

[For immediate release]



Baofeng Partners World Renowned Swarovski in Exclusive Business Development

Awarded 2 years' non-exclusive and free-of-royalty rights to use “Made with Swarovski Elements”

(Hong Kong, PRC and Singapore, 3 November 2011) — **Baofeng Modern International Holdings Company Limited** (HKSE: 1121, “Baofeng” or “the Group”), a leading fashionable casual footwear enterprise in the PRC, today announced its strategic partnership with Swarovski (Guangzhou) Trading Co., Ltd, a world famous brand name for premium quality component product provider, including but not limited to crystal elements made exclusively by Swarovski and marketed exclusively under the “Swarovski Elements” brand.

The Group intends to develop new products which incorporate Swarovski Elements as part of the products. Swarovski has Technical, Marketing and Design skills that will contribute toward achieving this objective.

Under the terms of the agreement, Swarovski shall provide the Group with information sharing, design and production suggestions, marketing support, retail and channel support, ingredient branding authorization, as well as crystal products and components for mass production. In addition, Swarovski shall grant the Group with 2 years' non-exclusive and free-of-royalty rights to use “Made with Swarovski Elements” phrase provided by Swarovski only for the purpose of introducing the products hereunder to the potential customers.

Mr. Chen Qingwei, Chief Executive Officer of Baofeng, said, “We are delighted and honoured to secure this partnership with Swarovski, a global brand name associated with premium quality products. Swarovski has over the years demonstrated premium quality standards in its products and exquisite brand positioning among its customer base. This is very valuable to Baofeng as we seek to embrace better technology and knowledge to elevate our brand equity to higher levels.”

Mr. Chen added, “Swarovski would recommend the latest crystal product and application technology to our products and provide modification suggestions on the crystal pattern designed by our design team. In addition, Swarovski would provide 2 crystal designs each season for our products (shoes) and a total of

8 designs per year for our reference. This will enhance our products' design range and attract more attentions from the PRC consumers.

Founded in 1892 in the village of Wattens in Tyrol by Daniel Swarovski, the brand "Swarovski" has created numerous amazing breakthrough in its 120 years of history. In 1950s, Swarovski created the magnificent Aurora Borealis crystal effects in collaboration with French designer, Christian Dior. Many international designers such as Dolce & Gabbana, Chanel & Louis Vuitton have made use of the infinite possibilities of this exquisite crystal material to create beautiful luxury products

Mr. Chen concluded, "The PRC casual footwear industry has grown steadily over the past years. As consumers become more affluent, they will see casual footwear as fashion and comfortable footwear and not only as a necessity item. They will be willing to spend more to make themselves fashionable and comfortable. We are confident that the Group has embarked onto an era of rapidly accelerating growth with urbanization and rising disposable incomes as the key driving forces. We intend to continue our efforts to further expand our presence in the worldwide footwear market, especially the Southeast Asia region and are committed to delivering fruitful returns to our shareholders."

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About Baofeng Modern International Holdings Company Limited (HKSE: 1121)

As one of the largest suppliers of casual footwear such as slippers in the PRC, Baofeng is also one of the largest suppliers manufacturing self-branded slippers in the PRC. The Group owns two slipper brands in the PRC, the "Boree" slipper brand, targeting medium to high end market with trendy and fashionable designs, and the "Baofeng" brand, targeting the budget to medium market and offering slippers with traditional function. Baofeng has totally 27 distributors. There are 24 and 24 distributors for the Boree and Baofeng brands respectively. 21 distributors operate both Boree and Baofeng brands. The Group launched the Boree brand in 2007 and has already developed 541 sales points for the brand as of the end of June 2011. The Group plans to expand the number of sales points to over 800 by the end of 2011 to tap for the rising domestic retail market. In May, 2011, the Group entered into an exclusive long-term agreement with NBA China, Baofeng is authorized to manufacture, distribute, sell, advertise and promote NBA-designed flip flops, slippers and sandals in the PRC, Hong Kong and Macau.

For more information, please refer to www.chinabaofeng.com

For and on behalf of Baofeng Modern International Holdings Company Limited

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