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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)

STABILISING ACTIONS AND END OF STABILISATION PERIOD

This announcement is made pursuant to the requirements under Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Subsidiary Legislation W of Chapter 571 of the Laws of Hong Kong) (the "Rules").

The Company announces that the stabilisation period in connection with the Share Offer has ended on 4 August 2006.

The stabilising actions undertaken during the stabilisation period were: (i) the borrowing of an aggregate of 10,080,000 Shares from Charm Hero pursuant to the Stock Borrowing Agreement, solely to cover over-allocations in the Placing; and (ii) the exercise in full of the Over-allotment Option referred to in the Prospectus in respect of 10,080,000 Shares at the Offer Price of HK\$1.70 per Share on 25 July 2006 solely to cover over-allocations in the Placing.

The Company announces that the stabilisation period in connection with the Share Offer has ended on 4 August 2006. During the stabilisation period, the stabilising actions undertaken during the stabilisation period were: (i) the over-allocations of 10,080,000 Shares in the Placing; and (ii) the exercise in full by SBI E2-Capital Securities Limited (the "**Lead Manager**") (for itself and on behalf of the Underwriters) of the Over-allotment Option referred to in the Prospectus in respect of 10,080,000 Shares at the Offer Price of HK\$1.70 per Share on 25 July 2006 solely to cover the over-allocation in the Placing.

Pursuant to the Over-allotment Option, the Company issued and allotted 10,080,000 additional new Shares, representing 15% of the Offer Shares initially offered under the Share Offer, at the Offer Price of HK\$1.70 per Shares. Such new Shares were returned to Charm Hero under the Stock Borrowing Agreement which was entered into between Charm Hero and the Lead Manager (for itself and on behalf of the Underwriters) in order to cover over-allocations in the Placing. Details of the exercise of the Over-allotment Option have been disclosed in the announcement of the Company dated 25 July 2006.

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

Hong Kong, 4 August 2006

As at the date of this announcement, the executive Directors are 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; the non-executive Director is Mr. JE Kin Ming; the independent non-executive Directors are 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**.*