

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



XINYU HENGDELI HOLDINGS LIMITED

新宇亨得利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

TERMINATION OF THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS IN SHARP WONDER

Reference is made to the announcement (the “**Announcement**”) and the circular (the “**Circular**”) of the Company dated 8 May 2008 and 26 May 2008 respectively relating to the discloseable transaction concerning the proposed acquisition of the entire equity interests of Sharp Wonder. Unless the context otherwise requires, terms used in this announcement shall have the same meaning as those defined in the Announcement and the Circular.

The Board announces that since conditions precedent to the completion of the Provisional Acquisition Agreement cannot be fulfilled or have not been waived by the Purchaser, the Company has served a notice of termination to the Vendors to terminate the Provisional Acquisition Agreement and has also requested the return of the First Deposit together with the accrued interests. Pursuant to the terms of the Provisional Acquisition Agreement, after the return of the First Deposit together with the accrued interests, the Provisional Acquisition Agreement shall be terminated with immediate effect and all parties shall be released and discharged from their respective obligations under the Provisional Acquisition Agreement.

The Board is of the view that the termination of the Provisional Acquisition Agreement does not have any material adverse impact on the business and financial position of the Group.

By Order of the Board
Mr. Zhang Yuping
Chairman

31 July 2008, Hong Kong

As at the date of this announcement, the Chairman and Executive Director of the Company is Mr. Zhang Yuping, the Executive Directors are Mr. Song Jianwen and Mr. Huang Yonghua, the Non-executive Directors are Mr. Chen Sheng, Mr. Shen Zhiyuan and Mr. Shi Zhongyang, the Independent Non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai William and Mr. Liu Xueling.