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HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 969)

AMENDED LETTER OF INTENT

LETTER OF INTENT

Reference is made to the announcement dated 27 February 2008 issued by the Company. Unless otherwise defined, capitalized terms used hereunder shall have the same meanings as defined in that announcement.

As disclosed in the said announcement, on 26 February 2008, the Company, Jumbo Right and the Vendor entered into the Letter of Intent regarding the Proposed Acquisition, pursuant to which, Jumbo Right may acquire the entire interests in Target BVI 1 and Target BVI 2 from the Vendor.

Subsequent to the signing of the Letter of Intent, the Company and Jumbo Right further negotiated with the Vendor and decided to revise the structure of the transaction contemplated therein. On 25 July 2008, the Company and Jumbo Right entered into the non-legally binding Amended Letter of Intent with the Vendor, pursuant to which: (1) there is a New Proposed Acquisition, whereby Jumbo Right may acquire from the Vendor the entire interest in SATT; and (2) as the Due Diligence Review on the Target Group requires a longer time than the Due Diligence Review Period (i.e. within five months from the date of the Letter of Intent) as set out in the Letter of Intent, the Company, Jumbo Right and the Vendor agreed that Jumbo Right shall continue to conduct the Due Diligence Review on the Target Group

within the Due Diligence Review Period on the Target Group, meanwhile, the Company, Jumbo Right and the Vendor shall also continue to negotiate on the terms and conditions for the Proposed Acquisition with reference to the terms of the Letter of Intent. As such, the parties thereto may enter into a further amended letter of intent in connection with the Proposed Acquisition, and in that event, the Company will make a further announcement to disclose the relevant progress and information when and where it is appropriate.

This announcement is made pursuant to the general obligation of the Company under Rule 13.09(1) of the Listing Rules. Based on the total consideration for the New Proposed Acquisition, the New Proposed Acquisition may constitute a very substantial acquisition under the consideration ratio test prescribed under the Listing Rules. Nonetheless, information in respect of the other percentage ratios under Rule 14.07 of the Listing Rules shall be ascertained upon the execution of the Sale and Purchase Agreement and in that event, further announcement will be made by the Company in accordance with Chapter 14 of the Listing Rules.

Pursuant to the Amended Letter of Intent, the New Proposed Acquisition is subject to, inter alia, the satisfaction of the SATT Due Diligence Review, the Company Due Diligence Review and the negotiation and finalization of the terms and conditions of the formal Sale and Purchase Agreement in relation thereof. In addition, the Proposed Acquisition is subject to the Due Diligence Review on the Target Group and further negotiation on the terms and conditions for the Proposed Acquisition with reference to the terms of the Letter of Intent. **Accordingly, the New Proposed Acquisition and the Proposed Acquisition may or may not proceed, shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

THE AMENDED LETTER OF INTENT

Reference is made to the announcement dated 27 February 2008 issued by the Company. Unless otherwise defined, capitalized terms used hereunder shall have the same meanings as defined in that announcement.

As disclosed in the said announcement, on 26 February 2008, the Company, Jumbo Right and the Vendor entered into the Letter of Intent regarding the Proposed Acquisition, pursuant to which, Jumbo Right may acquire the entire interests in Target BVI 1 and Target BVI 2 from the Vendor.

Subsequent to the signing of the Letter of Intent, the Company and Jumbo Right further negotiated with the Vendor and decided to revise the structure of the transaction contemplated therein. On 25 July 2008, the Company and Jumbo Right entered into the non-legally binding Amended Letter of Intent with the Vendor, pursuant to which: (1) there is a New Proposed Acquisition, whereby, Jumbo Right may acquire (subject to, inter alia, satisfaction of the SATT Due Diligence Review, the Company Due Diligence Review and the entering into of a formal Sale and Purchase Agreement) from the Vendor the entire interest in SATT; and (2) Jumbo Right shall continue to conduct the Due Diligence Review on the Target Group within the Due Diligence Review Period on the Target Group, meanwhile, the Company and Jumbo Right shall also continue to negotiate with the Vendor on the terms and conditions for the Proposed Acquisition with reference to the terms of the Letter of Intent.

