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# HEMBLY

## Hembly International Holdings Limited

### 恒寶利國際控股有限公司

*(Incorporated in Cayman Islands with limited liability)*

(Stock Code: 03989)

**PROPOSED OPEN OFFER OF NOT LESS THAN 141,515,000 OFFER SHARES AND NOT MORE THAN 144,547,500 OFFER SHARES ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO SHARES HELD ON RECORD DATE**

**Financial adviser to the Company**

### AmCap

*Ample Capital Limited*

豐盛融資有限公司

**Underwriter**



## Fortune (HK) Securities Limited

### THE OPEN OFFER

The Board is pleased to announce that on 20 January 2009, the Company and the Underwriter entered into the Underwriting Agreement to implement the Open Offer. The Company proposes to raise not less than HK\$42.45 million and not more than HK\$43.36 million before the estimated expenses of the Open Offer by issuing less than 141,515,000 Offer Shares and not more than 144,547,500 Offer Shares (if the exercise of the Remaining Share Options are completed before the Record Date) respectively at a price of HK\$0.30 per Share by way of the Open Offer, payable in full on application, on the basis of one Offer Share for every two Shares held on the Record Date.

The Open Offer will not be available to the Prohibited Shareholders. To qualify for the Open Offer, all transfer of Shares must be lodged for registration with the Registrar by 4:30 p.m. on Thursday, 5 February 2009. The register of members is expected to be closed from Friday, 6 February 2009 to Tuesday, 10 February 2009 (both days inclusive) to determine the entitlements to the Open Offer.

As at the date of this announcement, Charm Hero Investments Limited, a wholly owned subsidiary of Mensun Limited, which was controlled by Mr. Ngok, which holds 101,829,470 Shares, representing approximately 35.98% of the issued share capital of the Company, has given an irrevocable undertaking in favour of the Company and the Underwriter to subscribe for or procure subscriptions for an aggregate of 50,914,735 Offer Shares to which Charm Hero is entitled under the Open Offer.

As at the date of this announcement, the Company has 14,850,000 outstanding Share Options in which 8,415,000 Share Options have vested to and are exercisable by the relevant participants, while 6,435,000 Share Options have not vested to and are not exercisable by the relevant participants. Mr. Ngok and his spouse are also the beneficial owners of 3,500,000 outstanding Share Options of which 2,350,000 Share Options have been vested and are exercisable, while 1,150,000 Share Options are not exercisable. Mr. Ngok has also irrevocably undertaken to the Company not to exercise and procure the non-exercise of any of the 2,350,000 Share Options granted to him and his spouse on or before the Record Date.

The estimated net proceeds from the Open Offer is approximately HK\$38.35 million (assuming no exercise of the Remaining Share Options on or before the Record Date) or approximately HK\$39.26 (assuming all the Remaining Share Options are being exercised on or before the Record Date) will be used for general working capital of the Group.

Pursuant to the Underwriting Agreement, the Underwriter has agreed to subscribe or procure the subscription for all the Underwritten Shares if any of the Underwritten Shares have not been taken up by the Qualifying Shareholders by the Latest Time for Acceptance.

**The Open Offer is conditional upon, among others, the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement in accordance with its terms. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors are advised to exercise due caution when dealing with the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares will be dealt with on an ex-entitlement basis commencing from Wednesday, 4 February 2009 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholders or other persons dealing in such Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be Thursday, 26 February 2009) will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating on selling or purchasing the Shares who are in any doubt about their position are recommended to consult their professional advisers.**

