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HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 969)

(1) PROPOSED ISSUE OF UNLISTED WARRANTS

(2) TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

AND

(3) RESUMPTION OF TRADING

PROPOSED ISSUE OF UNLISTED WARRANTS

On 13 August 2007, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for 164,736,000 Warrants, at the Issue Price of HK\$0.03 per Warrant.

Holder of the Warrants may exercise the subscription rights attaching to the Warrants, in whole or in part, at any time during the Exercise Period to subscribe for the Subscription Shares at the Subscription Price of HK\$0.60 per Subscription Share. Each Warrant carries the right to subscribe for one Subscription Share. The Subscription Shares will be issued under the Specific Mandate to be sought at the EGM.

Completion of the Subscription Agreement is subject to the fulfillment of the conditions stated in the paragraph headed "Conditions precedent" in this announcement.

It is expected that the net proceeds of approximately HK\$4,700,000 (after deducting related expenses) which will be raised by the subscription of the Warrants will be utilized by the Group as general working capital.

Assuming the full exercise of the subscription rights attaching to the Warrants, it is expected that further funds of approximately HK\$98,000,000 will be raised which will be utilized by the Group as additional general working capital.

TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on 4 January 2000 for the primary purpose of providing incentives to executive Directors and eligible employees. It will expire on 3 January 2010. To be in line with the requirements of the revised Chapter 17 of the Listing Rules in relation to share option schemes and to enable the Group to motivate Eligible Participants (in addition to executive Directors and employees) for their significant contributions to the growth of the Group and to attract and retain and otherwise maintain on-going business relationship with such participants whose contributions are or will be beneficial to the long term growth of the Group, the Directors propose to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme, pursuant to which Eligible Participants may be granted options to subscribe for Shares upon and subject to the terms and conditions therein. The New Share Option Scheme will provide the Eligible Participants, where appropriate, with an additional incentive by offering an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the Group's long term success and prosperity.

EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Subscription Agreement; (ii) the issue and allotment of the Subscription Shares under the Specific Mandate upon exercise of the subscription rights attaching to the Warrants; and (iii) the termination of Existing Share Option Scheme and the adoption of New Share Option Scheme.

GENERAL

A circular containing, among other things, details of (i) the Subscription Agreement; (ii) the issue and allotment of the Subscription Shares under the Specific Mandate upon exercise of the subscription rights attaching to the Warrants; (iii) the termination of Existing Share Option Scheme and the adoption of New Share Option Scheme; and (iv) a notice convening the EGM will be dispatched to the Shareholders as soon as practicable.

IMPLICATIONS UNDER THE LISTING RULES

The general mandate granted to the Directors by the Shareholders on 21 June 2007 was fully utilized as a result of the completion of the New Shares Placing.

Pursuant to Rule 15.02(1) of the Listing Rules, the Subscription Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20 per cent. of the issued equity capital of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, there is no other securities with subscription rights outstanding and not yet exercised. Assuming full exercise of the subscription rights attaching to the Warrants, 164,736,000 Subscription Shares, representing (i) 20 per cent. of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares upon full exercise of the subscription rights attaching to the Warrants, will be issued. The Subscription Shares will be issued under the Specific Mandate to be sought at the EGM. Accordingly, the issue of the Warrants will be in compliance with Rule 15.02(1) of the Listing Rules.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 August 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 August 2007.

(I) PROPOSED ISSUE OF UNLISTED WARRANTS

On 13 August 2007, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for 164,736,000 Warrants, at the Issue Price of HK\$0.03 per Warrant.

THE SUBSCRIPTION AGREEMENT

Date

13 August 2007

Parties

- (1) the Company as the issuer of the Warrants
- (2) Lau Ying Ying, Angela as the subscriber of the Warrants

The Subscriber is Lau Ying Ying, Angela, aged 44. Ms. Lau has about fifteen years of experience in private investment in securities industry. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is a third party independent of the Company and not a connected person (as defined in the Listing Rules) of the Company.

Assuming that there is no change in the share capital of the Company between the date of this announcement and the date of Completion and the Subscriber exercises the subscription rights attaching to the Warrants in full upon the issue of the Warrants, the Subscriber will become a substantial Shareholder (as defined in the Listing Rules) resulting from the subscription.

