

To: Business Editor
[For Immediate Release]



Xinyu Hengdeli Acquires Taiwan Jing Guang Timepiece ***To Further Strengthen its Retail Platform in Greater China Region***

[12 October 2009, Hong Kong] Xinyu Hengdeli Holdings Limited (“Xinyu 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, today announces that its wholly-owned subsidiary Taiwan Hengdeli Limited has entered into a purchase agreement with Taiwan Jing Guang Timepiece Holdings Limited (“台灣精光時計股份有限公司”; “Taiwan Jing Guang Timepiece”), a watch importer and retailer in Taiwan, as well as its major shareholder Lee’s Family. Xinyu Hengdeli will acquire 80% of the equity interests of Taiwan Jing Guang Timepiece to further strengthen its retail platform in the Greater China region.

The total consideration of this acquisition is HK\$48,000,000, with P/E ratio of 6 times. Taiwan Jing Guang Timepiece was previously owned by Lee’s Family, a Taiwanese retailer. After the acquisition, Lee’s Family will maintain 20% stakes at Taiwan Jing Guang Timepiece.

Taiwan Jing Guang Timepiece distributes renowned international watch brands in Taiwan through its 31 retail outlets, covering major cities such as Taipei, Taichung, Kaohsiung, Hsinchu and Chiayi. The retail outlets include integrated outlets and brand boutiques, selling numerous notable brands including Omega, Rado, Tissot and Carl F. Bucherer.

Chairman of Xinyu Hengdeli, Mr. Zhang Yuping said, “Building a comprehensive retail network in the Greater China region is the Group’s business strategies. This acquisition helps expand the Group’s business in the Greater China region and establish an interactive business platform in mainland China and abroad, laying a solid foundation for its long-term development. Capitalizing on our stable and healthy growth in the PRC, we are committed to further strengthening and consolidating our leading position in the middle-to-high-end watch sector the Greater China region.”

About Xinyu Hengdeli Holdings Limited

Xinyu Hengdeli Holdings Limited is the largest enterprise engaged in retail and distribution sales businesses of renowned international watch brands in the Mainland China. 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 brand boutiques. As at 30 June 2009, Xinyu Hengdeli had an extensive sales network of 216 retail outlets in the mainland China, Hong Kong and Taiwan, through which it distributed over 50 renowned international watch brands. In its wholesale business, Xinyu Hengdeli serves approximately 300 wholesale customers in over 40 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's ancillary production company also provides strong support for its principal business.

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 now owns renowned Swiss watch brands like Nivada, Olma etc.

Xinyu Hengdeli has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since September 2005 with stock code 3389. The stock name is Xinyu Hengdeli for short.

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

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