

SINCERE WATCH LIMITED

(Incorporated in Singapore)

(Company Registration Number 197700967C)

ACQUISITION BY THE COMPANY OF (1) 950,000 ORDINARY SHARES IN THE CAPITAL OF SINCERE WATCH DUTY FREE PTE LTD (“SWDF”) (THE “SWDF SHARES”) AND (2) 1,500,000 ORDINARY SHARES IN THE CAPITAL OF RICHBURGH HOLDINGS PTE LTD (“RICHBURGH”) (THE “RICHBURGH SHARES”)

1. INTRODUCTION

- 1.1 The Directors of the Company are pleased to announce that the Company has on 31 January 2007, entered into and completed a Sale and Purchase Agreement with Silvaroyal Private Limited (“Silvaroyal”) for the purchase of the SWDF Shares and the Richburgh Shares (the “Sale and Purchase Agreement”).
- 1.2 Prior to entering into the Sale and Purchase Agreement, the Company held 950,000 shares out of a total of 1,900,000 shares in the issued share capital of SWDF and 1,500,000 out of a total of 3,000,000 shares in the issued share capital of Richburgh. Pursuant to the above acquisition, SWDF and Richburgh have become wholly-owned subsidiaries of the Company.

2. THE SALE AND PURCHASE AGREEMENT

- 2.1 Under the terms of the Sale and Purchase Agreement, the purchase consideration was S\$427,421 (the “Purchase Consideration”), of which S\$406,695 was for the SWDF Shares and S\$20,726 was for the Richburgh Shares.
- 2.2 The Purchase Consideration was arrived at on a willing-buyer willing-seller basis, and based on the net tangible asset value of the SWDF Shares and the Richburgh Shares as reflected in the management accounts of SWDF and Richburgh as at 30 September 2006.
- 2.3 The Purchase Consideration was financed by internal working capital of the Company.
- 2.4 The net tangible asset value of the SWDF Shares is S\$406,695 and that for the Richburgh Shares is S\$20,726, based on the management accounts of SWDF and Richburgh as at 30 September 2006. No valuation was commissioned for the SWDF Shares and the Richburgh Shares.

BY ORDER OF THE BOARD
SINCERE WATCH LIMITED

Soh Gim Teik
Company Secretary
1 February 2007