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If you are in any doubt about 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.

If you have sold or transferred all your shares in Hua Lien International (Holding) Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

REQUISITIONS BY SHAREHOLDERS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 4 to 43. A notice convening the EGM to be held at Pacific Room, 2/F., Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Tuesday, 12 December 2017 at 11:00 a.m. is set out on pages 44 to 45. Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy enclosed with this circular in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish.

25 November 2017

* For identification purpose only

CONTENT

	<i>Pages</i>
DEFINITIONS	1
LETTER FORM THE BOARD	4
APPENDIX I — PARTICULARS OF DIRECTORS FOR APPOINTMENT	30
APPENDIX II — EMAIL, NEWSPAPER CUTTINGS, INTERNET ARTICLE AND CHRONOLOGY REFERRED BY THE INEDS	35
NOTICE OF EXTRAORDINARY GENERAL MEETING	44

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Articles”	the memorandum and articles of association of the Company, as amended from time to time
“Board”	the board of directors of the Company
“Board Meeting(s)”	the meeting(s) of the Board convened by the Company from time to time
“Business Day”	a day, other than Saturday, Sunday, public holiday or a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. on which banks generally are open for business in Hong Kong
“Company”	Hua Lien International (Holding) Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Company Secretary”	the company secretary of the Company
“EGM”	the extraordinary general meeting of the Company dated 12 December 2017 at 11:00 a.m. to be convened and held to consider and, if thought fit, to approve the Proposed Appointment and the Proposed Removal
“First Requisition”	the requisition notice from the Requisitionists dated 24 August 2017 received by the Company on 28 August 2017 requiring an extraordinary general meeting to be convened to consider and, if thought fit, to approve the Proposed Appointment
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INEDs”	Mr. Yu Chi Jui and Ms. Li Xiao Wei, the existing independent non-executive directors of the Company
“Interim Results Board Meeting Announcement”	the announcement of the Company dated 21 August 2017 in respect of the date of the Interim Results Board Meeting

DEFINITIONS

“Interim Results”	the interim results of the Group for the six months ended 30 June 2017
“Interim Results Board Meeting”	the Board Meeting held on 31 August 2017 for the purpose of considering and approving the Interim Results
“Latest Practicable Date”	23 November 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Appointment”	the proposed appointment of the Proposed Directors pursuant to the First Requisition
“Proposed Directors”	Ms. Liu Yan, Mr. Zhang Jian, Mr. Cheng Tai Kwan Sunny, Mr. Shi Zhu and Dr. Lu Heng Henry, being the new directors proposed to be appointed at the EGM
“Proposed Removal”	the proposed removal of the INEDs pursuant to the Second Requisition
“Requisitions”	the First Requisition and the Second Requisition
“Requisitionists”	China National Complete Plant Import & Export Corporation (Group) and Complant International Sugar Industry Co., Ltd
“RMB”	Renminbi
“Second Requisition”	the requisition notice from the Requisitionists dated 1 September 2017 received by the Company on 4 September 2017 requiring an extraordinary general meeting to be convened to consider and held to consider and, if thought fit, to approve the Proposed Removal

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three Directors”	Mr. Liu Xueyi, Mr. Han Hong and Mr. Wang Zhaohui, the executive directors of the Company
“%”	per cent.

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. Liu Xueyi

Mr. Han Hong

Mr. Wang Zhaohui

Independent Non-executive Directors:

Mr. Yu Chi Jui

Ms. Li Xiao Wei

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:

Units 1910-1912, 19/F

Hutchison House

10 Harcourt Road

Central

Hong Kong

25 November 2017

To Shareholders

Dear Sir or Madam,

REQUISITIONS BY SHAREHOLDERS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

The EGM will be held to consider all the resolutions as proposed in the Requisitions.

The purpose of this circular is to provide you with (i) information in relation to the Requisitions; (ii) recommendations from the Board in relation to the Requisitions; and (iii) issue of the notice of EGM at which the Shareholders shall be asked to consider and if thought fit, approve the resolutions as proposed in the Requisitions.

** For identification purpose only*

LETTER FROM THE BOARD

The Shareholders are advised to read this circular thoroughly and carefully before deciding how to vote on the resolutions.

2. THE REQUISITIONS

By way of two Company announcements dated 31 August 2017 and 6 September 2017, the Company announced that it had received the First Requisition requiring the Company to convene an extraordinary general meeting. The Board has convened a Board Meeting (the “**Requisitions Board Meeting**”) to discuss, among others, the Requisitions, the background of the Proposed Directors and the Proposed Removal.

First Requisition

The Company received the First Requisition on 28 August 2017 from the Requisitionists which held 10.04% of the paid up capital of the Company directly and 40.16% of the paid up capital of the Company indirectly, through HKSCC Nominees Limited. As such, the Requisitionists directly and indirectly held an aggregate of 50.20% of the paid up capital of the Company as at the date of the First Requisition.

Pursuant to the First Requisition, the Requisitionists requested that resolutions be put forward at the EGM to appoint the Proposed Directors. There is no reason and/or any information and/or ground in respect of the Proposed Appointment provided in the First Requisition.

At the EGM, ordinary resolutions will be proposed to appoint (i) Ms. Liu Yan as non-executive director of the Company; (ii) Mr. Zhang Jian as an non-executive director of the Company; (iii) Mr. Cheng Tai Kwan Sunny as an independent non-executive director of the Company; (iv) Mr. Shi Zhu as an independent non-executive director of the Company; and (v) Dr. Lu Heng Henry as an independent non-executive director of the Company with immediate effect from the date of passing such resolutions.

Details of the Proposed Directors who are proposed to be appointed at the EGM are set out in the Appendix I to this circular.

Second Requisition

The Company received the Second Requisition on 4 September 2017 from the Requisitionists which held 10.04% of the paid up capital of the Company directly and 40.16% of the paid up capital of the Company indirectly, through HKSCC Nominees Limited. As such, the Requisitionists directly and indirectly held an aggregate of 50.20% of the paid up capital of the Company as at the date of the Second Requisition.

Pursuant to the Second Requisition, the Requisitionists requested that resolutions be put forward at the EGM to remove the INEDs. There is no reason and/or any information and/or ground in respect of the Proposed Removal provided in the Second Requisition.

LETTER FROM THE BOARD

At the EGM, ordinary resolutions will be proposed to remove (i) Mr. Yu Chi Jui as the independent non-executive director of the Company; and (ii) Ms. Li Xiao Wei as the independent non-executive director of the Company with immediate effect from the date of passing such resolutions.

3. PROPOSED APPOINTMENT

Article 119 of the Articles states that, the Company may from time to time in general meeting by ordinary resolution increase or reduce the number of directors but so that the number of Directors shall not be less than two. Subject to the provisions of the Articles and the law, the Company may by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.

Neither the Companies Law (2016 Revision) nor the Articles require that the Nomination Committee approve the nomination of the Proposed Directors.

4. PROPOSED REMOVAL

The followings are the provisions in the Articles and under the Listing Rules in respect of the removal of directors to the Board by the Requisitionists:

Article 122(a) of the Articles states that:

“The Company may by ordinary resolution at any time remove any Director of the Company (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director of the Company and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.”

Pursuant to paragraph 4(3) of Appendix 3 of the Listing Rules, the articles and association of issuers must conform with the following provisions:

“That, where not otherwise provided by law, the issuer in general meeting shall have power by ordinary resolution to remove any director (including a managing or other executive director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office.”

LETTER FROM THE BOARD

5. RECOMMENDATION

With respect of the Requisitions, the Three Directors and the INEDs have different views and recommendations for the Shareholders. The following sections will set out their respective views.

The INEDs set out their opinions under “Views of the INEDs in respect of the Proposed Appointment” and “Views of the INEDs in respect of the Proposed Removal” in this circular, which are not agreed by the Three Directors. While the Three Directors do not intend to set out their arguments in this circular, where it is not specifically denied or disputed, whether factual information or opinion, it should not be taken as the Three Directors’ agreement to opinions of the INEDs set out under “Views of the INEDs in respect of the Proposed Appointment” and “Views of the INEDs in respect of the Proposed Removal” in this circular.

The Three Directors set out their opinions under “Views of the Three Directors in respect of the Proposed Appointment” and “Views of the Three Directors in respect of the Proposed Removal” in this circular, which are not agreed by the INEDs. Where it is not specifically denied or disputed, whether factual information or opinion, it should not be taken as the INEDs’ agreement to opinions of the Three Directors set out under “Views of the Three Directors in respect of the Proposed Appointment” and “Views of the Three Directors in respect of the Proposed Removal” in this circular.

The Three Directors hereby disclaim any responsibility as to the accuracy and completeness of the disclosure and opinion expressed by the INEDs in this circular, in particular, the Newspaper Cuttings, the Internet Article and the Chronology set out in Appendix II to this circular.

The INEDs hereby disclaim any responsibility as to the accuracy and completeness of the disclosure and opinion expressed by the Three Directors in this circular.

(A) First Requisition

Views of the Three Directors in respect of the Proposed Appointment

The Proposed Appointment was first put forward by the Board to the INEDs on 31 July 2017 and 22 August 2017. However, the Proposed Appointment was disapproved by the INEDs, who are the two remaining members of the Nomination Committee of the Board, as they alleged that the Proposed Directors may act in the interest of the controlling shareholder of the Company at the expense of all shareholders of the Company, which has been denied by the Three Directors. Despite repeated discussions among Mr. Han Hong, an executive director of the Company, and the INEDs, no consensus has been reached on the allegation.

LETTER FROM THE BOARD

For the reasons set out below, the Three Directors are of the view that the INEDs' above-mentioned allegation is unfounded, subjective and unreasonable: -

- (a) the Three Directors have reviewed the profile and background of each of the Proposed Directors and are of the view that each of the Proposed Directors has the required level of skill, character, experience and integrity and is able to demonstrate a standard of competence commensurate with his/her position as a director of a listed company in Hong Kong;
- (b) the Company has obtained from each of Mr. Cheng Tai Kwan Sunny, Mr. Shi Zhu and Dr. Lu Heng Henry, the proposed independent non-executive directors of the Company, an independence confirmation in accordance with Rule 3.13 of the Listing Rules (the “**Independence Confirmations**”); and
- (c) other than the allegation, the INEDs failed to substantiate the reasons for disapproving the Proposed Appointment. In particular, they have not even commented on the profile and background of each Proposed Director.

