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HUA LIEN INTERNATIONAL (HOLDING) COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 969)

(1) LETTER OF INTENT

AND

(2) RESUMPTION OF TRADING

LETTER OF INTENT

The Board is pleased to announce that on 26 February 2008, the Company and its wholly-owned subsidiary, Jumbo Right entered into a Letter of Intent with the Vendor, an independent third party, pursuant to which Jumbo Right may (subject to, inter alia, satisfaction of the Due Diligence Review and entering into of the Formal Agreement) acquire from the Vendor the entire interests in Target BVI 1 and Target BVI 2.

After a shareholding restructuring, Target BVI 1 will be the holder of 99% equity interests and Target BVI 2 will be the holder of the remaining 1% equity interest in each of African Company 1, African Company 2 and African Company 3, all of them are companies incorporated respectively in the Republic of Madagascar, the Republic of Sierra Leone and the Republic of Benin which engage in sugar cane plantation and production of sugar and ethanol in Africa and sale of such products in the African and European markets.

Pursuant to the terms and conditions of the Letter of Intent, the Proposed Acquisition is subject to, inter alia, the satisfaction of the Due Diligence Review and the negotiation and finalization of the terms and conditions of the Formal Agreement in relation thereof. **Accordingly, the Letter of Intent may or may not lead to the Formal Agreement and the Proposed Acquisition may or may not proceed.**

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 Proposed Acquisition, the 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 calculated, whereupon the Proposed Acquisition, if materializes, may constitute a notifiable transaction for the Company under the Listing Rules and the Company shall comply with the relevant disclosures and/or shareholders' approval requirements of the Listing Rules where appropriate. Subject to the terms and conditions of the Letter of Intent and upon, among others, satisfaction of the Due Diligence Review, the parties to the Letter of Intent will enter into the Formal Agreement. Further announcement will be made by the Company in accordance with Chapter 14 of the Listing Rules if the Formal Agreement is entered into by the parties to the Letter of the Intent.

As the Proposed Acquisition may or may not proceed, shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

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 27 February 2008 pending the release of this announcement. An 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 28 February 2008.

THE LETTER OF INTENT

The Board announces that on 26 February 2008, the Company and its wholly-owned subsidiary, Jumbo Right entered into a Letter of Intent with the Vendor, an independent third party, pursuant to which Jumbo Right may acquire (subject to, inter alia, satisfaction of the Due Diligence Review and entering into of the Formal Agreement) from the Vendor the entire interests in Target BVI 1 and Target BVI 2.

After a shareholding restructuring, Target BVI 1 will be the holder of 99% equity interests and Target BVI 2 will be the holder of the remaining 1% equity interest in each of African Company 1, African Company 2 and African Company 3, all of them are companies incorporated respectively in the Republic of Madagascar, the Republic of Sierra Leone and the Republic of Benin which engage in sugar cane plantation and production of sugar and ethanol in Africa and sale of such products in the African and European markets.

Date:

26 February 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

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (as defined in the Listing Rules). The Vendor confirmed that it has no prior transaction or relationship with any members of the Group.

The obligations of Jumbo Right and/or the Company under the convertible notes of the Company will be secured by the shares of Target BVI 1 and Target BVI 2.

The basis in respect of the issue price of the new Shares and the conversion price of the convertible notes was determined between the Company and the Vendor, among others, after arms' length negotiations having taken into account the Group's business, current asset base and past stock price performance. Detailed terms of the abovementioned convertible notes of the Company shall be agreed upon by the Vendor, otherwise the Vendor shall have the right to withdraw the Proposed Acquisition under the Letter of Intent. Further, the proportion of the payment combination of the consideration shall be subject to further negotiation and finalization and will be fixed upon completion of the Due Diligence Review.

D. Due Diligence

Subject to the full provision of the required due diligence documents, both Jumbo Right and the Vendor shall use their efforts to complete the Due Diligence Review within five months after the date of the Letter of Intent.

E. Lapse of the Letter of Intent

In the event that either Jumbo Right or the Vendor is not satisfied with the result of the Due Diligence Review on the Target Group or the Group (as the case may be) on or before the expiry of the Due Diligence Review Period, the Letter of Intent will lapse and neither party shall have any obligations towards the other party nor has any claims against the other party.

