

**Third Quarter and Nine Months Financial Statement And Dividend Announcement for the Period Ended 31 December 2007**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

The Group's financial information relating to the three-month and nine-month periods ended and as of 31 December 2007 has been reported on in accordance with the Singapore Code on Takeovers and Mergers.

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Unaudited consolidated financial results for the third quarter (Q3/FY08) and nine months period ended 31 December 2007.

	Group					
	Q3			9 Months		
	Oct to Dec 2007 S\$'000	Oct to Dec 2006 S\$'000	Increase / (Decrease) %	Apr to Dec 2007 S\$'000	Apr to Dec 2006 S\$'000	Increase / (Decrease) %
Revenue	141,379	105,733	33.71	337,159	263,807	27.81
Other operating income - see note 1(a)(1)	1,549	167	827.54	2,324	623	273.03
Changes in inventories of goods for resale	21,252	1,427	1389.28	62,312	25,683	142.62
Purchases of goods for resale	(121,053)	(81,795)	48.00	(308,352)	(226,152)	36.35
Staff costs	(8,307)	(6,257)	32.76	(21,692)	(17,589)	23.33
Rental expense	(4,288)	(3,204)	33.83	(11,692)	(9,071)	28.89
Selling, advertising and promotional expense	(5,832)	(5,912)	(1.35)	(13,438)	(11,019)	21.95
Depreciation expense	(1,379)	(779)	77.02	(3,314)	(2,060)	60.87
Other operating expenses	(6,309)	(2,768)	127.93	(12,585)	(9,444)	33.26
Finance costs	(303)	(319)	(5.02)	(853)	(958)	(10.96)
Share of profits of associates	96	74	29.73	312	231	35.06
Gain on dilution of interest in subsidiary	-	465	NM	-	465	NM
<b>Profit before income tax</b>	<b>16,805</b>	<b>6,832</b>	<b>145.97</b>	<b>30,181</b>	<b>14,516</b>	<b>107.92</b>
Income tax	(3,008)	(1,013)	196.94	(5,668)	(2,859)	98.25
<b>Profit for the period</b>	<b>13,797</b>	<b>5,819</b>	<b>137.10</b>	<b>24,513</b>	<b>11,657</b>	<b>110.29</b>
Attributable to:						
<b>Equity holders of the company</b>	<b>12,652</b>	<b>5,541</b>	<b>128.33</b>	<b>21,965</b>	<b>10,760</b>	<b>104.14</b>
<b>Minority interests</b>	<b>1,145</b>	<b>278</b>	<b>311.87</b>	<b>2,548</b>	<b>897</b>	<b>184.06</b>
	<b>13,797</b>	<b>5,819</b>	<b>137.10</b>	<b>24,513</b>	<b>11,657</b>	<b>110.29</b>

Note: NM - Not Meaningful

## Additional information for the income statement

(1) Other operating income comprises the following:

	Group					
	Q3			9 Months		
	Oct to Dec 2007 S\$'000	Oct to Dec 2006 S\$'000	Increase / (Decrease) %	Apr to Dec 2007 S\$'000	Apr to Dec 2006 S\$'000	Increase / (Decrease) %
Dividend income	-	-	-	21	14	50.00
Interest income	160	138	15.94	515	420	22.62
Gain (Loss) on disposal of plant and equipment	(25)	-	NM	130	-	NM
Gain on disposal of available-for-sale investments	1,340	-	NM	1,340	-	NM
Others	74	29	155.17	318	189	68.25
	<b>1,549</b>	<b>167</b>	<b>827.54</b>	<b>2,324</b>	<b>623</b>	<b>273.03</b>

(2) Profit is arrived at after charging/(crediting) the following:

	Group					
	Q3			9 Months		
	Oct to Dec 2007 S\$'000	Oct to Dec 2006 S\$'000	Increase / (Decrease) %	Apr to Dec 2007 S\$'000	Apr to Dec 2006 S\$'000	Increase / (Decrease) %
Interest on borrowings	303	319	(5.02)	853	958	(10.96)
Allowance for inventories	2,255	758	197.49	5,524	4,307	28.26
Inventories written (back) off	(708)	120	NM	(620)	120	NM
Property, plant and equipment written off	18	-	NM	19	-	NM
Loss on disposal of plant and equipment	-	-	-	-	6	NM
Loss on disposal of available-for-sale investments	-	-	-	-	6	NM
Foreign exchange loss (gain) - realised	153	625	(75.52)	(39)	1,907	NM
Foreign exchange loss - unrealised	2,948	451	553.66	5,379	2,198	144.72

