

To: Business Editor
[For Immediate Release]



**Establishment of 'Guangzhou Rui Yue' in Guangzhou and
Acquisition of 'Shi Quan Shi Mei' in Shenyang**

Further Strengthen & Solidify the Company's Retail Watch Market in China

~ A 35% Increase in Sales Revenue in Q1 2010 ~

[1 June 2010, 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, announced that the Group has jointly ventured with a famous watch retail company in Guangzhou - Guangzhou Rui Yue Watches Trading Company Limited ('Guangzhou Rui Yue'), and has also acquired Liaoning Shi Quan Shi Mei Investment Management Company Limited ('Shi Quan Shi Mei') in the north-east city of Shenyang in an attempt to further strength and solidify its watch retail market in China.

Thanks to the recovery and sustainable growth of the economy in China, Hengdeli has recorded a satisfactory result for the first quarter of 2010. For the three months ended 31 March 2010, the Group's revenue recorded an increase of 35% compared to the corresponding period of last year.

To further strengthen and solidify its watch retail market in China, Hengdeli has recently jointly ventured with a famous watch retail company in Guangzhou - 'Guangzhou Rui Yue', and has also acquired some of the equity interests in Liaoning 'Shi Quan Shi Mei'. Currently, the Group is the respective controlling shareholder of each of the two companies.

'Guangzhou Rui Yue' has now completely acquired the retail watch stores from its retail partners. After the acquisitions, 'Guangzhou Rui Yue' has a total of 9 retail stores, which are mainly located in the centre of China such as Hubei and Hunan and northern part of China such as Tianjin. The stores mainly sell middle-to-high class imported watch brands such as Tudor, Longines, Rado and Tissot etc. Such moves have strengthened the Group's presence in the centre part of China.

'Shi Quan Shi Mei'.currently has a total of 21 retail stores, which are mostly located in Shenyang and its periphery and sell middle-to-high class watch brands such as TAG Heuer, Zenith, Hamilton, Longines, Rado, Tissot etc. This has further strengthened the Group's market share in the north-east region.

To cater for market needs and the expansion of the business, the number of retail stores of Hengdeli has increased to 300 as of 1 June 2010.

~ more ~

Mr. Zhang Yuping, Chairman of Hengdeli, said: 'The turnover of the first quarter of this year is growing continuously which is satisfactory; meanwhile, the joint venture and the acquisition have strengthened and solidified the retail watch market in the cities of China. With the satisfactory performance of the Group, I am very confident about the prospects of the Group.'

Mr. Zhang concluded: 'We are very pleased to form a new joint venture with a retailer in Guangzhou. We are also happy to acquire 'Shi Quan Shi Mei' in the northeast city of Shenyang. With the continuous recovery of the economy in China, we believe the market demand for high quality international watches will grow continuously. The cooperation with the retailers in Guangzhou and Shenyang can establish a stronger presence of the Group in the central region of China and expand its market share in northeastern China. We are confident that two companies will bring fruitful turnover and profit to the Group. In the future, we will extend the retail network by various means including mergers and acquisitions, so as to build up a wide and premium distribution platform for the renowned international watch brands and to bring more satisfactory returns to our investors.'

About Hengdeli Holdings Limited

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

Hengdeli possesses an extensive retail network that includes: Xinyu Elegant (international high-end watch retailer), Xinyu Prime Time (international middle-to-high end watch company), TEMPTATION (retailer of high-end fashionable watches) and a series of single-brand boutiques. As of 1 June 2010, Hengdeli boasts an extensive sales network of 300 retail outlets in mainland China, Hong Kong, Taiwan 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, professional after-sale services are made available to our customers. In the Greater China regions namely mainland China, Hong Kong and Taiwan, such after-sale services are networked across geographical borders. The Group also owns a manufacturing company for producing accessory products which serve to support the Group's core businesses.

The Group has long maintained excellent relationships with numerous suppliers of internationally famous brand watches, including SWATCH, LVMH, RICHEMONT and ROLEX, distributing on an exclusive or non-exclusive basis many internationally renowned watch brands. The Group also owns a global luxury goods brand OMAS, and respected Swiss watch names like NIVADA, OLMA and NUMA JEANNIN.

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 Co., Ltd. for and on behalf of Hengdeli Holdings Limited. For further information, please contact:

Porda International (Finance) PR Co., Ltd.

Ms. Helen Chung +852 3150 6730 / 9585 5027

Ms. Kelly Fung +852 3150 6763 / 9289 2974

Fax: +852 3150 6728

helen.chung@pordafinance.com.hk

kelly.fung@pordafinance.com.hk