The Cayman Islands Companies Law (2016 Revision) (the “**Companies Law**”) does not incorporate provisions for the nomination or appointment of a director to the Board by the Company's shareholders. However, section 25(3) of the Companies Law (which is concerned with the adoption and effect of the Articles) provides that:

“When registered the said articles of association shall bind the company and the members thereof to the same extent as if each member had subscribed his name and affixed his seal thereto, and there were in such articles contained a covenant on the part of himself, his heirs, executors and administrators to conform to all the regulations contained in such articles subject to this Law; and all monies payable by any member to the company in pursuance of the conditions or regulations shall be deemed to be a debt due from such member to the company.”

Accordingly, as a matter of Cayman Islands law, the Three Directors are of the view that the Proposed Appointment must only comply with the Articles 72 and 119 of the Articles. The Three Directors would also like to bring to the attention of the Shareholders of the terms of reference of the nomination committee of the Company adopted since 23 March 2012 which has been uploaded to the website of the Stock Exchange and the “Procedures for a member to Propose a Person for Election as a Director” which has been uploaded to the website of the Company.

For the reasons set out below and based on advice from Cayman Islands legal counsel, the Three Directors are of the view that the Requisitionists have complied with Articles 72 and 119 of the Articles for the purpose of the Proposed Appointment:

- (i) the Requisitionists are the registered holders of an aggregate of 10.04% of the issued shares of the Company;

LETTER FROM THE BOARD

- (ii) the Requisitionists were entitled to deliver the Requisitions for the purpose of the Proposed Appointment;
- (iii) on 28 August 2017, the First Requisition was delivered to the Company's principal office in Hong Kong;
- (iv) the First Requisition provides the full name of the individuals being proposed for election as directors of the Company;
- (v) the first draft of the biographical details of the individuals being proposed for election as directors of the Company was provided to the Company Secretary on 27 July 2017 and 22 August 2017 and the final version of the biographical details was provided to the Company Secretary on 5 September 2017;
- (vi) the final version of the written notices of consent from the individuals who are the subject of the Proposed Appointment were submitted to the Company Secretary on 5 September 2017; and
- (vii) the right for two or more shareholders holding not less than one tenth of the paid up capital of the Company to make a requisition to convene a shareholders' meeting is embedded in the Articles and is intrinsic in nature, and the Requisitionists have complied with the relevant provisions in the Articles and the applicable laws and regulations when raising the First Requisition in relation to the Proposed Appointment. As such, the Proposed Appointment does not conflict with the Articles, the Listing Rules and the relevant laws and regulations and the exercise of an intrinsic right embedded in and in compliance with the Articles by the Shareholders in respect of the Proposed Appointment (which is not uncommon for other issuers listed on the Stock Exchange) does not undermine or tarnish the functions and purpose of the Nomination Committee of the Board.

For the reasons set out below, the Three Directors are of the view that the Proposed Appointment has complied with, among other things, the Listing Rules, which include Code Provisions A.5.2 under Appendix 14 of the Listing Rules:

LETTER FROM THE BOARD

- (i) prior to the Requisitions, the biographical information of the Proposed Directors and the independence confirmation in accordance with Rule 3.13 of the Listing Rules of the Proposed INEDs had been provided to the INEDs, in their capacity as members of the Nomination Committee. However, the appointment process of the Proposed Directors has since then been hijacked and unnecessarily and unreasonably delayed by the INEDs, including, among other things, (i) questioning the independence and suitability of the Proposed INEDs despite the attendance of the directors' training by some of the Proposed Directors to, among others, confirm the independence of those Proposed Directors which addresses the concern of the INEDs in respect of the independence of the Proposed Directors and is a prerequisite for the Proposed Appointment, (ii) insisting on contacting the Proposed INEDs privately through email and ignoring the Three Directors' suggestion to have an all parties conference call to enable the INEDs to have a better understanding of the background, work experience and qualifications of the Proposed Directors instead of directly sending emails to the Proposed Directors, and (iii) alleging without any concrete or solid evidence that the Proposed Directors will act in the interest of the controlling shareholder; and
- (ii) the opinion and recommendation of the INEDs in relation to the Proposed Appointment have been included in this circular.

For the reasons set out above, the Three Directors are of the view that the Proposed Appointment has complied with the applicable laws and regulations.

For reasons set out below, the Three Directors are of the view that it is in the best interests of the Company and its Shareholders as a whole to proceed with the Proposed Appointment: —

- (a) as the Company has been in breach of Rule 3.10(1), Rule 3.10(2), Rule 3.21 and Rule 3.25 of the Listing Rules, the code provision A.5.1 of the Corporate Governance Code in Appendix 14 of the Listing Rules and the relevant terms of references of the Company since 5 July 2017 following the retirement of Dr. Zheng Liu as an independent non-executive director of the Company (collectively, the “**Non-compliance**”), it is imminent for the Company to rectify the Non-compliance and the Company has undertaken to the Stock Exchange that such Non-compliance shall be rectified as soon as practicable within three months from 5 July 2017. The appointment of the Proposed Directors could rectify the Non-compliance and resume the operation and business of the Board in a fully compliant manner;
- (b) based on the Independence Confirmations, each of Mr. Cheng Tai Kwan Sunny, Mr. Shi Zhu and Dr. Lu Heng Henry has satisfied the independence criteria under Rule 3.13 of the Listing Rules;

LETTER FROM THE BOARD

- (c) based on the biographical information of each of the Proposed Directors provided to the Company which has been verified by the Company with supporting documents provided by the Proposed Directors and public records, and an in-depth interviews carried out by Mr. Han Hong and Mr. Wang Zhaohui, executive directors of the Company, with the Proposed Directors, each of the Proposed Directors has the required level of skill, character, experience and integrity and is able to demonstrate a standard of competence commensurate with his/her position as a director of a listed company in Hong Kong, in particular:
- (i) Ms. Liu Yan will be able to assist the Company with its expansion plans strategically based on her experience as the director and chairman of the board of China National Complete Plant Import & Export Corporation (Group) (“**China Complant**”);
 - (ii) Mr. Zhang Jian will be able to assist in the Company’s investment in Africa based on his extensive experience in the agriculture and mining industry as he is the vice general manager of investment department of China-Africa Development Fund Limited (“**CADFund**”);
 - (iii) Mr. Cheng Tai Kwan Sunny has the appropriate professional qualifications, accounting and financial management expertise pursuant to Rule 3.10(2) of the Listing Rules. Not only will his appointment as an independent non-executive Director rectify the Non-compliance, his experience as an independent non-executive director in other listed issuers listed in Hong Kong will also assist in the Company’s business, operation as well as financial reporting;
 - (iv) Mr. Shi Zhu will be able to assist in the Company’s business, operation as well as decision making process based on his previous experience as a fund manager in the Bank of China Hong Kong and his extensive network based on his past experience at the Ministry of Commerce and the Embassy of the PRC in New Zealand; and
 - (v) Dr. Lu Heng Henry will be able to assist in the Company’s business, operation as well as decision making process based on his previous experience as a director of a company listed on the New York Stock Exchange and his experience at various financial institutions.

Views of the INEDs in respect of the Proposed Appointment

By way of various emails, the INEDs have expressed the view that (the English version being a translation of the original Chinese text):

- (a) “All Proposed Directors are not nominated by the nomination Committee.

LETTER FROM THE BOARD

- (b) The reasons for not being nominated by the Nomination Committee are as follows:
- (i) On 3 July 2017, the Company Secretary emailed the INEDs requesting the INEDs to sign on a written resolution named “Nomination Committee Written Resolution”, endorsing the Board’s decision on adding Ms. Liu Yan and Mr. Zhang Jian as non-executive directors, and Mr. Shi Zhu and Mr. Cheng Tai Kwan Sunny as independent non-executive directors. Among these four persons, Ms. Liu Yan is the chairman of the China Complant, the controlling shareholder of the Company and she was nominated by the China Complant to join the Board of the Company. Mr. Zhang Jian is an employee of another state-owned enterprise, CADFund which has maintained a close relationship with China Complant and he was recommended by CADFund to join the Board of the Company. Mr. Shi Zhu was recommended by the management of the Company which was set up by China Complant. Mr. Cheng Tai Kwan Sunny was recommended by a professional agency.
 - (ii) The INEDs replied and expressed that as a member of the Nomination Committee, the INEDs had the right and responsibility to assess the suitability and independence of the new directors. It is not appropriate for the INEDs to sign on a written resolution that had been prepared in advance for the Nomination Committee by the Company Secretary without full understanding or knowledge of the background of the Proposed Directors. The INEDs reiterated that they are not to be seen as “mere rubber stamps or furnishings”.

As such, the INEDs requested the Company to arrange for an independent agency to evaluate and to confirm the suitability and independence of the Proposed Directors. The INEDs also requested the Company to provide the email addresses of the Proposed Directors so that the INEDs could contact the Proposed Directors directly and have first-hand information regarding their relevant situation and background, which would help the INEDs to assess their suitability and independence for future nominations.

Unfortunately, the INEDs’ request was rejected by Mr. Han Hong who represented the other directors of the Company. Without sufficient time or knowledge to conduct a thorough assessment on the suitability and independence of the Proposed Directors, Mr. Han Hong, paying no regards to the Nomination Committee’s decision, arranged trainings which are intended for candidates who are expected to be appointed as directors of listed companies for the Proposed Directors on 4 August 2017, and had the relevant Proposed Directors signed relevant documents and confirmation letters which were intended for official directors of listed companies. This created immense pressure to the INEDs.

LETTER FROM THE BOARD

The INEDs stated their objections to Mr. Han Hong, but he replied by saying that it was sufficient for the INEDs to assess the suitability and independence of the Proposed Directors as the Company had provided the INEDs with the Proposed Directors' resumes, and that the Proposed Directors had signed the relevant confirmation letters. He further accused the INEDs that in requesting the contacts of the Proposed Directors as being vexatious. In addition, representing the controlling shareholder, he repeatedly urged all directors to convene a board meeting so as to force the Nomination Committee to succumb.