Material Terms of the Amended Letter of Intent

(I) The New Proposed Acquisition:

Date:

25 July 2008

Parties:

Vendor: 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 both it and its beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules)

Purchaser: Jumbo Right, the wholly-owned subsidiary of the Company

Company: the Company

Assets to be acquired: the entire interest in SATT. SATT is a wholly-owned subsidiary of the Vendor and is principally engaged in the provision of manufacturing supplies and technical support services to African Company 1, African Company 2, African Company 3, and to a less extent, to other companies

of the Shares, rights issue, bonus issue and such other events diluting the Shares. The principal amount of the Tranche 2 Convertible Note shall be subject to adjustment, when the SATT Profit Guarantee (as defined below) is unable to be achieved, by deducting an amount which is equivalent to the difference between the SATT Profit Guarantee (as defined below) and the actual relevant profit.

To ensure that the Company shall fulfill the obligations under the Convertible Notes, Jumbo Right shall create a first charge over the entire issued share of SATT in favour of the Vendor and the certificate of which shall be deposited to an escrow agent.

To ensure that when the SATT Profit Guarantee (as defined below) is unable to be achieved, the principal amount of the Tranche 2 Convertible Note can be adjusted by deducting an amount which is equivalent to the difference between the SATT Profit Guarantee and the actual relevant profit, the Tranche 2 Convertible Note shall be deposited to an escrow agent.

The basis in respect of the issue price of the new Shares and the conversion price of the Tranche 1 Convertible Note and the Tranche 2 Convertible Note were determined between the Company, Jumbo Right and the Vendor, among others, after arms' length negotiations having taken into account SATT's business, current asset base and past stock price performance of the Company. Detailed terms of the Convertible Notes of the Company and the proportion of the payment combination of the total consideration shall be agreed upon by the Company, Jumbo Right and the Vendor, failing in reaching such agreements, the Amended Letter of Intent shall lapse.

- G. Confidentiality Unless it is required under the applicable law or required for disclosure purposes, the parties to the Amended Letter of Intent shall keep confidential the Amended Letter of Intent, the information discussed during the negotiation of the New Proposed Acquisition and all information acquired in connection therewith.
- H. Exclusivity The Vendor undertakes to Jumbo Right that during the SATT Due Diligence Review Period, Jumbo Right shall have the exclusive right to negotiate with the Vendor with respect to the execution of the formal Sale and Purchase Agreement and to negotiate and execute any formal agreement in respect of SATT's business of provision of manufacturing supplies and technical support services. Similarly, Jumbo Right and/or the Company or its subsidiaries shall not, during the Company Due Diligence Review Period, acquire, undertake or enter into any major acquisition transaction or very substantial acquisition (as defined in the Listing Rules) of any business or company similar to that of SATT.
- I. Legal Effect of the Terms Except for paragraphs G and H above, the other material terms of the Amended Letter of Intent are non-legally binding.

Pursuant to the Amended Letter of Intent, upon satisfactory completion of the SATT Due Diligence Review and the Company Due Diligence Review, the parties to the Amended Letter of Intent will enter into the formal Sale and Purchase Agreement. Further announcement will be made by the Company in accordance with Chapter 14 of the Listing Rules if the formal Sale and Purchase Agreement is entered into by the parties to the Amended Letter of Intent.

(II) Proposed Acquisition:

As the Due Diligence Review on the Target Group requires a longer time than the Due Diligence Review Period (i.e. within five months from the date of the Letter of Intent) as set out in the Letter of Intent, the Company, Jumbo Right and the Vendor agreed in the Amended Letter of Intent that the Company and Jumbo Right shall continue to conduct the Due Diligence Review on the Target Group within the Due Diligence Review Period on the Target Group, meanwhile, the Company, Jumbo Right and the Vendor shall also continue to negotiate on the terms and conditions for the Proposed Acquisition with reference to the terms of the Letter of Intent. As such, the parties may enter into a further amended letter of intent in connection with the Proposed Acquisition, and in that event, the Company will make a further announcement to disclose the relevant progress and information when and where it is appropriate.

