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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)**

### **ANNOUNCEMENT PROPOSED INCREASED CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement and circular of the Company dated 16 December 2008 and 23 January 2009 respectively on among other things the continuing connected transactions in respect of the Supply and Services Agreements and the Tenancy Agreement 1 for an initial term of three years commencing from 1 January 2009.

All the resolutions set out in the notice of extraordinary general meeting of the Company set out in the circular dated 23 January 2009 were duly passed by way of poll at the extraordinary general meeting of the Company held on 20 February 2009. The resolutions passed include among others the approval, ratification and confirmation of the Supply and Service Agreements and the relevant proposed annual caps.

Due to successive expansion of the business scale, the Company estimates that the Approved Caps in respect of the Supply and Services Agreements for the year ending 31 December 2010 and 31 December 2011 will not be sufficient to satisfy the operational needs. Accordingly, the Directors recommend that the Approved Caps in respect of Supply and Services Agreements for the year ending 31 December 2010 and 31 December 2011 be increased with the terms and conditions of the Supply and Service Agreements remaining effective and unchanged.

The circular of the Company dated 23 January 2009 also disclosed Tenancy Agreement 1 which was exempted from the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Due to the expansion in scale of operation of SATT, the leased office space under Tenancy Agreement 1 was not sufficient to accommodate all staff. SATT accordingly entered into Tenancy Agreement 2 as tenant with China Complant as landlord on 30 December 2009 for the lease of additional office premises at 306, & 307 & 405, Complant Mansion, No.9 Xi Bin He Lu, An Ding Men, Beijing, the PRC.

This announcement provides details on the proposed Increased Caps and the Tenancy Agreement 2.

### **Listing Rules Implications**

Based on the reasons that:

- (i) the African Companies and China Complant are associates of COMPLANT by virtue of the fact that each of the African Companies is the indirect wholly owned subsidiary of COMPLANT and China Complant is the company holding 70% of the entire issued capital of COMPLANT;
- (ii) COMPLANT is a connected person of the Company by virtue of being a substantial shareholder currently holding 300,000,000 Shares, which represent approximately 24.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (iii) SATT is an indirect wholly owned subsidiary of the Company;

the African Companies and China Complant are connected persons of the Company and the Tenancy Agreements and the Supply and Service Agreements constitute continuing connected transactions for the Company under the Listing Rules.

#### *The Supply and Service Agreements*

As the applicable percentage ratios of the Company as defined under Rule 14.07 of the Listing Rules in respect of the transactions under the Supply and Services Agreements will exceed 5% on an annual basis and the annual consideration will exceed HK\$10,000,000 for the two years ending 31 December 2011, the Supply and Services Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For these non-exempt continuing connected transactions, the Company must re-comply with rules 14A.35(3) and (4) of the Listing Rules if the Approved Caps are exceeded, namely the reporting, announcement and Independent Shareholders' approval requirements.

#### *The Tenancy Agreements*

As the applicable percentage ratio of the Company in respect of the aggregate annual rentals and management fees payable by SATT under the Tenancy Agreements is less than 0.1%, the Tenancy Agreements are exempted from the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **EGM**

Since there is no change to the Supply and Service Agreements which remain in full force and effect and the Tenancy Agreements are exempted, only the Increased Caps are subject to approval by the Independent Shareholders at the EGM. COMPLANT and its associates will abstain from voting at the EGM. The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Increased Caps. The Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Increased Caps.

A circular containing, among other things,

- (i) information on the Increased Caps;
- (ii) a letter from the Independent Board Committee to the Independent Shareholders;
- (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and
- (iv) notice of EGM

will be despatched to the Shareholders not later than 15 Business Days after the publication of this announcement in accordance with the relevant requirements of the Listing Rules.

## **BACKGROUND**

Reference is made to the announcement and circular of the Company dated 16 December 2008 and 23 January 2009 respectively on among other things the continuing connected transactions in respect of the Supply and Services Agreements and the Tenancy Agreement 1 for an initial term of three years commencing from 1 January 2009.

