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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER 2012

The board of directors (the "Board") of Hua Lien International (Holding) Company Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December 2012, together with the comparative figures for the corresponding period in 2011, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2012

	Notes	2012 HK$'000	2011 HK$'000
Turnover	(3)	**206,182**	195,052
Cost of sales		**(107,758)**	(103,294)
Gross profit		**98,424**	91,758
Other operating income		**1,086**	448
Administrative expenses		**(39,563)**	(31,415)
Other expenses	(4)	**(21,150)**	(21,150)
Profit from operations		**38,797**	39,641
Finance costs	(5)	**(48,295)**	(44,510)
Loss before tax		**(9,498)**	(4,869)
Income tax expense	(6)	**—**	—
Loss and total comprehensive expense for the year	(7)	**(9,498)**	(4,869)
(Loss) profit attributable to:			
Owners of the Company		**(9,524)**	(4,875)
Non-controlling interests		**26**	6
		(9,498)	(4,869)

* *For identification purpose only*

	Note	2012 HK$'000	2011 HK$'000
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(9,524)**	(4,875)
Non-controlling interests		**26**	6
		(9,498)	(4,869)
Loss per share	*(9)*		
— Basic (cents per share)		**(0.58)**	(0.37)
— Diluted (cents per share)		**(0.58)**	(0.37)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
Non-current assets			
Property, plant and equipment		**273**	195
Goodwill		**226,511**	226,511
Intangible asset		**341,925**	363,075
		568,709	589,781
Current assets			
Trade and other receivables	*(10)*	**220,406**	250,195
Bank balances and cash		**876,908**	373,710
		1,097,314	623,905
Current liabilities			
Trade and other payables	*(11)*	**36,665**	103,125
Net current assets		**1,060,649**	520,780
Total assets less current liabilities		**1,629,358**	1,110,561
Non-current liability			
Convertible notes		**585,559**	537,264
Net assets		**1,043,799**	573,297
Capital and reserves			
Share capital		**219,118**	139,118
Reserves		**824,649**	434,173
Equity attributable to owners of the Company		**1,043,767**	573,291
Non-controlling interests		**32**	6
Total equity		**1,043,799**	573,297

NOTES

1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (THE "HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (the "new and revised HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1st January 2012.

Amendments to HKFRS 1	Severe hyperinflation and removal of fixed dates for first-time adopters
Amendments to HKFRS 7	Disclosures — Transfers of financial assets
Amendments to HKAS 12	Deferred tax: Recovery of underlying assets

The application of the new and revised HKFRSs in the current year has no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 — 2011 cycle except for the amendment HKAS 1[2]
Amendments to HKFRS 1	Government loans[2]
Amendments to HKFRS 7	Disclosures — Offsetting financial assets and financial liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date of HKFRS 9 and transition disclosures[4]
HKFRS 9	Financial instruments[4]
HKFRS 10	Consolidated financial statements[2]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities — Transition Guidance[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[3]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosures of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[1]
HKAS 19 (as revised in 2011)	Employee benefits[2]
HKAS 27 (as revised in 2011)	Separate financial statements[2]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[3]
HK(IFRIC) — INT 20	Stripping costs in the production phase of a surface mine[2]

1 Effective for annual periods beginning on or after 1st July 2012
2 Effective for annual periods beginning on or after 1st January 2013
3 Effective for annual periods beginning on or after 1st January 2014
4 Effective for annual periods beginning on or after 1st January 2015

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on supporting services to sweetener and ethanol business for the years ended 31st December 2012 and 2011. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the Group's board of directors, the chief operating decision maker of the Group. The board of directors regularly reviews turnover analysis by products, including agricultural and industrial equipment and accessories, chemical materials, fertilizers, agricultural and industrial machinery, steel, motor vehicles, agricultural and industrial consumables and other products. However, other than turnover analysis, no operating results and other discrete financial information is available for the assessment of performance of the respective products as many of the sales orders are bundled with different products together and it will be inappropriate to assess the profit contribution on individual category basis and the board of directors reviews the turnover and the profit for the year of the Group as a whole to make decision about resources allocation. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the board of directors. Accordingly, no segment information is presented.