(3) Adjustments for over provision of tax in respect of prior years:

	Group					
	Q3			9 Months		
	Oct to Dec 2007 S\$'000	Oct to Dec 2006 S\$'000	Increase / (Decrease) %	Apr to Dec 2007 S\$'000	Apr to Dec 2006 S\$'000	Increase / (Decrease) %
Over provision of tax in prior years						
- current	5	-	NM	9	-	NM

Note: NM - Not Meaningful

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	GROUP		COMPANY	
	31 Dec 2007 S\$'000	31 Mar 2007 S\$'000	31 Dec 2007 S\$'000	31 Mar 2007 S\$'000
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and bank balances	67,766	52,526	21,995	18,843
Trade receivables	52,464	29,594	5,042	4,930
Other receivables and prepaid expenses	8,041	6,781	7,209	8,158
Derivative financial instruments	6	32	-	32
Available-for-sale investments	8,838	-	8,838	-
Inventories	236,778	174,466	51,194	40,836
<b>Total current assets</b>	<b>373,893</b>	<b>263,399</b>	<b>94,278</b>	<b>72,799</b>
<b>Non-current assets:</b>				
Property, plant and equipment	22,020	18,743	12,699	12,659
Investment property	398	398	398	398
Subsidiaries	-	-	43,797	40,914
Associates	5,714	6,319	2,651	3,102
Available-for-sale investments	525	9,363	439	9,277
Goodwill	1,092	882	-	-
Other intangible assets	1,075	1,075	219	219
Deferred tax assets	4,773	4,047	1,430	990
<b>Total non-current assets</b>	<b>35,597</b>	<b>40,827</b>	<b>61,633</b>	<b>67,559</b>
<b>Total assets</b>	<b>409,490</b>	<b>304,226</b>	<b>155,911</b>	<b>140,358</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank borrowings	22,738	18,521	-	-
Trade payables	184,778	108,919	53,274	40,157
Other payables	29,259	18,302	9,084	5,674
Dividend payable	-	14,480	-	14,480
Derivative financial instruments	446	111	323	101
Current portion of long-term debt	152	157	76	78
Income tax payable	5,760	4,490	1,418	588
<b>Total current liabilities</b>	<b>243,133</b>	<b>164,980</b>	<b>64,175</b>	<b>61,078</b>
<b>Non-current liabilities:</b>				
Long-term debt	3,000	3,000	3,000	3,000
Finance leases	376	446	140	153
<b>Total non-current liabilities</b>	<b>3,376</b>	<b>3,446</b>	<b>3,140</b>	<b>3,153</b>
<b>Capital, reserves and minority interests:</b>				
Share capital	31,778	19,620	31,778	19,620
Currency translation reserve	(6,986)	(5,499)	-	-
Legal reserve	314	314	-	-
Investment revaluation reserve	139	139	105	105
Accumulated profits	127,076	109,728	56,713	56,402
Equity attributable to equity holders of the company	152,321	124,302	88,596	76,127
Minority interests	10,660	11,498	-	-
<b>Total equity</b>	<b>162,981</b>	<b>135,800</b>	<b>88,596</b>	<b>76,127</b>
<b>Total liabilities and equity</b>	<b>409,490</b>	<b>304,226</b>	<b>155,911</b>	<b>140,358</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<b>As at 31/12/07</b>	<b>As at 31/03/07</b>
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<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$ 152,000	S\$22,738,000	S\$ 157,000	S\$18,521,000

**Amount repayable after one year**

<b>As at 31/12/07</b>	<b>As at 31/03/07</b>
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<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
S\$376,000	S\$3,000,000	S\$446,000	S\$3,000,000

