

## Corporate Highlights in 2006

### January

The Group together with Richemont Group opened a Cartier Watch Boutique in Huayu International Exquisite Commodities Building in Taiyuan City, Shanxi Province, PRC.

### April to May

The Group acquired 70% equity interest of Henan Fuhao Watch Ltd. (河南富豪表行有限責任公司).

The Group established Anhui Sanxin Watch & Clock Ltd. (安徽三新鐘錶有限公司) together with a renowned retailer in Anhui.

### June

The Swatch Group increased its shareholdings in Xinyu Hengdeli to 7.24% through an assignment of 12,500,000 sale shares. The transaction has further deepened the relationship between the Group and the Swatch Group.

### July

The Group renewed the sole agency agreement with Audemars Piguet (Hong Kong) Ltd., a subsidiary of Audemars Piguet Holding SA. Pursuant to the agreement, the two parties would continue their long-term cooperation for an extended term of 3 years.



### August

The Group issued 148,500,000 new shares in aggregate to three strategic investors, namely Dunearn, a wholly-owned subsidiary of Temasek, the investment arm of the Singapore Government, Swatch Group and United Capital Investment (UCI). Upon completion of the transaction, Temasek became the second largest shareholder of the Group, holding 9.94% of its enlarged share capital.



The Group acquired 100% equity interest of Elegant International Holdings Limited (三寶鐘錶珠寶集團), which engages in retailing of international branded watches in Hong Kong with 4 high-end watch shops in Tsimshatsui, Causeway Bay and Central, Hong Kong.

### September

The Group renewed the Maurice Lacroix sole agency agreement with Desco (China) Limited (達世高(上海)貿易有限公司), a subsidiary of Desco Group – a world famous watches group. Pursuant to the agreement, the two parties would continue their long-term cooperation for an extended term of 5 years. It marked a new era of cooperation between Xinyu Hengdeli and Maurice Lacroix.



### October

The Group succeeded in acquiring 100% equity interest of Artdeco Decorating & Packaging Co., Ltd. in Guangzhou province (廣州市雅迪裝飾包裝有限公司) and establishing CAPS Projects Limited (新宇創念管理有限公司) in Hong Kong, thereby strengthening the ancillary business to the Group's core business. This further expanded the business scope of and brought new sources of revenue to the Group.

LVMH announced that it had accumulated acquisition of 7.24% shares of Xinyu Hengdeli through purchases in the open market to further enhance the cooperative relationship with Xinyu Hengdeli.

### November

The Group entered into a new cooperative agreement with Wenzhou Huayu Watch & Clock Co., Ltd. (溫州華宇鐘錶有限公司), establishing Wenzhou Xinyu Watch & Clock Co., Ltd. (溫州新宇鐘錶有限公司), which increased the number of retail stores of the Group in the Mainland China to 92.