Entity-wide information

An analysis of the Group's turnover by products is as follows:

	2012	2011
	HK$'000	*HK$'000*
Agricultural and industrial equipment and accessories	**97,649**	72,066
Fertilizers	**36,844**	43,763
Chemical materials	**25,541**	22,594
Agricultural and industrial machinery	**25,149**	41,802
Steel	**9,788**	7,709
Agricultural and industrial consumables	**3,794**	3,856
Motor vehicles	**3,427**	1,704
Others	**3,990**	1,558
	206,182	195,052

All the Group's turnover are derived from four subsidiaries of COMPLANT International Sugar Industry Co. Ltd. ("COMPLANT") and each of these four customers accounts for more than 10% of the Group's turnover for each of the years ended 31st December 2012 and 2011. All of the Group's turnover for each of the years ended 31st December 2012 and 2011 is generated in three African countries and is determined by the location where products being delivered. The Group's non-current assets, other than those intangible assets, comprise of approximately HK$273,000 (2011: HK$195,000) which are located in the People's Republic of China.

4. OTHER EXPENSES

	2012	2011
	HK$'000	*HK$'000*
Amortisation of intangible assets	**21,150**	21,150

5. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Effective interest expense on convertible notes wholly repayable within five years	**48,295**	44,510

6. INCOME TAX EXPENSE

No provision for income tax expenses had been made as the Company and its subsidiaries has no assessable profits in their jurisdictions for the two years ended 31st December 2012 and 2011 and no material unprovided deferred tax at the end of reporting period 2012 and 2011.

7. LOSS FOR THE YEAR

	2012	2011
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	**167**	148
and after crediting:		
Interest income	**1,086**	448

8. DIVIDEND

The Directors do not recommend the payment of a dividend for the years ended 31st December 2012 and 2011.

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2012	2011
	HK$'000	*HK$'000*
Loss		
Loss for the purpose of basic loss per share	**(9,524)**	(4,875)
Effect of dilutive potential ordinary share:		
Interest on convertible notes	**—**	—
Loss for the purpose of diluted loss per share	**(9,524)**	(4,875)

	2012	2011
	'000	*'000*
Number of Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,652,002**	1,308,290
Effect of dilutive potential ordinary shares:		
Convertible notes	**—**	—
Weighted average number of ordinary shares for the purpose of diluted loss per share	**1,652,002**	1,308,290

The diluted loss per share for the years ended 31st December 2012 and 31st December 2011 are the same as basic loss per share presented as there was no dilutive effect from the assumed exercise of conversion of the Company's outstanding convertible notes on the loss to owners of the Company.

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables, net of allowance for doubtful debts, of approximately HK$196,932,000 as at 31st December 2012 (2011: HK$249,074,000). The Group allows a credit period of 365 days to trade customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of reporting period, which approximated the turnover recognition dates.

	2012	2011
	HK$'000	*HK$'000*
Not yet due	**196,932**	192,290
Overdue 1 - 90 days	**—**	48,024
Overdue 91 -180 days	**—**	4,275
Overdue 181 - 365 days	**—**	4,485
Overdue > 365 days	**—**	—
	196,932	249,074

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK$13,203,000 as at 31st December 2012 (2011: HK$84,346,000). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2012	2011
	HK$'000	*HK$'000*
Not yet due	**13,203**	84,346
Overdue 1 - 90 days	**—**	—
Overdue 91 -180 days	**—**	—
Overdue 181 - 365 days	**—**	—
Overdue > 365 days	**—**	—
	13,203	84,346

BUSINESS REVIEW

For the year ended 31st December 2012, the Group recorded turnover of approximately HK$206.2 million (2011: HK$195.1 million). The approximate HK$11.1 million increase in turnover was resulting from the approximate HK$34.7 million increase in orders for agricultural and industrial equipments and accessories, chemical materials, steel, motor vehicles, agricultural and industrial consumables and other products by customers in Madagascar and Benin as their increase in production have drove up the demand of those items, an approximate HK$16.7 million decrease in agricultural and industrial machinery orders since the construction and rehabilitation projects of customers in Madagascar had completed last year and an approximate HK$6.9 million decrease in fertilizer sales due to the slowdown of orders from customers in Madagascar as the inventory of some fertilizers remain high and the replenishment of these yet carried out.

