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HEMBLY INTERNATIONAL HOLDINGS LIMITED

恒寶利國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 3989)

DISCLOSURE UNDER RULE 13.18 OF THE LISTING RULES

On 27th March 2007, Hembly Garment Manufacturing Limited (an indirectly wholly-owned subsidiary of the Company) entered into the Loan Agreement with covenants relating to specific performance of the controlling shareholder of the Company.

This announcement is made in compliance with Rule 13.18 of the Listing Rules.

This announcement is made in compliance with the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The directors of Hembly International Holdings Limited (the “**Company**”) announce that on 27th March 2007, Hembly Garment Manufacturing Limited (an indirectly wholly-owned subsidiary of the Company) entered into a loan agreement (the “**Loan Agreement**”) with a syndicate of banks for a 3 - year transferable term loan and revolving credit facilities (the “**Facilities**”) of up to HK\$200 million to finance the general working capital and capital expenditure of the Company and its subsidiaries (the “**Group**”).

The Loan Agreement includes conditions to the effect that (a) Mr. Ngok Yan Yu and his spouse, Ms. Tang Chui Yi, Janny shall altogether remain the single largest shareholder of the Company and beneficially own (directly or indirectly) at least an unencumbered 35% of the issued share capital of the Company; (b) Mr. Ngok Yan Yu shall remain the chairman of the Company; and (c) Mr. Ngok Yan Yu shall be actively involved in the management and business of the Group. A breach of any of the above conditions will constitute an event of default under the Loan Agreement. If such an event of default occurs, all amounts outstanding under the Facilities may

become immediately due and payable. The Company will comply with the continuing disclosure requirements under rule 13.21 of Chapter 13 of the Listing Rules for so long as circumstances giving rise to the disclosure obligation continues to exist.

By Order of the Board of
HEMBLY INTERNATIONAL HOLDINGS LIMITED
Ngok Yan Yu
Chairman

Hong Kong, 27th March 2007

As at the date of this announcement, the Board of Directors comprises six executive directors, namely, Mr. NGOK Yan Yu, Mr. LAM Hon Keung, Keith, Ms. TANG Chui Yi, Janny, Mr. WONG Ming Yeung, Mr. PIVA Antonio and Mr. APPELLA Marcello; one non-executive director, namely, Mr. JE Kin Ming and three independent non-executive directors, namely, Mr. LO Ming Chi, Charles, Mr. PAO Ping Wing and Mr. KWAN Hung Sang, Francis.

Please also refer to the published version of this announcement in The Standard.