



SINCERE WATCH LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197700967C)

REPLY TO SGX QUERIES REGARDING TRADING ACTIVITY

We refer to the SGX query on 29 December 2006 regarding trading activity and our response is as follows:-

- 1) The Company is not aware of any material information, not previously disclosed, of the Company or its subsidiaries or associated companies that might explain the trading activity.
- 2) The Company is not aware of any other material information that might explain the trading activity.
- 3) The Company confirms its compliance with the listing rules including Rule 703.

However, the Company wishes to highlight that it will be holding an Extraordinary General Meeting on 8 January 2007 to seek shareholders' approval for the Proposed Scrip Dividend Scheme, details of which were previously announced via SGXnet on 12 December 2006.

By Order of the Board

Soh Gim Teik
Company Secretary
29 December 2006
Singapore