

To: Financial Editor

【For Immediate Release】



Xinyu Hengdeli Holdings Limited
新宇亨得利控股有限公司

Xinyu Hengdeli Holdings Limited

**Appointed as the PRC Sole Distributor of Swiss Renowned Watch Brand -
FREDERIQUE CONSTANT Watch**

[19 August 2008, Hong Kong] – **Xinyu Hengdeli Holdings Limited** (“**Xinyu Hengdeli**” or the “**Group**”; stock code: **3389**), a leading group engaged in the retail and wholesale of luxurious imported watches, announced that it has entered into an agreement with Frederique Constant Group on an exclusive right of distributing the luxury FREDERIQUE CONSTANT watches in the PRC.

Pursuant to the agreement, **Xinyu Hengdeli** is authorized by Frederique Constant Group to distribute the FREDERIQUE CONSTANT watches on an exclusive basis in the PRC for ten years.

Headquartered in Geneva of Switzerland, FREDERIQUE CONSTANT is a world famous watch brand. The brand produces its own automatic movements, and has been selling in 70 countries worldwide.

Commenting on this agreement, **Mr. Zhang Yuping, the Chairman of Xinyu Hengdeli** said , “We are excited to be appointed as the sole distributor of Frederique Constant watches in the PRC and believe that the agreement serves our mutual interests, presenting a win-win situation for both groups. Capitalizing on the comprehensive network of PRIME TIME and the Group’s wholesales channel in the PRC, Frederique Constant can accelerate its business development and expansion in the PRC.”

Mr. Zhang continued, “Through years of hard work, we have established an extensive sales network in the PRC. On the back of our outstanding management and excellent after-sales service, we have earned the trust of many leading international brands and maintained close relationships with them. Hence, we have successfully attained a leading position in the fast growing Swiss luxury watch market. Going forward, we will continue to pursue our corporate strategy by further extending our retail network and strengthening our relationships with suppliers of the world’s top brands. We will also strive to enhance our brand portfolio to create greater business opportunities for future development.”

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About Xinyu Hengdeli Holdings Limited

Xinyu Hengdeli Holdings Limited is the largest enterprise engaged in retail and wholesale businesses of renowned international watch brands in China. The Group's strategic shareholders includes the global largest watch manufacturer and distributor Swatch Group and the global largest luxury product Group LVMH Group.

The Group owns an extensive retail network included Xinyu Elegant (the international high-end watch), Xinyu Prime Time (international middle-to-high end watch) and TEMPTATION (fashion high-end watch). **Xinyu Hengdeli** had an extensive sales network of 190 retail shops in the PRC and Hong Kong, through which it distributed over 50 renowned international watch brands. In its wholesale business, **Xinyu Hengdeli** serves approximately 300 wholesale customers in over 40 cities in the PRC.

The Group has maintained good relationships with numerous brand suppliers of internationally famous watches, which include the SWATCH Group, the LVMH Group, the RICHEMONT Group, the ROLEX Group and the DESCO Group. The Group was the wholesalers of 21 internationally renowned watch brands. The Group had acquired the international luxury good brand Omas which owns renowned Swiss watch brands like Nivada, Olma, Numa Jeannin etc.

Xinyu Hengdeli has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since September 2005 with stock code 3389. The stock name is **Xinyu Hengdeli** for short.

About Frederique Constant

Frederique Schreiner and Constant Stas have set foot in timepiece manufacturing since 1920. The two families built up a new brand, FREDERIQUE CONSTANT, and launched wristwatches under the brand name in 1988. With its factory located at Geneva of Switzerland, the brand produces its own automatic movements, and has now established a sales network covering 70 countries worldwide.

Frederique Constant launched its first patent automatic movements in 2004, and thereby launched out a Heart Beat automatic movements that were highly commended by the industry. It launched a first silicon flywheel watch in the world in 2007 successfully, further strengthening its position in the Swiss watch industry. In the same year, with the development of its own automatic movements, the HEART BEAT serious became a signature timespiece of Frederique Constant.

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Issued by Porda International (Finance) PR Co., Ltd. for and on behalf of **Xinyu Hengdeli Holdings Limited**. For further information, please contact:

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