

To: Business Editor
[For Immediate Release]

Hengdeli and LVMH Watch & Jewelry Division Announce Renewal of Strategic Alliance

[18 November 2009, Hong Kong] Hengdeli Holdings Limited (“Hengdeli” or the “Company” and its subsidiaries, the “Group”; stock code: 3389), a leading enterprise engaged in retail and distribution sales of renowned international watch brands in China, together with LVMH Watch & Jewellery Shanghai Commercial Limited, a subsidiary of LVMH Group, today announce the renewal of their strategic alliance. Hengdeli will continue to distribute the watch brands of TAG Heuer and Zenith in the Mainland China, and both parties will strengthen their partnership in the retail watch business in Hong Kong, Taiwan and areas where Hengdeli has set its foothold.

Pursuant to the agreement, Hengdeli will continue to be authorized by LVMH to distribute the brands on an exclusive basis in the Mainland China, namely TAG Heuer and Zenith, etc. The two parties held a cocktail party today to announce the renewal of this strategic agreement.

At the cocktail party, Mr. Zhang Yuping, Chairman of Hengdeli, said, “Over the years, Hengdeli has forged into a close partnership with LVMH Watch & Jewelry Division in the capital market and business arena. LVMH Group became our strategic investor when we were listed; while Hengdeli was LVMH’s retailer of their distinguished watch brands. We together also own an international renowned brand OMAS. Today, we are here to renew our partnership, marking a new chapter of our collaboration. Going forward, we will explore stronger business cooperation in other areas. Sharing the same belief of “striving for innovation and excellence based on trust and sincerity”, I believe our partnership will continue to grow and broaden.”

“With its long history, “Hengdeli” brand has already earned its renowned reputation among customers. The Group has recently renamed it as “Hengdeli Holdings Limited” with an aim of reviving this century-old brand,” Mr. Zhang continued.

On the same occasion, Mr. Jean-Marc Lacave, President North Asia LVMH Watch & Jewellery said, “The renewal of our collaboration agreement has not only marked LVMH Watch & Jewellery Division’s strongest faith in the Chinese luxury watches market, but also shown our long-term commitment and trust in Hengdeli as our trustworthy business partner. With its extensive retail network, Hengdeli provides a reliable and sound retail platform to our renowned timepiece brands, namely TAG Heuer and Zenith. Although this retail agreement only covers the Mainland China, LVMH Watch & Jewellery Division looks forward to building up closer ties on the retail business with Hengdeli Group in Hong Kong, Taiwan or wherever Hengdeli has set its foothold.”

Joining the cocktail is Bain & Company, a leading global consulting firm, which introduced the development of watch market in Greater China Region and worldwide. According to its report, the global and Chinese high-end consumer market sets to be promising and Hengdeli Holdings is currently regarded as the largest retail group of swiss watches around the globe.

Looking ahead, Mr. Zhang Yuping and Mr. Jean-Marc Lacave concluded, “Our century-old brands will continue to prevail. Through our close and continuous partnership, we both believe that Hengdeli and LVMH will continue to grow and prosper, reaching to new horizons.”

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

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