## THE OPEN OFFER

### Issue statistics

Basis of the Open Offer	:	One Offer Share for every two Shares held on Record Date
Number of Shares in issue as of the date of this announcement	:	283,030,000 Shares
Number of Offer Shares	:	Not less than 141,515,000 Offer Shares and not more than 144,547,500 Offer Shares (if the exercise of the Remaining Share Options are completed on or before the Record Date)
Number of Shares in issue immediately following the completion of the Open Offer	:	Not less than 424,545,000 Offer Shares and not more than 433,642,500 Offer Shares (if the exercise of the Remaining Share Options are completed on or before the Record Date)
Underwriter		Fortune
Number of Underwritten Shares	:	not less than 90,600,265 Offer Shares and not more than 93,632,765 (if the exercise of the Remaining Share Options are completed on or before the Record Date) Offer Shares, being all Offer Shares less such number of Offer Shares agreed to be taken up or procured to be taken up by Mr. Ngok pursuant to the Underwriting Agreement
Number of Offer Shares undertaken to be taken up by Mr. Ngok	:	50,914,735 Offer Shares
Number of outstanding Share Options	:	14,850,000 outstanding Share Options in which 8,415,000 Share Options have vested to and are exercisable by the relevant participants, while 6,435,000 Share Options have not vested to and are not exercisable by the relevant participants
Number of Share Options undertaken not to be exercised by Mr. Ngok	:	Mr. Ngok and his spouse are holders of 3,500,000 outstanding Share Options of which 2,350,000 Share Options have been vested and are exercisable, while 1,150,000 Share Options are not exercisable. Mr. Ngok has also irrevocably undertaken to the Company not to exercise and procure the non exercise of any of the 2,350,000 Share Options granted to him and his spouse on or before the Record Date

Under the Open Offer, on the assumption that no outstanding Remaining Share Option is exercised before the Record Date, 141,515,000 Offer Shares would be allotted, representing approximately 50.0% of the existing issued share capital of the Company as at the date of this announcement and approximately 33.3% of the issued share capital of the Company as enlarged by the issue of 141,515,000 Offer Shares. However, as at the date of this announcement, there are 14,850,000 outstanding Share Options in which 8,415,000 Share Options have vested to and are exercisable by the relevant participants, while 6,435,000 Share Options have not vested to and are not exercisable by the relevant participants. Besides, Mr. Ngok and his spouse are also the holders of 3,500,000 outstanding Share Options of which 2,350,000 Share Options have been vested and are exercisable, while 1,150,000 Share Options are not exercisable. Mr. Ngok has also irrevocably undertaken to the Company not to exercise and procure the non exercise of any of 2,350,000 Share Options granted to him and his spouse on or before the Record Date. On the assumption that the 6,065,000 Remaining Share Options will all be exercised by the holders before the Record Date and qualified for the Open Offer, not more than 144,547,500 Offer Shares would be allotted under the Open Offer, representing approximately 51.1% of the existing issued share capital of the Company as at the date of this announcement and approximately 33.3% of the issued share capital of the Company as enlarged by the 6,065,000 Shares issued upon the exercise of the 6,065,000 Remaining Shares Options and the issue of 144,547,500 Offer Shares. Save as disclosed, apart from the 14,850,000 Share Options, there are no other outstanding warrants, convertible notes or other rights to subscribe for Shares as at the date of this announcement.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Prohibited Shareholders. Furthermore, the Company will send the Application Form to the Qualifying Shareholders only. To qualify for the Open Offer, Qualifying Shareholders must be registered as members of the Company on the register of members of the Company on the Record Date and not be Prohibited Shareholders.

In order to be registered as members of the Company on the Record Date, Qualifying Shareholders must lodge any transfer of Shares (with the relevant Share certificates) for registration with the Registrar by 4:30 p.m. on Thursday, 5 February 2009.

The branch share registrar of the Company in Hong Kong is:

Tricor Investor Services Limited  
26/F  
Tesbury Centre  
28 Queen's Road East  
Hong Kong

The invitation to apply for the Offer Shares will not be transferable and there will be no trading in the nil-paid entitlements on the Stock Exchange.

## **Closure of register of members**

The register of members of the Company will be closed from Friday, 6 February 2009 to Tuesday, 10 February 2009 (both days inclusive) to determine the eligibility of the Qualifying Shareholders to the Open Offer. No transfer of Shares will be registered during this period.

## **The Subscription Price**

The Subscription Price of HK\$0.30 per Offer Share, payable in full on application, represents:

- (i) a discount of approximately 13.0% to the closing price of HK\$0.345 per Share as quoted on the Stock Exchange on 20 January 2009, being the date of the Underwriting Agreement;
- (ii) a discount of approximately 9.1% to the theoretical ex-entitlement price of approximately HK\$0.33 per Share based on the aforesaid closing price per Share;
- (iii) a discount of approximately 16.4% to the average closing price of approximately HK\$0.359 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 20 January 2009;
- (iv) a discount of approximately 24.7% to the average closing price of approximately HK\$0.399 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 20 January 2009; and
- (v) a discount of approximately 87.2% to the unaudited net asset value per Share of approximately HK\$2.35 as at 30 June 2008.

