2013-2014 Revised Annual Caps with China Complant is determined with reference to a number of factors, including (i) the new sales orders under 2013-2014 Jamaica Supply and Service Agreement; (ii) the reallocation and addition of sales orders; and (iii) the expected gross profit margin that will be earned by SATT.

Note 1: 2013-2014 Jamaica Supply and Service Agreement - for daily operations This represent an increase of forecasted purchase from China Complant of US\$14,296,000 (approximately HK\$111,509,000) and US\$12,104,000 (approximately HK\$94,411,000) for the year ending 31 December 2013 and 2014 respectively as a result of the expected increase in orders for the daily operations of Project Company.

Note 2: 2013-2014 Jamaica Supply and Service Agreement - for 3-Year Revival Plan This represent an increase of forecasted purchase from China Complant of US\$18,956,000 (approximately HK\$147,857,000) and US\$58,226,000 (approximately HK\$454,163,000) for the year ending 31 December 2013 and 2014 respectively as a result of the expected increase in orders for the 3-Year Revival Plan of Project Company.

Note 3: Reallocation and addition of sales orders by African Company 1 The change was to align the purchase from China Complant for satisfying the reallocation and addition of sales orders for the large scale of repairing and upgrading plan and additional community service from African Company 1.

LETTER FROM DONVEX CAPITAL

The overall change in caps made by African Company 1 for 2013 and 2014 annual caps with detailed figure is depicted below table.

	2013	2014
Reallocation of sales orders		
— from 2012 to 2013	+US\$8,000,000	—
— from 2013 to 2014	-US\$8,000,000	+US\$8,000,000
Addition of sales orders		
— community service	+US\$1,167,000	+US\$330,000
Reallocation and addition by African 1	+US\$1,167,000	+US\$8,330,000

Note 4: Reallocation of sales orders by Zheng Da The reallocation of US\$11,000,000 (approximately HK\$85,800,000) of purchase from 2012 to 2013 is to align the reallocation in sales orders to fulfill materials required for the construction of the ethanol biofuel facilities of Zheng Da. No reallocation is required for 2014.

We noted that the 2013-2014 Revised Annual Caps increased significantly as compared to the actual transaction amount for the period ended 30 June 2012 as presented under the section named “2013-2014”. In respect of our work done on the assessment of the fairness and reasonableness of the significant increase in the 2013-2014 Revised Annual Caps, we have reviewed (i) the principal and detailed terms of the 2013-2014 Jamaica Supply and Service Agreement and the Addendum as discussed under the section named “2013-2014 Jamaica Supply and Service Agreement and Addendum”; (ii) the information provided by the Company on the basis of determination of 2013-2014 Revised Annual Caps, including the detailed breakdown of reconciliation of the increase in annual caps as disclosed under the section named “Basis of Determination of 2013-2014 Revised Annual Caps”, which is based on the comparison of the historical transaction amount between COMPLANT and Project Company for assessing the reasonableness of sales orders for daily operations and the 3-Year Revival Plan of Jamaica Sugar Industry Project as shown in the circular of the Company dated 11 December 2012, and the contract term relating to the repair of some of community facilities under the renewal contract of African Company 1 with government of Madagascar for assessing the reasonableness of the sales orders; and (iii) the benefits of the 2013-2014 Revised Annual Caps which are set out in the Board letter under the section named “BENEFITS OF 2013-2014 REVISED ANNUAL CAPS”. Having considered the 2013-2014 Revised Annual Caps are supported by the detailed breakdown of reconciliation of the increase in annual caps, we are of the opinion that the 2013-2014 Revised Annual Caps are (i) fair and reasonable so far as the Independent Shareholders are concerned; and (ii) on normal commercial terms and in the interests of the Independent Shareholders as a whole.

LETTER FROM DONVEX CAPITAL

RECOMMENDATION

Having considered the principal factors and reasons referred to the above, we consider that the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are of normal commercial terms and fair and reasonable so far as the Company and the independent shareholders of the Company are concerned. Accordingly, we consider that the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps are in the interests of the Company and the Shareholders as a whole. We advise the Independent Board Committee to recommend the independent shareholders of the Company to vote in favour of the ordinary resolutions of the Company to approve the Jamaica 2013-2014 Supply and Service Agreement, the Addendum and the Revised Annual Caps for the two years ending 31 December 2013 and 2014, as detailed in the notice of EGM as set out at the end of this Circular.

Yours faithfully,
For and on behalf of
Donvex Capital Limited
Doris Sy
Director

I. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and
- (b) there are no other matters the omission of which would make any statement in this circular misleading.

II. DISCLOSURE OF INTERESTS**(a) Interest of Directors and chief executive**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director	Capacity	Number of ordinary shares held	Approximate % of the issued share capital of the Company as at the Latest Practicable Date
Mr. Hu Yebi (<i>Note</i>)	Controlled corporation & Spouse	340,943,083	15.56%

Note: Mr. Hu Yebi is deemed (by virtue of the SFO) to be interest in 340,942,083 Shares of the Company. The totally 340,942,083 Shares held by Mr. Hu Yebi consists of 3,448,000 Shares held by Ms. Li Ling Xiu (spouse of Mr. Hu Yebi), 212,495,083 Shares held by Hollyview International Limited (a company beneficially owned by Mr. Hu Yebi) and an interest in 125,000,000 underlying shares under the convertible note held by Hollyview International Limited of a principal amount of HK\$75,000,000 which can be convertible into 125,000,000 Shares during its conversion period.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register maintained by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group