- F. Profit Guarantee
- The Vendor guarantees to Jumbo Right that the aggregate profits after tax as shown in the audited consolidated accounts of the Target Group prepared in accordance with the Hong Kong Financial Reporting Standards for the two financial years ended 31 December 2008 and 31 December 2009 shall not be less than HK\$216 million (the “Profit Guarantee”). Compensation payable to Jumbo Right for failure of the satisfaction of the Profit Guarantee by the Vendor shall be negotiated and finalized upon completion of the Due Diligence Review.
- G. Confidentiality
- Unless it is required under the applicable law or required for disclosure purposes, the parties to the Letter of Intent shall keep confidential the Letter of Intent, the information discussed during the negotiation of the Proposed Acquisition and all information acquired during the Due Diligence Review.
- H. Exclusivity
- The Vendor undertakes to Jumbo Right that during the Due Diligence Review Period, Jumbo Right shall have the exclusive right to negotiate and execute the Formal Agreement in respect of the acquisition of the Target Group and its business of sugar cane plantation and production of sugar and ethanol in Africa and sale of such products in the African and European markets. Similarly, Jumbo Right and/or the Company or its subsidiaries shall not, during the 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 the Target Group.
- I. Legal Effect of the Terms
- Except for paragraphs G and H, the other material terms of the Letter of Intent are non-legally binding.

Pursuant to the terms and conditions of the Letter of Intent, the Proposed Acquisition is subject to, inter alia, the satisfaction of the Due Diligence Review and the negotiation and finalization of the terms and conditions of the Formal Agreement in relation thereof. **Accordingly, the Letter of Intent may or may not lead to the Formal Agreement and the Proposed Acquisition may or may not proceed.**

Subject to the terms and conditions of the Letter of Intent and upon completion of the Due Diligence Review, the parties to the Letter of Intent will enter into the Formal Agreement. Further announcement will be made by the Company in accordance with Chapter 14 of the Listing Rules if the Formal Agreement is entered into by the parties to the Letter of Intent.

GENERAL

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 in the PRC. The Board considers that the Proposed Acquisition represents an attractive opportunity 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 Proposed Acquisition, the 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 calculated, whereupon the Proposed Acquisition, if materializes, may constitute a notifiable transaction for the Company under the Listing Rules and the Company shall comply with the relevant disclosures and/or shareholders' approval requirements of the Listing Rules where appropriate.

As the Proposed Acquisition may or may not proceed, shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

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 27 February 2008 pending the release of this announcement. An 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 28 February 2008.

DEFINITIONS

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

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| “Board” | the board of Directors |
| “BVI” | British Virgin Islands |
| “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 |
| “Director(s)” | director(s) of the Company |
| “Due Diligence Review” | a due diligence review of the financial condition, legal and business affairs of the Target Group and the Group to the satisfaction of Jumbo Right and the Vendor respectively |
| “Due Diligence Review Period” | five months from the date of the Letter of Intent |
| “Formal Agreement” | a formal legally binding (and subject to various conditions) sales and purchase agreement to be entered into by the parties to the Letter of Intent |

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| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administration Region of the PRC |
| “Jumbo Right” | Jumbo Right Investments Limited, a company incorporated in BVI with limited liability and is wholly owned by the Company |
| “Letter of Intent” | the letter of intent dated 26 February 2008 entered into between the Vendor, Jumbo Right and the Company in relation to the Proposed Acquisition |
| “Listing Rules” | The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Proposed Acquisition” | the proposed acquisition of the entire interests of Target BVI 1 and Target BVI 2 from the Vendor by Jumbo Right |
| “Shares” | ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target BVI 1” | COMPLANT International Holdings Limited (中成國際控股有限公司), a company incorporated in BVI with limited liability and is wholly owned by the Vendor |
| “Target BVI 2” | Joy Day Holdings Limited (朝悦控股有限公司), a company incorporated in BVI with limited liability and is wholly owned by the Vendor |

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| “Target Group” | Target BVI 1 and Target BVI 2 and their respective subsidiaries, namely African Company 1, African Company 2 and African Company 3 |
| “African Company 1” | La Sucrerie 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 and after a shareholding restructuring, will be owned as to 99% by Target BVI 1 and as to 1% by Target BVI 2 |
| “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 and after a shareholding restructuring, will be owned as to 99% by Target BVI 1 and as to 1% by Target BVI 2 |
| “African Company 3” | La Sucrerie de COMPLANT du Benin (中成貝寧糖業股份有限公司), a company incorporated in Republic of Benin and after a shareholding restructuring, will be owned as to 99% by Target BVI 1 and as to 1% by Target BVI 2 |
| “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) |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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, 27 February 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.