The Subscription Price was determined based on arm's length negotiations between the Company and the Underwriter, with reference to the prevailing market prices of the Shares. The Board considers that the Subscription Price is fair and reasonable and the discount of the Subscription Price as compared to the recent market prices would encourage Qualifying Shareholders to participate in the Open Offer and accordingly the future growth of the Group. The Company will send the Prospectus to the Prohibited Shareholders for their information only. The Company will not send the Application Form to the Prohibited Shareholders.

## **Status of the Offer Shares**

The Offer Shares, when allotted and issued, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid in respect thereof on or after the date of allotment and issue of such Offer Shares.

## **Certificates for the Offer Shares and Refund Cheques**

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Tuesday 3 March 2009 to those Qualifying Shareholders who have validly applied and paid for the Offer Shares at their own risks. If the Open Offer is terminated, refund cheques will be despatched on or before Tuesday 3 March 2009 by ordinary post at their own risk.

## **Rights of the Prohibited Shareholders**

The Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2) of the Listing Rules and make enquiries regarding the feasibility of extending the Open Offer to the Prohibited Shareholders and disclose the details of the Prohibited Shareholders in the circular in relation to the Prospectus. If, based on legal opinions provided by the legal advisers to the Company, the Directors consider that, in compliance with Rule 13.36(2) of the Listing Rules, it is necessary or expedient not to extend the Open Offer to the Prohibited Shareholders on account either of the legal restrictions under the laws of the place of his registered address or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to the Prohibited Shareholders.

## **No Application for Excess Offer Shares**

No application for excess Offer Shares will be made available to any Qualifying Shareholders to apply for any entitlements of the Prohibited Shareholders, any Offer Shares not taken up by Qualifying Shareholders and the abovementioned aggregated fractional entitlements will be taken up by the Underwriter.

## **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty in Hong Kong.

The Open Offer is not subject to Shareholders' approval.

## **Undertaking arrangements**

### *Irrevocable undertaking from Mr. Ngok*

Under the Underwriting Agreement, Mr. Ngok irrevocably, undertakes to the Company and the Underwriter:

1. to subscribe or procure the subscription of an aggregate of 50,914,735 Offer Shares to which Charm Hero is entitled pursuant to the Open Offer;

2. not to exercise and procure the non-exercise of the 2,350,000 Share Options beneficially owned by him and his spouse on or before the Record Date;
3. not to and procure Charm Hero not to dispose of its Shares until after the fourth business day following (but excluding) the Latest Time for Acceptance; and
4. to lodge the Application Form in respect of the Offer Shares referred to the Underwriting Agreement accompanied by appropriate remittances which shall be honoured on first presentation and otherwise comply with the procedures for such acceptance and application as described in the Prospectus Documents prior to the Latest Time for Acceptance.

### *The Underwriting Agreement*

Taking into account the undertaking from Mr. Ngok, the Underwriter has agreed to fully underwrite not more than 93,632,765 Offer Shares and not less than 90,600,265 Offer Shares at a subscription price of HK\$0.30 per Offer Share. The Underwriter and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules). The Underwriting Agreement provides that the Underwriter will be obliged to subscribe or procure subscribers for any Underwritten Shares not taken up by the Qualifying Shareholders.

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate subscription price of the maximum number of the Offer Shares. The underwriting commission was determined with reference to the market rates. The Directors (including the independent non-executive Directors) are also of the view that the commission is fair and reasonable.

### **Termination of the Underwriting Agreement**

**The Underwriting may by notice in writing to the Company given at any time before 4:00 p.m. of the next business day after the Latest Time for Acceptance, terminate the Underwriting Agreement, if any of the following grounds of termination happens:**

- (1) **in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:**
  - (a) **the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or**



- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will materially adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition for the voluntary liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material uninsured asset of the Group; or
- (4) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement, or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,

**The Underwriter shall also be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:**

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

**Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.**



## Conditions of the Open Offer

Completion of the Open Offer is conditional upon fulfillment of each of the following conditions:

1. the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the date on which the Prospectus is despatched;
2. the posting of the Prospectus Documents to the Qualifying Shareholders and, if required by and in compliance with the Listing Rules, the posting of the Prospectus, and a letter to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the date on which the Prospectus is despatched;
3. the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
4. the obligations of the Underwriter becoming unconditional and that the Underwriter Agreement is not terminated in accordance with its terms;
5. compliance with and performance of all undertakings and obligations of Mr. Ngok under the Underwriting Agreement.

