To : BUSINESS EDITOR
FOR IMMEDIATE RELEASE

HEMBLY ANNOUNCES RECORD-BREAKING INTERIM RESULTS 2007

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Rapid Growth In Supply Chain Services and
Distribution and Retailing Business
Fueled by New Business Partnership

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Changes
	2007 HK$'000	2006 HK$'000	
Turnover	**367,351**	262,584	+39.9%
Profit attributable to equity holders	**45,647**	34,997	+30.4%
Earnings per share (Basic)	**HK18.01 cents**	HK19.44 cents	-7.4%
Interim dividend per share	**HK3.0 cents**	HK3.0 cents	--

(13 September 2007, Hong Kong) – **Hembly International Holdings Limited** and its subsidiaries ("Hembly" or the "Group"; Stock Code: 3989), today announced its unaudited interim results for the six months ended 30 June 2007.

For the six months ended 30 June 2007, The Group continued to record a robust performance with revenue of HK$367.4 million, representing an increase of HK$104.8 million or 39.9% from HK$262.6 million in the same period of 2006. Overall gross margin of the Group remained stable at 36.0%. Profit attributable to the equity holders of the Group surged by 30.4% to HK$45.6 million as compared to the corresponding period last year. Basic earnings per share was HK18.01 cents (1H2006: HK19.44 cents).

The Board of Directors has decided to declare an interim dividend of HK3.0 cents per share (1H2006: HK3.0 cents) for the first half of this financial year.

Mr. Ngok Yan Yu, Chairman of Hembly, commented, "After years of efforts, the Group has successfully established a solid platform for multi-brands management via our supply chain services and distribution and retailing businesses. The Group has also successfully captured the business opportunities to obtain more orders from existing customers and expanding our customer base so as to maximize return on investment for our shareholders."

Business Overview

In the first half 2007, revenues from supply chain services and distribution and retailing rose 42.5% and 15.9% to HK$337.1 million and HK$30.0 million respectively, accounting for about 91.8% and 8.2% of the Group's total revenue. The growth mainly attributed to the increasing out-sourcing demand from European luxury brands as well as our success in driving up sales in high margin products and expanding its customer base.

Gross margin of the distribution and retailing business significantly rose to 51.8% from 40.0% in the same period of last year. This improvement was mainly due to the implementation of appropriate marketing and sales strategies, improvement in operating efficiency and steady increase in points-of-sale for Lotto and Stonefly.

Meanwhile, starting from 1 August 2007, 45 Sisley shops, directly managed by Benetton Group, were smoothly transferred to the new joint venture. The Group believes the Sisley shops will significantly contribute to the revenue of the Group's distribution and retailing business in the second half of 2007.

New Business Partnerships

In March of 2007, the Chairman Mr. Ngok granted an option to the Group for the acquisition of his interests in Sergio Tacchini business within a period of three years starting from 24 May 2007. Sergio Tacchini ("ST'), with 40 years of history, is a prominent sports brand and is infamous for its elegant and stylish sportswear, especially in tennis related sportswear. With the option granted, the Group is able to realize our dream as a brand owner with attractive terms.

Following this move, Mr. Ngok reached a sourcing agreement with the Group, in which the Group is appointed to provide exclusive sourcing services for all sourcing of ST products in Asia. With such exclusive sourcing arrangement, the revenue base of the Group's supply chain services will be greatly broadened, which brings strong momentum to future business growth.

In June 2007, the Group entered into an exclusive distribution agreement with Moschino S.p.A and granted distribution exclusivity for 10 years in the PRC for various prestigious

Moschino product lines. This partnership represents a significant step and earmarks a new chapter in the Group's distribution and retail business, not only enhancing the Group's brand diversification, but also largely up scaled its brand portfolio.

Under the Agreement, the Group will open 30 shops within the first 5 years from the date of the Exclusive Distributorship Agreement. By the end of 2007, 2 Moschino flagship stores will be open in Beijing and Shanghai.

In July 2007, the Group entered into a conditional sale and purchase agreement with Mariella S.r.L. ("Mariella") for its lease and its conditional purchase of the Bond Street business, which completion of purchase is contingent on the irrevocable acceptance of such purchase by Mariella's creditors. With almost 25 years of history, the brands Bond Street and Bond Street Collection are characterized by stylish prêt-a-porter collections collaborated with prestigious garment stylists, using Italian fabrics of high-level and from a great span of designs and models. This business was an immediate success especially in the market of high-level sportswear in Italy and various foreign countries. This agreement allows the Group the golden opportunity to further synergize and globalise its retailing network and distribution network both locally and globally. Once this agreement is completed, the Group will immediately become a brand owner of a high-end and established European brand.

Prospects

Looking ahead, the Group will continue to seek for different investment opportunities to foster business growth through mergers, acquisitions and other appropriate ventures. Meanwhile, the Group will continue to integrate its two business segments to achieve greater efficiencies and create better synergies to foster design and development of its products. This integration will provide improved benefits for its customers.

Mr. Ngok concluded, "We are committed to expand its capabilities in supply chain services and will seek opportunities to establish strategic alliances with key international branded clients to increase collaboration and capitalized on the immense PRC potential."

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ABOUT HEMBLY INTERNATIONAL HOLDINGS LIMITED (SEHK: 3989)

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Founded in 2000, Hembly International Holdings Limited specializes in the provision of apparel supply chain services, as well as distribution and retailing of apparel and footwear in China for international brands such as United Colors of Benetton, Sisley, Moschino, Lotto, Salewa and Sergio Tachinni. Headquartered in Hong Kong, Hembly has established strong European sales and marketing foothold in Italy, France, Sweden and Germany and operation arms in China, including Beijing, Shanghai, Shenzhen, Nanjing, Yangzhou and Macau.

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

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

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