All the resolutions set out in the notice of extraordinary general meeting of the Company set out in the circular dated 23 January 2009 were duly passed by way of poll at the extraordinary general meeting of the Company held on 20 February 2009. The resolutions passed include among others the approval, ratification and confirmation of the Supply and Service Agreements and the relevant proposed annual caps.

Due to successive expansion of the business scale, the Company estimates that the Approved Caps in respect of the Supply and Services Agreements for the year ending 31 December 2010 and 31 December 2011 will not be sufficient to satisfy the operational needs. Accordingly the Directors recommend that the Approved Caps in respect of Supply and Services Agreements for the year ending 31 December 2010 and 31 December 2011 be increased with the terms and conditions of the Supply and Service Agreements remaining effective and unchanged.

The circular of the Company dated 23 January 2009 also disclosed Tenancy Agreement 1 which was exempted from the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Due to the expansion in scale of operation of SATT, the leased office space under Tenancy Agreement 1 was not sufficient to accommodate all staff. SATT accordingly entered into Tenancy Agreement 2 as tenant with China Complant as landlord on 30 December 2009 for the lease of additional office premises at 306, & 307 & 405, Complant Mansion, No.9 Xi Bin He Lu, An Ding Men, Beijing, the PRC.

This announcement provides details on the proposed Increased Caps and the Tenancy Agreement 2.

## **THE SUPPLY AND SERVICES AGREEMENTS**

On 15 December 2008, each of African Companies entered into an exclusive Supply and Service Agreement with SATT, pursuant to which, each of them agreed to order E&M and service exclusively from SATT for an initial term of three years commencing from 1 January 2009. Furthermore, on 15 December 2008, China Complant entered into a Supply and Service Agreement with SATT, pursuant to which, China Complant agreed to supply E&M and service to SATT for an initial term of three years commencing from 1 January 2009.

## **THE SUPPLY AND SERVICES AGREEMENT BETWEEN SATT AND CHINA COMPLANT**

### **Approved Caps**

The Approved Caps for each of the three years ending 31 December 2011 are USD13,140,000 (approximately HK\$102,492,000), USD14,191,000 (approximately HK\$110,690,000) and USD14,901,000 (approximately HK\$116,228,000) respectively.

### **Historical Amounts**

For the year ended 31 December 2009, the actual transaction amount under the Supply and Service Agreement between SATT and China Complant amounted to approximately HK\$65,372,000, which was within the Approved Cap for the year ended 31 December 2009.

Based on the Group's latest published unaudited interim financial statements for the six months ended 30 June 2010, the purchase under the Supply and Service Agreement between SATT and China Complant from 1 January 2010 to 30 June 2010 amounted to approximately HK\$75,211,000, representing approximately 68% of the Approved Cap for the current year.

As at the date of this announcement, based on the Group's unaudited interim financial statements, the actual transaction amounts in relation to the Supply and Service Agreement between SATT and China Complant have not exceeded the Approved Cap.

## Reasons for Proposed Increased Caps

Based on the Group's latest published unaudited interim financial statements for the six months ended 30 June 2010, the Company expects that the Approved Caps will not be sufficient for the expected purchases of the Group. The Board therefore proposes to increase the annual caps in relation to the Supply and Service Agreement between SATT and China Complant for the two years ending 31 December 2011.

The Board proposes to increase the cap by an amount of USD2,531,000 (approximately HKD19,742,000) for the year ending 31 December 2010 which is an approximately 17.84% increase of the Approved Cap for purchase from China Complant. In view of the increasing commodity price in the recent period, the customer in Madagascar has increased the orders for E&M to speed up the overhaul and refurbishment of one of its production facilities and subsequently increased orders for the commercial production of this production facility which started this year. Those orders came much earlier than the original estimation in respect of the Approved Caps in early 2009. The increase in demand caused the purchase from China Complant to increase and the Approved Cap therefore needed to increase.

