



SINCERE WATCH LIMITED

(Incorporated in Singapore)

(Company Registration Number 197700967C)

ACQUISITION BY THE COMPANY OF 1,600,000 ORDINARY SHARES IN THE CAPITAL OF SINCERE WATCH SDN BHD (“SWSB”) (THE “SWSB SHARES”)

1. INTRODUCTION

- 1.1 The Directors of the Company are pleased to announce the acquisition from an unrelated party 1,600,000 ordinary shares of par value RM1 each in Sincere Watch Sdn Bhd (“SWSB”) (the “Acquisition”) by its wholly-owned subsidiary, Avante Marketing (M) Sdn Bhd (“AMSB”).
- 1.2 Prior to the Acquisition, the Company held 6,400,000 (80%) shares out of a total of 8,000,000 shares in the issued share capital of SWSB (5,200,000 (65%) shares directly by the Company and 1,200,000 (15%) shares through AMSB).
- 1.3 Pursuant to the above Acquisition, SWSB has become wholly-owned subsidiary of the Company with 65% direct shareholding held by the Company and 35% indirect shareholding held through AMSB.

2. THE ACQUISITION

- 2.1 Under the terms of the Acquisition, the purchase consideration was RM4,500,000 (the “Purchase Consideration”), arrived at on a willing-buyer willing-seller basis and payable in cash upon the completion of the Acquisition.
- 2.2 The Purchase Consideration was financed by internal working capital of the Company.
- 2.3 The net tangible asset value of the said SWSB Shares is RM3,720,634 (equivalent to S\$1,633,358), based on the audited accounts of SWSB for the financial year ended 31 March 2007. No valuation was commissioned for the SWSB Shares.

BY ORDER OF THE BOARD

SINCERE WATCH LIMITED

Soh Gim Teik

Company Secretary

21 November 2007