**Details of any collateral**

**Secured**

The secured borrowings relate to the finance lease obligations of the Group which are secured against the respective assets under the finance lease arrangement.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>GROUP</b>			
	<b>Q3</b>		<b>9 Months</b>	
	<b>Oct to Dec 2007</b>	<b>Oct to Dec 2006</b>	<b>Apr to Dec 2007</b>	<b>Apr to Dec 2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities:</b>				
Profit before income tax	16,805	6,832	30,181	14,516
Adjustments for:				
Share of profits of associates	(96)	(74)	(312)	(231)
(Gain) Loss on disposal of available-for-sale investments	(1,340)	-	(1,340)	6
Depreciation expense	1,379	779	3,314	2,060
Property, plant and equipment written off	18	-	19	-
Loss (Gain) on disposal of property, plant and equipment	25	-	(130)	6
Gain on dilution of interest in subsidiary	-	(465)	-	(465)
Allowance for inventories	2,255	758	5,524	4,307
Net loss (gain) on fair value changes on foreign exchange contracts	389	(83)	361	100
Foreign exchange loss - unrealised	2,948	451	5,379	2,198
Interest expense	303	319	853	958
Interest income	(160)	(138)	(515)	(420)
Dividend income	-	-	(21)	(14)
<b>Operating cash flow before movements in working capital</b>	<b>22,526</b>	<b>8,379</b>	<b>43,313</b>	<b>23,021</b>
Trade receivables	(20,879)	(3,054)	(22,463)	(4,539)
Other receivables and prepaid expenses	(969)	1,439	(1,831)	5,137
Inventories	(23,507)	(2,184)	(67,836)	(29,989)
Trade payables	35,688	6,660	69,990	25,473
Other payables	7,801	(1,226)	11,045	(1,222)
<b>Cash generated from operations</b>	<b>20,660</b>	<b>10,014</b>	<b>32,218</b>	<b>17,881</b>
Interest paid	(303)	(319)	(853)	(958)
Interest received	160	138	515	420
Income tax paid	(1,308)	(1,186)	(4,555)	(5,012)
<b>Net cash from operating activities</b>	<b>19,209</b>	<b>8,647</b>	<b>27,325</b>	<b>12,331</b>
<b>Investing activities:</b>				
Purchase of property, plant and equipment (Note A)	(2,044)	(830)	(6,691)	(1,817)
Proceeds from disposal of property, plant and equipment	4	-	159	6
Acquisition of additional interest in subsidiary	(1,664)	-	(1,664)	-
Proceeds from sale of available-for-sale investments	1,340	-	1,340	19
Purchase of available-for-sale investments	-	-	-	(8,836)
Dividends received	-	-	21	14
<b>Net cash used in investing activities</b>	<b>(2,364)</b>	<b>(830)</b>	<b>(6,835)</b>	<b>(10,614)</b>
<b>Financing activities:</b>				
(Decrease) Increase in short-term bank borrowings	(986)	2,915	2,264	3,801
Decrease in long-term debt	(39)	(287)	(174)	(3,871)
Dividends paid	-	-	(6,939)	(4,159)
Dividends paid to minority interests	-	-	(1,178)	-
<b>Net cash (used in) from financing activities</b>	<b>(1,025)</b>	<b>2,628</b>	<b>(6,027)</b>	<b>(4,229)</b>

1(c) Continuation ... A cash flow statement (for the group)

	GROUP			
	Q3		9 Months	
	Oct to Dec 2007 S\$'000	Oct to Dec 2006 S\$'000	Apr to Dec 2007 S\$'000	Apr to Dec 2006 S\$'000
Increase (Decrease) in cash and cash equivalents	15,820	10,445	14,463	(2,512)
Cash and cash equivalents at beginning of period	47,291	29,380	48,543	42,823
Effect of foreign exchange rate changes	(1,282)	(610)	(1,177)	(1,096)
<b>Cash and cash equivalents at end of period</b>	<b>61,829</b>	<b>39,215</b>	<b>61,829</b>	<b>39,215</b>
Cash and cash equivalents comprise:				
Cash and bank balances	56,109	30,241	56,109	30,241
Fixed deposits	11,657	12,278	11,657	12,278
Bank overdrafts	(5,937)	(3,304)	(5,937)	(3,304)
	61,829	39,215	61,829	39,215
<b>Note to the consolidated cash flow statement</b>				
A. Cash purchase of property, plant and equipment	2,044	830	6,592	1,817
Purchase of property, plant and equipment under finance lease agreements	-	-	99	-
Total additions to property, plant and equipment	2,044	830	6,691	1,817