Information on the Warrants

The Subscriber has conditionally agreed to subscribe from the Company 164,736,000 Warrants at the Issue Price of HK\$0.03 per Warrant.

Assuming full exercise of the subscription rights attaching to the Warrants by the Subscriber, the Company will issue to the Subscriber 164,736,000 Subscription Shares, representing (i) 20 per cent. of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares upon full exercise of the subscription rights attaching to the Warrants.

The Warrants will be issued to the Subscriber upon Completion in registered form and constituted by the Deed Poll. The Warrants will rank pari passu in all respect among themselves.

Each Warrant carries the right to subscribe for one Subscription Share at the Subscription Price and is issued at the Issue Price of HK\$0.03.

The subscription rights attaching to the Warrants can be exercised at any time during the Exercise Period. The Subscription Shares, when fully paid, issued, and allotted, will rank pari passu in all respects with the Shares then in issue on the date of allotment and issue of the relevant Subscription Shares (other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of the receipt by the Company of the relevant exercise notice).

Issue Price and Subscription Price

The Issue Price is HK\$0.03 per Warrant payable in cash upon Completion.

The Subscription Price is HK\$0.60 per Subscription Share. In the event of a capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, corresponding adjustments (if any) will be made to the number of Subscription Shares subject to the Warrants so far as unexercised; and/or the subscription prices thereof, as the auditors or financial adviser of the Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable.

The Subscription Price of HK\$0.60 per Subscription Share represents:

- (i) a premium of approximately 1.695 per cent. to the closing price of HK\$0.59 per Share as quoted on the Stock Exchange on 13 August 2007, being the last trading date preceding the date of this announcement;
- (ii) a discount of approximately 8.537 per cent. to the average of the closing price of HK\$0.656 per Share as quoted on the Stock Exchange from 6 August 2007 to 10 August 2007 being the last five trading days preceding the date of the Subscription Agreement; and
- (iii) a discount of approximately 19.028 per cent. to the average of the closing price of HK\$0.741 per Share as quoted on the Stock Exchange from 31 July 2007 to 13 August 2007 being the last ten trading days preceding the date of this announcement.

The aggregate of the Issue Price per Warrant and the Subscription Price per Subscription Share (being an aggregate of HK\$0.63) represents:

- (i) a premium of approximately 6.780 per cent. to the closing price of HK\$0.59 per Share as quoted on the Stock Exchange on 13 August 2007, being the last trading date preceding the publication of this announcement;
- (ii) a discount of approximately 3.963 per cent. to the average of the closing price of HK\$0.656 per Share as quoted on the Stock Exchange from 6 August 2007 to 10 August 2007 being the last five trading days preceding the date of the Subscription Agreement; and
- (iii) a discount of approximately 14.980 per cent. to the average of the closing price of HK\$0.741 per Share as quoted on the Stock Exchange from 31 July 2007 to 13 August 2007 being the last ten trading days preceding the publication of this announcement.

The Board considers that both the Subscription Price and the aggregate of it with the Issue Price of the Warrant, having taking into account the recent trading prices of the Shares and an exercise period of four years, are fair and reasonable, which are determined after arm's length negotiations between the Company and the Subscriber, and are in the interests of the Company and the Shareholders as a whole.

Exercise Period

Four years commencing from the date of the issue of the Warrants

Transferability

The Warrants are transferable in integral multiples of 100,000 Warrants subject to the consent of the Company whose consent shall not be unreasonably refused or withheld. The Company will notify the Stock Exchange upon becoming aware of any dealings in the Warrants by any connected persons (as defined in the Listing Rules) of the Company.

Conditions precedent

Completion of the Subscription Agreement is conditional upon the following:

- (1) the Listing Committee shall have granted (either unconditionally or subject to conditions to which neither the Company nor the Subscriber shall reasonably object) the listing of, and permission to deal in, the Subscription Shares which fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants; and
- (2) the Shareholders approving the Subscription Agreement and the allotment and issue of the Subscription Shares under the Specific Mandate at the EGM.

