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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

FURTHER ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION

Reference is made to the announcement of the Company dated 20 December 2007 (the “**Announcement**”). Further to the information set out in the Announcement, the Board would like to provide further details of the Transaction.

Reference is made to the announcement of the Company dated 20 December 2007 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless expressly stated otherwise.

Further to the information set out in the Announcement, the Board would like to provide further details of the Transaction as follows:

Terms of the Preferred Shares

The Preferred Shares will carry full voting rights and the Investor shall have the rights to convert the Preferred Shares into ordinary shares of Well Metro at an initial ratio of one Preferred Share to one ordinary share basis, subject to adjustments in certain circumstances, including subdivision or consolidation of the share capital of Well Metro, any time within three years from the date of issuance.

The Investor shall also have the right to require Well Metro to purchase all of the Preferred Shares at any time after 36 months from 19 December 2007, being the date of issuance of the Preferred Shares, for an amount equal to the Consideration plus any accrued and unpaid dividends.

In addition, the Preferred Shares shall be redeemable in full at the option of the Investor at a price equal to the Consideration plus an amount representing a 15% per annum return compounded annually on the Consideration from the said date of issuance to the date of redemption upon the occurrence of any event of default, which includes, amongst others, if Spring Castle cease to control the majority of the board of Well Metro.

In the event of any liquidation, dissolution, winding up of Well Metro, the assets and funds of Well Metro available for distribution amongst the holders of the Preferred Shares will be applied in priority to any payment to the holders of any other class of shares in the capital of Well Metro.

The Investor shall be entitled to receive a yield to maturity in an amount equal to 5% of the Consideration per annum, compounded annually to the extent not paid by Well Metro. The Preferred Shares will be entitled to dividends in the event any dividends are declared and paid to the holders of ordinary shares of Well Metro.

Effect of the Transaction on the financial position of the Group

It is estimated that the Transaction will not result in any gain or loss or any material effect on the earnings of the Group as the Preferred Shares are redeemable at the option of the Investor as stated above under the heading “Terms of the Preferred Shares”. Taking into such option to redeem, the assets and liabilities of the Group are both expected to be increased by an amount equal to the Consideration after Completion.

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

Hong Kong, 9th January 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, Mr. Appella Marcello and Ms. Tang Wai Ha; two non-executive Directors, namely Mr. Piva Antonio 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.

The announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under “Latest Listed Companies Information” and at the website of the Company at www.hembly.com.cn.