

To: Financial Editor
【For Immediate Release】



Grand Opening of Xinyu Elegant's Vacheron Constantin Boutique

[10 July 2008, Hong Kong] Xinyu Hengdeli Holdings Limited ("Xinyu Hengdeli" or the "Company" and its subsidiaries, the "Group"; stock code: 3389), a leading enterprise engaged in retail and wholesale businesses of renowned international watch brands in China, today announced the grand opening of Vacheron Constantin boutique in Lee Theatre Plaza, Causeway Bay. This is the second Vacheron Constantin boutique of Hong Kong Xinyu Elegant, the Group's retail arm of high-end consumer products.

Located on the ground floor of Lee Theatre Plaza, the boutique is in a bustling street of Causeway Bay, with a total floor area of over 1,000 square feet. The new shop is decorated in the unique and exquisite style of Vacheron Constantin, parading a touch of elegance and prestigious. It houses a comfortable VIP zone with seasoned watch consultants ready to provide attentive and professional services to customers, bringing the most privileged shopping experiences in town.

Mr Zhang Yuping, Chairman of Xinyu Hengdeli, Mr Samuel Lee, CEO of Elegant Watch & Jewellery (the Company's subsidiary), Mr Yann Bouillonnet, Managing Director of Vacheron Constantin Asia Pacific, together with Mr Charlie Lai, Managing Director of Vacheron Constantin China and Hong Kong, were present at today's opening ceremony.

Mr Zhang Yuping, Chairman of Xinyu Hengdeli, said: "After years of concerted effort, Xinyu Hengdeli has established an extensive retail network covering the PRC and Hong Kong. At present, the Group owns 190 retail stores and has started to expand our network overseas. Going forward, we will continue to strengthen our relationship with brand suppliers while providing a comprehensive and quality distribution platform for them.

Mr Zhang continued: "Under the partnership of Xinyu Hengdeli and Vacheron Constantin, I am confident with the sales of Vacheron Constantin boutique in Lee Theatre and believe that the partnership will continue to be strengthened."

Mr. Yann Bouillonnet, Managing Director of Vacheron Constantin Asia Pacific said: "Here I would like to extend my gratitude to my partner for their continuous support and trust throughout the years. The opening of our second boutique in Hong Kong marks our dedicated efforts in developing the PRC and Hong Kong markets. We are confident in the brand's future development in China."

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(From the left) Mr Samuel Lee, CEO of Elegant Watch & Jewellery (the Company's subsidiary), Mr Yann Bouillonnet, Managing Director of Vacheron Constantin Asia Pacific, Mr Zhang Yuping, Chairman of Xinyu Hengdeli, together with Mr Charlie Lai, CEO of Vacheron Constantin China and Hong Kong, were present at today's opening ceremony.



The Vacheron Constantin boutique is located in Lee Theatre Plaza, Causeway Bay, with a total floor area of over 1,000 square feet.



About Xinyu Hengdeli Holdings Limited

Xinyu Hengdeli Holdings Limited (“**Xinyu Hengdeli**” or the “**Company**” and its subsidiaries, the “**Group**”; stock code: **3389**) 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, the global largest luxury product Group LVMH Group and an investment company of Singapore government Temasek

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 approximately 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 had a customer service company and a decorating and packaging company, providing premium after-sale services to customers and expanding related extended products effectively.

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 19 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.

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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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