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Attributable to equity holders of the parent					Minority interests	Total equity	
	Share Capital	Currency Translation Reserve	Legal * Reserve	Investment Revaluation Reserve	Accumulated Profits			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>GROUP-Statement of changes in equity for 9 months ended 31 December 2006</b>								
<b>Balance at 1 April 2006</b>	<b>19,620</b>	<b>(3,580)</b>	<b>210</b>	<b>44</b>	<b>105,391</b>	<b>121,685</b>	<b>10,007</b>	<b>131,692</b>
Exchange differences arising on translation of foreign operations	-	(796)	-	-	-	(796)	(222)	(1,018)
Net income recognised directly in equity	-	(796)	-	-	-	(796)	(222)	(1,018)
Profit for the period	-	-	-	-	1,993	1,993	16	2,009
Total recognised income and expenses for the period	-	(796)	-	-	1,993	1,197	(206)	991
<b>Balance at 30 June 2006</b>	<b>19,620</b>	<b>(4,376)</b>	<b>210</b>	<b>44</b>	<b>107,384</b>	<b>122,882</b>	<b>9,801</b>	<b>132,683</b>
<b>Balance at 30 June 2006</b>	<b>19,620</b>	<b>(4,376)</b>	<b>210</b>	<b>44</b>	<b>107,384</b>	<b>122,882</b>	<b>9,801</b>	<b>132,683</b>
Exchange differences arising on translation of foreign operations	-	(111)	-	-	-	(111)	690	579
Net income recognised directly in equity	-	(111)	-	-	-	(111)	690	579
Profit for the period	-	-	-	-	3,226	3,226	603	3,829
Total recognised income and expenses for the period	-	(111)	-	-	3,226	3,115	1,293	4,408
Final dividend of \$0.01 per ordinary share and special dividend of \$0.0165 per ordinary share less tax of 20% paid in respect of previous financial year	-	-	-	-	(4,159)	(4,159)	-	(4,159)
<b>Balance at 30 September 2006</b>	<b>19,620</b>	<b>(4,487)</b>	<b>210</b>	<b>44</b>	<b>106,451</b>	<b>121,838</b>	<b>11,094</b>	<b>132,932</b>
<b>Balance at 30 September 2006</b>	<b>19,620</b>	<b>(4,487)</b>	<b>210</b>	<b>44</b>	<b>106,451</b>	<b>121,838</b>	<b>11,094</b>	<b>132,932</b>
Exchange differences arising on translation of foreign operations	-	(248)	-	-	-	(248)	(231)	(479)
Net income recognised directly in equity	-	(248)	-	-	-	(248)	(231)	(479)
Profit for the period	-	-	-	-	5,541	5,541	278	5,819
Total recognised income and expenses for the period	-	(248)	-	-	5,541	5,293	47	5,340
Dilution of interest in subsidiary	-	-	-	-	-	-	(465)	(465)
<b>Balance at 31 December 2006</b>	<b>19,620</b>	<b>(4,735)</b>	<b>210</b>	<b>44</b>	<b>111,992</b>	<b>127,131</b>	<b>10,676</b>	<b>137,807</b>

1(d)(i) Continuation ... A statement of changes in equity (for the issuer and group)

