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HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

COMPLETION OF TOP-UP PLACING AND TOP-UP SUBSCRIPTION

Placing Agent



KINGSTON SECURITIES LIMITED

The Board is pleased to announce that all conditions set out in the Top-up Placing and Subscription Agreement have been fulfilled and the Top-up Subscription was completed on 2 September 2010 in accordance with the terms and conditions of the Top-up Placing and Subscription Agreement. An aggregate of 300,000,000 Top-up Subscription Shares, representing approximately 6.86% of the issued share capital of the Company as at the date of this announcement, were issued to the Vendor.

Reference is made to the announcement of the Company dated 25 August 2010 (the “**Announcement**”) in relation to the Top-up Placing and the Top-up Subscription. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board is pleased to announce that all conditions set out in the Top-up Placing and Subscription Agreement have been fulfilled and the Top-up Subscription was completed on 2 September 2010 in accordance with the terms and conditions of the Top-up Placing and Subscription Agreement. An aggregate of 300,000,000 Top-up Placing Shares have been successfully placed to not fewer than six Placees, who and whose ultimate beneficial owners are third parties independent of the Company and not connected persons (as defined in the Listing Rules) of the Company and its connected persons, (as defined in the Listing Rules) and are independent of, and not acting in concert with, the Vendor and its concert parties, at the Top-up Placing Price of HK\$3.48 per Top-up Placing Share on 31 August 2010. An aggregate of 300,000,000 Top-up Subscription Shares, representing approximately 6.86% of the issued share capital of the Company as at the date of this announcement, have been issued and allotted to the Vendor at the Top-up Subscription Price of HK\$3.48 per Top-up Subscription Share.

As at the date of this announcement and after the completion of the Top-up Subscription, there are 4,374,389,000 Shares in issue and the Vendor is interested in 1,522,524,000 issued Shares, representing approximately 34.81% of the existing issued share capital of the Company.

The table below sets out the changes to the shareholding structure of the Company as a result of the completion of the Top-up Placing and the Top-up Subscription, respectively:

Name of shareholder	Shareholding immediately before the completion of the Top-up Placing		Shareholding immediately after the completion of the Top-up Placing		Shareholding immediately after the completion of the Top-up Subscription	
	<i>Number of</i>	<i>% of shareholding</i>	<i>Number of</i>	<i>% of shareholding</i>	<i>Number of</i>	<i>% of shareholding</i>
	<i>Shares</i>	<i>(approximate)</i>	<i>Shares</i>	<i>(approximate)</i>	<i>Shares</i>	<i>(approximate)</i>
Vendor and parties acting in concert with it (<i>Note</i>)	1,550,040,000	38.04%	1,250,040,000	30.68%	1,550,040,000	35.43%
Other Directors (Not including Mr. Zhang Yuping)	49,132,000	1.21%	49,132,000	1.21%	49,132,000	1.12%
Placees	0	0%	300,000,000	7.36%	300,000,000	6.86%
Other public shareholders	2,475,217,000	60.75%	2,475,217,000	60.75%	2,475,217,000	56.59%
Total	<u>4,074,389,000</u>	<u>100%</u>	<u>4,074,389,000</u>	<u>100%</u>	<u>4,374,389,000</u>	<u>100%</u>

Notes:

The Vendor, Best Growth International Limited, is a company which is owned as to 82.9% by Mr. Zhang Yuping, the chairman and executive Director of the Company, 14.7% as to Ms. Zhang Yuhong, younger sister of Mr. Zhang Yuping and 2.4% as to Mr. Zhang Yuwen, younger brother of Mr. Zhang Yuping. The Vendor has disposed of 298,300,000 Shares on 27 August 2010 and held 1,522,524,000 Shares immediately before the completion of the Top-up Placing. Mr. Zhang Yuping, a party acting in concert with the Vendor, personally has been holding 27,516,000 Shares.

ADJUSTMENT IN THE CONVERSION PRICE OF THE CONVERTIBLE BONDS

Reference is made to the announcement of the Company dated 25 July 2007 relating to the Convertible Bonds.

According to the terms and conditions of the Convertible Bonds, following the completion of the Top-up Subscription, the prevailing conversion price of the Convertible Bonds of HK\$3.76 will be adjusted to HK\$3.73 with effect from 2 September 2010, being the day of issue of the Top-up Subscription Shares. The adjustment in relation to the conversion price has been computed in accordance with the terms of the Convertible Bonds.

All the other terms of the Convertible Bonds remain unchanged.

By Order of the Board
Hengdeli Holdings Limited
Zhang Yuping
Chairman

Hong Kong, 2 September 2010

As at the date of this announcement, the Hengdeli Board comprises three executive directors, namely, Mr. Zhang Yuping, Mr. Song Jianwen and Mr. Huang Yonghua; three non-executive Directors, namely, Mr. Chen Sheng, Mr. Shen Zhiyuan and Mr. Shi Zhongyang; and three independent non-executive directors, namely Mr. Cai Jianmin, Mr. Wong Kam Fai William and Mr. Liu Xueling.

The Directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.