The Board also proposes to increase the Approved Cap for an amount of USD7,147,000 (approximately HKD55,747,000) for the year ending 31 December 2011 which is an approximately 48% increase of the Approved Cap. The proposed increase in 2011 is mainly due to budgeted increase in purchase of plant and machinery for new ethanol biofuel business ("New Ethanol Business") contemplated under the new joint venture agreement ("Joint Venture Agreement") signed on 22 October 2010 between China-Africa Development Fund, COMPLANT, River Right Limited, Zheng Da Investments Limited and the Company, an announcement on which was made by the Company on 25 October 2010 and a circular in this regard will be issued not later than 15 November 2010. The Board expects the order from this joint venture may start next year if among other things the conditions precedent in the joint venture agreement are fulfilled.

## Proposed Increased Caps

	<b>The Approved Caps</b>	<b>Proposed increase</b>	<b>Proposed Increased Caps</b>
For the year ending 31 December 2010	USD14,191,000 (approximately HK\$110,690,000)	USD2,531,000 (approximately HKD19,742,000)	USD16,722,000 (approximately HK\$130,432,000)
For the year ending 31 December 2011	USD14,901,000 (approximately HK\$116,228,000)	USD7,147,000 (approximately HKD55,747,000)	USD22,048,000 (approximately HK\$171,975,000)

## **Benefits**

China Complant has been supplying, among other things, E&M and service to SATT for its supply in turn to African Companies since 1 January 2009. The Group intends to purchase more from China Complant under the Supply and Services Agreement given that China Complant has offered a competitive price and has been able to consistently meet the Group's requirement in terms of quantity, quality control and logistic supports. The increase in annual caps will allow the Group to have a reliable supply source to expand its business with the African Companies and other companies such as the joint venture company contemplated under the Joint Venture Agreement.

## **THE SUPPLY AND SERVICES AGREEMENTS BETWEEN SATT AND THE AFRICAN COMPANIES**

### **Approved Caps**

The Approved Caps for each of the three years ending 31 December 2011 are USD21,899,000 (approximately HK\$170,812,000), USD23,651,000 (approximately HK\$184,478,000) and USD24,834,000 (approximately HK\$193,705,000) respectively.

### **Historical Amounts**

For the year ended 31 December 2009, the actual transaction amount under the Supply and Services Agreements between SATT and the African Companies amounted to approximately HK\$154,317,000, which was within the Approved cap for the year ended 31 December 2009.

Based on the Group's latest published unaudited interim financial statements for the six months ended 30 June 2010, the sales under the Supply and Services Agreements between SATT and the African Companies from 1 January 2010 to 30 June 2010 amounted to approximately HK\$131,635,000, representing approximately 71% of the Approved Cap for the current year.

As at the date of this announcement, based on the Group's unaudited interim financial statements, the actual transaction amounts in relation to the Supply and Services Agreements between SATT and African Counties have not exceeded the Approved Cap.

### **Reasons for Proposed Increased Caps**

Based on the Group's latest published unaudited interim financial statements for the six months ended 30 June 2010, the Company expects that the Approved Caps will not be sufficient for the expected sales of the Group. The Board therefore proposes to increase the annual caps in relation to the Supply and Services Agreements between SATT and the African Companies for the two years ending 31 December 2011.

The Board proposes to increase the cap by an amount of USD3,280,000 (approximately HKD25,584,000) for the year ending 31 December 2010 which is an approximately 13.86% increase of the Approved Cap. In view of the increasing commodity price in the recent period, the customer in Madagascar has increased the orders for E&M to speed up its overhaul and refurbishment of one of its production facilities and subsequently increased orders for the commercial production of this production facility which started this year. Those orders came much earlier than the original estimation in respect of the Approved Caps in early 2009. As a result the sales has been significantly driven up and therefore the Approved Caps to the African Companies need to increase.

The Board also proposes to increase the Approved Cap of sales to the African Companies the year ending 31 December 2011 for an amount of USD7,726,000 (approximately HKD60,263,000) which is an approximately 31.11% increase of the Approved Cap. The proposed increase was determined mainly based on the historical sales growth rate (with sales growth rate of 62.30% during the 2010 interim period) and the new 2011 sales target that is driven up by budgeted increase in sales of plant and machinery for the New Ethanol Business.

