



新宇亨得利控股有限公司

XINYU HENGDELI HOLDINGS LIMITED

To: Business Editor
[For Immediate Release]

Xinyu Hengdeli's Establishment of Retail Joint Venture in Suzhou
On-going Expansion of Retail Network

[27 September 2007, Hong Kong] **Xinyu Hengdeli Holdings Limited** ("**Xinyu Hengdeli**" or the "**Group**"; stock code: **3389**), the market leader in retail and wholesale of prestige watches in the PRC, today announced that the Group has established a retail joint venture ("the New Company") in Suzhou for its on-going expansion of retail network of medium-to-high-end watches in China. Currently, **Xinyu Hengdeli** has a total of 148 retail shops.

The New Company, of which **Xinyu Hengdeli** holds 60% share, is jointly owned by **Xinyu Hengdeli** and a reputable watch retailer in Suzhou. Currently, the New Company owns 15 retail shops for imported watches, of which 10 are multi-brand shops, and 5 are retail outlets for high-end fashion watches. All 15 retail shops are situated at prime locations in Suzhou and its surrounding areas with high shopping traffic. The shops sell medium-to-high end brands of imported watches, such as Jaeger-LeCoultre, Audemars Piguet, Rolex, Tudor, Vacheron Constantin, Cartier, Omega, Zenith, Carl F. Bucherer; and also high-end fashion watches like GUESS. Thus, **Xinyu Hengdeli** is capturing more than 75% of market share in medium-to-high end watches in Suzhou and its surrounding areas, occupying an absolute leading position in the market. The number of **Xinyu Hengdeli**'s retail shops has been increased to 148, which enables the Group to acquire more market share in domestic retail market for prestige watches.

Mr. Zhang Yu Ping, Chairman of **Xinyu Hengdeli Holdings Limited**, said pleasantly, "The increasing number of middle-to-high income individuals and rising consuming power in China have created strong demand for international prestige watches. Thus, both the demand and profits of international prestige watches are accelerating. This successful cooperation between **Xinyu Hengdeli** and the local retailer in Suzhou meets the demand for prestige watches in Suzhou and its surrounding areas, and will definitely reinforce and consolidate the Group's retail network in China."

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Mr. Zhang continued, “Throughout the years, **Xinyu Hengdeli** has successfully established an extensive sales network by continuous effort. In response to the economic growth in China, we will actively and prudently exploit the retail market of high-end consumer goods focusing on international prestige watches in the future, further increase the Group’s market share in high-end consumer goods and increase our profits so as to deliver the best value to investors.”

Background Information on Xinyu Hengdeli

Xinyu Hengdeli is a retailer and distributor of medium-to-high end watches in the PRC, and is listed on the Main Board of the Stock Exchange of Hong Kong Limited. **Xinyu Hengdeli** has established solid relationships with the world’s leading brand-owners in high-end consumer goods, including the Swatch Group, the LVMH Group, the Richemont Group, the Rolex Group and the Desco Group. The Group currently distributes 20 internationally renowned brands with 18 under exclusive distribution licenses. **Xinyu Hengdeli** also sells watches under its own brands: NIVADA, OLMA and NUMA JEANNIN. The Group has an extensive sales network. Currently it has 148 retail outlets in different major cities in the PRC and Hong Kong, distributing around 50 world-renowned watch brands. In addition, it has approximately 300 wholesale customers from more than 40 cities across the PRC. In August 2006, the Group successfully acquired Elegant International Holdings Limited, which has 4 high-end international watch retail outlets located in Hong Kong. The Swatch Group (Hong Kong), a corporate member of the Swatch Group Limited, the world’s largest watch manufacturer and distributor, and Temasek, an investment company owned by the Singaporean government, are the strategic shareholders of **Xinyu Hengdeli**, while LVMH Group holds over 7% of the Group’s share.

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

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