



**新宇亨得利控股有限公司**

XINYU HENGDELI HOLDINGS LIMITED

**To: Business Editor  
[For Immediate Release]**

**XINYU HENGDELI HOLDINGS LIMITED**

**Recorded Satisfactory Subscription & Public Offer Results**

***8.6 Times and 87 Times Subscribed in International Placing and Hong Kong Public Offer respectively***

**23 September, 2005, 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, today announces that the results of the share offer in connection with its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”) has been well received by the market. The International Placing shares are approximately 8.6 times subscribed, whereas the Hong Kong Public Offer shares are approximately 87 times subscribed.

**Xinyu Hengdeli** offered a total of 250,000,000 shares for subscription by way of International Placing (“Placing”) and Hong Kong Public Offer (“Public Offer”), after re-allocation, comprising 150,000,000 International Placing Shares and 100,000,000 Hong Kong Public Offer Shares of HK\$ 0.01 each at the offer price of HK\$1.32 per share. The net proceeds from the share offer amounts to approximately HK\$ 308 million.

Guotai Junan Securities (Hong Kong) Limited is the Global Coordinator, Sole Bookrunner and Lead Manager. Guotai Junan Capital Limited is the Sponsor and the Partners Capital International Limited is the Sponsor and Co-Lead Manager. Dealings in the shares of Xinyu Hengdeli are expected to commence on the Main Board on 26 September 2005 (Monday).

**Mr. Zhang Yuping, Chairman of Xinyu Hengdeli Holdings Limited**, is very satisfied with the results of the share offer. He said, “The impressive results reflect the strong confidence of investors and the public in our business, growth potential and market prospects. Xinyu Hengdeli boasts a massive retail and wholesale network on the mainland with the strong support of our business partners and strategic alliances. Indeed, we have been leading the distribution of high-end Swiss watches in the PRC for years. Therefore we believe that our Group has wide room for future development in the fast growing PRC watch industry market. On behalf of Xinyu Hengdeli, I would like to express our sincere gratitude to the investors for their great support. In the future, we will continue to actively pursue business expansion so as to deliver good returns to our shareholders.”

Currently, **Xinyu Hengdeli** distributes about 30 internationally prestigious brands through its extensive sales network, comprising over 50 retail outlets located in the most prosperous cities and approximately 300 wholesale customers across the nation, as well as its strategic alliance with some of the most renowned watch distributors in the PRC. Besides, on the back of its close relationships with suppliers of the world’s top brands, including the Swatch Group, Richemont Group and LVMH Group, Xinyu Hengdeli is a distributor of 16 prominent brands on either exclusive or non-exclusive basis. In 2004, the Group acquired Nivada brand and started to distribute watches under its proprietary brand “NIVADA”.

**Xinyu Hengdeli** has been dedicated to providing customer services of the best standard. The Group not only provides instant repair service at every retail outlet, but also operates two large-scale customer service centres in the PRC. Furthermore, a nationwide after-sales service network is now under development to further enhance the flexibility and efficiency of its customer services. In addition, to improve its operating efficiency, the Group has become the first watch company adopting the ORACLE ERP system in the PRC. This proves effective in aligning the Group's management standards with international standards.

The Group has already formulated comprehensive plans for a bright future. Looking ahead, Mr. Zhang is full of confidence, "In the future, we intend to extend our reach to domestic and overseas retail markets in an aggressive yet prudent manner through a variety of initiatives. At the same time, we will continue to maintain close relationships with the world's top brand-owners and other watch retailers. In particular, we will seek to further improve and expand our distribution platform for internationally renowned labels. By doing so, we aim to further enhance our sustainable growth potential in order to generate the best returns for our shareholders.

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#### **Background Information of the Group**

Xinyu Hengdeli, founded in 1999, is a leading retailer and distributor of high-end Swiss watches, in the PRC. The Group has an extensive sales network that includes over 50 retail outlets in prosperous major Chinese cities. Most of these outlets have a long history of operation. Besides, the Group has approximately 300 wholesale customers from more than 40 cities in the PRC. On the back of its robust retail and distribution network and the strategic alliance with other major retailers on the mainland, as well as its extensive operating experience, the Group has secured the trust of various top brand-owners around the world. In particular, the Group has established close relationships with the Swatch Group, Richemont Group and LVMH Group. Currently, it is the authorized seller of around 30 internationally renowned brands and the distributor of 16 of them either on exclusive or non-exclusive basis, including Audemars Piguet, Jaeger-LeCoultre, Carl F. Bucherer, TAG Heuer, Zenith and Baume & Mercier in the PRC. Xinyu Hengdeli also sells watches under its own proprietary brand NIVADA. Apart from the above, the Group is also well known for its excellent after-sales services and outstanding management.

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Issued by Porda International (Finance) PR Company Limited for and on behalf of **Xinyu Hengdeli Holdings Limited**

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