



新宇亨得利控股有限公司

XINYU HENGDELI HOLDINGS LIMITED

**To: Business Editors
【For Immediate Release】**

Xinyu Hengdeli Wins Exclusive Distributorship for

LVMH's OMAS Writing Instruments and Leather Goods in Greater China

~ Strengthened Partnership with LVMH Beyond Timepieces ~

[14 January 2007, Hong Kong] **Xinyu Hengdeli Holdings Limited** ("Xinyu Hengdeli" or the "Group", stock code: 3389), China's leading retailer and distributor of world-renowned watch brands, announces that it has entered into a contract with OMAS, the prestigious Italian brand carried by LVMH, to exclusively distribute all its products, including luxury writing instruments and leather goods in Mainland China, Hong Kong, Macau and Taiwan. The deal also marks the Group's first milestone in this market segment, which promises lucrative opportunities.

Based on the contract, which came into effect on 1 January 2007, **Xinyu Hengdeli** will act as the sole distributor of OMAS's products, including luxury writing instruments and leather goods in Mainland China, Taiwan, Macau and Hong Kong.

Mr. Zhang Yuping, Chairman of Xinyu Hengdeli Holdings Limited, is delighted to see this, "We are pleased to become the sole distributor of OMAS products. This is indeed an important step forward for our distributor business. Better still, it takes our partnership with LVMH to a new horizon beyond **legendary timepieces**, effectively consolidating our distributorship portfolio. Given our solid retail and distribution network, we are very optimistic to see synergies coming out from this venture to bring attractive long-term returns to both parties in this huge luxury product market segment."

Mr. Zhang continued, "Going ahead, we will stick to our defined strategic corporate direction, which is growing our strong relationship with brand suppliers and strengthening our sales network on a continuous basis. We are going to set up more and more retail shops at prime locations to follow closely where the market demand is. We will also actively engage ourselves in more marketing activities to further increase our exposure. This diversified strategy, we believe, will work to herald an even more brilliant future for Xinyu Hengdeli."

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Background Information about Xinyu Hengdeli

Xinyu Hengdeli, listed on the Main Board of the Stock Exchange of Hong Kong, Limited in September 2005, is a leading retailer and distributor of mid- to high-end watches in the PRC. The Swatch Group (Hong Kong), a strategic shareholder of Xinyu Hengdeli and a corporate member of the Swatch Group Limited, the world's largest watch manufacturer and distributor, held its shareholding in the Group over 7%. While Temasek, an investment company owned by the Singaporean government, is the second largest shareholder of the Group, holding approximately 10% of Xinyu Hengdeli's shares. The Group has an extensive sales network that includes over 92 retail outlets in prosperous major Chinese cities, distributing about 50 world-renowned watches. In addition, it has approximately 300 wholesale customers from more than 40 cities across the PRC. In July, 2006, the Group had successfully acquired Elegant International Holdings Limited, which has 4 high-end international watch retail outlets located in HK. The Group has established solid relationship with the world's leading brand-owners, including the Swatch Group, the LVMH Group (who holds over 7% of the Group's shares), the Richemont Group, the Rolex Group and the Desco Group. The Group currently distributes 19 internationally renowned brands, including 16 top brands under exclusive distribution licenses. Xinyu Hengdeli also sells watches under its own brands: NIVADA, OLMA and NUMA JEANNIN.

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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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