

To: Business Editor
[For Immediate Release]



Acquires Tianjin Hengdeli Watch and Clock Company

*~ Further strengthen the position in Mainland China's watch retail market
and boost Hengdeli's classis brand image ~*

[13 December 2010, Hong Kong] **Hengdeli Holdings Limited** (“**Hengdeli**” or the “**Company**” and its subsidiaries, the “**Group**”; stock code: **3389**), a leading enterprise in the global retail of internationally renowned watch brands, today announced that it has entered into an agreement with Tianjin Hengdeli Watch and Clock Company (“Tianjin Hengdeli”), a well-known watch company in China. Hengdeli will acquire 80% of the equity interests in Tianjin Hengdeli to further strengthen the Group’s position in the internationally renowned watch retail market in China and boost the classis brand image of Hengdeli.

Tianjin Hengdeli, a well-known watch company in China, will become a subsidiary of the Group after the stake purchase.

As an indispensable part of the Beijing economic zone, Tianjin is a financial hub in the northern region with strong purchasing power. Tianjin Hengdeli is a well-known watch retailer in China with stores located in Tianjin and prime areas surrounding prime areas. It sells more than 30 mid-range and high-end imported watch brands such as Jaeger-LeCoultre, Rolex, Omega, Blancpain, IWC, Piaget, Rado and Longines, etc. After the acquisition, the Group will have a more than 90% share in the local middle-to-high-end imported watch market.

Mr. Zhang Yuping, Chairman and Chief Executive Officer of Hengdeli, said, “Building a comprehensive retail network is the Group’s ongoing business strategy. The acquisition of Tianjin Hengdeli will help us further strengthening our position in the watch retail market in China. As the country is adopting policies to boost domestic demand and the economy continues its uptrend, there is a growing demand for watches with internationally well-known brands. The acquisition enables the group to meet such demand in Tianjin and surrounding prime areas. It is expected that Tianjin Hengdeli will generate enormous sales for the Group over the next few years.”

“Tianjin Hengdeli is a well-known watch retailer in China. The acquisition can help enhance the classis brand image of Hengdeli. We will continue to expand our retail network in the Greater China with different approaches to maximize returns for investors.” Mr. Zhang added.

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About Hengdeli Holdings Limited

Hengdeli Holdings Limited is the world's largest retailer of renowned international watch brands. The Group's strategic shareholders include the world's largest watch manufacturer and distributor – the Swatch Group and global luxury giant – the LVMH Group.

The Group owns an extensive retail network that includes Elegant (for luxury watches), Prime Time (for middle- to high-end watches), TEMPTATION (for high-end fashion watches) and various other brand boutiques. Hengdeli has had an extensive sales network of more than 300 retail outlets in mainland China, Hong Kong and Taiwan, from which it distributes over 50 deluxe international watch brands. Across its entire wholesale operations, Hengdeli serves approximately 300 customers in over 50 cities in the PRC.

As an integral part of its retail business, the Group offers world-class customer care, including professional after-sales services to customers in China, Hong Kong and Taiwan. The Group's ancillary production company also provides strong support for its principal business operations.

The Group maintains close relationships with numerous internationally renowned branded watch suppliers, including the SWATCH Group, the LVMH Group, the RICHMONT Group and the ROLEX Group. Hengdeli also distributes many internationally elite watch brands, mostly on an exclusive basis.

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

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

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