	Attributable to equity holders of the parent					Minority interests	Total equity	
	Share Capital	Currency Translation Reserve	Legal * Reserve	Investment Revaluation Reserve	Accumulated Profits			Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			S\$'000
<b>GROUP-Statement of changes in equity for 9 months ended 31 December 2007</b>								
<b>Balance at 1 April 2007</b>	<b>19,620</b>	<b>(5,499)</b>	<b>314</b>	<b>139</b>	<b>109,728</b>	<b>124,302</b>	<b>11,498</b>	<b>135,800</b>
Exchange differences arising on translation of foreign operations	-	596	-	-	-	596	136	732
Net income recognised directly in equity	-	596	-	-	-	596	136	732
Profit for the period	-	-	-	-	4,916	4,916	752	5,668
Total recognised income and expenses for the period	-	596	-	-	4,916	5,512	888	6,400
Share issue in relation to interim dividend of \$0.09 per ordinary share less tax of 18% paid in respect of previous financial year under the Scrip Dividend Scheme	12,158	-	-	-	-	12,158	-	12,158
<b>Balance at 30 June 2007</b>	<b>31,778</b>	<b>(4,903)</b>	<b>314</b>	<b>139</b>	<b>114,644</b>	<b>141,972</b>	<b>12,386</b>	<b>154,358</b>
<b>Balance at 30 June 2007</b>	<b>31,778</b>	<b>(4,903)</b>	<b>314</b>	<b>139</b>	<b>114,644</b>	<b>141,972</b>	<b>12,386</b>	<b>154,358</b>
Exchange differences arising on translation of foreign operations	-	(879)	-	-	-	(879)	(250)	(1,129)
Net income recognised directly in equity	-	(879)	-	-	-	(879)	(250)	(1,129)
Profit for the period	-	-	-	-	4,397	4,397	651	5,048
Total recognised income and expenses for the period	-	(879)	-	-	4,397	3,518	401	3,919
Final dividend of \$0.01 per ordinary share and special dividend I of \$0.002 per ordinary share less tax of 18% and special dividend II of \$0.0125 per ordinary share (tax exempt) paid in respect of previous financial year	-	-	-	-	(4,617)	(4,617)	-	(4,617)
Dividends paid to minority interests	-	-	-	-	-	-	(1,178)	(1,178)
<b>Balance at 30 September 2007</b>	<b>31,778</b>	<b>(5,782)</b>	<b>314</b>	<b>139</b>	<b>114,424</b>	<b>140,873</b>	<b>11,609</b>	<b>152,482</b>
<b>Balance at 30 September 2007</b>	<b>31,778</b>	<b>(5,782)</b>	<b>314</b>	<b>139</b>	<b>114,424</b>	<b>140,873</b>	<b>11,609</b>	<b>152,482</b>
Exchange differences arising on translation of foreign operations	-	(1,204)	-	-	-	(1,204)	(352)	(1,556)
Net income recognised directly in equity	-	(1,204)	-	-	-	(1,204)	(352)	(1,556)
Profit for the period	-	-	-	-	12,652	12,652	1,145	13,797
Total recognised income and expenses for the period	-	(1,204)	-	-	12,652	11,448	793	12,241
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	(1,742)	(1,742)
<b>Balance at 31 December 2007</b>	<b>31,778</b>	<b>(6,986)</b>	<b>314</b>	<b>139</b>	<b>127,076</b>	<b>152,321</b>	<b>10,660</b>	<b>162,981</b>

1(d)(i) Continuation ... A statement of changes in equity (for the issuer and group)

	Share Capital	Currency Translation Reserve	Legal * Reserve	Investment Revaluation Reserve	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>COMPANY-Statement of changes in equity for 9 months ended 31 December 2006</b>						
<b>Balance at 1 April 2006</b>	<b>19,620</b>	-	-	<b>10</b>	<b>67,875</b>	<b>87,505</b>
Loss for the period	-	-	-	-	(353)	(353)
Total recognised income and expenses for the period	-	-	-	-	(353)	(353)
<b>Balance at 30 June 2006</b>	<b>19,620</b>	-	-	<b>10</b>	<b>67,522</b>	<b>87,152</b>
<b>Balance at 30 June 2006</b>	<b>19,620</b>	-	-	<b>10</b>	<b>67,522</b>	<b>87,152</b>
Profit for the period	-	-	-	-	3,315	3,315
Total recognised income and expenses for the period	-	-	-	-	3,315	3,315
Final dividend of \$0.01 per ordinary share and special dividend of \$0.0165 per ordinary share less tax of 20% paid in respect of previous financial year	-	-	-	-	(4,159)	(4,159)
<b>Balance at 30 September 2006</b>	<b>19,620</b>	-	-	<b>10</b>	<b>66,678</b>	<b>86,308</b>
<b>Balance at 30 September 2006</b>	<b>19,620</b>	-	-	<b>10</b>	<b>66,678</b>	<b>86,308</b>
Profit for the period	-	-	-	-	5,745	5,745
Total recognised income and expenses for the period	-	-	-	-	5,745	5,745
<b>Balance at 31 December 2006</b>	<b>19,620</b>	-	-	<b>10</b>	<b>72,423</b>	<b>92,053</b>

