



SINCERE WATCH LIMITED
COMPANY REGISTRATION NO: 197700967C

**NEWS RELEASE – RESULTS FOR FIRST QUARTER AND THREE MONTHS
OF FY2008**

**SINCERE WATCH CLOCKS IN 182% INCREASE IN NET PROFIT ON
REVENUE OF S\$95 MILLION FOR Q1/FY08**

**- BENEFITS FROM ASIA'S GROWING APPETITE FOR LUXURY
WATCHES**

SINGAPORE, 8 August 2007 – Mainboard-listed Sincere Watch Limited (“Sincere” or “the Group”), the world premier watch specialist, posted nearly tripling net profit of S\$5.7 million for Q1/FY08 compared to S\$2.0 million achieved in the previous corresponding period. Despite the first quarter being the traditional low season for the retail industry, revenue grew by approximately 20% to reach S\$95 million, up from the previous corresponding quarter of S\$79.4 million.

This was due to increased demand for the Group’s timepieces across the region in particular in Hong Kong and Singapore where both countries continue to enjoy strong economic growth and increased tourist traffic. In addition, there was a surge in June sales in Singapore prior to the increase in GST rate on 1 July.

Earnings Per Share (EPS) jumped to 2.38 cents in Q1/FY08 from 0.96 cents in the previous corresponding period. Net Asset Value per share (NAV) also rose to 68.69 cents as at 30 June 2007 from 60.14 cents as at 31 March 2007.

The Group's higher revenue also reflected the Group's expansion in the first quarter. Sincere embarked on an active expansion strategy in Singapore and the Asia-Pacific region. Compared to Q1/FY07, Q1/FY08 included new shops in VivoCity (Sincere Fine Watches) and Raffles City (Omega) in Singapore. In North Asia, a new Franck Muller boutique in Beijing was opened whereas the existing Franck Muller boutique in Central, Hong Kong was enlarged. The duty-free travel retail outlet at the Indira Gandhi International Airport in New Delhi, India commenced operations during the quarter.

While rental and staff costs rose with the opening of new stores, the Group enjoyed lower other operating expenses as there was no unrealised foreign exchange loss during the period. As at the end of Q1/FY08, the group remained in a net cash position.

Mr. Tay Liam Wee, the Group Managing Director, said, "We're off to a good start to the new financial year with sterling first quarter results. The retail and tourism landscape in Singapore, and other key Asian cities, is undergoing a renaissance. Asia is the largest and fastest-growing market for luxury watches, accounting for 43% of total Swiss watch exports in 2006. Coupled with the fact that Asia has the fastest-growing number of high-net worth individuals, the future looks promising for us. Sincere will continue to grow with the region's booming economies, and will benefit from Asia's growing appetite for luxury watches."

Added Mr. Tay, "In addition to spearheading growth in the region through new store openings and intensified marketing activities, we have also made strides in expanding our product/brand portfolio. We were recently appointed Ebel's exclusive distributor in Singapore, Malaysia and Thailand. This latest addition will bring the total number of Sincere's exclusive portfolio of global watch brands to 15. We intend to push ahead with our expansion plans. We recently launched the first Franck Muller flagship store in Singapore at Delfi Orchard, and will open a

Franck Muller boutique at The Venetian in Macau. In September, we will also launch a two-storey Sincere Fine Watches boutique at the Pavilion in Bukit Bintang, Kuala Lumpur, our largest so far in the region.”

Barring any unforeseen circumstances, the group will remain profitable in the second quarter.

About Sincere Watch

Listed on the mainboard of the Singapore Exchange, 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 along Singapore’s North Bridge Road 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 38 outlets with a distribution network spanning 12 countries – Australia, China, Hong Kong, Indonesia, Malaysia, Singapore, South Korea, Taiwan, The Philippines, Thailand, Vietnam and India. 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 the most prestigious, internationally recognized trade and professional organizations in the watch industry, 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 three Emotus outlets spanning Singapore and Kuala Lumpur, Malaysia.

In a bid to further penetrate the top-end of the market, Sincere recently launched 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. Sincere Haute Horlogerie won the “Best New Retail Concept” award given by the Singapore Tourism Board for 2006. 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.

Sincere’s subsidiary – Sincere Watch (Hong Kong) Limited is listed on the mainboard of the Hong Kong Stock Exchange since 2005.

Sincere is the only homegrown watch specialist with public listings on the Mainboard of two of Asia’s largest and most vibrant stock exchanges.

Issued on behalf of Sincere Watch Limited

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