- (iii) The INEDs would like to reiterate that it does not make sense to have a Nomination Committee in the Board if any of the Proposed Directors would be able to prove their suitability and independence by their mere resumes and their signed confirmation letters. The Company's announcement dated 29 March 2012 clearly stated the respective rights of the Nomination Committee. The Nomination Committee is an independent decision that cannot be arbitrarily disrupted by the Board, and has the right and responsibility to have direct understanding of the Proposed Directors' situations and backgrounds.

The INEDs have repeatedly asked for the Proposed Directors' direct contact since they only know very little about them without being able to communicate with them directly. It is therefore inappropriate and irresponsible for the board of directors to force INEDs to agree to such nomination, Mr. Han Hong has deliberately refused to let the INEDs communicate with the Proposed Directors, and through various methods, exerted pressure on the INEDs, such as scolding the INEDs, making things difficult intentionally for the INEDs and withholding the directors' fees for the past three years.

In order to further exert pressure on the INEDs, Mr. Han Hong sent a letter on 22 August 2017 informing the two members of the Nomination Committee that the management of the Company will appoint one extra independent non-executive director, Mr. Lu Heng.

- (iv) Since the INEDs have been unable to communicate directly with the Proposed Directors, they did not have enough information to evaluate their suitability or independence, and therefore had no way to make any nominations. On 24 August 2017, China Complant, as the controlling shareholder of the Company, sent a letter to the Board requesting an EGM to be convened to approve the Proposed Directors by ways of voting. This clearly shows how China Complant surpassed the Nomination Committee, the normal procedures of the appointing directors in a Hong Kong listed company, and the regulatory requirements associated with a listed company in Hong Kong in their act of appointing directors who had not gone through an independent suitability evaluation.

LETTER FROM THE BOARD

- (c) It is rare in Hong Kong to find situations in which directors are appointed through an EGM by the controlling shareholder without obtaining the nomination from the Nomination Committee. While it is in conformity with the articles of association, it does not conform with other Hong Kong regulations, in particular the Corporate Government Code Provision A.5.2.
- (d) Without the nomination from the Nomination Committee, the Proposal Appointment completely disrupted and eliminated the functions of a Nomination Committee.
- (e) The Company published a notice on 29 March 2012 clarifying the respective responsibilities of the Nomination Committee and the Proposed Appointment completely deprived the rights of the Nomination Committee.
- (f) In the section above, the Three Directors accused the INEDs, the two members of the Nomination Committee, that their criticisms regarding the controlling shareholder were unfounded, subjective and unreasonable. As such, the INEDs is now providing evidence and facts in the following section to reply to their unwarranted accusations to allow the public Shareholders to have a comprehensive picture and to make an informed judgment when they cast their votes.

In the announcement of the Company dated 1 June 2017, Mr. Hu Yebi, former executive director of the Company and Dr. Zheng Liu, former independent non-executive director of the Company made severe criticisms towards the other directors of the Company representing the controlling shareholder of the Company. The criticisms include but are not limited to the following: the directors of the Company disregarded the interests of the public Shareholders in certain business decisions by making decisions only beneficial to the controlling shareholder (the “**Criticism 1**”); the directors’ inability to make critical investment decisions, their low decision-making and management capacity which led to serious investment mistakes, huge annual operating loss and liabilities (the “**Criticism 2**”); and lastly, that the directors of a listed company, failed to act in accordance with the Listing Rules, and failed to accurately and completely disclose related information, therefore misled the public shareholders (the “**Criticism 3**”).

It is rare in Hong Kong to find two directors of a Hong Kong listed company that would criticise their own company severely upon retirement.

The INEDs, as the remaining two independent non-executive directors, have always agreed with the two retired directors regarding their criticisms towards the Company. This shows that the INEDs and Dr. Zheng Liu (the “**Three INEDs**”), representing the interests of the public Shareholders, all had opposing views with the other directors of the Company, who represented the interests of the controlling shareholder. This is also rare in listed companies in Hong Kong.

LETTER FROM THE BOARD

The factual basis of the Criticism 1:

On 25 May 2016, the Company and Bestway International Holdings Limited (“**Bestway**”) issued a joint announcement, in which the Company would issue 3.7 billion new Shares to Bestway, and place 800 million new shares to the public, financing a total of HKD 720 million, which for a company that has been experiencing great losses in the past years and has poor financial conditions, is undoubtedly a “coming-back-to-life” kind of restructuring proposal.

However, this proposal was terminated in a board meeting held on 28 February 2017 by the directors representing the controlling shareholder (although the Three INEDs firmly opposed to its termination). It has completely wasted the cost, the human resources and the agency fees put into this restructuring program. It has also put the Company in an uncertain situation and has put off the glimpse of hope of the public Shareholders who have been holding low valued stock for a long period of time. As such, the interests of the public shareholders have been jeopardised.

According to the background information provided by Mr. Hu Yebi, the directors of the controlling shareholder forcefully terminated the restructuring plan because the controlling shareholder has been negotiating another set of restructuring plans, while the new restructuring plan is more beneficial to the controlling shareholder, it is not so to the Company.

The INEDs referred to the email dated 17 January 2017 from Ms. Liu Yan (the “**Email**”), the chairman of the controlling shareholder, being the relevant evidence of the Criticism 1. The Email is set out in Appendix II of this circular. She is also the director recommended by the controlling shareholder.

The factual basis of the Criticism 2:

Since the completion of the sale of Shares to China Complant in 2009, the Company has drastically decreased in its profitability and the share prices has dropped drastically. All the public Shareholders are dissatisfied and reflected their dissatisfaction and anger by advertising in a newspaper in Hong Kong (the “**Newspaper Cuttings**”) and criticising the company via an Internet article (the “**Internet Article**”). The Newspaper Cuttings and Internet Article are set out in Appendix II of this circular.

LETTER FROM THE BOARD

The factual basis of the Criticism 3:

- (i) On 27 April 2017, the Company announces the 2016 annual report. Unfortunately, the 2016 annual report while being such an important corporate document, was not being distributed to the Three INEDs before its publication. The draft of the annual report was only given to the directors representing the controlling shareholder. The situation where the Three INEDs were not able to review the Company's annual report before its publication, is rarely seen in the Hong Kong stock market. The controlling shareholder completely ignored the existence of the Three INEDs and their actions are simply acts of bullies.
- (ii) In the 2016 annual report, in relations to the selection of directors, the Company Secretary by way of drawing lots, selected all directors who held opposing views with the controlling shareholder as retiring directors. But in reality, have they truly drawn any lots? Where and how did it take place? There is no answer so far despite repeated inquiries. This reflected how the controlling shareholder has regarded the Three INEDs as enemies and wanted to quickly get rid of them. This also explains why the controlling shareholder wanted to remove the INEDs at the EGM without valid reason.
- (iii) After the so-called "drawing of lots", the remaining directors which represented the controlling shareholder did not communicate with the directors of opposing views, nor did they ask these directors if they were willing to be re-elected. The 2016 annual report was published in accordance to the wishes of the controlling shareholder, hence it failed to accurately and fully disclosed the related information, therefore misleading the public shareholders. The directors representing the controlling shareholder do not respect the other directors and do not respect the Listing Rules.
- (iv) On 5 July 2017, the Company held a board meeting in the form of a conference call. During the meeting, Mr. Liu Xueyi, one of the directors representing the controlling shareholder, left the meeting on his own behalf, causing a reduction in the number of votes in the directors acting on behalf of the controlling shareholder, which was an adverse situation to the controlling shareholder. Other directors such as Mr. Han Hong and Mr. Wang Zhaohui therefore forcefully ended the meeting when only half of the issues have been discussed and many other agendas have not yet been discussed or voted upon. This reflects a serious problem in the Company's corporate governance.
- (g) The Proposed Directors, which represented the interest of the controlling shareholder of the Company, and the controlling shareholder are obviously damaging the interests of public Shareholders based on the factual basis stated above.

LETTER FROM THE BOARD

- (h) As the Three Directors have failed to provide the INEDs with sufficient information of the Proposed Directors (including the independence confirmation report of Mr. Cheng Tai Kwan Sunny, Mr. Shi Zhu and Dr. Lu Heng Henry from professional organization) and the email addresses of the Proposed Directors to enable the INEDs to independently contact the Proposed Directors to assess the independence and suitability of the appointment of the Proposed Directors and to perform the INEDs' duties as members of the Nomination Committee, the INEDs insisted to have direct contact with the candidates in order to form an independent nomination opinion of the Nomination Committee. However, the Three Directors refused the INED's request, and accused the INEDs of deliberately being difficult. It is not suitable to convene the Board Meeting to consider the Proposed Appointment (the "**Appointment Board Meeting**") as the INEDs, being members of the Nomination Committee, are unable to objectively form their views on the suitability and independence of the Proposed Directors.
- (i) The Three Directors have overridden the authority of the Nomination Committee by:
 - (i) arranging the Proposed Directors to attend the directors' training without obtaining the recommendation of the Proposed Appointment by the Nomination Committee;
 - (ii) insisting that it is sufficient for the Nomination Committee to assess the independence and suitability of the appointment of the Proposed Directors based on the Independence Confirmations and the biographical information of the Proposed Directors, while the Nomination Committee has the right to directly understand the background and information of the Proposed Directors according to the Terms of Reference of the Nomination Committee; and
 - (iii) The Three Directors refused to let the INEDs have direct contact with the Proposed Directors, such that the INEDs, as members of the Nomination Committee, is unable to nominate any candidates. The INEDs as the Nomination Committee members are therefore of the opinion that by refusing direct contact with the Proposed Directors, the acts of the controlling shareholder are vexatious and deliberately made things difficult. In addition, the Three Directors also repeatedly and forcefully convened board meetings in the hope of forcing INEDs to succumb by as they form a majority of the Board.
- (j) As the INEDs, being members of the Nomination Committee, did not recommend the Proposed Directors to be appointed, the Requisitionists, being the controlling shareholder of the Company, have surpassed the Nomination Committee and the standard procedures for the appointment of director of a Hong Kong listed company, and have deposited the First Requisition, requiring an extraordinary general meeting to be convened to approve the Proposed Appointment, without considering the independence and suitability of the Proposed Directors."