**1(d)(i) Continuation ... A statement of changes in equity (for the issuer and group)**

	Share Capital	Currency Translation Reserve	Legal *	Investment Revaluation Reserve	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>COMPANY-Statement of changes in equity for 9 months ended 31 December 2007</b>						
<b>Balance at 1 April 2007</b>	<b>19,620</b>	-	-	<b>105</b>	<b>56,402</b>	<b>76,127</b>
Loss for the period	-	-	-	-	(306)	(306)
Total recognised income and expenses for the period	-	-	-	-	(306)	(306)
Share issue in relation to interim dividend of \$0.09 per ordinary share less tax of 18% paid in respect of previous financial year under the Scrip Dividend Scheme	12,158	-	-	-	-	12,158
<b>Balance at 30 June 2007</b>	<b>31,778</b>	-	-	<b>105</b>	<b>56,096</b>	<b>87,979</b>
<b>Balance at 30 June 2007</b>	<b>31,778</b>	-	-	<b>105</b>	<b>56,096</b>	<b>87,979</b>
Profit for the period	-	-	-	-	3,634	3,634
Total recognised income and expenses for the period	-	-	-	-	3,634	3,634
Final dividend of \$0.01 per ordinary share and special dividend I of \$0.002 per ordinary share less tax of 18% and special dividend II of \$0.0125 per ordinary share (tax exempt) paid in respect of previous financial year	-	-	-	-	(4,617)	(4,617)
<b>Balance at 30 September 2007</b>	<b>31,778</b>	-	-	<b>105</b>	<b>55,113</b>	<b>86,996</b>
<b>Balance at 30 September 2007</b>	<b>31,778</b>	-	-	<b>105</b>	<b>55,113</b>	<b>86,996</b>
Profit for the period	-	-	-	-	1,600	1,600
Total recognised income and expenses for the period	-	-	-	-	1,600	1,600
<b>Balance at 31 December 2007</b>	<b>31,778</b>	-	-	<b>105</b>	<b>56,713</b>	<b>88,596</b>

\* Relates to Sincere Watch Co. Ltd, incorporated in the Republic of China (Taiwan). Legal reserve may be used to offset deficit, if any, and, when the reserve amount exceeds or equals 50% of the capital stock, an amount up to 50% of such reserve may be transferred to capital stock.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Since the end of the previous financial period, there have been no changes in the Company's issued share capital.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The Group's financial information relating to the three-month and nine-month periods ended and as of 31 December 2007 as set out in paragraph 1 of this announcement has been extracted from the interim condensed consolidated financial statements that have been reviewed in accordance with Singapore Standard on Review Engagements, SSRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The following is the auditors' report dated 13 February 2008 on the interim condensed consolidated financial statements of the Company and its subsidiaries for the three-month and nine-month periods ended and as of 31 December 2007:

**“Introduction**

We have reviewed the accompanying interim financial information of Sincere Watch Limited (the “Company”) and its subsidiaries (the “Group”) which comprise the condensed consolidated balance sheet of the Group and the condensed balance sheet of the Company as of 31 December 2007, the related condensed consolidated statements of profit and loss of the Group, condensed statements of changes in equity of the Group and Company and condensed consolidated statements of cash flow of the Group for the three-month and nine-month periods then ended, and selected explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Singapore Financial Reporting Standard 34, *Interim Financial Reporting* (“FRS 34”). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with FRS 34.”