Gross profit for the year ended 31st December 2012 increased by approximately HK$6.6 million to approximate HK$98.4 million (2011: HK$91.8 million) and the gross profit increase by about 1% to approximate 48% for 2012 (2011: 47%). The increase in gross profit was due to the increase in sales of higher gross profit agricultural and industrial equipments and accessories and the decrease in the sale of lower gross profit agricultural and industrial machinery and fertilizers during the year.

The net loss for the period was approximately HK$9.5 million (2011: HK$4.9 million). Basic loss per share for the year ended 2012 was HK0.58 cents (2011: HK0.37 cents). The net loss for the year mainly came from the profit from operations of approximate HK$38.8 million was lower than the finance costs on the effective interest expense on convertible notes of approximate HK$48.3 million and a net loss of approximate HK$9.5 million resulted.

Excluding those non-cash items of amortisation of intangible assets and finance costs, the Group is trading profitably and this indicated by positive operating cash flows before movement in working capital of approximate HK$59 million (2011: HK$60.5 million).

During the period under review, the Group only had one identified segment activities of supporting services to sweetener and ethanol business and all the customers were located in Africa, which recorded a turnover of approximate HK$206.2 million (2011: HK$195.1 million) and the operating profit of this segment was approximately HK$44.4 million (2011: HK$42.6 million). The review of performance of this segment had already covered in above sections.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group achieved a positive cash inflow from operation of approximately HK$22.4 million during the year and cash inflow from financing activities of approximately HK$480 million. Bank deposits and cash balances as at 31st December 2012 amounted to approximately HK$876.9 million (2011: HK$373.7 million), mainly denominated in Hong Kong Dollars and US Dollars.

Total equity of the Group as at 31st December 2012 amounts to approximately HK$1,043.8 million (2011: HK$573.3 million).

The Group financed its operation with cash flow generated internally. The bank balances were placed in short term deposits with major banks in Hong Kong.

As at 31st December 2012, the Group's total borrowings consisted of the outstanding five-year zero-coupon Hong Kong-dollar convertible notes of approximate HK$585.6 million (2011: HK$537.3 million). The debt to equity ratio of the Group as at 31st December 2012 calculated as a ratio of total borrowings (including convertible notes) to total equity was approximately 56.1% (2011: 93.7%). The decrease in ratio was mainly due to increase in net equity as a result of issue of 800,000,000 shares at HK$0.6 each on 3rd September 2012. All the Group's borrowings as at 31st December 2012 and 31st December 2011 are denominated in Hong Kong Dollars.

Foreign Exchange Exposure

The sales and purchases of the Group during the year are mainly denominated in same currency of United States Dollars. Hence, the Group's exposure to foreign exchange risk arising from sales and purchases is expected to be minimal. The use of financial instruments for hedging purposes is not considered necessary.

Currency exposure arising from net assets of the foreign operations of the Group is managed primarily through financing denominated in the relevant foreign currencies. The Group did not use any derivative financial instruments to hedge for its foreign exchange risk exposure on net assets during the year ended 31st December 2012.

Contingent Liabilities

At the end of reporting period, the Company had not provided any guarantees in favour of any third party nor were there any significant contingent liabilities.

Pledge of Assets

As at 31st December 2012 and 31st December 2011, River Right Limited (the "River Right", a wholly-owned subsidiary of the Company) had pledged its interest in 65 shares in Zheng Da Investments Limited (the "Zheng Da"), representing 65% of issued capital, as security for the five-year zero-coupon convertible notes of principal amount of HK$24 million issued to China-Africa Xin Xing Investment Limited (the "CAXX", a wholly-owned subsidiary of China-Africa Development Fund "CADFund").

