

To: Business Editor  
[For Immediate Release]



## Hengdeli Opens the First ELEGANT Flagship Store in Taiwan

### *Business Focus is Centred on Developing and Strengthening the Retail Market Across Greater China*

[24 May 2010, Hong Kong] Hengdeli Holdings Limited (“Hengdeli” or the “Company” and its subsidiaries, the “Group”; stock code: 3389), a global retail sales leader of renowned international watch brands, announced the successful grand opening of its first ELEGANT flagship store in Taipei, Taiwan for its line of top grade internationally renowned wrist watches.

Hengdeli held a lavish gala opening ceremony and invited a host of famous models to show off the Group’s latest line of global high prestige watches. Mr. Zhang Yuping, Chairman of Hengdeli, and Mr. Georges N. Hayek, Chief Executive Officer of the SWATCH Group from Switzerland, (the world’s largest watch manufacturer and distributor), took part in the opening festivities and expressed their joy and satisfaction at the cooperative relationship built up between the two companies.

ELEGANT is located on two floors with a total area of 1,230 sq.m in the Taipei East Commercial District. There they sell the world’s top ten most exclusive brands of watches, including: Blancpain, Breguet, Cartier, Girard-Perregaux, Glashuette Original, Jaeger-LeCoultre, Jaquet Droz, Omega, Tiffany and Zenith. Each of these brands is truly unique and displays its own character in terms of overall design and impact. This allows customers in ELEGANT to closely examine and fully appreciate all the renowned brands individually. These ten top opulent marques with their highly unique reputations for world-class quality provide customers with an extraordinary visual experience, not unlike viewing rare treasures in a museum.

Moreover, on the second floor of ELEGANT, three individual VIP rooms have been specially created for true watch connoisseurs, surrounding them in privacy, tranquility and comfort to examine and try on the watches. So that clients can better enjoy superior global after-sales services, ELEGANT’s own in-house repair centre provides professional repair work on par with the finest personnel in Hong Kong and the PRC. All service staff at ELEGANT are fully trained and possess advanced industry knowledge, including a brand’s history, unique craftsmanship characteristics, assembly techniques, and other information. This will provide Taiwan consumers with a brand new high-class watch purchasing experience.

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**At the opening ceremony a delighted Mr. Zhang Yuping, Chairman of Hengdeli** said - “Developing a diversified, high-grade distribution platform for our internationally renowned watch brands has long been our ultimate goal. After years of developing our expertise, Hengdeli today has achieved superb progress in all aspects of operations and we hold a leading market position both in Hong Kong and the PRC. Last year, we successfully entered the Taiwan market and helped to significantly develop the retail watch industry there, relying on talented and hard-working local Taiwanese staff. The opening of ELEGANT today marks the advent of our first flagship store in Taiwan. It’s a truly impressive store that will serve as a grand emporium for the purchase of internationally renowned watches.”

Mr. Zhang also paid special tribute Mr. Nick Hayek and his father, Mr. Nicolas G. Hayek, for their extraordinary achievements in advancing and developing of the world’s watch industry.

Mr. Georges N. Hayek, Chief Executive Officer the SWATCH Group, said - “I am indeed pleased to see the steady and sustainable growth of Hengdeli. For this reason, the SWATCH Group looks forward to maintaining close ties with Hengdeli while taking advantage of new opportunities emerging in the high-end retail watch market. We also want to actively seek new ways for our companies to co-operate on more diversified and intensive areas of development.”

Chairman Zhang concluded - “After years of carefully nurturing our business relationships, Hengdeli has today established solid ties with many renowned international watch brands, especially the SWATCH Group. We have enjoyed extremely close, mutually beneficial relationships in both the capital markets and business development. Looking ahead, we will aim to further develop the high-end retail market for watches and other luxury goods associated with the SWATCH Group family of products and will seek new diversified areas of co-operation between our two companies.

We are confident about Taiwan’s future market development, and feel that we are now on the ground floor of greater opportunities ahead. Because the sale of high-end watch brands is our main business, the Group will continue to focus its efforts on enhancing brand combinations and developing retail sales markets for other high-end luxury items to provide consumers with more diversified choices. Our Group will actively seek to capture promising business opportunities and work toward realising solid and sustainable profit growth to ensure maximum returns for our shareholders and investors.”



Hengdeli successfully held the grand opening of its first flagship store in Taiwan with a ribbon cutting ceremony. (left to right) Mr. Stan Lee, Vice President of Hengdeli, Mr. Zhang Yuping, Chairman of Hengdeli, Mr. Georges N. Hayek, Chief Executive Officer the SWATCH Group and Mr. Kevin Rollenhagen, Member of the Extended Management Committee of the SWATCH Group – responsible for Greater China and Australia.



Hengdeli has established long term relationship with the SWATCH Group, in the future, the Group will seek new diversified areas of co-operation between our two companies.

**About Hengdeli Holdings Limited**

Hengdeli Holdings Limited is the world's largest retailer and wholesaler of high prestige international watch brands. Among the Group's strategic shareholders are the world's largest watch manufacturer and distributor - Swatch Group and the largest international luxury product marketing concern – the LVMH Group.

Hengdeli owns an extensive retail network that includes: Xinyu Elegant (international high-end watch retailer), Xinyu Prime Time (international middle-to-high end watch company), TEMPTATION (high-end fashion watch retailer) and a series of single-brand boutiques. Hengdeli also boasts an extensive sales network of more than 270 retail outlets in mainland China, Hong Kong and elsewhere through which it distributes over 50 highly renowned international watch brands. In its wholesale business, Hengdeli's wholesale operations serve approximately 300 customers in over 50 cities across the PRC.

As an integral part of our retail business, the Group operates a customer service company which provides top-notch professional after-sales services to customers.

The Group has long maintained excellent relationships with numerous suppliers of internationally famous brand watches, including SWATCH, LVMH, RICHEMONT and ROLEX. The Group is also the distributor of many other internationally renowned watch brands. With the acquisition of the global luxury goods brand Omas, Hengdeli now owns respected Swiss watch names like Nivada, Olma and Numa Jeannin.

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