

HUALI HOLDINGS (GROUP) LIMITED
華力控股(集團)有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3366)

**RESIGNATION AND REDESIGNATION OF DIRECTORS
CHANGE OF BOARD COMMITTEE MEMBERS**

The Board announces that Mr. Liu Danlin resigned as executive Director with effect from 20 August 2007.

The Board further announces that Ms. Xie Mei has been re-designated from a non-executive Director to an executive Director with effect from 20 August 2007.

The Board also announces that with effect from 20 August 2007, Mr. Chen Xiangdong has replaced Ms. Xie Mei to act as members of the audit committee and the remuneration committee of the Company.

Resignation of Mr. Liu Danlin as executive Director

The board (the “**Board**”) of directors (the “**Directors**”) of Huali Holdings (Group) Limited (the “**Company**”) announces that Mr. Liu Danlin (“**Mr. Liu**”) resigned as executive Director with effect from 20 August 2007, due to his posting to Shenzhen Overseas Chinese Town Holdings Company. The Board and Mr. Liu confirmed that there is no potential conflict of interest between the new role assumed by Mr. Liu and the business of the Company.

The Board and Mr. Liu also confirmed that there is no disagreement with each other and there are no matters relating to Mr. Liu’s resignation that need to be brought to the attention of the shareholders (the “**Shareholders**”) of the Company or The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Board would like to take this opportunity to express its sincere gratitude to Mr. Liu for his valuable contribution to the Company during the past years.

Redesignation of Ms. Xie Mei from non-executive Director to executive Director

The Board further announces that Ms. Xie Mei (“**Ms. Xie**”) has been re-designated from a non-executive Director to an executive Director with effect from 20 August 2007.

Particulars relating to Ms. Xie are set out below:

Ms. Xie Mei, executive Director (formerly non-executive Director)

Ms. Xie Mei, born in 1968, joined the Group in December 2004. She has over 10 years of experience in corporate management in Mainland China. Ms. Xie is also a director of a number of affiliates of Overseas Chinese Town Group Company (“**OCT Group**”) and the deputy chairman of the board of directors of InterContinental Shenzhen. Ms. Xie was a vice-supervisor and supervisor of the strategic development department of OCT Group from 2002 to 2004 and from 2004 to June 2007 respectively. Ms. Xie graduated from the Department of Electrical Engineering of Xi’an Jiaotong University and obtained a bachelor’s degree in Engineering in 1989. She also obtained a master degree in Economics from the People’s University of the PRC in 1999. Ms. Xie is also a director of Pacific Climax Limited, the immediate holding company of the Company and five subsidiaries of the Company, namely Max Surplus Limited, Forever Galaxies Limited, Fortune Crown International Limited, Miracle Stone Development Limited and Grand Signal Limited.

Save as disclosed above, Ms. Xie does not hold any position in the Company or any of its subsidiaries and does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”)) of the Company. Further, Ms. Xie does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (as defined under Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)) of the Company.

Ms. Xie did not hold any other directorships in any other listed public companies in the last three years.

During her service as a non-executive Director, Ms. Xie did not receive any remuneration. Upon re-designation as an executive Director, she will receive a director fee of HK\$235,200.00 per annum. Ms. Xie has entered into a service agreement with the Company with a term of three years starting from 2 November 2005, subject to early termination provisions contained thereto. Ms. Xie will serve as an executive Director for the remaining term of services. Except for the Director’s remuneration, no other emoluments will be received by Ms. Xie from the Company. The Director’s remuneration of Ms. Xie is determined with reference to her qualification and experience, responsibilities undertaken, contribution to the Group and the prevailing market level of remuneration for executives of similar position.

Save as disclosed herein, there are no other matters concerning Ms. Xie that need to be brought to the attention of the Shareholders nor is there any information relating to Ms. Xie that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Change of Board Committee Members

The Board also announces that with effect from 20 August 2007, Ms. Xie has ceased to act as members of the audit committee and the remuneration committee of the Company and Mr. Chen Xiandong has acted as members of the audit committee and the remuneration committee of the Company.

By order of the Board
Huali Holdings (Group) Limited
Zheng Fan
Chairman

Hong Kong, 20 August 2007

As at the date of this announcement, the Board comprises seven directors, namely: Mr. Zheng Fan, Mr. Ni Zheng, Ms. Xie Mei and Mr. Zhou Guangneng as executive directors; Ms. Wong Wai Ling, Mr. Chen Xiangdong and Mr. Xiao Yongping as independent non-executive directors.