Employees and Remuneration Policy

At 31st December 2012, the Group employed 57 full time management, administrative and operation staff in Hong Kong and the PRC (2011: 56).

The Group's emolument policies are formulated on the bases of individual performance and the salary trend in the various regions, and are reviewed every year. The Company has set up share options plan as an incentive to directors and eligible employees.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisition or disposal of subsidiaries, associates or jointly controlled entities during the year under review.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Company signed the MOU on 31st January 2010 in respect of the Possible Transactions. Definitions used in the Announcement on 1st February 2010 are adopted herein unless the context requires otherwise. The Board is currently considering entering into joint ventures with CADFund and COMPLANT for long term strategic cooperation to develop Ethanol Biofuel Business in various African countries. The initial phase is to incorporate Benin JV and use it as a vehicle to establish a Benin PC in the Republic of Benin, a country in West Africa, for engaging in Ethanol Biofuel Business. In order to finance the Benin JV and the operation of Benin PC, the Company have raised approximately HK$78 million (before deducting related expenses) by way of (i) issue of new Shares for approximately HK$54 million (before deducting related expenses) and (ii) issue of the first batch of Convertible Notes for approximately HK$24 million (before deducting related expenses) to CAXX (a wholly owned subsidiary of CADFund) on on 26th August 2011. Other than Benin JV, the Company is considering incorporating companies with CADFund and COMPLANT under Other JV as holding companies to set up companies in other African countries for developing business in the generation of renewable energy. For the purpose of funding such Other JV, the Company also considers to issue the remaining batch of Convertible Notes to CADFund in the ensuing 3 years to raise approximately HK$312 million (before deducting related expenses). The terms and conditions (including but not limited to the amounts of investments and the forms of cooperation) have not yet been finalized and further negotiations are necessary. Further information concerning the progress on the Benin JV is shown in "Prospects" section.

Reference is made to the circular dated 11th December 2012 in relation to, among other things, the entering into of the Joint Venture Agreement among the Company, COMPLANT and the JV Company, pursuant to which (i) 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, representing 70% of the equity interest in the JV Company after the issue and allotment of the New JV Company Shares to COMPLANT, for the Consideration of US$3.27 million (approximately HK$25.4 million) which will be satisfied by the payment in cash to COMPLANT; and (ii) the Company and COMPLANT have undertaken to contribute capital amounting to US$88.76 million (approximately HK$688.8 million) and US$38.04 million (approximately HK$295.2 million) respectively into the JV Group by way of share capital and/or shareholders' loan, in the proportion of 70% and 30%. The EGM dated 31st December 2012 has approved the Joint Venture Agreement and all the transactions contemplated thereunder. Reference is made to the circular dated 4th March 2012. In view of the ordinary resolution for the

Joint Venture Agreement was duly passed by the Independent Shareholders by way of poll at the EGM held on 31st December 2012. 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. The Continuing Connected Transactions has been approved by Independent Shareholders at CCT EGM. The JV Completion will take place in second quarter of 2013 and the consideration of US$3.27 million (approximately HK$25.4 million) will be funded by the Group's internal resources. Further information concerning the business outlook of Jamaica Sugar Industry Project is shown in "Prospects" section.

CAPITAL STRUCTURE

On 3rd September 2012, 800,000,000 Subscription Shares at the price of HK$0.6 per Subscription Share have been issued to China National Complete Plant Import & Export Corporation (Group) (中國成套設備進出口（集團）總公司) pursuant to the subscription agreement entered on 12th April 2012.

