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HEMBLY

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)

ANNOUNCEMENT

This announcement is made pursuant to paragraph 13.09 of the Listing Rules.

The board of directors of the Company wishes to announce that a subsidiary of the Company has recently (i) purchased the 50% shareholding of the STF JV (a joint venture established by the Company's subsidiary and Stonefly S.p.A. in February 2005) which was held by Stonefly S.p.A.; and (ii) sold its 50% shareholding of the Lotto JV (a joint venture established by the Company's subsidiary and Lotto Sport H.K. Limited in September 2005) to Lotto Sport H.K. Limited respectively.

This announcement is made pursuant to paragraph 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The board of directors of Hembly International Holdings Limited (the "Company") wishes to announce that a subsidiary of the Company has recently:-

- (i) purchased the 50% shareholding of STF (China) Limited (the "**STF JV**", a joint venture established by the Company's subsidiary and Stonefly S.p.A. in February 2005) which was held by Stonefly S.p.A.; and
- (ii) sold its 50% shareholding of Lotto China Limited (the "**Lotto JV**", a joint venture established by the Company's subsidiary and Lotto Sport H.K. Limited in September 2005) to Lotto Sport H.K. Limited respectively.

The directors of the Company take the view that the above restructuring would strengthen the Group's position as a multi-brand operator within the PRC's fashion and luxury sectors, whilst fine-tuning the Group's focus and internal resources towards the expansion of such sectors.

The above transaction does not constitute a notifiable transaction as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Stonefly S.p.A. and Lotto Sport H.K. Limited are respective independent third parties, which are not a connected person as defined under the Listing Rules.

By Order of the Board of
Hembly International Holdings Limited
Ngok Yan Yu
Chairman

Hong Kong, 21 July 2008

As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Ngok Yan Yu, Mr. Lam Hon Keung, Keith, Ms. Tang Chui Yi, Janny, Mr. Wong Ming Yeung, Ms. Tang Wai Ha and Mr. Marcello Appella; two non-executive Directors, namely Mr. Antonio Piva and 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.