### **Proposed Increased Caps**

	<b>The Approved Caps</b>	<b>Proposed increase</b>	<b>Proposed Increased Caps</b>
For the year ending 31 December 2010	USD23,651,000 (approximately HK\$184,478,000)	USD3,280,000 (approximately HKD25,584,000)	USD26,931,000 (approximately HK\$210,062,000)
For the year ending 31 December 2011	USD24,834,000 (approximately HK\$193,705,000)	USD7,726,000 (approximately HKD60,263,000)	USD32,560,000 (approximately HK\$253,968,000)

### **Benefits**

In view of the increase in business co-operation between the Group and the African Companies and the Board being satisfied with the order quantity and payment history of the African Companies as well as the gross profit generated from the Supply and Services Agreements for the year ended 31 December 2009 and the six months ended 30 June 2010 of approximately HK\$87,312,000 and HK\$51,479,000 respectively, the increase in annual caps of the Supply and Services Agreements with the African Countries can allow SATT to accept more orders from them. This would boost the sales and may increase the profitability and cash flow of the Group.

## **DIRECTORS' VIEW**

The Directors (including the independent non-executive Directors) consider that the Supply and Service Agreements have been entered into on normal commercial terms in the ordinary and usual course of business of the Company, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Directors (save the independent non-executive Directors) consider that the Increased Caps are for the ordinary and usual course of business of the Company, are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The view of the independent non-executive Directors will be expressed in the circular to be despatched to Shareholders after taking into account the advice from the Independent Financial Adviser.

## **TENANCY AGREEMENTS**

### **Tenancy Agreement 1**

As disclosed in the Company's announcement and circular dated 16 December 2008 and 23 January 2009 respectively, SATT leased under Tenancy Agreement 1 the premises at Room 402, 403, 404 and 610, Complant Mansion, No. 9 Xi Bin He Lu, An Ding Men, Beijing, the PRC from China Complant for the initial term of three years commencing from 1 January 2009 at a rental of RMB553,440 (approximately HK\$642,000) and management fee of RMB16,596 (approximately HK\$19,000) per year.

### **Tenancy Agreement 2**

Due to the expansion in scale of operation of SATT, the leased office space is not sufficient to accommodate all staff. SATT leased under Tenancy Agreement 2 additional office premises at 306, 307 & 405, Complant Mansion, No. 9 Xi Bin He Lu, An Ding Men, Beijing from China Complant for an initial term of two years commencing from 1 January 2010 at a rental of RMB170,820 (approximately HK\$198,000) and management fee of RMB8,541 (approximately HK\$10,000) per year.

## Total Expenses under Tenancy Agreements

	Tenancy Agreement 1	Tenancy Agreement 2	Total
For the year ending 31 December 2010	Rental RMB553,440 (approximately HK\$642,000) & Management fee RMB 16,596 (approximately HK\$19,000)	Rental RMB170,820 (approximately HK\$198,000) & Management fee RMB8,541 (approximately HK\$10,000)	RMB749,397 (approximately HK\$869,000)
For the year ending 31 December 2011	Rental RMB553,440 (approximately HK\$642,000) & Management fee RMB 16,596 (approximately HK\$19,000)	Rental RMB170,820 (approximately HK\$198,000) & Management fee RMB8,541 (approximately HK\$10,000)	RMB749,397 (approximately HK\$869,000)

The yearly rental and management fee payable under Tenancy Agreements are in total RMB724,260 (approximately HK\$840,000) and RMB25,137 (approximately HK\$29,000) respectively for the two years ending 31 December 2011, adding up to a total of RMB749,397 (approximately HK\$869,000) per year.

