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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)

ANNOUNCEMENT

**PLACING OF EXISTING SHARES BY SECOND LARGEST SHAREHOLDER
OF THE COMPANY**

AND

RESUMPTION OF TRADING

Placing Agent



Guotai Junan Securities (Hong Kong) Limited

**1. PLACING OF EXISTING SHARES BY SECOND LARGEST SHAREHOLDER OF THE
COMPANY**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Company has been informed by Dunearn (a wholly-owned subsidiary of Temasek) on 25 September 2007, the second largest Shareholder of the Company, that it has entered into an agreement with Placing Agent for the placing of 90,000,000 Shares at a price of HK\$4.18 per Placing Share. The Placing Shares sold by Dunearn represent approximately 3.62% of the issued share capital of the Company.

Immediately before the placing, Dunearn holds 247,000,000 Shares, representing 9.94% of the existing issued share capital of the Company. Immediately following the completion of the placing, Dunearn holds 157,000,000 Shares, representing approximately 6.32% of the existing issued share capital of the Company.

2. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of the Shares was suspended from 9:30 a.m. on 25 September 2007, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares from 9:30 a.m. on 28 September 2007.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

1. PLACING

The Company has been informed by Dunearn (a wholly-owned subsidiary of Temasek) on 25 September 2007, the second largest Shareholder of the Company, that it has entered into an agreement with Placing Agent for the placing of 90,000,000 Shares at a price of HK\$4.18 per Placing Share. The Placing Shares sold by Dunearn represent approximately 3.62% of the issued share capital of the Company.

The Placing Agent has informed the Company that the placing will not result in the introduction of a new substantial shareholder (as such term is defined in the Listing Rules) of the Company.

Immediately before the placing, Dunearn holds 247,000,000 Shares, representing 9.94% of the existing issued share capital of the Company. Immediately following the completion of the placing, Dunearn holds 157,000,000 Shares, representing approximately 6.32% of the existing issued share capital of the Company.

2. RESUMPTION OF TRADING

At the request of the Company, trading of the Shares was suspended from 9:30 a.m. on 25 September 2007, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares from 9:30 a.m. on 28 September 2007.

3. DEFINITIONS

“Board”	the board of Directors, including independent non-executive Directors, of the Company
“Company”	Xinyu Hengdeli Holdings Limited (Stock code:3389), whose shares are listed on the Main Board of the Stock Exchange
“Dunearn”	Dunearn Investments (Mauritius) Pte Ltd., a company incorporated in Republic of Mauritius, whose registered office is at 4 Floor, Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius, and a wholly-owned subsidiary of Temasek
“Directors”	the directors of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited, which is a licensed corporation holding a licence under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended and supplemented from time to time, to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities
“Placing Share(s)”	90,000,000 Shares to be sold by Dunearn, representing approximately 3.62% of the issued share capital of the Company
“PRC”	the People’s Republic of China which excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder”	holder of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Temasek”

Temasek Holdings (Private) Limited, an Asia investment company headquartered in Singapore

“%”

per cent.

By Order of the Board
Xinyu Hengdeli Holdings Limited
Mr. Zhang Yuping
Chairman

27 September 2007

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