PROSPECTS

Looking ahead, the turnover from supporting services for sweetener and ethanol business currently was lower than the same period last year as some inventory items of our customer remain high but we expects the orders momentum will pick up later this year when the inventories level of these items are getting lower. Reference is made to circulars dated 4th March 2013, as independent shareholders have approved the 2013-2014 Jamaica Supply and Service Agreement, Addendum and 2013-2014 Revised Annual Caps for the Continuing Connected Transactions at CCT EGM, the supporting services for sweetener and ethanol business will benefit as it can extend its service to Jamaica and to achieve the intended synergy by lower sourcing cost through volume discount.

For the progress of ethanol biofuel project of Benin JV in Republic of Benin, the construction site preparation works are undergoing and the trial run is expected to be in the first quarter of 2014.

For the current business outlook of the future Jamaica Sugar Industry Project for 2012-2013 crushing season, even the quantity of order on hand for raw sugar and molasses is lower than that of last crushing season because the decrease in rainfall had affected the productivity of sugarcane and thereby, availability of sugarcane for crushing and raw sugar and molasses for sales but this have mitigated by an increase of their respective average order price because of the change in sales channels this crushing season. The costs of sugar production in this crushing season may be higher than last season due to the decline in sugarcane availability would result in an increase in sugarcane costs and a lower capacity use thus a lower fixed cost absorption could cause the fixed cost per unit to rise.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Stock Exchange has issued the amendments on Corporate Governance Code in Appendix 14 to the Main Board Listing Rules (the "CG Code") effective on 1st April 2012. To fully comply with the new code provisions and, where applicable, the recommended best practices set out in the CG Code, relevant amendments and adoptions has been adopted by the Company on 1st April 2012.

The Company had complied with the Code on Corporate Governance Practices (effective until 31st March 2012) and the CG Code (effective from 1st April 2012) throughout the Period with the following major deviations:—

Code Provision A.2.1

Under the code provision A.2.1, the roles of chairman and chief executive officer (the "CEO") should be separate people and should not be performed by the same individual. The divisions of responsibilities between the chairman and CEO should be clearly established and set out in writing. Currently, the office of CEO/managing director is vacant. The roles and functions of the CEO/managing director have been presently performed by the Board and the balance of authority between the Board and the management has not been impaired as a clear division of responsibilities are in place for the running of the business of the Group. The Company remains structured to ensure appropriate segregation of duties so that power is not concentrated in any one individual.

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. None of the existing independent non-executive directors (the "INEDs") of the Company is appointed for a specific term. This constitutes a deviation from the code provision A.4.1 during the year. However, one-third of the directors (including executive and non-executive) are subject to retirement by rotation at each annual general meeting under the Company's articles of association (the "Articles"). As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

Code Provision A.6.7

Under the new code provision A.6.7, independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and development a balanced understanding of the views of shareholders. Due to other business commitment, Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei, INEDs of the Company, did not attend the annual general meeting that held on 1st June 2012 and the extraordinary general meetings that held on 15th August 2012 and 31st December 2012, which constitutes a deviation from the code provision A.6.7 during the year.

Code Provision E.1.2

Under the code provision E.1.2, the chairman of the Board should attend the annual general meeting. The chairman of the independent board committee should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. As at the date of annual general meeting dated 1st June 2012, the vacancy of the chairman of the Board is not yet filled. Due to other business engagements, Dr. Zheng Liu, the chairman of the independent board committee, did not attend the extraordinary general meetings held on 10th January 2012, 15th August 2012 and 31st December 2012 for approving the connected transactions, which constitutes a deviation from the code provision E.1.2 during the year.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the accounting policies adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31st December 2012.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Group's auditors, HLM CPA LIMITED to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM CPA LIMITED in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM CPA LIMITED on the preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31st December 2012, containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the website of Hong Kong Exchange and Clearing Limited at www.hkex.com.hk and the website of the Company at http://www.irasia.com/listco/hk/hualien/index.htm in due course.

By order of the Board
Tang Jianguo
Chairman

Hong Kong, 22nd March 2013

As at the date hereof, the Board comprises six directors, of which three are executive directors, namely, Mr. Tang Jianguo, Mr. Han Hong and Mr. Hu Yebi and three are independent non-executive directors, namely Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei.