

To: Business Editor  
[For Immediate Release]



## Hengdeli and China Construction Bank, Shenzhen Branch Signs Strategic Cooperation Agreement

### *Further strengthens a closer partnership*

[2 May 2010, Hong Kong] Hengdeli Holdings Limited (“Hengdeli” or the “Company” and its subsidiaries, the “Group”; stock code: 3389), a global leader in the retail sales of renowned international watch brands, today announces a signing of strategic cooperation agreement with China Construction Bank, Shenzhen Branch (“Shenzhen CCB”), further strengthening a closer partnership between both parties.

Pursuant to the agreement, both parties agreed to establish a long-term strategic cooperation relationship. Being valued by Shenzhen CCB as one of their most notable clients, Hengdeli will regard the bank as its principal banker for financial service. Shenzhen CCB will provide the Group with all-rounded financial services and support for the business development of Hengdeli Group.

In the coming 3 years, Shenzhen CCB will offer Hengdeli with a loan facility of RMB2 Billion in various perspectives such as foreign currency loan, payment guarantee, financing etc. Hengdeli had held a dinner reception today to announce this cooperation.

At the dinner reception, **Chairman of Hengdeli, Mr. Zhang Yuping**, said “We thank Shenzhen CCB for their continuous support over the years. Our business has been developing rapidly over the last few years with an extensive retail network covering Mainland China, Hong Kong and Taiwan. With more than 270 retail outlets, we have become the world’s largest high-end watch retailer. According to the strategic cooperation agreement with Shenzhen CCB, in the coming 3 years, Shenzhen CCB will offer Hengdeli with a loan facility of RMB2 Billion, demonstrate their confidence and support towards Hengdeli.”

Mr. Zhu Jiusheng, Vice Chairman of Shenzhen CCB said, “Hengdeli is a very important client to us and we have been keeping a long-term and close cooperation relationship all along. As a leading international brand watch retailer, the Group has strong experience and solid foundation in the retail and distribution of international high-end watches. We believe that our cooperation will be further strengthened as Hengdeli’s business continues to grow.”

Mr. Zhu continued, “Our partnership started in February 2010 when our branch offered Hengdeli a loan facility of RMB1 Billion, building up a business relationship for both parties. It is our pleasure to sign the strategic cooperation agreement of RMB2 Billion today. We believe this agreement will enhance our partnership and will facilitate the development and win-win cooperation in the long run.”

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Mr. Han WeiWun, Partner of Bain & Company, a reputable global consulting firm, announced the results of market survey of watch business at the dinner reception. According to the report, China market is expected to achieve higher growth rate in 2010, demonstrating a good prospect of high-end consumer goods market in China. As the world largest retailer of high-end watches, Hengdeli possesses a huge growth potential.

Looking forward, Mr. Zhang concluded, "With internationally renowned watches as the core focus of our product line, we aim to distribute an array of middle- to high-end consumer items. The Group will not only focus on international brand watches business, but also on jewelry business, with an aim to developing a diversified product mix. We will continue to build up and raise the brand profile of "Hengdeli" and the brand's heritage will continue to carry on."



Chairman of Hengdeli, Mr. Zhang Yuping (left) and Mr. Zhu Jiusheng, Vice Chairman of Shenzhen CCB.

### **About Hengdeli Holdings Limited**

Hengdeli Holdings Limited is the largest enterprise engaged in retail and distribution sales businesses of renowned international watch brands in the world. The Group's strategic shareholders include the global largest watch manufacturer and distributor Swatch Group and the global largest luxury product Group LVMH Group.

The Group owns an extensive retail network included Xinyu Elegant (the international high-end watch), Xinyu Prime Time (international middle-to-high end watch), TEMPTATION (fashion high-end watch) and single-brand boutiques. Hengdeli had an extensive sales network of more than 270 retail outlets in the mainland China and Hong Kong, etc, through which it distributed over 50 renowned international watch brands. In its wholesale business, Hengdeli serves approximately 300 wholesale customers in over 50 cities in the PRC.

As an integral part to the retail business, the Group possesses a customer service company which provides professional after-sale services to customers.

The Group has maintained good relationships with numerous brand suppliers of internationally famous watches, including the SWATCH Group, the LVMH Group, the RICHEMONT Group and the ROLEX Group. The Group is also the distributor of numerous internationally renowned watch brands. With the acquisition of international luxury goods brand Omas, the Group also owns renowned Swiss watch brands like Nivada, Olma and Numa Jeannin.

### **China Construction Bank and Shenzhen Branch**

**China Construction Bank** is a large state-owned commercial bank in China. The bank has competitive advantages in product, technology, talent and services etc. In the list of world 500 most valuable brands, China Construction Bank ranked the 3<sup>rd</sup> among China Mainland companies and ranked 54<sup>th</sup> globally. Moreover, China Construction Bank ranked 2<sup>nd</sup> in "China Commercial Banking Top 10" in year 2010 by The Banker, a UK magazine. Also, China Construction Bank is again to be honored as a "China Best Trade Financial Bank" by Global Finance, a US magazine. Shenzhen Branch is excel team of China Construction Bank and has good ranking in the industry in Shenzhen in various business indexes. Shenzhen Branch seize the client-centered service concept and devoted into satisfying clients and grow together. From customer services to solid business results, Shenzhen Branch is one of the top banks in the industry.

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