If the above conditions are not fulfilled on or before 5:00 p.m. on 30 September 2007 (or such later date as may be agreed between the Company and the Subscriber in writing), the Subscription Agreement shall lapse and become null and void and the parties shall be released from all obligations thereunder.

Pursuant to the Subscription Agreement, if at the time immediately before the Warrants are issued, the Subscription Shares to be issued upon exercise of the Warrants, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20 per cent. of the issued share capital of the Company, the Subscription Agreement shall be terminated and the parties shall be released from the obligations thereunder. This term is for the purpose of compliance with Rule 15.02(1) of the Listing Rules.

Completion

Completion of the Subscription Agreement shall take place on the date being fifth Business Days following the satisfaction of the conditions referred to in the above paragraph headed “Conditions precedent”.

Rights for the holder of the Warrants

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of her being the holder of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Subscription for the Subscription Shares must be for a minimum of 100,000 Shares or integral multiples thereof. In the event that the balance of the Warrants is less than 100,000, the holder of the Warrant may exercise the subscription rights attaching to such balance of the Warrants to subscribe for less than 100,000 Shares.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought at the EGM.

REASONS FOR THE ISSUE OF THE WARRANTS

The Group is principally engaged in the manufacture of raw hides and skins to leather and sale of wet blue and crust, and upholstery leather.

The Directors consider that the issue of the Warrants provides a good opportunity to raise additional capital for the Company in that it will not have an immediate dilution effect on the shareholding of the existing Shareholders and the net proceeds of approximately HK\$4,700,000 (after deducting related expenses) will be raised immediately upon completion of the Subscription Agreement. The Directors have considered the immediate funds to be raised is not essential to financing the operations of the Group, which the Group currently has sufficient working capital to carry on its business activities. However, the Directors are of the view that the issue of the Warrants would provide the

Group with an excellent opportunity to raise further substantial funds in the event the holder of the Warrants exercises her subscription rights attaching to the Warrants at any time during the Exercise Period. If and when the subscription rights attaching to the Warrants are exercised in full, further funds of approximately HK\$98,000,000 will also be raised.

In view of the above, the Directors consider that the issue of the unlisted Warrants is an appropriate method of raising additional capital for the Company in the circumstances and that the terms of the Subscription Agreement which have been arrived at after arm's length negotiations between the Company and the Subscriber are fair and reasonable and the Subscription Agreement is in the interest of the Company and the Shareholders as a whole.

USE OF PROCEEDS

It is expected the net proceeds of approximately HK\$4,700,000 (after deducting related expenses) (with a net issue price of approximately HK\$0.029 per Warrant) will be raised by the issue of the Warrants and the same will be utilized by the Group as general working capital.

Assuming the full exercise of the subscription rights attaching to the Warrants, it is expected further funds of approximately HK\$98,000,000 will be raised which will be utilized by the Group as additional general working capital.

FUND RAISING DURING THE PAST TWELVE MONTHS

Save for the New Shares Placing for raising net proceeds of approximately HK\$34,970,000 for general working capital purpose, there has been no fund raising by the Company during the past twelve months preceding the date of this announcement. The Company has deposited the net proceeds with a licensed bank in Hong Kong and has not utilized any of the said net proceeds as at the date hereof. The Company intends to use the said net proceeds as general working capital of the Company. All the conditions under the New Shares Placing have been fulfilled and the completion of the New Shares Placing took place on 6 August 2007.

CHANGE OF SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 823,680,000 Shares in issue. The shareholding structure of the Company before and after the full exercise of the subscription rights attaching to the Warrants (assuming no other change to the issued share capital of the Company) are as follows:

Shareholders	As at the date of this announcement		Assuming full exercise of the subscription rights attaching to the Warrants	
	Number of Shares (Note 1)	Approximate percentage	Number of Shares (Note 1)	Approximate percentage
Mr. Liaw Yuan Chian (Note 1)	363,500,039	44.13	363,500,039	36.78
Holder of the Warrants	–	–	164,736,000	16.67
Public Shareholders				
Other public Shareholders	322,899,961	39.20	322,899,961	32.67
Placees under the New Shares Placing	137,280,000	16.67	137,280,000	13.89
Sub-total	460,179,961	55.87	460,179,961	46.56
Total	823,680,000	100.00	988,416,000	100.00
				(Note 2)