The interim condensed consolidated financial statements of the Company and its subsidiaries for the three-month and nine-month periods ended and as of 31 December 2007 is available on request from the Company.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation as in the most recently audited financial statements have been applied.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP			
	Q3		9 Months	
	Oct to Dec 2007	Oct to Dec 2006	Apr to Dec 2007	Apr to Dec 2006
Basic earnings per share	6.12 cents	2.68 cents	10.67 cents	5.23 cents

The fully diluted earnings per share is equal to the basic earnings per share as there is no dilution. For compliance with FRS 33 – Earnings Per Share, basic earnings per share is calculated by dividing the Group's net profit attributable to shareholders by the weighted average number of 206,681,104 and 205,804,503 ordinary shares in issue during the three-month and nine-month periods ending 31 December 2007 respectively, after taking into account the effect of new shares issued under the Scrip Dividend Scheme. For comparative purposes, the number of shares for year 2006 is also adjusted retrospectively.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-  
(a) current financial period reported on; and  
(b) immediately preceding financial year.**

	GROUP		COMPANY	
	31 Dec 2007	31 Mar 2007	31 Dec 2007	31 Mar 2007
Net asset value per ordinary share based on the issued share capital at the date of this announcement	73.70 cents	60.14 cents	42.87 cents	36.83 cents

The net asset value per ordinary share is calculated based on 206,681,104 ordinary shares in issue on 31 December 2007. For comparative purposes, the number of shares in FY2007 is adjusted retrospectively to 206,681,104.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### 3<sup>rd</sup> Quarter (Q3/FY08)

The Group recorded very strong performances in most business segments in Q3/FY08 with group revenue topping S\$141.4 million. This was significantly higher than the S\$105.7 million recorded in the previous corresponding period Q3/FY07. This represented an increase of 34% y-o-y and underscored the robust economic condition in the region as well as the strength of the Group's premier position in the industry.

Although staff cost, rentals and depreciation expenses grew in line with the level of business done, average gross margins for the period also improved and together with the overall improvement in revenue, net profit for this peak quarter reached S\$13.8 million, up 137% from S\$5.8 million recorded in Q3/FY07.

#### 9-months ending 31 December, FY08

For the 9 months ending 31 December FY08, Group revenue rose 28% to S\$337.2 million from S\$263.8 million y-o-y. Net profit for the period was doubled when it jumped 110% to S\$24.5 million from S\$11.7 million.

Given the buoyant economies in the region, there was sustained growth in revenue and profit for the 9-months period as local demand improved together with increases in tourist traffic. In turn, the Group met this increased demand by opening more boutiques, undergoing extensive refurbishment of its key outlets, implementing innovative marketing programs and in North Asia, expanding its distributorship network with its retail partners.

As compared with the previous corresponding period, new Sincere Fine Watches ('SFW') boutiques were opened and extensively renovated in Singapore's Vivocity and Suntec City respectively. Mono brand shops like the new concept Franck Muller ('FM') boutique at Delfi Orchard and the Omega boutique at Raffles City were also introduced. In North Asia, new FM boutiques were opened in Ocean Terminal in Kowloon, Shin Kong Place in Beijing, Plaza 66 in Shanghai and at the Venetian Casino and Resort in Macao. The existing flagship FM boutique in Central Hong Kong was also considerably refurbished and enlarged. In India, the duty-free travel retail outlet at the Indira Gandhi International Airport in New Delhi commenced its operations in the first quarter.

In October, the Group opened its first office in Melbourne and commenced distribution of FM timepieces in Australia with dealers appointed in Melbourne and Sydney. At the same time, the largest SFW store comprising 3,500 sq ft at the Pavilion in Kuala Lumpur, Malaysia commenced operations.

The Group's financial position at the end of Q3 remained strong as it enjoyed very healthy operating cash flows. It maintained its net cash position as its working capital strengthened. As Q3 was the traditional peak business quarter, inventories, trade receivables and payables were higher.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group's third quarter results are consistent with the Commentary issued in the announcement of its results for the previous quarter.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The authorities in Singapore, the PRC and Hong Kong are making significant efforts in boosting their respective economies to cater to the new global environment through, for example, the establishment of Integrated Resorts, introduction of F1 races and the staging of the 2008 Beijing Olympic Games. These augur well for the Group, as the Group has well-established retail and distribution networks in these countries.

Although the industry will remain competitive and despite the reported early signs of a recession in the USA, the Group is optimistic that it will maintain its leading position in the region.