The Directors (including the independent non-executive Directors) consider that the Tenancy Agreements have been entered into on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## INFORMATON OF THE GROUP

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

## INFORMATION OF CHINA COMPLANT

China National Complete Plant Import & Export Corporation (Group) (中國成套設備進出口(集團)總公司), a state-owned company incorporated in the PRC, is a wholly-owned subsidiary of State Development & Investment Corp (國家開發投資公司), and owns 70% equity interest in the COMPLANT.

## **INFORMATION OF COMPLANT**

COMPLANT is owned as to 70% by China Complant and as to 30% by Africa-Asia Investment Limited. It is a Substantial Shareholder holding 24.03% of the issued share capital of the Company.

## **INFORMATION OF AFRICAN COMPANY 1; AFRICAN COMPANY 2; AFRICAN COMPANY 3 AND AFRICAN COMPANY 4**

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

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

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

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

## **IMPLICATIONS UNDER THE LISTING RULES**

Based on the reasons that:

- (iv) the African Companies and China Complant are associates of COMPLANT by virtue of the fact that each of the African Companies is the indirect wholly owned subsidiary of COMPLANT and China Complant is the company holding 70% of the entire issued capital of COMPLANT;
- (v) COMPLANT is a connected person of the Company by virtue of being a substantial shareholder currently holding 300,000,000 Shares, which represent approximately 24.03% of the existing issued share capital of the Company as at the date of this announcement; and
- (vi) SATT is an indirect wholly owned subsidiary of the Company;

the African Companies and China Complant are connected person of the Company and the Tenancy Agreements and the Supply and Service Agreements constitute continuing connected transactions for the Company.

### *The Supply and Service Agreements*

As the applicable percentage ratios of the Company as defined under Rule 14.07 of the Listing Rules in respect of the transactions under the Supply and Services Agreements will exceed 5% on an annual basis and the annual consideration will exceed HK\$10,000,000 for the two years ending 31 December 2011, the Supply and Services Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. For these non-exempt continuing connected transactions, the Company must re-comply with rules 14A.35(3) and (4) of the Listing Rules if the Approved Caps are exceeded, namely the reporting, announcement and Independent Shareholders' approval requirements.

### *The Tenancy Agreements*

As the applicable percentage ratio of the Company in respect of the aggregate annual rentals and management fees payable by SATT under the Tenancy Agreements is less than 0.1%, the Tenancy Agreements are exempted from the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **EGM**

Since there is no change to the Supply and Service Agreements which remain in full force and effect and the Tenancy Agreements are exempted, only the Increased Caps are subject to approval by the Independent Shareholders at the EGM. COMPLANT and its associates will abstain from voting at the EGM. The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Increased Caps. The Company has appointed Mitsubishi UFJ Securities (HK) Capital, Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Increased Caps.

A circular containing, among other things,

- (i) information on the Increased Caps;
- (ii) a letter from the Independent Board Committee to the Independent Shareholders;
- (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and
- (iv) notice of EGM

will be despatched to the Shareholders not later than 15 Business Days after the publication of this announcement in accordance with the relevant requirements of the Listing Rules.

## DEFINITIONS

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

“African Companies”	African Company 1, African Company 2, African Company 3 and African Company 4; all of which are subsidiaries of COMPLANT
“African Company 1”	La Sucrierie de COMPLANT de Madagascar (中成馬達加斯加糖業股份有限公司), a company incorporated in Republic of Madagascar
“African Company 2”	COMPLANT Magbass Sugar Complex Company Limited (中成馬格巴斯糖業有限責任公司), a company incorporated in Republic of Sierra Leone
“African Company 3”	La Sucrierie de COMPLANT du Benin (中成貝寧糖業股份有限公司), a company incorporated in Republic of Benin
“African Company 4”	Sucrierie Cote Ouest de COMPLANT de Madagascar (中成馬達加斯加西海岸糖業股份有限公司), a company incorporated in Republic of Madagascar
“Approved Cap(s)”	annual cap(s) approved at the extraordinary general meeting of the Company held on 20 February 2009
“associate(s)”	has the meaning ascribed to it under the listing rules
“Board”	the board of directors of the Company
“Business Day”	any day from 9 am to 5 pm on which licensed banks are open in Hong Kong for general banking business, other than Saturdays, Sundays and public holidays in Hong Kong and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9 am and 5 pm
“BVI”	British Virgin Islands
“China Complant”	China National Complete Plant Import & Export Corporation (Group) (中國成套設備進出口(集團)總公司), a state owned company incorporated in the PRC and is a wholly owned subsidiary of State Development & Investment Corp (國家開發投資公司) and owns 70% equity interest in COMPLANT