LETTER FROM THE BOARD

For the reasons stated above, the Three Directors recommended the Shareholders to vote in favour of and the INEDs recommended the Shareholders to vote against the resolutions under the First Requisition in respect of the appointment of (i) Ms. Liu Yan as a non-executive director of the Company; (ii) Mr. Zhang Jian as a non-executive director of the Company; (iii) Mr. Cheng Tai Kwan Sunny as an independent non-executive director of the Company; (iv) Mr. Shi Zhu as an independent non-executive director of the Company; and (v) Dr. Lu Heng Henry as an independent non-executive director of the Company, at the EGM.

(B) Second Requisition

Views of the Three Directors in respect of the Proposed Removal

For the reasons set out below, the Three Directors are of the view that the Requisitionists have complied with Articles 72, 119 and 122(a) of the Articles and paragraph 4(3) of Appendix 3 of the Listing Rules for the purpose of the Proposed Removal. In particular:

- (i) The Requisitionists are the registered holders of an aggregate of 10.04% of the issued shares of the Company;
- (ii) On 4 September 2017, the Second Requisition was delivered by the Requisitionists to the Company's principal office in Hong Kong;
- (iii) Article 122 of the Articles conformed with paragraph 4(3) of Appendix 3 of the Listing Rules;
- (iv) It was proposed under the Second Requisition that ordinary resolutions be passed for the Proposed Removal; and
- (v) The Proposed Removal will not have the effect of reducing the number of directors to less than two.

Accordingly, as the right for two or more shareholders holding not less than one tenth of the paid up capital of the Company to make a requisition to convene a shareholders' meeting is embedded in the Articles and is intrinsic in nature, and the Requisitionists have complied with the relevant provisions in the Articles and the Listing Rules when raising the Second Requisition in relation to the Proposed Removal, the Three Directors are of the view that the Proposed Removal does not conflict with the Articles and the Listing Rules.

LETTER FROM THE BOARD

The Three Directors would like to bring to the attention of the Shareholders that the Interim Results Board Meeting Announcement had been circulated to all members of the Board in reasonable advance before the deadline for the publication of the announcements. However, the Company has not received any feedback from the INEDs on the Interim Results Board Meeting Announcement before the specified deadline. In order to meet the deadline for publishing the Interim Results Board Meeting Announcement in compliance with the Listing Rules, the Company uploaded the Interim Results Board Meeting Announcement without obtaining the approval by the INEDs.

In respect to the Interim Results Board Meeting Announcement, the Company Secretary has, through email, requested all directors of the Company to provide their feedback to the draft Interim Results Board Meeting by 4:30 p.m. on 21 August 2017 (the “**Deadline**”). In accordance to the email records of the Three Directors and the Company Secretary, the INEDs have stated that they have no further comment to the draft Interim Board Meeting Announcement through email (the “**Response Emails**”) at 5:09 p.m., 5:12 p.m. and 5:34 p.m. (Hong Kong/PRC time) respectively on 21 August 2017, which was after the Deadline. However, the INEDs alleged that the Response Emails were sent at 4:09 p.m. and 4:12 p.m., which was before the Deadline.

As the INEDs have failed to respond before the Deadline, the Interim Results Board Meeting Announcement was published and uploaded to the Stock Exchange website at 4:45 p.m. on 21 August 2017. As such, the Three Directors are of the view that the Interim Results Board Meeting Announcement is accurate, true and not misleading by stating that such announcement has only been approved by the Three Directors and not the INEDs.

The Three Directors are under the impression that there might be a one-hour time difference between Hong Kong/PRC time zone (being the time zone where the Three Directors and the Company Secretary were at on 21 August 2017) and the time zone where the INEDs were at on 21 August 2017, leading to the difference in the timing which (i) the Three Directors and the Company Secretary have received the Response Emails and (ii) the INEDs have allegedly sent the Response Emails.

Having considered that the INEDs (i) have failed to provide their feedback/response to the Interim Results Board Meeting Announcement before the deadline; (ii) have been absent from all four of the Board Meetings since 9 July 2017 till 8 September 2017 (the “**Four Board Meetings**”), including the Appointment Board Meeting in order to rectify the Non-compliance and the Requisitions Board Meeting; and (iii) have sent proxy forms to the Company by email, appointing a third party to attend and vote on behalf of the INEDs at the Interim Results Board Meeting as they were unable to attend the Interim Results Board Meeting due to poor phone signal as they were on business trip and indicating their approval to the Interim Results prior to the Company’s circulation of the Interim Results to the directors of the Company, which in order to ensure that the INEDs have had the chance to review the Interim Results before approving the Interim Results, the Company Secretary suggested each directors of the Company to approve

LETTER FROM THE BOARD

the Interim Results and the Interim Results Announcement by way of written resolution after the circulation of the Interim Results and no Interim Results Board Meeting was held, the Three Directors are of the view that:

- (a) the INEDs have failed to commit sufficient time to attend to the Company's affairs as they have been absent from the Board Meetings as well as Shareholders' meeting from time to time and were uncontactable from time to time;
- (b) the INEDs failed to discharge their duty to act in good faith for the benefit of the Company as a whole and to exercise care, skill and diligence and their duty as the members of the Audit Committee of the Company as they have approved the Interim Results without first reviewing the Interim Results initially; and
- (c) the INEDs have not performed their duties as the Nomination Committee of the Board and have adopted the delay tactic by (i) refusing to attend the Appointment Board Meeting, (ii) rejecting the appointment of the Proposed Directors by alleging that the Proposed Directors are representing the interest of controlling shareholder, and (iii) failing to consider the independence and suitability of the Proposed Directors objectively based on the academic background, professional qualifications, work experience and independence confirmation based on the information provided by the Company.

Based on the above reasons, the Three Directors are of the view that it is no longer practicable to work with the INEDs in managing the Company and it is not in the best interests of the Company and the Shareholders as a whole to allow the INEDs to continue to take part in the management of the Company and to act as the independent non-executive directors of the Company.

Views of the INEDs in respect of the Proposed Removal

By way of emails dated 12 September 2017 and 18 September 2017, the INEDs have expressed the view that (the English version being a translation of the original Chinese text):

- (a) "Although the Requisitionists did not provide reasons for the Proposed Removal, they are of the view that the reasons for the Proposed Removal was due to their upholding of the principles as they did not recommend the Proposed Appointment;

The directors representing the controlling shareholder have repeatedly bullied the two INEDs.

Mr. Han Hong has specifically called Mr. Li Xiao Wei, the independent non-executive director and sent her a printed resignation letter, asking her to resign without any valid reasons before drawing the lots.

LETTER FROM THE BOARD

- (b) It is the responsibility for independent non-executive directors of the Company to act in the best interests of the public Shareholders, to monitor the Board, to ensure that the interests of the public Shareholders have not been jeopardised. and The controlling shareholder has in fact severely damaged the interests of public shareholders, the factual basis of which has been elaborated above.
- (c) It is unusual for the controlling shareholder of a Hong Kong listed company to remove all the remaining independent non-executive directors through requesting to convene an extraordinary general meeting. In particular, since all of the company's independent non-executive directors have been struggling to protect the interests of public Shareholders, they have been in a series of disagreement with the directors who represent the interests of the controlling shareholder.
- (d) The INEDs would like to bring to the attention of the Shareholders in respect of the details of the reasons for the retirement of Mr. Hu Yebi ("**Mr. Hu**") and Dr. Zheng Liu ("**Dr. Zheng**"), being the former executive director and independent non-executive director of the Company and their notification to shareholders and potential investors of the Company in the announcement of the Company dated 1 June 2017. The INEDs are of the view that it is unusual for all the independent non-executive directors of a Hong Kong listed company to hold views that are contrary to the views of the executive directors.

In relation to EGM, the INEDs would like to draw the attention of all shareholders as follows:

- (i) The Proposed Directors have not passed the assessment of the Nomination Committee on their suitability and independence and have not obtained the nomination from the Nomination Committee.
- (ii) The two directors of the Nomination Committee were proposed to be removed.
- (iii) The Proposed Directors are appointed based on majority vote of the controlling shareholder, which shows that the existence of the Nomination Committee, director appointment procedures of a Hong Kong listed company and the regulatory requirements of Hong Kong listed companies is in vain. This is a major retrogression of the regulation of Hong Kong listed companies and sets a far reaching negative precedent in the Hong Kong stock market.
- (iv) As for the Proposed INEDs, they are all recommended by the controlling shareholder, and will be appointed through votes of the controlling shareholder in the EGM. As such, how do you ensure their independence?

LETTER FROM THE BOARD

- (v) A series of announcements and circulars issued by the Company on 2 June 2017 and 5 June 2017 are published without the consent of all the directors of the Board. Half of the directors of the Board (including the Three INEDs) have stated their objections to the relevant announcement and the circulars. This is rarely seen in listed companies in Hong Kong. This shows that the view of half of the directors of Board have not respected.
- (vi) The poll result of the annual general meeting of the Company announced on 5 July 2017 showed that there was a large number of opposing votes to almost all of the resolutions, and almost all of the supporting votes were from the controlling shareholder, with no support from the public shareholders. This shows that the controlling shareholder is not able to obtain support from the public shareholders due to the poor operating results and domineering style of the Company which all public shareholders became victims. This too is rarely seen in Hong Kong listed companies.
- (vii) China Complant as controlling shareholder forcefully proposed to remove the remaining INEDs as the INEDs have been struggling for the benefit of the public shareholders, disciplining and correcting the suspected violating behaviours of the Company. This lead to the controlling shareholder's proposed renewal of the INEDs, who held opposing views to the view of the Three Directors and the controlling shareholder of the Company.

A Hong Kong listed company belongs to all shareholders, not just the controlling shareholder. The board of directors of a listed company should be comprised of independent directors who truly represent the interests of the public shareholders. Upon the removal of the INEDs, the Proposed INEDs who have not passed the suitability and independence assessment of the Nomination Committee will be appointed and they are all nominated by the controlling shareholder through its majority vote. The Company would then be controlled by directors who represent the interests of the controlling shareholder. Who will then protect the interests of public shareholders?

The controlling shareholder of the Company have already been damaging the interests of the public shareholders, and is now surpassing the Nomination Committee to forcefully appoint the Proposed Directors. Who will supervise the controlling shareholder and ensure that the interests of public shareholders will not be harmed? Who would restrain and exercise checks and balances on this kind of domineering power and politics in the Company?

