



**SINCERE WATCH LIMITED**  
**COMPANY REGISTRATION NO: 197700967C**

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**NEWS RELEASE – RESULTS FOR SECOND QUARTER AND SIX MONTHS OF FY2008**

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**SINCERE WATCH'S FIRST HALF NET PROFIT LEAPS 84% TO S\$10.7 MILLION ON REVENUE OF S\$195.8 MILLION.**

- **Riding on region's strong economic growth, increased tourist traffic and growing demand for luxury timepieces**
- **Largest Sincere Fine Watches store started operations at the Pavilion in Kuala Lumpur, Malaysia in October**
- **Earnings per share grew to 4.51 cents in H1/FY08 from 2.53 cents in the previous corresponding period**
- **Net Asset Value per share (NAV) rose to 68.16 cents from 60.14 cents as at March 31 2007**

**SINGAPORE, November 12, 2007** – Mainboard-listed Sincere Watch Limited (“Sincere” or “the group”), the world premier watch specialist, posted a net profit jump of 84% to S\$10.7 million on a 24% growth in revenue to S\$195.8 million for the six months ended 30 September 2007 (H1/FY08).

The group achieved sterling results on the back of the retail and luxury boom in Singapore and South-east Asia. To capitalise on the region's strong economic growth, increased tourist traffic and demand for luxury timepieces, the group added more points-of-sale and undertook major refurbishments of its stores during the period.

On a quarter-to-quarter basis, group revenue for Q2/FY08 grew 28% to S\$100.7 million. Average gross margins also improved, resulting in net profit rising 32% to S\$5.0 million for Q2/FY08.

Mr. Tay Liam Wee, the Group Managing Director, said, "We're delighted with this sterling set of first half results. It reaffirms that Asia's rich is indeed growing at a faster rate than the rest of the world. Singapore already has the fastest-growing population of millionaires in the Asia Pacific and with rising wealth levels in Singapore and the government's continuous efforts to attract more visitors, we expect business to be robust."

In Singapore, a new Sincere Fine Watches store was opened in VivoCity and the Suntec City store was extensively renovated. Mono brand shops like the new concept Franck Muller ('FM') boutique at Delfi Orchard and the Omega boutique at Raffles City also made their debut.

Sincere also benefited from the strong performance of its North Asian operations. In North Asia, new FM boutiques were opened in Ocean Terminal in Kowloon, Shin Kong Place in Beijing and at the Venetian Casino and Resort in Macao. The existing flagship FM boutique in Central Hong Kong was also extensively refurbished and enlarged.

The group's foray into the robust Indian market also made positive strides. Its first duty-free travel retail outlet at the Indira Gandhi International Airport in New Delhi commenced operations in the first quarter.

To complement the expansion of its sales and distribution points, innovative and sustained marketing efforts were intensified. This led to an increase in advertising & promotional, rental, depreciation and staff expenses. Furthermore, the renewal of leases for some of the shop units also contributed to the increase in rentals for the period.

The group's balance sheet remains strong. Although inventories and trade payables grew as a result of the increased level of business, the group maintained its healthy net cash position at the end of H1/FY08.

Mr. Tay added: "The next quarter will be the high season for the luxury watch industry. Even as we gear up our marketing activities, we will also open new shops to cater to the growing demand for the group's timepieces. In the PRC, we will re-open our first FM boutique in Shanghai in November, at Plaza 66, Nanjing Xi Lu.

"The group has already appointed FM dealerships in Dalian, Hangzhou and Shanghai and is exploring opportunities to form strategic alliances with more dealers. The stronger presence in Beijing and Shanghai will enable us to capitalise on the tourism boom expected during the upcoming 2008 Olympics. Closer to home, we have started operations at our largest Sincere Fine Watches boutique at the Pavilion, Kuala Lumpur, in October."

Given the positive outlook, the group will be profitable in the third 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 runs 39 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 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.

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**Issued on behalf of Sincere Watch Limited**

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