Notes:

- Mr. Liaw Yuan Chian, an executive Director, was deemed to be interested in 363,500,039 ordinary shares in the Company, where were held by Joyce Services Limited, a company in which Mr. Liaw Yuan Chian has a 58.87% beneficial interest.
- The percentage does not add up to 100 per cent. due to rounding discrepancies.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares which fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

IMPLICATIONS UNDER THE LISTING RULES

The general mandate granted to the Directors by the Shareholders on 21 June 2007 was fully utilized as a result of the New Shares Placing.

Pursuant to Rule 15.02(1) of the Listing Rules, the Subscription Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20 per cent. of the issued equity capital of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit. As at the date of this announcement, there is no other securities with subscription rights outstanding and not yet exercised. Assuming full exercise of the subscription rights attaching to the Warrants, 164,736,000 Subscription Shares, representing (i) 20 per cent. of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67 per cent. of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares upon full exercise of the subscription rights attaching to the Warrants, will be issued. The Subscription Shares will be issued under the Specific Mandate to be sought at the EGM. Accordingly, the issue of the Warrants will be in compliance with Rule 15.02(1) of the Listing Rules.

(II) TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company on 4 January 2000 for the primary purpose of providing incentives to executive Directors and eligible employees. It will expire on 3 January 2010. To be in line with the requirements of the revised Chapter 17 of the Listing Rules in relation to share option schemes and to enable the Group to motivate Eligible Participants (in addition to executive Directors and employees) for their significant contributions to the growth of the Group and to attract and retain and otherwise maintain on-going business relationship with such participants whose contributions are or will be beneficial to the long term growth of the Group, the Directors propose to terminate the Existing Share Option Scheme and adopt the New Share Option Scheme, pursuant to which Eligible Participants may be granted options to subscribe for Shares upon and subject to the terms and conditions therein. The New Share Option Scheme will provide the Eligible Participants, where appropriate, with an additional incentive by offering an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the Group's long term success and prosperity.

Under the provisions of the Existing Share Option Scheme, the Directors can terminate the operation of the Existing Share Option Scheme at any time upon when no further grant of options shall be offered. An ordinary resolution will be proposed at the EGM for the Shareholders to approve the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

As at the date of this announcement, no options have been granted to any participant under the Existing Share Option Scheme. The Existing Share Option Scheme will be terminated on the date of the EGM when the Shareholders' approval for the termination of the Existing Share Option Scheme is passed and the New Share Option Scheme will come into effect upon fulfillment of the conditions set out below.

Upon termination of the Existing Share Option Scheme, no further options may be offered thereunder, but the provisions of the Existing Share Option Scheme will continue in full force and effect. Any options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions thereof.

Save and except the Existing Share Option Scheme, there is no other subsisting share option scheme of the Company as at the date of this announcement.

As at the date of this announcement, the issued share capital of the Company comprised 823,680,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the date of this announcement and the date of the adoption of the New Share Option Scheme, the maximum number of Shares issuable upon exercise of all options to be granted under the New Share Option Scheme and any other share option schemes of the Company will be 82,368,000 Shares.

Conditions of the New Share Option Scheme

The New Share Option Scheme is conditional upon:

- (1) the passing of an ordinary resolution to approve the termination of the Existing Share Option Scheme by the Shareholders at the EGM;
- (2) the passing of an ordinary resolution to adopt the New Share Option Scheme and to authorise the Directors to grant options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any options granted under the New Share Option Scheme by the Shareholders at the EGM; and
- (3) the Listing Committee granting approval for the listing of, and permission to deal in Shares which fall to be issued pursuant to the exercise of any options to be granted under the New Share Option Scheme.

Upon satisfaction of the above conditions, the Board will have the right to grant to the Eligible Participants options to subscribe for Shares, which when aggregated with Shares to be granted under any other share option schemes (if any) of the Company, representing up to 10 per cent. of the total number of Shares in issue as at the date of the approval of the New Share Option Scheme, unless the Company obtains a fresh approval from its Shareholders to refresh the 10 per cent. limit.