LETTER FROM THE BOARD

Over the years, the Company, under the leadership of the controlling shareholder, has extremely poor operating performance. It is unacceptable behaviour for the controlling shareholder to act against the interests of public shareholders. Its repeated acts of disrespecting the laws and regulations of Hong Kong, the INEDs and many other acts which are unprecedented in the Hong Kong stock market set a very bad precedent. Although such behaviour has always been opposed by the INEDs, since the Three Directors hold majority vote in the Board, the Three Directors are ignore the opposing views of the INEDs and disregard the laws and regulations of Hong Kong. As such, we urge the public Shareholders to pay close attention to and supervise the poor behaviour of the controlling shareholder of the Company.

- (e) In respect of the Interim Results Board Meeting Announcement, the INEDS have sent the Response Emails to at 4:09 p.m. and 4:12 p.m. respectively on 21 August 2017, which was before the Deadline. As such, (i) the Interim Results Board Meeting Announcement is misleading, untrue and inaccurate and has violated the Listing Rules by stating that such announcement has only been approved by the Three Directors and not the INEDs and (ii) the Company has the legal responsibility to publish a clarification announcement.”
- (f) Given the severity of allegation towards the INEDs, the INEDs would like to respond by providing a complete chronology of the events (the “**Chronology**”).

Date	Events
31 July 2017	The INEDs received a written resolution named “Nomination Committee Written Resolution” from the Company Secretary, requesting the INEDs to sign the written resolution.
2 August 2017	The INEDs replied by stating that they would like to have a better understanding of the background of the Proposed Directors, in particular, the Proposed INEDs. The INEDs requested for a written report from the professional agency who recommended the particular Proposed Director confirming the Proposed Director’s independence and suitability (the “ Written Report ”).
3 August 2017	The INEDs received a letter from Mr. Han Hong, stating that a Board Meeting would be convened as soon as possible to discuss the Proposed Appointment.

LETTER FROM THE BOARD

- 11 August 2017 The INEDs received another letter from Mr. Han Hong, stating that a specific date needed to be agreed on for convening the Board Meeting, and that the Proposed Directors have attended directors' trainings which are intended for candidates who are expected to be appointed as directors of listed companies (the "**Directors' Training**") and have signed the relevant confirmation letters on 4 August 2017.
- 14 August 2017 The INEDs replied and stated that by arranging the Proposed Directors to attend the Directors' Training on 4 August 2017 and to sign the relevant documents before nomination was made by the Nomination Committee were signs of disrespect to the Nomination Committee which shows how the Three Directors completely ignored the existence of the Nomination Committee.
- The INEDs requested for the Written Report again. The INEDs also requested to have access to the email addresses of the Proposed INEDs so that they could contact the Proposed INEDs directly to assess their suitability as soon as possible, with an aim to ensure the Company's compliance with the Listing Rules at the earliest possible time.
- The INEDs expressed their intention to contact the Proposed INEDs directly for the purpose of better performing the duties of the Nomination Committee. The INEDs stated that the holding of the Board Meeting would only be meaningful if resolutions in respect of the Proposed Appointment are passed by the Nomination Committee without interference.
- 18 August 2017 Mr. Han Hong ignored the advice of the Nomination Committee and notified the INEDs that a Board Meeting was to be held at 4:00pm on 21 August 2017 to discuss the Proposed Appointment. The purpose of the Board Meeting was to obtain a majority vote on the Proposed Appointment and to put pressure on the INEDs to forcibly cause the Proposed Appointment to be approved.

LETTER FROM THE BOARD

21 August 2017

The INEDs replied by demanding the Board to respect the requests and views of the Nomination Committee. The INEDs as members of the Nomination Committee requested to contact the Proposed Directors directly to obtain the firsthand information. It will be meaningful for the Board to convene the meeting only if a resolution could be passed by the Nomination Committee beforehand.

The INEDs pointed out that the Nomination Committee had the responsibility to conduct sufficient research on and to investigate and assess the suitability and independence of the Proposed Directors. For this purpose, the INEDs requested for the third time for the Written Report. They also requested the Company to provide them the email addresses of the Proposed INEDs.

22 August 2017

Mr. Han Hong sent a letter accusing that the INEDs have not provided justified reason and prior notice for the INED's absence of the Board Meeting dated 21 August 2017.

In fact, as mentioned above, the INEDs had repeatedly stated that it was inappropriate and meaningless to convene the Board Meeting under the circumstance where the Nomination Committee has made no direct contact with the Proposed INEDs and the independence of the Proposed INEDS could not be assessed based on the background of the Proposed INEDs. This caused the inability of the Nomination Committee to pass the resolution in respect of the Proposed Appointment. Mr. Han Hong and others constantly demanded the convening of the Board Meeting to put pressure on the Nomination Committee and forcefully cause the Proposed Appointment to be approved by taking advantage of the majority vote at the Board Meeting.

In order to pave the way for the removal of the INEDs, Mr. Han Hong accused the INEDs of not attending the Board Meetings dated 5 July 2017 and 9 July 2017. In fact, such accusation was unfounded. In relation to the Board Meeting dated 5 July 2017, the INEDs have appointed a proxy (being another director) to attend the Board Meeting on 5 July 2017 on behalf of the INEDs. In relation to the Board Meeting dated 9 July

LETTER FROM THE BOARD

2017, the INEDs believed that the Company Secretary has been removed prior to the receipt of the email from the Company Secretary regarding the convening of the Board Meeting dated 9 July 2017. As such, the INEDs refused to acknowledge the receipt of such email notice as they were of the view that the Company Secretary has no authority to send out such email.

It was mentioned in Mr. Han Hong's letter that it was sufficient for the Nomination Committee to make nominations based on the resumes of the Proposed Directors and independence confirmation letter signed by the Proposed INEDs. He further accused the INEDs of being vexatious, as the INEDs requested to have direct contact with the Proposed INEDs.

Finally, Mr. Han Hong said the Company could arrange a teleconference if the INEDs insisted on contacting the Proposed INEDs.

24 August 2017

The INEDs replied by stating that the Company has already made an announcement on 29 March 2012 which contained provisions in respect of the rights exercisable by the Nomination Committee. Therefore, the INEDs should have the right to having a better understanding of the background of the Proposed Directors to make objective judgements and to come up with independent views.

Given the unpleasant experience that the INEDs had before which the teleconferencing system was forcefully shut down, the INEDs requested to contact the Proposed Directors by email in order to keep written records. The INEDs stressed that it was the right of the Nomination Committee to determine on the means to contact the Proposed Directors, as it is necessary for the Nomination Committee to conduct its work independently. The INEDs also requested to contact the Proposed Directors independently, without the presence of the other directors. The Nomination Committee could only perform its duties without interference by doing so.

LETTER FROM THE BOARD

24 August 2017 afternoon	The Company received a letter from the controlling shareholders, requesting an EGM to be convened to approve the Proposed Directors.
24 August 2017 evening	Mr. Han Hong sent a letter criticizing the INEDs for being difficult as the Company has already offered to invite the Proposed Directors to attend a conference call together with all directors of the Company to ensure fairness and openness. He also thought that it would be inappropriate for the INEDs to contact the Proposed Directors privately by email.
25 August 2017	The INEDs replied and protested the unfounded allegation of Mr. Han Hong. The INEDs reiterated that as members of the Nomination Committee, the INEDs had the right to use their own means to contact the Proposed Directors. The INEDs also questioned why the Three Directors have refused to provide the email addresses of the Proposed INEDs to the INEDs.
27 August 2017	The INEDs replied again, stating that it would be pointless to have a Nomination Committee should the appointment process of directors be conducted via an EGM. The Nomination Committee would not be able to access the suitability of the Proposed Directors and this may even violate the operation of the Company as a listed company in Hong Kong. Also, the independence of the Proposed INEDs is questionable as they are nominated by the controlling shareholder and voted by the controlling shareholder at the EGM.
1 September 2017	The company received a letter from the controlling shareholder requesting an EGM to be convened to remove the INEDs.

The Chronology is able to explain the reasons why the Proposed Directors were not nominated and the INEDs were proposed to be removed. The original Chinese text of the Chronology is set out in Appendix II of this circular.

For the reasons stated above, the Three Directors recommend that the Shareholders vote in favour of the resolutions under the Second Requisition in respect of the removal of (i) Mr. Yu Chi Jui as the independent non-executive director of the Company, and (ii) Ms. Li Xiao Wei as the independent non-executive director of the Company, at the EGM and the INEDs recommend that the Shareholders vote against the resolutions under the Second Requisition.

LETTER FROM THE BOARD

6. EGM

Pursuant to Article 72 of the Articles:

- (i) the Company is required to convene an extraordinary general meeting upon the written requisition of any two or more shareholders of the Company provided that the Requisitionists hold as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at the general meetings; and
- (ii) the Company must then proceed to convene the meeting within 21 days from the date of the deposit of the requisition and any meeting that is convened, is required to be held within 3 months from the date the requisitions were deposited.

Accordingly, the EGM will be held on 12 December 2017, being the latest date which the Company should appoint an independent non-executive director with the appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 3.10(2) in order to comply with Rule 3.11 of the Listing Rules.

At the EGM, the ordinary resolutions for the appointment of the Proposed Directors and the removal of the INEDs pursuant to the Requisitions will be proposed. Notice of the EGM is set out on pages 44 to 45 of this circular.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkex.com.hk. Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy enclosed with this circular in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

7. RESPONSIBILITY STATEMENT

This circular, for which the Board accepts full responsibility pursuant to a resolution approving this circular passed at the Board meeting held on 20 November 2017, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Board, having made all reasonable enquiries, confirms that to the best of its knowledge and belief the information (other than the views expressed by the INEDs) contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

8. VOTING BY POLL

Pursuant to the Listing Rules, voting at the EGM shall be taken by way of a poll. The chairman of the EGM will explain the detailed procedures for conducting a poll at the EGM. On a poll, every Shareholder present in person or by proxy or (being a corporation) in its duly authorised representative shall have one vote for every fully paid Share held. A Shareholder entitled to more than one vote needs not use all his votes or cast all the votes he uses in the same way.

An announcement will be issued by the Company following the EGM to inform Shareholders of the results of the poll vote in respect of the matters put to Shareholders at the EGM.

9. GENERAL

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

10. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By order of the Board
Hua Lien International (Holding) Company Limited
Mr. Han Hong
Executive Director

Hong Kong, 25 November 2017

Details of the Proposed Directors who were proposed to be appointed as the directors of the Company at the EGM pursuant to the First Requisition were provided by the Proposed Directors to the Company, and the Company has verified the accuracy of information provided by the Requisitionists with supporting documents provided by the Proposed Directors and through public records.

