

# SINCERE HOLDINGS LIMITED

(Company Registration No. CT-228145)  
(Incorporated in the Cayman Islands)  
Cricket Square, Hutchins Drive, P.O. Box 2681  
Grand Cayman, KY1-1111, Cayman Islands

12 November 2009

To: The Shareholders of Sincere Watch Limited

Dear Shareholder,

## COMPULSORY ACQUISITION OF SHARES IN SINCERE WATCH LIMITED BY SINCERE HOLDINGS LIMITED

### 1. INTRODUCTION

On 14 October 2009, Sincere Holdings Limited (the "**Offeror**") issued an offer document (the "**Offer Document**") to the shareholders of Sincere Watch Limited ("**SWL**"), in connection with the voluntary conditional cash offer (the "**Offer**") for all the issued ordinary shares (the "**Shares**") in the capital of SWL, other than those Shares held directly or indirectly, by the Offeror as at the date of the Offer (the "**Offer Shares**").

Unless otherwise defined herein, capitalised terms used in this letter shall have the same meanings as defined in the Offer Document.

### 2. CLOSE OF OFFER

Kindly be informed that the Offer has since closed as of 5.30 p.m. on 11 November 2009 with us having received, pursuant to the Offer, valid acceptances in respect of 205,751,166 Shares, representing approximately 99.55% of the issued share capital of SWL.

Please note that we have received valid acceptances of the Offer representing more than 90% of the total number of issued Shares (other than those already held by us or our related corporations or their respective nominees as at the date of the Offer and excluding any shares in SWL held as treasury shares). As such, we are now entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**").

### 3. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

Based on the records in the Register of Members of SWL and the valid acceptances received by our receiving agent in respect of the Offer, we understand that you have not accepted the Offer in respect of your Shares. Accordingly, please be informed that we wish to acquire all your Shares at a consideration of S\$0.54828 in cash for each Share you own (the "**Consideration**"). We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (the "**Form 57**").

We would also like to inform you of the following:

- (a) We will exercise the right of compulsory acquisition to acquire all your Shares on 12 December 2009 (the "**Transfer Date**"), being one (1) month after the date on which the Form 57 is given, subject to and on the terms set out in the enclosed Form 57 and the provisions of the Companies Act.
- (b) Upon the payment of the Consideration to SWL by us, SWL will cause to be transferred to us all the Shares held by you and register us as the holder of all those Shares as soon as practicable. The Consideration will be credited by SWL into a separate bank account and held on trust for you.
- (c) As soon as practicable after the Transfer Date, SWL will, on our behalf, despatch a cheque for the appropriate amount of the Consideration payable in respect of your Shares to you (or in the case of joint accepting Shareholders, to the one first named in the Register of Members of SWL) by ordinary post to your address as it appears in the Register of Members of SWL at your own risk.

#### **4. RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT**

Kindly be informed that under Section 215(3) of the Companies Act, you have a right to require us to acquire your Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (the "**Form 58**") is enclosed with this letter. Technically, you may, within three (3) months after the Form 58 is given (that is, by 12 February 2010), give notice to us requiring us to acquire your Shares at the Consideration set out above.

However, as we would be proceeding to acquire your Shares on the terms set out in the enclosed Form 57, you need not take any action in relation to the Form 58.

**If you are in any doubt about any of the matters in this letter, you should consult your stockbroker, bank manager, solicitor, accountant, tax advisor or other professional adviser immediately.**

Yours faithfully,  
For and on behalf of  
Sincere Holdings Limited



William Edward Alastair Morrison  
Director  
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