

To: Editors
[For Immediate Release]

XINYU HENGDELI HOLDINGS LIMITED Appointed as the PRC Distributor of DUNHILL Watches

[30 October 2005, Hong Kong] — **Xinyu Hengdeli Holdings Limited** ("**Xinyu Hengdeli**" or the "**Group**"; stock code: **3389**), a leading group engaged in the retail and wholesale of luxurious imported watches, announced that it has signed an agreement with Richemont Group on the exclusive distributorship of the deluxe watches of Dunhill in Mainland China.

Pursuant to the agreement, **Xinyu Hengdeli** will be authorized by Richemont Group to distribute the deluxe watches of Dunhill on an exclusive basis in Mainland China.

Mr. Zhang Yuping, the Chairman of Xinyu Hengdeli, is very pleased with this latest achievement, "We are excited to be appointed as the sole distributor of Dunhill watches in Mainland China. This agreement serves our mutual interests and presents a win-win situation for both groups."

Mr. Zhang continued, "Through years of hard work, we have established an extensive sales network in the PRC. On the back of our outstanding management and excellent after-sales service system, we have secured the trust of many leading international brands and maintained close relationships with them. As a result, we have successfully acquired a leading position in the fast growing Swiss luxury watch market. Moving forward, we will keep on pursuing our corporate strategy by way of further extending our retail network and strengthening our relationships with suppliers of the world's top brands. Our ultimate aim is to seek wider room for growth by providing a high coverage and high quality distribution platform to various internationally renowned watch brands."

Background Information of Xinyu Hengdeli

Xinyu Hengdeli, newly listed on the Main Board of the Stock Exchange of Hong Kong Limited on 26 September 2005 (Monday), is a leading retailer and distributor of high-end Swiss watches in the PRC. The Group has an extensive sales network that includes over 50 retail outlets in prosperous major Chinese cities. Besides, it has approximately 300 wholesale customers from more than 40 cities in the PRC. The Group has established solid relationships with the world's top brand-owners, including Swatch Group, Richemont Group and LVMH Group. Currently, it sells as distributor and/or authorized seller around 30 internationally renowned brands, including Jaeger-LeCoultre, Zenith, Audemars Piguet, Carl F. Bucherer, TAG Heuer, Baume & Mercier, Vacheron Constantin, Cartier, Christian Dior, Omega and Rado. Xinyu Hengdeli also sells watches under its own proprietary brand NIVADA.

Background Information of DUNHILL

Dunhill is a prestigious brand owned by Richemont Group, which is a leading global group that owns a wide collection of luxury brands, covering fashion and accessories, jewelry, timepieces, writing instruments, leather goods and others. Dunhill is a world famous brand that sells watches, fashion, leather goods, writing instruments and lighters, among others. Dunhill watches are masterpieces of style and glamour that combine the elegance of London designs with the sophistication of Swiss craftsmanship.

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

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