Liu Yan — Non-Executive Director

Ms. Liu, aged 51, is a senior economist granted by the Appraisal and Approval Committee for Professional & Technical Qualification of the PRC in December 2009. Since July 2016, Ms. Liu has held the positions of party secretary and chairman of the board at the China National Complete Plant Import & Export Corporation (Group) (“**China Complant**”), which principally engages in general contracting for engineering construction, exporting and importing of plants and technologies and industrial investment. China Complant is the controlling shareholder of the Company. Ms. Liu has also served as the director and chairman of the board of China National Complete Plant Import & Export Corporation Limited, a company listed on the Shenzhen Stock Exchange (Stock Code: 000151), since September 2015 and August 2016 respectively.

Ms. Liu has been working at China Complant since August 1987 and her previous roles include party secretary, director and deputy general manager from March 2013 to July 2016, deputy secretary of the party committee and secretary of the Commission for Discipline Inspection from March 2002 to March 2013, general manager of human resources department from August 1998 to March 2002, deputy general manager of human resources department from May 1995 to August 1998 and cadre of human resources department from August 1987 to May 1995.

Ms. Liu obtained a bachelor of laws degree in July 1987 at Jilin University in the PRC and obtained a master of International Economics degree at Nankai University School of Economics in the PRC in June 2006.

There will be no service contract/appointment letter to be entered into between the Company and Ms. Liu. Ms. Liu will be subject to retirement from office and re-election at the next general meeting of the Company in accordance with the Articles. Ms. Liu is not entitled to any director’s remuneration or director’s fee for holding her office as a non-executive director of the Company.

Save as disclosed herein, as at the date of the Latest Practicable Date, (a) Ms. Liu does not hold any position with the Company and its subsidiaries; (b) Ms. Liu did not hold any directorship in any listed public companies in Hong Kong or overseas in last three years; (c) Ms. Liu does not have any other relationship with any directors, senior management or substantial or controlling shareholder of the Company; (d) Ms. Liu does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong); and (e) there are no other matters concerning Ms. Liu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Zhang Jian — Non-Executive Director

Mr. Zhang, aged 37, has over 10 years' experience in investment management in the PRC. Mr. Zhang joined China-Africa Development Fund and was a manager of the investment department from September 2007 to October 2011, a senior manager assistant in investment department III from October 2011 to February 2012, a senior manager assistant in investment department IV from February 2012 to September 2015. His current position at China-Africa Development Fund is vice general manager of investment department III since September 2015.

Mr. Zhang studied at the University of Hunan in the PRC where he obtained his bachelor degree in finance in June 2002. He then completed further post-graduate studies at the University of Stirling in the United Kingdom where he obtained his master degree in investment analysis in November 2006.

There will be no service contract/appointment letter to be entered into between the Company and Mr. Zhang. Mr. Zhang will be subject to retirement from office and re-election at the next general meeting of the Company in accordance with the Articles. Mr. Zhang is not entitled to any director's remuneration or director's fee for holding his office as a non-executive director of the Company.

Save as disclosed herein, as at the date of the Latest Practicable Date, (a) Mr. Zhang does not hold any position with the Company and its subsidiaries prior to his appointment; (b) Mr. Zhang did not hold any directorship in any listed public companies in Hong Kong or overseas in last three years; (c) Mr. Zhang does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company; (d) Mr. Zhang does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong); and (e) there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Cheng Tai Kwan Sunny — Independent Non-Executive Director

Mr. Cheng, aged 45, has years of experience in management, financial reporting and management accounting. Mr. Cheng is currently an independent non-executive director at China Sinostar Group Company Limited (formerly known as Shihua Development Company Limited and Starlight International Holdings Limited) (Stock Code: 485, a company listed on the Stock Exchange) since July 2014 and an independent non-executive director at Mengke Holdings Limited (Stock Code: 1629, a company listed on the Stock Exchange) since November 2016. He worked for subsidiaries of a private corporation from January 2005 to June 2012, which has become subsidiary of Li & Fung Limited (stock code: 0494) since 2010, a company listed on the Stock Exchange.

Mr. Cheng obtained a degree of Bachelor of Business Administration in Accounting from The Hong Kong University of Science and Technology in November 1996 and a degree of Master of Science from The Chinese University of Hong Kong in December 2006. He completed the Kellogg-HKUST Executive MBA Program and was awarded a degree of Master of Business Administration from Northwestern University and The Hong Kong University of Science and Technology in December 2009. Mr. Cheng obtained a degree of Juris Doctor from The Chinese University of Hong Kong in November 2017. Mr. Cheng was admitted as an associate and a fellow of The Association of Chartered Certified Accountants in July 1999 and July 2004, respectively. He was also admitted as a member of the Hong Kong Institute of Certified Public Accountants (previously known as Hong Kong Society of Accountants) in September 2001. Mr. Cheng has been a member of the Chinese People's Political Consultative Conference of Enping City, Guangdong Province from November 2011 to November 2016.

There will be no service contract/appointment letter to be entered into between the Company and Mr. Cheng. Mr. Cheng will be subject to retirement from office and re-election at the next general meeting of the Company in accordance with the Articles. Mr. Cheng will be entitled to a director's fee which will be determined by the remuneration committee of the Company later with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed herein, as at the date of the Latest Practicable Date, (a) Mr. Cheng does not hold any position with the Company and its subsidiaries prior to his appointment; (b) Mr. Cheng did not hold any directorship in any listed public companies in Hong Kong or overseas in last three years; (c) Mr. Cheng does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company; (d) Mr. Cheng does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong); and (e) there are no other matters concerning Mr. Cheng that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Shi Zhu — Independent Non-Executive Director

Mr. Shi, aged 49, is currently the director of BOCHK Wealth Achieve Fund Series SPC, a serial investment fund company wholly owned by BOCHK Asset Management Limited since May 2017. Mr. Shi is concurrently the director and general manager of Shenzhen Sanhong Asset Management Limited, a private equity company incorporated in the PRC which principally engaged in equity investment and supply chain finance in the PRC and South East Asia, since September 2015. Mr. Shi is also a director of Joyful Capital Limited, a company incorporated in Hong Kong which principally engaged in investment and investment consultancy in Hong Kong and the PRC, since May 2008.

Mr. Shi worked at the Ministry of Commerce of the PRC for over 14 years. From November 1993 to May 2000, Mr. Shi served various positions including front-page editor as well as deputy chief editor and chief editor of the English version of International Business Monthly under International Business Daily, a publishing entity under the Ministry of Commerce of the PRC. Mr. Shi was appointed by the Ministry of Commerce of the PRC to work at the Embassy of the PRC in New Zealand where he acted as the Commercial Consul and was in charge of economic and commercial affairs from June 2000 to December 2000 and Mr. Shi subsequently returned to International Business Daily and served various positions including chief editor of Important News, director of general office, chief editor of China-ASEAN Business Week, chief editor of Features from January 2001 to February 2008. After that, Mr. Shi migrated to Hong Kong under the Quality Migrant Admission Scheme in February 2008.

Mr. Shi obtained his first degree in Bachelor of Arts, majoring in English, from the Anhui Fuyang Teacher's University in the PRC in July 1989 and his second degree in Bachelor of law, majoring in Journalism, from the Communication University of China in July 1993.

There will be no service contract/appointment letter to be entered into between the Company and Mr. Shi. Mr. Shi will be subject to retirement from office and re-election at the next general meeting of the Company in accordance with the Articles. Mr. Shi will be entitled to a director's fee which will be determined by the remuneration committee of the Company later with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed herein, as at the date of the Latest Practicable Date, (a) Mr. Shi does not hold any position with the Company and its subsidiaries prior to his appointment; (b) Mr. Shi did not hold any directorship in any listed public companies in Hong Kong or overseas in last three years; (c) Mr. Shi does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company; (d) Mr. Shi does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong); and (e) there are no other matters concerning Mr. Shi that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Lu Heng Henry — Independent Non-Executive Director

Dr. Lu, aged 51, is currently the chief representative of Nimbus Capital Limited, a company incorporated in Hong Kong which principally engaged in e-commerce of health care products, education and training, since January 2015. Dr. Lu was an independent director of China Nepstar Chain Drugstore Ltd. from June 2014 to August 2016. The American depositary shares (ADS) of China Nepstar Chain Drugstore Ltd. was listed on the New York Stock Exchange under symbol (NYSE: NPD) from November 2007 to August 2016. Prior to joining Nimbus Capital Limited, Dr. Lu worked for William Blair & Company, L.L.C. (Shanghai representative office).

Dr. Lu obtained the degree of Doctor of Philosophy from Columbia University in February 1998 and the degree of Master of Business Administration from the University of Chicago in June 2000.