The Company shall make an application to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

**If any of the conditions of the Open Offer is not fulfilled by or at the time and/or date specified therefor, (or if no time or date is specified, the time as specified under the Underwriting Agreement, or such other time as may be agreed between the Underwriter and the Company) or shall become incapable of being fulfilled on or before such time, or the Underwriting Agreement is terminated by the Underwriter by written notice to the Company pursuant to the terms of the Underwriting Agreement, in which case the Open Offer will not proceed.**

## Shareholding structure of the Company

The shareholding structure of the Company immediately before and after the completion of the Open Offer is set out below:

Shareholders	As at the date of this announcement		Immediately after completion of the Open Offer assuming all Shareholders take up their respective allotment of the Offer Shares in full and no Share Option is exercised before the Record Date		Immediately after completion of the Open Offer assuming all Shareholders take up their respective allotment of the Offer Shares in full and the Remaining Options are exercised before the Record Date		Immediately after completion of the Open Offer assuming no Shareholder takes up any of the Underwritten Shares, all Underwritten Shares are taken up by the Underwriter and no Share Option is exercised before the Record Date		Immediately after completion of the Open Offer assuming no Shareholder takes up any of the Underwritten Shares, all Underwritten Shares are taken up by the Underwriter and the Remaining Options are exercised before the Record Date	
	Shares	%	Shares	%	Shares	%	Shares	%	Shares	%
Charm Hero ( <i>Note</i> )	101,829,470	35.98%	152,744,205	35.98%	152,744,205	35.22%	152,744,205	35.98%	152,744,205	35.22%
Other Directors and connected persons	9,858,080	3.48%	14,787,120	3.48%	19,264,620	4.44%	9,858,080	2.32%	12,843,080	2.96%
The Underwriter	0	0.00%	0	0.00%	0	0.00%	90,600,265	21.34%	93,632,765	21.59%
<b>Public</b> existing public Shareholders	171,342,450	60.54%	257,013,675	60.54%	261,633,675	60.33%	171,342,450	40.36%	174,422,450	40.22%
<b>Total</b>	<u>283,030,000</u>	<u>100.00%</u>	<u>424,545,000</u>	<u>100.00%</u>	<u>433,642,500</u>	<u>100.00%</u>	<u>424,545,000</u>	<u>100.00%</u>	<u>433,642,500</u>	<u>100.00%</u>

*Note:* As at the date of this announcement, Charm Hero Investments Limited, a wholly owned subsidiary of Mensun Limited, which was controlled by Mr. Ngok, which holds 101,829,470 Shares, representing approximately 35.98% of the issued share capital of the Company, has given an irrevocable undertaking in favour of the Company and the Underwriter to subscribe for or procure subscriptions for an aggregate of 50,914,735 Offer Shares to which Charm Hero is entitled under the Open Offer. Mr. Ngok and his spouse are also the beneficial owners of 3,500,000 outstanding Share Options of which 2,350,000 Share Options have been vested and are exercisable, while 1,150,000 Share Options are not exercisable. Mr. Ngok has also irrevocably undertaken to the Company not to exercise and procure the non-exercise of any of the 2,350,000 Share Options granted to him and his spouse on or before the Record Date.

## **Reasons for the Open Offer and use of proceeds**

The Group is principally engaged in the provision of supply chain services for its supply of apparel and accessories to international brand apparel makers and the distribution and retailing of apparel and footwear.

The estimated net proceeds from the Open Offer is approximately HK\$38.35 million (assuming no exercise of the Share Options on or before the Record Date) or approximately HK\$39.26 million (assuming all the Remaining Share Options are being exercised on or before the Record Date) will be used for general working capital of the Group.

The Board considers that the Open Offer provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position. In addition, since the Open Offer will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Open Offer.

The estimated expenses of the Open Offer are about HK\$4.1 million, which include underwriting commission and professional fees payable to the financial advisers, lawyers and financial printer, etc. and will be borne by the Company.

The Group did not carry out any capital raising activities within the last 12 months prior to the date of this announcement.