Name	Capacity	Number of Shares held	Approximate percentage of issued share capital as at the Latest Practicable Date
COMPLANT International Sugar Industry Co., Ltd. <i>(Note 1)</i>	Beneficial owner	1,189,500,000	54.29%
China National Complete Plant Import & Export Corporation (Group) <i>(Note 1)</i>	Beneficial owner & controlled corporation	1,989,500,000	90.80%
State-owned Assets Supervision and Administration Commission <i>(Note 1)</i>	Controlled corporation	1,989,500,000	90.80%
China-Africa Xin Xing Investment Limited <i>(Note 2)</i>	Beneficial owner	130,000,000	5.93%
China-Africa Development Fund <i>(Note 2)</i>	Controlled corporation	130,000,000	5.93%
China Development Bank Capital Corporation Ltd. <i>(Note 2)</i>	Controlled corporation	130,000,000	5.93%
China Development Bank Corporation <i>(Note 2)</i>	Controlled corporation	130,000,000	5.93%

Notes:

1. 中國國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council) holds 100% in State Development & Investment Corp. which, in turn, holds 100% in China National Complete Plant Import & Export Corporation (Group) which, in turn, holds 70% in COMPLANT International Sugar Industry Co., Ltd. The deemed interest in 1,989,500,000 Shares held by China National Complete Plant Import & Export Corporation (Group) consisted of 800,000,000 held by it and an interest of 1,189,500,000 held by COMPLANT International Sugar Industry Co., Ltd., comprising 300,000,000 Shares it beneficially owns and the convertible note of principal amount of HK\$533,700,000 it holds, which can be converted into 889,500,000 Shares during its conversion period.
2. China Development Bank Corporation (國家開發銀行股份有限公司) is under the direct jurisdiction of the State Council of the PRC holding 100% of 國開金融有限責任公司 (China Development Bank Capital Corporation Ltd.) which holds 100% of 中非發展基金有限公司 (China-Africa Development Fund) which in turn holds 100% in China-Africa Xin Xing Investment Limited. The deemed interest in 130,000,000 Shares held by China-Africa Xin Xing Investment Limited consisted of 90,000,000 Shares and the convertible notes of principal amount of HK\$24,000,000 it holds, which can be converted into 40,000,000 Shares during its conversion period.

III. DIRECTORS WHO ARE DIRECTORS OR EMPLOYEES OF COMPANIES WITH INTERESTS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, Mr. Tang Jianguo and Mr. Han Hong, both Directors, are respectively a director and president of COMPLANT and director and vice president and general manager of China Complant as well as a director and deputy general manager of COMPLANT, China Complant and COMPLANT which currently holds approximately 36.51% and 13.69% of the existing issued share capital of the Company respectively.

Save as aforesaid, as at the Latest Practicable Date, none of the Directors are directors or employees of a company which has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

IV. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which had been, since 31 December 2011 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save as disclosed herein, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

V. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

VI. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in businesses, which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

VII. EXPERT

The following is the qualification of the expert which has given advice contained in this circular:

Name	Qualification
Donvex Capital Limited	A registered institution licensed to carry on Type 6 (advising on corporate finance) of the regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear.

As of the Latest Practicable Date, Donvex Capital did not have any direct or indirect interest in any assets which had since 31 December 2011 (being the date which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group.

As of the Latest Practicable Date, Donvex Capital was not beneficially interested in the share capital of any member of the Group, nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

VIII. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, the date to which the latest published audited financial statements of the Group were made up.

IX. MISCELLANEOUS

The English text of this document shall prevail over the Chinese text.

X. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at Unit 2513A, 25th Floor, 113 Argyle Street, Mongkok, Kowloon, Hong Kong for 14 days from the date of this circular:

- (a) 2013-2014 Jamaica Supply and Service Agreement;
- (b) Addendum;
- (c) the letter of advice from the Independent Board Committee, the text of which is set out on pages 19 to 20 of this circular;
- (d) the letter of advice from Donvex Capital, the text of which is set out on pages 21 to 35 of this circular;
- (e) the letter of consent referred to in the paragraph headed “Expert” in this appendix; and
- (f) this Circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Hua Lien International (Holding) Company Limited (the “**Company**”) will be held at Dragon II, 2/F, The Kowloon Hotel, 19-21 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 22 March 2013 at 12:00 noon for the purpose of considering and, if thought fit, passing with or without modification the following resolutions as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the 2013-2014 Jamaica Supply and Service Agreement and the Addendum both dated 6 February 2013 (as those defined and described in the circular of the Company (the “**Circular**”), a copy of those have been produced to the meeting and marked “**A**” and initialed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder and in connection therewith and any other ancillary documents and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the 2013-2014 Revised Annual Caps (as defined and described in the Circular) in respect of the maximum aggregate annual value of the transaction contemplated under the 2012-2014 Supply and Service Agreements, the Addendum and the 2013-2014 Jamaica Supply and Service Agreement (as those defined in the Circular) for the year ending 31 December 2013 and 2014 be and are hereby approved; and

* For identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one director of the Company, or one director and the company secretary of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, perform and deliver all such agreements, instruments, documents and deeds, and do all such acts or things and take all such steps as he/they may in his/their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the 2013-2014 Jamaica Supply and Service Agreement, the Addendum and the 2013-2014 Revised Annual Caps and the transactions contemplated thereunder and all matters incidental to, ancillary or incidental thereto.”

Yours faithfully,
For and on behalf of the Board of
Hua Lien International (Holding) Company Limited
Tang Jianguo
Chairman

Hong Kong, 4 March 2013

Registered Office:
P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal Place of Business in Hong Kong:
Unit 2513A, 25th Floor
113 Argyle Street
Mongkok, Kowloon
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of himself. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto. But if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding. Seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.
- (3) In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed must be deposited at the Company’s principal place of business in Hong Kong at Unit 2513A, 25th Floor, 113 Argyle Street, Mongkok, Kowloon, Hong Kong not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
- (4) Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.