GENERAL

The Group is principally engaged in the manufacture of raw hides and skins to leather and sale of wet blue and crust, and up holstery leather in the PRC. The Board considers that the New Proposed Acquisition and the Proposed Acquisition contemplated under the Amended Letter of Intent represent attractive opportunities for the Group to diversify into a new business segment, nevertheless, it is the Group's present intention to continue its existing business.

This announcement is made pursuant to the general obligation of the Company under Rule 13.09(1) of the Listing Rules. Based on the total consideration for the New Proposed Acquisition, the New Proposed Acquisition would constitute a very substantial acquisition under the consideration ratio test prescribed under the Listing Rules. Nonetheless, information in respect of the other percentage ratios under Rule 14.07 of the Listing Rules shall be ascertained upon the execution of the Sale and Purchase Agreement and in that event, further announcement will be made by the Company in accordance with Chapter 14 of the Listing Rules.

Pursuant to the Amended Letter of Intent, the New Proposed Acquisition is subject to, inter alia, the satisfaction of the SATT Due Diligence Review, the Company Due Diligence Review and the negotiation and finalization of the terms and conditions of the formal Sale and Purchase Agreement in relation thereof. In addition, the Proposed Acquisition is subject to the Due Diligence Review on the Target Group and the further negotiation on the terms and conditions for the Proposed Acquisition with reference to the terms of the Letter of Intent. **Accordingly, the New Proposed Acquisition and the Proposed Acquisition may or may not proceed, shareholders and investors of the Company should exercise caution in dealing in the Shares.**

DEFINITIONS

In this announcement, unless context otherwise requires, the following terms have the following meanings:

“Amended Letter of Intent”	the non-legally binding amended letter of intent dated 25 July 2008 entered into among the Company, Jumbo Right and the Vendor with respect of the Letter of Intent, the New Proposed Acquisition and the Proposed Acquisition
“Company Due Diligence Review”	a due diligence review of the financial condition, legal and business affairs of the Company and to the satisfaction of the Vendor
“Company Due Diligence Review Period”	the period expiring on 31 December 2008 or such other date as the parties may agree in writing
“Convertible Notes”	Tranche 1 Convertible Note and Tranche 2 Convertible Note
“Due Diligence Review on the Target Group”	a due diligence review of the financial condition, legal and business affairs of the Target Group and to the satisfaction of Jumbo Right
“Due Diligence Review Period on the Target Group”	the period expiring on 31 December 2008

“New Proposed Acquisition”	the proposed acquisition of the entire interest in SATT from the Vendor by Jumbo Right
“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 wholly owned by the Vendor
“SATT Due Diligence Review”	a due diligence review of the financial condition, legal and business affairs of SATT and to the satisfaction of Jumbo Right
“SATT Due Diligence Review Period”	the period expiring on 31 December 2008 or such other date as the parties may agree in writing
“Sale and Purchase Agreement”	a legally binding sale and purchase agreement to be entered into by the parties to the Amended Letter of Intent in relation to the New Proposed Acquisition
“Tranche 1 Convertible Note”	the redeemable convertible note in such principal amount and terms to be determined by the Company, Jumbo Right and the Vendor, which shall confer a conversion right on the note holder(s) to convert the outstanding principal amount of the redeemable convertible note held by it into Shares
“Tranche 2 Convertible Note”	the redeemable convertible note in such principal amount and terms to be determined by the Company, Jumbo Right and the Vendor, which shall confer a conversion right on the note holder(s) to convert the outstanding principal amount of the redeemable convertible note held by it into Shares

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.

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

Hong Kong, 25 July 2008

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.