## **Expected timetable**

2009

Last day of dealings in the Shares on a cum-entitlement basis	Tuesday, 3 February
First day of dealings in the Shares on an ex-entitlement	Wednesday, 4 February
Latest time for lodging transfers of Shares accompanied by the relevant title documents in order to qualify for the Open Offer	4:30 pm on Thursday 5 February
Register of members closed (both days inclusive)	Friday 6 February to Tuesday 10 February
Record Date for the Open Offer	Tuesday 10 February

Despatch of the Prospectus Documents	Wednesday 11 February
Latest time for payment for and acceptance of the Offer Shares	Wednesday 25 February
Latest time for the Open Offer to become unconditional	Thursday 26 February
Announcement of results of the Open Offer	Tuesday 3 March
If the Open Offer is terminated, refund cheques to be despatched on or before	Tuesday 3 March
Share certificates of the Offer Shares to be posted	Tuesday 3 March
Dealing in the Offer Shares commences	Thursday 5 March

### **WARNING OF RISKS OF DEALINGS IN THE SHARES**

**If Fortune, the Underwriter, terminates the Underwriting Agreement, or if the conditions of the Underwriting Agreement have not been fulfilled in accordance with the terms thereof, the Open Offer will not proceed. Shareholders and potential investors are advised to exercise due caution when dealing with the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares will be dealt with on an ex-entitlement basis commencing from Wednesday, 4 February 2009 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholders or other persons dealing in such Shares up to the date on which all conditions to which the Open Offer is subject to are fulfilled (which is expected to be Thursday 26 February 2009) will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating on selling or purchasing the Shares who are in any doubt about their position are recommended to consult their professional advisers.**

### **GENERAL**

The Prospectus or Prospectus Documents, where appropriate, containing further information on the Open Offer will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

Terms used in this announcement have the following meanings unless the context otherwise requires:

“Application Form(s)”	the application form for use by the Qualifying Shareholders to apply for the Offer Shares
“Board”	the board of Directors
“Charm Hero”	Charm Hero Investments Limited, a wholly owned subsidiary of Mensun Limited, which was controlled by Mr. Ngok
“Company”	Hembly International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Fortune” or “Underwriter”	Fortune (HK) Securities Limited (富強證券有限公司), being the underwriter to the Open Offer
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Time for Acceptance”	4:00 p.m. on 25 February 2009 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares as described in the Prospectus
“Latest Time for Termination”	4:00 p.m. on the next business day after the Latest Time for Acceptance
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ngok”	Ngok Yan Yu, the chairman and an executive director and substantial shareholder of the Company
“Offer Share(s)”	not less than 141,515,000 new Shares and not more than 144,547,500 new Shares (if the exercise of the Share Options are completed before the Record Date), proposed to be offered to the Qualifying Shareholders for subscription under the Open Offer

“Open Offer”	the proposed issue of the Offer Shares at the Subscription Price by way of an open offer to the Qualifying Shareholders on the terms pursuant to the Prospectus Documents and summarized in this announcement
“Prohibited Shareholders”	the Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses are in places outside of Hong Kong or who are persons to whom in the Directors’ opinion, the Offer Shares may not be offered without compliance with registration and/or other legal or regulatory requirements of a jurisdiction or jurisdictions outside of Hong Kong
“Prospectus”	the Open Offer prospectus
“Prospectus Documents”	the Prospectus and the Application Form
“Qualifying Shareholders”	the Shareholders other than the Prohibited Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Tuesday, 10 February 2009, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch Share registrar located at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong
“Remaining Share Options”	6,065,000 Share Options, the holders of which have not undertaken to the Company not to exercise such Share Options on or prior to the Record Date
“Share Option Scheme”	the share option scheme adopted by the Company on 15 June 2006, which entitles the holders of the Share Options to subscribe for Shares
“Share Options”	share options granted by the Company under the Share Option Scheme
“Share(s)”	the Shares of HK\$0.10 in the issued share capital of the Company
“Shareholders”	the shareholders of the Company

“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained the Underwriting Agreement untrue or incorrect in any material respect
“Subscription Price”	the subscription price of HK\$0.30 per Offer Share under the Open Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriting Agreement”	the underwriting agreement dated 20 January 2009 entered into among the Company, Mr. Ngok and the Underwriter in relation to the Open Offer
“Underwritten Shares”	not less than 90,600,265 Offer Shares and not more than 93,632,765 (if the exercise of the Share Options are completed before the Record Date) Offer Shares, being all Offer Shares less such number of Offer Shares agreed to be taken up or procured to be taken up by Mr. Ngok pursuant to the Underwriting Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 21 January 2009

*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.*