There will be no service contract/appointment letter to be entered into between the Company and Dr. Lu. Dr. Lu will be subject to retirement from office and re-election at the next general meeting of the Company in accordance with the Articles. Dr. Lu will be entitled to a director's fee which will be determined by the remuneration committee of the Company later with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

Save as disclosed herein, as at the date of the Latest Practicable Date, (a) Dr. Lu does not hold any position with the Company and its subsidiaries prior to his appointment; (b) Dr. Lu did not hold any directorship in any listed public companies in Hong Kong or overseas in last three years; (c) Dr. Lu does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company; (d) Dr. Lu does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong); and (e) there are no other matters concerning Dr. Lu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

(A) EMAIL

Below set out the original Chinese text of the Email referred to in page 15 of this circular:

寄件者：劉豔 [mailto:liuyan@complant.com]
寄件日期：2017 年 1 月 17 日 18:21
收件者：huyebi <huyebi@vfg.hk>
主旨：Re: guangzhou meeting

胡總好！

感謝您所做的工作，以及專業判斷。我經過慎重考慮，有以下個人意見：

- 基於：
1. 我的母公司對我的“糖業業務整體退出”要求；
 2. 華聯國際單獨退出後，我的非洲糖業企業難於退出；
 3. 我們對糖業企業的管理非常缺乏專業能力，已苦不堪言；
 4. 作為國有體制企業負責人，糖業公司對中成集團的近十億債務是我必須面對的責任。

華聯國際單獨退出，無法解決我所必須承擔的責任和困難。只有將糖業公司和華聯國際打包轉讓，才是最佳方案。

謝總和丁總的方案符合我要求的條件，至於他們的實力和能力，我希望通過盡職調查尋求答案。

還望胡總理解和支持！

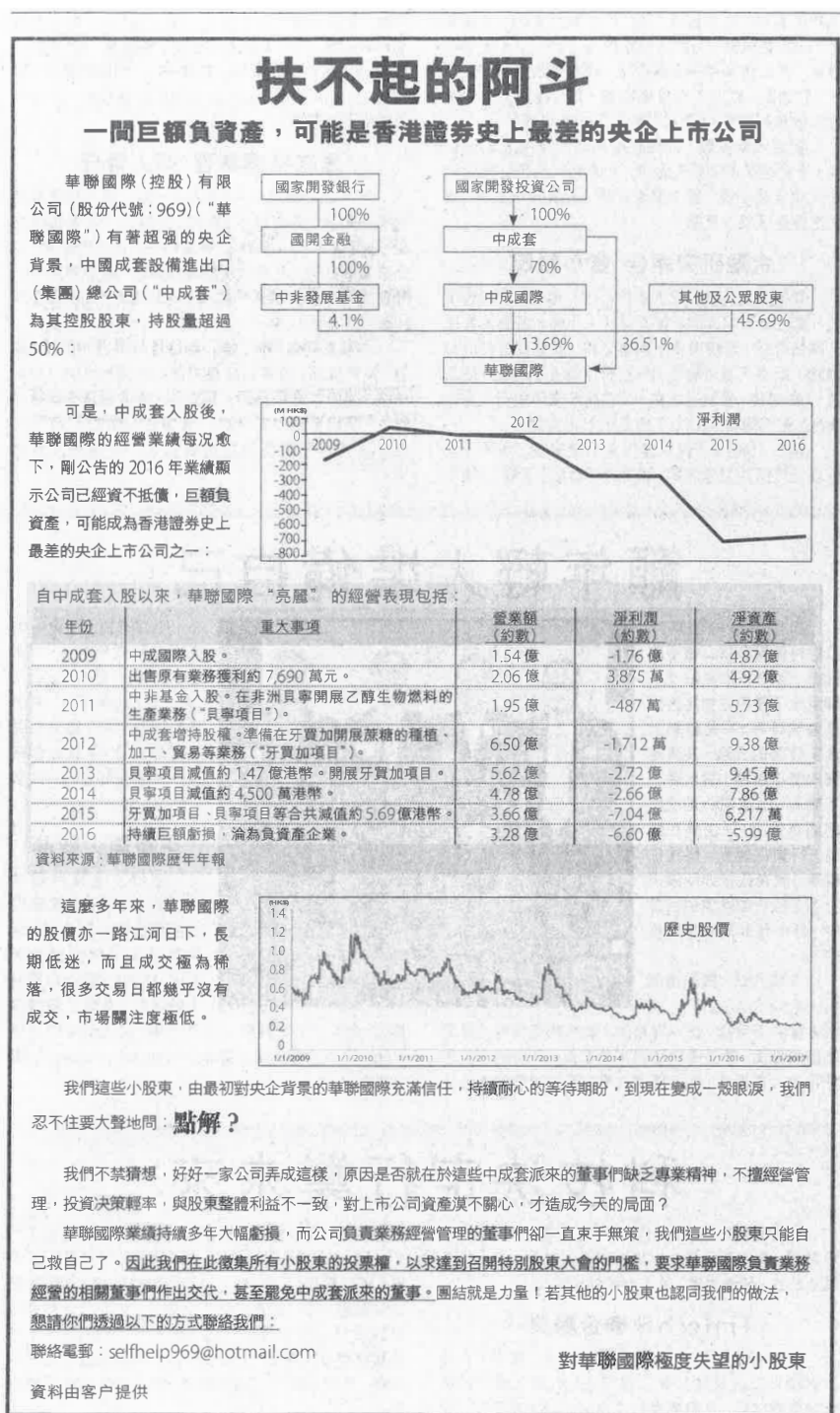
順祝健康快樂！

劉豔

2017. 1. 17

(B) NEWSPAPER CUTTINGS

Below set out the original Chinese text of the Newspaper Cuttings referred to in page 15 of this circular:



我們懇請國家開發投資公司

王會生 董事長

關心一下扶不起的阿斗 — 華聯國際，一間巨額負資產，可能是香港證券史上表現最差的央企上市公司。

對華聯國際極度失望的小股東

(資料由客戶提供)

HKEJ A10 19 April 2017

香港信報 2017年4月19日

(C) INTERNET ARTICLE

Below set out the original Chinese text of the Internet Article referred to in page 15 of this circular:

华联国际这样损害央企形象的公司，国资委该关心一下了

原创 秦朔朋友圈 2017-04-12 19:51



■ 作者：橙子 / 秦朔朋友圈：qspyq2015

“有些上市公司吃相太难看，定要秋天算账！”

4月8日，在中国上市公司协会第二届会员代表大会上，中国证监会主席刘士余痛批A股市场中某些公司多年积累的弊病，比如股权层级太复杂，信息披露不完整，财务造假搞“忽悠式”、“跟风式”重组，不对股东分红当铁公鸡，上市后大股东大幅减持空仓走人。他希望上市公司协会对上市公司进行分类、评估，每年要公布“大红榜”，也要有“黑名单”。

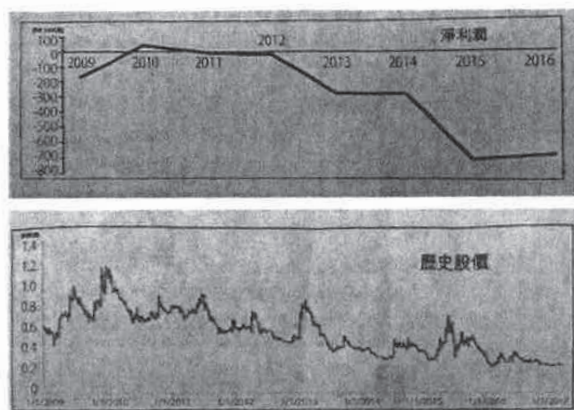
刘士余演讲完，媒体就开始对号入座，先是查出金杯汽车(600609)从1994年以来就没有分红，是最典型的铁公鸡；后又去查刘主席说的“10送30的高送转方案在全世界罕见，必须列入重点监管范围”的现象，发现截至4月8日，A股拟每10股转增10股以上的上市公司多达147家，拟每10股转增20股以上有43家，7家上市公司每10股最高送转增到了30股，分别是：凯龙股份(002783)、合力泰(002217)、金利科技(002464)、赢时胜(300377)、大晟文化(600892)、东方通(300379)、合众思壮(002383)。

笔者没去查这7家“10送30”公司的经营情况，不能给它们带一个“问题公司”的帽子。但最近在香港出差，在《信报》上看到一群极度失望的中小投资者刊登的广告，强烈质疑华联国际(00969.HK)是一间“巨额负资产、可能是香港证券史上最差的央企上市公司”，不由得做了点研究，发现华联国际这样的公司确是“扶不起的阿斗”。刘主席管不到香港证监会，但这样损害央企形象的公司，国资委该关心一下了。

先看一下华联国际的股东结构：中非发展基金持有4.1%的股份，该基金由国家开发银行100%拥有的国开金融全资拥有；中国成套设备进出口集团总公司（下称“中成套”）持有36.51%的股份，该公司由国家开发投资公司100%拥有；中成国际运输有限公司（下称“中成国际”）持有13.69%的股份，该公司由中成套持有70%股权。以上三家股东都算是“国家队”，一共拥有华联国际54.31%的股份，其余45.69%的股份由其他投资者和公众股东持有。

“华联国际这样经营央企形象的公司，国资应该大心一下”

刚刚公布的2016年业绩显示，华联国际营业额为3.28亿港元，亏损6.60亿港元，净资产为-5.99亿港元。**不折不扣资不抵债的负资产公司！**



上图分别显示了华联国际2009年以来的利润变化和股价变化，除了2010年因出售原有业务获利约7690万港元，华联国际年年亏损，持续加大，最近五年的亏损额分别是：-1712万港元，-2.72亿港元，-2.66亿港元，-7.04亿港元，-6.60亿港元，**要是放在A股市场，已经符合摘牌标准了！**

华联国际的小股东万般无奈，只能在报纸上刊登质疑，希望征集所有小股东的投票权，以达到召开特别股东大会的门槛，要求华联国际负责业务的相关董事做出交代。他们最初对央企背景的华联国际充满信心，现在则猜想，“**好好一家公司弄成这样，原因是否就在于这些中成套派来的董事们缺乏专业精神，不擅经营管理，投资决策轻率，与股东整体利益不一致，对上市公司资产漠不关心，才造成今天的局面？**”

笔者对华联国际的历史初步梳理了一下，发现该公司原本是做皮革处理和贸易的，2002年在香港交易所上市。在香港资本运作高手胡野碧的策划下，2009年10月出售了原有的皮革业务，先后引进了中成国际（2009年）、中非基金（2011年）、中成套（2012年）这些中字头国家队进场，业务方向也调整为**糖业**相关业务，包括糖精和乙醇方面的服务，主要是为中成套在海外的糖厂提供物流服务。而具体的项目，一是在非洲贝宁租用土地种植甘蔗或木薯，生产乙醇生化燃料；二是将中成套收购的牙买加国内原糖产能注入华联国际。

正是**贝宁和牙买加**这两个项目让华联国际陷入泥潭。2013年，贝宁项目减值1.47亿港元，2014年贝宁项目减值4500万港元，2015年牙买加项目和贝宁项目共减值5.69亿港元。

从华联国际的年报看，两个项目的实际情况都远远低于预期。2015年年报称，公司在贝宁的乙醇业务由CBB公司执行，CBB在贝宁注册，华联国际持有90%股权。但是，“贝宁政府仍无法执行合作协议当中的租赁土地条款，而租赁土地仍无法供CBB用于种植木薯及/或甘蔗以为其生物乙醇的生产提供原材料，建设工程仍处于停工状态，须待取得适当替代业务计划后方可进行”。**华联国际承认“近期恢复建设之可能性甚微”，“在贝宁共和国的乙醇生化燃料厂房建设预期将长期停工”**。此外，年报还披露有一笔相当于2000万港币的亏损是由于贝宁的货币西非法郎贬值，导致兑换外币债务时出现汇兑亏损。

