



FOR IMMEDIATE RELEASE

To: BUSINESS EDITOR

HEMBLY STRENGTHENED BRAND PORTFOLIO STRATEGIC POSITIONING FOR FUTURE EXPANSION

(21 July 2008, Hong Kong) –Hembly International Holdings Limited and its subsidiaries (“Hembly”, the “Company” or the “Group”; SEHK Code: 3989) announced today that it has purchased the 50% shareholding of the STF (China) Limited which was held by Stonefly S.p.A.; and sold its 50% shareholding of the Lotto China Limited to Lotto Sport H.K. Limited respectively. The brand restructuring would strengthen the Group’s position as a leading multi-brand operator in fashion and luxury sectors that adopts a vertical integration model, whilst fine-tuning the Group’s focus and internal resources towards the expansion of such sectors.

In light of booming retailing market in the luxury and affordable luxury sector, Hembly purchased the 50% shareholding of STF (China) Limited, a joint venture established by the Company and Stonefly S.p.A. in February 2005, from Stonefly S.p.A.. By wholly own STF (China) Limited, which were granted a 10-year exclusive license to design, develop, manufacture and distribute Stonefly shoes and accessories under its trademark, Hembly will enjoy more flexibility to apply its vertical integration model for the Brand. Following the completion of the purchase, a new management with extensive expertise in product, sales and marketing led by Mr. Nelson Ko who who previously headed Hush Puppies’s China operation, will accelerate the fast expansion of the Stonefly brand in China and to further seize the Brand’s market share of the comfortable shoes sector in the PRC.

Mr. Billy Ngok, Chairman of Hembly, said, “The comfort shoes market in the PRC is of great potential but yet to explore. Stonefly, an international leader in footwear sector and known for its absolute comfort and trendy design, will capture the hearts of the Chinese consumers. With the new management team, Stonefly business is set to fly in the PRC.”

At the same time, to better allocate internal resources for future acquisition opportunities in Sergio Tacchini, an Italian’s prestigious sports brand that Hembly in May 2007 were granted an option to be exercised within the period of three years for the acquisition of its Chairman’s interests in the assets and business of the Brand, the Company sold its 50% shareholding of Lotto China Limited, a joint venture established by the Company and Lotto Sport H.K. Limited in September 2005, to Lotto Sport H.K. Limited.

Mr. Ngok pointed out, “Sergio Tacchini, with 40 years of history, is a prominent sports brand and is famous for its elegant and stylish sportswear. With its brand positioning and history similar to that of Lacoste, I believe that Sergio Tacchini will have a huge potential to succeed in global affordable luxury market, especially in China. In preparation for Hembly to own this renowned global brand, the Company made strategic moves to restructure its current brand portfolio.”

“Going onward, Hembly will continue to attract more luxury and affordable luxury brands to enrich our brand portfolio and to adopt a vertical integration model from production, retailing to brand management so as to further strengthen its leading position in the affordable luxury and luxury sector” **Mr. Ngok** concluded.

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ABOUT HEMBLY INTERNATIONAL HOLDINGS LIMITED (SEHK STOCK CODE: 3989)

Established in year 2000 and listed on Hong Kong Stock Exchange in 2006, Hembly International Holdings Limited (“Hembly”) is a leader in the provision of apparel supply chain services. Our capability of supply chain solutions for luxury and fashion brands is highly recognized by international luxury brand owners.

To capture the business opportunity brought by the booming consumer market in China, Hembly has extended its capabilities to encompass the broader spectrum of services, including distribution and retailing of apparel and footwear in China. The Group has partnered with Stonefly, Sisley and Moschino to offer luxury and affordable luxury fashion, footwear and accessories in tier-1 and tier-2 cities within the PRC.

Headquartered in Hong Kong, Hembly has strong European sales and marketing arms in Italy, France, Sweden and Germany and operation arms in China, including Nanjing, Shenzhen, Shanghai and Beijing, Yangzhou and Macao.

For more information on Hembly, please visit its website at www.hembly.com

*Issued by Financial Dynamics International for and on behalf of **Hembly International Holdings Limited**. For further information, please contact:*

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