“Company”	Hua Lien International (Holding) Company Limited, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the main board of the Stock Exchange
“COMPLANT”	COMPLANT International Sugar Industry Co., Ltd. (中成國際糖業股份有限公司), a company incorporated in the Cayman Islands with limited liability and a substantial shareholder of the Company
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the approval of, inter alia, the Increased Caps
“E&M”	equipments, machineries, parts and raw materials with origin of source from the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board comprising three independent non-executive Directors, namely, Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei, which has been formed for the purpose of advising the Independent Shareholders as to the proposed Increased Caps
“Independent Financial Adviser”	Mitsubishi UFJ Securities (HK) Capital, Limited, a registered institution licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
“Independent Shareholders”	Shareholders other than COMPLANT and its associates
“Increased Caps”	the increased caps for the continuing connected transactions under the Supply and Service Agreements for two years ending 31 December 2011 which are subject to approval by the Independent Shareholders at the EGM

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SATT”	Sino-Africa Technology & Trading Limited (中非技術貿易有限公司), a company incorporated in BVI with limited liability and is a wholly owned subsidiary of the Company
“SFO”	Securities and Future Ordinance Chapter 571 of the Laws of Hong Kong as amended and supplemented from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply and Service Agreements”	<p>(i) the four legally binding supply and service agreements entered into between SATT and each of the African Company 1, African Company 2, African Company 3 and African Company 4 respectively on 15 December 2008 in respect of the provision of E&amp;M and service exclusively by SATT for an initial term of three years commencing from 1 January 2009;</p> <p>and</p> <p>(ii) a legally binding supply and service agreement entered into between China Complant and SATT on 15 December 2008 in respect of the provision of E&amp;M and service by China Complant for an initial term of three years commencing from 1 January 2009</p> <p>and Supply and Service Agreement mean one of these agreements</p>
“Tenancy Agreements”	Tenancy Agreement 1 and Tenancy Agreement 2

“Tenancy Agreement 1”	a legally binding tenancy agreement entered into between China Complant as landlord and SATT as tenant on 15 December 2008 in respect of leasing office units located at Rooms 402, 403 and 404 and 610, Complant Mansion, No. 9 Xi Bin He Lu, An Ding Men, Beijing, the PRC for an initial term of three years commencing from 1 January 2009
“Tenancy Agreement 2”	a legally binding tenancy agreement entered into between China Complant as landlord and SATT as tenant on 30 December 2009 in respect of leasing office units located at Rooms 306, 307 and 405, Complant Mansion, No. 9 Xi Bin He Lu, An Ding Men, Beijing, the PRC for an initial term of two years commencing from 1 January 2010
“USD”	U.S. dollars, the lawful currency of the United States of America
“%”	percentage

By order of the Board  
**Hua Lien International (Holding) Company Limited**  
**Shih Chian Fang**  
*Chairman*

Hong Kong, 8 November 2010

*As at the date of this announcement, the Board comprises seven directors, of which four are executive directors, namely Mr. Shih Chian Fang, Mr. Liaw Yuan Chian, Mr. Han Hong and Mr. Xiao Longlong, and three are independent non-executive directors, namely Dr. Zheng Liu, Mr. Yu Chi Jui and Ms. Li Xiao Wei.*

*For the purpose of illustration only and unless otherwise stated, conversions of RMB and USD to Hong Kong dollars in this announcement is based on the exchange rate of RMB1.00 to HK\$1.16 and USD1.00 to HK\$7.80. Such conversions should not be construed as a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate.*

*\* For identification purpose only*