Application for listing

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Shares which fall to be issued and allotted pursuant to the exercise of the options granted pursuant to the New Share Option Scheme.

(III) EGM

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Subscription Agreement; (ii) the issue and allotment of the Subscription Shares under the Specific Mandate upon exercise of the subscription rights attaching to the Warrants; and (iii) the termination of Existing Share Option Scheme and the adoption of New Share Option Scheme.

(IV) RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 14 August 2007 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 15 August 2007.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks in Hong Kong are generally open for business
“Company”	Hua Lien International (Holding) Company Limited, a company incorporated in the Cayman Islands with limited liability, with its shares listed on the Main Board of the Stock Exchange
“Completion”	completion of the subscription of the Warrants in accordance with the terms and conditions of the Subscription Agreement
“Deed Poll”	the deed poll constituting the Warrants to be executed by the Company upon Completion
“Director(s)”	the director(s) of the Company

“EGM”

the extraordinary general meeting of the Company to be convened and held to approve, among others, (i) the Subscription Agreement; (ii) the issue and allotment of the Subscription Shares under the Specific Mandate upon exercise of the subscription rights attaching to the Warrants; and (iii) the termination of Existing Share Option Scheme and the adoption of New Share Option Scheme

“Eligible Participants”

(a) any executive Director, employee or proposed employee (whether full time or part time) of any member of the Group; (b) any non-executive Director (including independent non-executive Directors) of any member of the Group; (c) any supplier of goods or services to any member of the Group; (d) any customer of any member of the Group; (e) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group; (f) any shareholder of any member of the Group or any holder of any securities issued by any member of the Group; (g) any joint venture partner, business or strategic alliance partner, in each case of any member of the Group; (h) any discretionary trust whose discretionary objects may be any executive director, employee or proposed employee (whether full time or part time) and any non-executive director (including independent non-executive directors) of any member of the Group, any supplier of goods or services to any member of the Group, any customer of any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group, any shareholder of any member of the Group or any holder of any securities issued by any member of the Group, and any joint venture partner, business or strategic alliance partner, in each case of any member of the Group, who may be invited by the Directors to take up options upon and subject to the terms of the rules of the New Share Option Scheme

“Exercise Period”	a period of four years commencing from the date of the issue of the Warrants
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 4 January 2000
“Group”	the Company and its subsidiaries
“Issue Price”	HK\$0.03 per unit of Warrant to be issued pursuant to the Subscription Agreement
“Listing Committee”	listing committee of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the EGM
“New Shares Placing”	the placing of 137,280,000 new Shares at HK\$0.262 per Share pursuant to the placing agreement entered into between the Company and Vision Finance (Securities) Limited on 16 July 2007, further details of which are set out in the Company’s announcements dated 17 July 2007 and 6 August 2007, respectively
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholder(s)”	holder(s) of the Shares

“Shares”	ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of the Company
“Specific Mandate”	the specific mandate for the issue of the Subscription Shares to be granted to the Directors by the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Lau Ying Ying, Angela
“Subscription Agreement”	the subscription agreement dated 13 August 2007 entered into between the Company and the Subscriber in relation to the issue of the Warrants by the Company to the Subscriber
“Subscription Price”	the subscription price of HK\$0.60 per Subscription Share at which holder of the Warrants may subscribe for the Subscription Shares
“Subscription Shares”	new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants
“Warrants”	a total of 164,736,000 unlisted Warrants to be issued by the Company at the Issue Price per Warrant, in registered form, each of subscription rights entitling the holder thereof to subscribe for one Subscription Share at the Subscription Price at any time during the Exercise Period, subject to the terms and conditions set out in the Subscription Agreement

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 14 August 2007

As at the date of this announcement, the Board comprises Mr. Shih Chian Fang, Mr. Liaw Yuan Chian, Ms. Zhou Yan Xia and Mr. Kuang Yong as executive Directors, Dr. Zheng Liu, Mr. Yu Chi Jui, Ms. Li Xiao Wei as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.