The Group will be profitable for the financial year ending 31 March 2008 (FY08).

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend recommended for the current financial period reported on? None

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year? None

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

During the current financial period, no dividend has been declared or recommended.

An interim dividend for the financial year ended 31 March 2007 of S\$0.09 per ordinary share less 18% tax totaling S\$14,479,560 was paid on 24 April 2007. The dividend obligation to the extent of S\$12,158,084 was satisfied by the issue of 10,481,104 new shares under the Scrip Dividend Scheme which was approved by shareholders at the Extraordinary General Meeting on 8 January 2007, with the balance of S\$2,321,476 paid in cash.

Dividends of S\$4,617,256 comprising a final dividend of S\$0.01 per ordinary share less 18% tax totaling S\$1,694,785 and special dividends of S\$0.002 per ordinary share less 18% tax and S\$0.0125 per ordinary share (tax exempt) totaling S\$2,922,471 in respect of the year ended 31 March 2007 had been paid on 22 August 2007.

**13. Other matters**

Peace Mark (Holdings) Limited ("Peace Mark") had on 7 December 2007 announced that subject to the satisfaction of certain conditions, it intends to make a voluntary conditional offer for all issued ordinary shares (the "Offer Shares") in the capital of the Company (the "Offer").

The consideration for the Offer comprises both cash and new ordinary shares in the capital of Peace Mark (the "New Peace Mark Shares"). The price for each Offer Share will be S\$2.051 in cash and 0.228 New Peace Mark Share at the issue price of HK\$12.096 (equivalent to S\$2.246 at the exchange rate ratio of S\$1:HK\$5.385 as at 6 December 2007).

The shareholders of Peace Mark had on 1 February 2008 approved the Offer and on the same day, Peace Mark announced its firm intention to make the Offer. An offer document is expected to be despatched to all shareholders of the Company between 15 February 2008 and 22 February 2008. Following the Offer, the Board of Directors (the "Board") will issue a circular which will include the recommendations and advice of the Board and the independent financial advisor to all shareholders.

In relation to the Offer, in addition to professional fees that will be paid on an as incurred basis, the Company and the Group are committed to the financial advisor engaged by the Company a success fee based on 1% of the acquisition value, defined as the total value of the consideration paid by the buyer, including any consideration that is paid by any co-investors in a consortium, to purchase all or part of the issued share capital of the Company upon the completion of the acquisition process. On this basis, if the Offer by Peace Mark is accepted in full by all the shareholders, the success fee payable is estimated to be approximately S\$5.3 million. This amount has not been provided for in the accounts made up to 31 December 2007.

**14. Subsequent event**

Subsequent to the period end, the Company entered into a conditional sale and purchase agreement with Mr Tay Liam Wee (the "Purchaser"), a Director and controlling shareholder of the Company, pursuant to which the Company agreed to sell, and the Purchaser agreed to purchase, an aggregate of 175,000 existing ordinary shares in the capital of Chrono Star International Participations Groupe Franck Muller S.A. at an aggregate consideration of \$10,957,496, based on \$62.6143 per share (the "Sale").

Pursuant to Chapter 9 of the Listing Manual, the approval of the Company's shareholders is required to be obtained. The Sale is subject to the approval of the Company's shareholders being obtained at an extraordinary general meeting of the Company to be convened on 25 February 2008.

The details of the Sale can be found in our SGXnet announcement dated 3 January 2008 and circular to shareholders in relation to the Sale dated 6 February 2008.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

17. **A breakdown of sales.**

Not applicable.

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

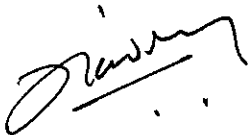
**BY ORDER OF THE BOARD**

Soh Gim Teik  
Company Secretary  
13/02/2008

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2007 : CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

We, Tay Liam Wee and Cecil Vivian Richard Wong, being two directors of Sincere Watch Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited consolidated financial results for the third quarter and nine months ended 31 December 2007 to be false or misleading.

On behalf of the Board



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Tay Liam Wee  
Director



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Cecil Vivian Richard Wong  
Independent Director

13 February 2008

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