

Philosophy for success



Hembly believes that sharing the common goal with clients, to provide the best apparel products to customers around the world through its supply chain services and distribution and retailing network, will lead them to success.

Of all the companies providing supply chain services to renowned brands, Hembly International Holdings Ltd is outstanding for its supply chain services of apparel to international brands.

"Besides acting as a supply chain services provider for international renowned brands including Benetton, Salewa, Lafuma, Quiksilver and Diesel, to capture the business opportunities brought by the booming consumer market in China, Hembly have extended its capabilities to encompass the broader spectrum of services including distribution and retailing of apparel and footwear in China. The Company has established joint-venture with Stonefly, Lotto and Sisley to offer affordable luxury apparel and sportswear in tier-1 and tier-2 cities in China," said Mr. Billy Ngok, Chairman of Hembly.

Having won the trust of many top luxury brands, Hembly pays high credit to its strong design and development team who efficiently shortens lead time and reduce customers' expenses, thus increasing customers' reliance on them. Their emphasis on design echoes to one of the company's business philosophies - to maintain strong growth with scalable business model.

"Our international management team



Hembly's management team

also has vast industry expertise and a successful track record. The strong leadership, together with our unique business model, brings to the Company sustainable growth" he added.

With its operation and production complex in Nanjing and Yangzhou, Hembly adopts a flexible dual operation model in production management of outsourcing and in-house manufacturing, to offer its customers a wide varieties of apparel products.

As of 2005, Hembly outsourced about 85 percent of its production, and has over 20 major subcontractors located in China and Vietnam. This effectively frees Hembly from production capacity

constraints and enables the Company to meet demands from different brands.

Although Hembly is triumphant in many ways, like many other successful companies in China, human resources is one of the challenges faced by the Company.

"Our No.1 challenge is human resources. Finding executives for middle and top management in China is one of the biggest challenges faced by the Company," said Ngok.

To attract talents, Hembly offers competitive remuneration packages to its executives, as well as establishing sense of belonging. Through various incentive programs, Hembly also provides adequate training to employees, especially for



client-servicing.

"Moreover, Hembly strives to become the leading supply chain services provider in the PRC and makes our colleagues feel proud of working in Hembly and increase their incentives to stay" said Ngok.

"Raw material is another concern. With regards to the appreciation of the RMB, controlling the cost of the raw materials is also a challenge for many companies." Ngok admitted. "However, I am pleased to see that our Company has successfully monitored this. Our long-established business relationship with five major suppliers allows us to enjoy steady supplies of raw material with very competitive prices. Further to that, the quality of raw materials in China is increasing, allowing the Company to gradually source more the raw materials locally."

Mr. Ngok also pointed out the opportunities of luxury brands and brand management in the PRC. "From our retailing business experience, we notice that brand management is still in its infant stage in the PRC. Being a distributor and retailer for affordable luxury brands, the Company is the pioneer in this area and our brands and products will become more popular among the PRC consumers who emphasize more on shopping experience and the quality of products nowadays," Ngok pointed out.

Hembly always sees the future as bright. "We are expecting to expand our dual operation model and partner with

international JVs to further penetrate China's consumer market," said Ngok. "Through these expansions, we would also like to strengthen relationships with customers to realize more opportunities," he enthused.

After all, with a strong business philosophy including the five strong elements of Unity, Creativity, Efficiency, Excellence and Social Responsibility, Hembly is ready to reach another high.

Company Profile

The Company is principally engaged in the provision of supply chain services for its supply of apparel and accessories to international brand apparel makers. Furthermore, the Company has developed its distribution and retailing business for apparel and footwear brands including Stonefly, Lotto and Sisley through its joint ventures. The supply chain services provided by the Company primarily include (i) produce design and development, (ii) raw material sourcing, (iii) production management, (iv) quality assurance, and (v) logistics management for the supply of apparel and accessories by the Company to its customers. The Company's major customers include Benetton, Lotto, Salewa, Lafuma, Quiksilver and Diesel.

The Company's headquarters is located in Hong Kong and is responsible for the overall management, sales and marketing, business development, administration and



Mr. Billy Ngok, Chairman of Hembly

financial management functions of the Company. The Company currently has three representative offices in the mainland China, with two in Shenzhen and one in Shanghai. One of the representative offices in Shenzhen is responsible for product development, raw material sourcing and production management for apparel and accessories for Morgan while the other one in Shenzhen is mainly responsible for product development and raw material sourcing for the Company's fashion line apparel. The Company's representative office in Shanghai is responsible for the overall management of the Company's distribution and retailing business in the mainland China.