



SINCERE WATCH LIMITED
Company Registration No: 197700967C

SINCERE WATCH RECEIVES APPROVAL IN-PRINCIPLE FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED FOR THE LISTING AND QUOTATION OF NEW SHARES TO BE ISSUED PURSUANT TO THE PROPOSED SCRIP DIVIDEND SCHEME

SINGAPORE, September 27, 2006 -- Mainboard-listed Sincere Watch Limited (the "Company" or "Sincere Watch") today announced it has applied for and obtained approval in-principle from The Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of new dividend shares to be issued pursuant to its proposed scrip dividend scheme.

SGX-ST approval in-principle is subject to approval being obtained from the shareholders of the Company for the proposed scrip dividend scheme at an extraordinary general meeting ("EGM") of the Company to be convened.

The proposed scrip dividend scheme, if it is to apply to any particular dividend, will provide the shareholders of the Company with the option to elect to receive dividend in the form of new shares in the Company in lieu of cash.

The Company currently has Section 44A tax credit balance of approximately \$3.5m available for franking of dividends. It is now seeking confirmation from the Inland Revenue Authority of Singapore ("IRAS") on the use of Section 44A credit balance to frank the payment of the scrip dividends. It intends to convene an EGM once confirmation is obtained from IRAS. A circular in respect of the proposed scrip dividend scheme and the proposed amendment to the Company's

articles of association in connection with the scrip dividend scheme will be dispatched to shareholders in due course.

Mr Tay Liam Wee, the company's Group Managing Director said: "This is the first time that the company is embarking on a scrip dividend scheme which is to reward our shareholders in line with the company's philosophy to improve returns all the time."

About Sincere Watch

Sincere Watch Limited, the watch specialist, is one of Singapore's oldest and most established retailers of brand-name luxury watches. The Group began as a sole proprietorship in 1954 with a single shop and was listed on the Singapore Exchange in 1993. From a chain of just four boutiques during its pre-listing days, the Group has grown rapidly and today, it operates 33 outlets with a distribution network spanning eleven countries – Australia, China, Hong Kong, Indonesia, Malaysia, Singapore, South Korea, Taiwan, The Philippines, Thailand and Vietnam. The Group is renowned for delivering a comprehensive range of high-quality watches and timepieces. It has successfully innovated and implemented several retail concepts and marketing programmes to meet the varied lifestyle needs of customers throughout the region.

Upholding the highest level of integrity and excellence, it has built strong partnerships with its brand owners and customers. It is a member of two of the most prestigious, internationally recognized trade and professional organizations in the watch industry, namely, the Association Interprofessionnelle de la Haute Horlogerie (AIHH) and the Watchmakers of Switzerland Training and Education Program (WOSTEP).

In July 2001, Sincere Watch launched "Emotus Time Culture", a new watch retailing concept offering young, contemporary customers a modern, exciting and carefree shopping environment. To date, there are six Emotus outlets (of which

two are “watch counters” in department stores) spanning Singapore and Kuala Lumpur, Malaysia.

In a bid to further penetrate the top-end of the market, Sincere recently launch the Sincere Haute Horlogerie boutique – a new benchmark in luxury retailing - in 2005. This luxurious boutique is specially catered for watch aficionados to enjoy and appreciate the art of high-watch making in a private and opulent shopping environment.

The Executive Managing Director, Mr. Tay Liam Wee, was also named the Ernst & Young Entrepreneur of the Year 2004 and STB’s Tourism Entrepreneur of the Year Award 2005.

Issued on behalf of Sincere Watch Limited

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