2016年华联国际年报则谈到了牙买加项目，“由于当地恶劣天气状况导致甘蔗质量下降及Frome糖厂偶然机器故障导致生产中断而令产量减少”，“由于牙买加甘蔗种植及制糖业务之严峻业务环境，本集团已自2016年6月暂停遭受严重损失之有关农业及工厂业务”，包括两个糖联及一间糖厂，“由于上述暂停农业及工厂业务占该分部营业额约39%，加上Frome糖联受旱灾影响，**董事会预期2017年此分部营业额可能大幅下降**”。也就是说，**2017年业绩可能更差！**



笔者查阅历史资料，发现这两个项目刚启动时都雄心勃勃，信心满满。2011年华联国际宣布，旗下合营公司正达已就贝宁乙醇生化燃料业务项目，与贝宁共和国政府订立合作协议，贝宁政府有条件同意按每公顷1.1875万西非法郎（等约185港元）之年度租金出租面积4800公顷的土地，让公司为贝宁之生物乙醇生产项目种植木薯及或甘蔗，租期25年，可续约10年，“而贝宁政府承诺承担一切法律纠纷的财务及法律责任，授予该项目各种税务及关税减免和其他优惠，及于投产时在贝宁汽油市场引进生物乙醇燃料，向外国取得等出口生物乙醇燃料配额等”。2012年，香港媒体报道说，“内地最大的国有投资控股公司国家开发投资公司将借壳华联国际建立首家境外上市旗舰，第一步将进军非洲市场，包括种植甘蔗和木薯以提炼乙醇生物燃料，出口欧盟等市场，预料明年投产”。

俱往矣。乍一看，贝宁给出的条件真好，一公顷土地使用权一年才185港元，像是白捡的！结果呢，深陷其中，不能自拔。到2015年华联国际发布公告，毫无对未来的信心，而是要被长城资产管理公司下属机构“借壳”了。但不知何故，后来没有完成。

央企正在大力“走出去”，但无论走到哪里，既然是企业，还是要讲究经济规律和市场规律，要做好充分的风险控制。中成套1959年成立后长期组织实施中国的对外经济技术援助项目，1993年改组为综合型外经贸企业集团，2003年由国务院国资委归口管理，2009年整体并入国家开发投资公司。目前旗下有8家全资子公司、5家控股子公司、1家分公司，其中包括两家上市公司，A股的中成股份（000151）和华联国际。从历史经验看，中成套对海外市场的风险应该是有所了解和把控的，却还是在华联国际上交了这么多学费，可见走出去并不容易，千万要小心！

END

「本文仅代表作者个人观点」



秦朔朋友圈微信公众号：qspyq2015

(D) CHRONOLOGY

Below set out the original Chinese text of the Chronology referred to in pages 23 to 27 of this circular:

完整事實經過

--2017 年 7 月 31 日，我們收到公司秘書發來的“提名委員會書面決議案”，要求我們直接簽署。

--2017 年 8 月 2 日，我們回函，表示需要瞭解董事候選人更多的情況，特別是獨立董事，我們需要推薦他的專業機構針對其獨立性和合適性提供書面報告確認。

--2017 年 8 月 3 日，韓宏董事發函給我們，表示會儘快召開董事會，商討董事增聘事宜。

--2017 年 8 月 11 日，韓宏董事再發函給我們，表示要定下召開董事會的日期，並通知我們相關獨立董事候選人已於 2017 年 8 月 4 日參加了董事培訓並簽署了相關確認函。

--2017 年 8 月 14 日，我們回函，表示在提名委員會還沒有提名之前，公司董事會就安排董事候選人進行董事培訓並簽署相關文件，是對提名委員會的不尊重，是漠視提名委員會的存在。

我們再次要求推薦獨立董事候選人的專業機構提供其合適性獨立性的確認報告。同時，我們要求獲得相關董事候選人的電郵聯繫方式，以便直接和他們聯繫，儘快確定他們是否合適的董事人選，以確保本公司儘快符合上市規則。

我們表示，希望儘快和董事候選人直接聯繫，加快做好提名委員會的工作，在不受幹擾的情況下，形成提名委員會的決議，在此基礎上，再召開董事會才有意義。

--2017年8月18日，韓宏董事毫不理會我們提名委員會的意見，通知在2017年8月21日下午4點召開董事會，專門討論董事增聘事宜，試圖通過董事會的多數票來給我們壓力，讓相關增聘事宜強行通過。

--2017年8月21日，我們回復，強烈要求董事會尊重提名委員會的意見，讓提名委員會和董事候選人直接聯繫，擁有第一手的資料，形成提名委員會決議之後，再召開董事會才有意義。

我們指出，提名委員會有責任對董事候選人的合適性獨立性做足調研審核

功夫。為此，我們第3次要求相關推薦的專業機構對董事候選人的合適性獨立性進行確認，同時要求本公司儘快提供董事候選人的電郵聯絡方式。

--2017年8月22日，韓宏董事發函，首先指責我們在未有通知和沒有理由的情況下，無故缺席2017年8月21日的董事會。

事實上，如上述事情經過記錄，我們在前面多封郵件中表明，針對本次討論董事增聘的董事會，由於我們提名委員會一直無法和董事候選人取得聯繫，無法獨立客觀瞭解相關董事候選人的情況，無法形成自己的提名決議，在此情況下，召開董事會是不恰當和沒有意義的。韓宏董事等一直催促要召開董事會，目的無非是要給我們提名委員會施加壓力，憑藉他們在董事會的多數票強行讓董事增聘過關。

為下一步罷免我們兩位獨立董事做準備，韓宏董事指責我們缺席本公司2017年7月5日和2017年7月9日召開的董事會。這實際上完全是無中生有，誤導誣衊。2017年7月5日的董事會，我們有書面授權委託另一位董事代為參加。2017年7月9日的董事會，由於其時本公司的公司秘書已經被罷免，該段期間的相關電郵，我們認為違規而拒絕接收，因此我們無法收閱召開董事會的相關電郵。

韓宏董事的函件中指出，相關董事候選人已經提供了各自履歷，並且已簽署獨立性的確認函，這些資料已經足夠讓提名委員會進行提名，現在提名委員會要求和董事候選人直接接觸屬於故意刁難。

最後，韓宏董事表示，如果我們仍希望與有關董事候選人聯絡，公司可安排電話會議。

--2017年8月24日，我們回函，表示本公司於2012年3月29日發出公告，該公告專門列出提名委員會的權利，因此我們有權利和責任去直接瞭解董事候選人的相關情況，以便形成我們客觀的判斷和提名委員會自己的意見。

鑒於以前董事會的電話會議過程中，存在電話系統被提早強行關閉的負面經歷，我們要求和董事候選人的接觸以電郵方式進行，以便留下文字記錄。我們強調，由於提名委員會是獨立工作的，以何種方式和董事候選人接觸，這完全是提名委員會自己的權利。同時，我們要求和董事候選人

的接觸應該由提名委員會單獨進行，不需要其他董事參加，以便我們可在不受幹擾的情況下開展提名委員會的工作。

--2017 年 8 月 24 日下午，本公司收到控股股東發函，要求召開股東特別大會，增聘控股股東推薦的 5 名董事候選人為本公司董事。

--2017 年 8 月 24 日晚，韓宏董事發函，嚴厲指責我們故意刁難。他認為和董事候選人的接觸應該由全體董事以電話會議形式一起參與，這樣才能夠保證對董事候選人的瞭解公平，公正和公開。他認為我們不應該以電郵方式私下去聯絡董事候選人。

--2017 年 8 月 25 日，我們回函，對韓宏董事對我們的無端指責表示抗議，重申提名委員會有權利以自己決定的方式和董事候選人直接接觸，並質疑董事會為什麼一直拒絕讓我們和候選人直接接觸。

--2017 年 8 月 27 日，我們再度回函，表示通過召開股東特別大會增聘董事，將使提名委員會形同虛設，無法行使評估董事候選人合適性獨立性的權利，使上市公司運作可能違規。另外，獨立董事由控股股東推薦，又由控股股東投票任命，將使其獨立性無法保證。

--2017 年 9 月 1 日，本公司收到控股股東發函，進一步要求召開股東特別大會，罷免我們兩位僅存的獨立董事。

NOTICE OF THE 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 an extraordinary general meeting (“EGM”) of Hua Lien International (Holding) Company Limited will be held at Pacific Room, 2/F., Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Tuesday, 12 December 2017 at 11:00 a.m. or any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** Ms. Liu Yan be appointed as a non-executive director of the Company with immediate effect.”
2. “**THAT** Mr. Zhang Jian be appointed as a non-executive director of the Company with immediate effect.”
3. “**THAT** Mr. Cheng Tai Kwan Sunny be appointed as an independent non-executive director of the Company with immediate effect.”
4. “**THAT** Mr. Shi Zhu be appointed as an independent non-executive director of the Company with immediate effect.”
5. “**THAT** Dr. Lu Heng Henry be appointed as an independent non-executive director of the Company with immediate effect.”

* For identification purpose only

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

6. “**THAT** Mr. Yu Chi Jui be removed as an independent non-executive director of the Company with immediate effect.”
7. “**THAT** Ms. Li Xiao Wei be removed as an independent non-executive director of the Company with immediate effect.”

For and on behalf of the Board
Hua Lien International (Holding) Company Limited
Mr. Han Hong
Executive Director

Hong Kong, 25 November 2017

Notes:

1. A shareholder of the Company entitled to attend and vote at the meeting (or at any adjournment thereof) is entitled to appoint another person as his proxy to attend and vote in his stead in accordance with the articles of association of the Company. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a shareholder of the Company. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of such power or authority must be deposited at the share registrar and transfer office of the Company in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time of the meeting or any adjourned meeting. 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.
3. In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 5 December 2017.
4. 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.
5. As at the date of this announcement, the board of directors of the Company comprises five directors, of which three are executive directors, namely Mr. Liu Xueyi, Mr. Han Hong and Mr. Wang Zhaohui and two are independent non-executive directors, namely Mr. Yu Chi Jui and Ms. Li Xiao Wei.

The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.