PROPOSED ACQUISITIONS OF (I) A 51% EQUITY INTEREST IN EAST BASE LIMITED, A COMPANY INCORPORATED UNDER THE LAWS OF HONG KONG (“EAST BASE”); AND (II) A 51% EQUITY INTEREST IN TICK TACK AG, A COMPANY INCORPORATED UNDER THE LAWS OF SWITZERLAND (“TICK TACK”) (THE “PROPOSED ACQUISITIONS”)

Further to the announcement of Wee Poh Holdings Limited (the "Company") on 14 February 2006, the board of directors (the “Directors”) of the Company wishes to announce that its wholly-owned subsidiary, Stategrace Group Limited (the “Purchaser”) had on 24 May 2006 entered into the following agreements:

(i) a sale and purchase of shares agreement (the “EB Agreement”) with Swiss Watch Group Limited (“SWG”) and Mr Pishu Vashdev Chainani (“Pishu”) for the proposed acquisition from SWG of 5,100 ordinary shares of HK$1.00 each in the issued share capital of East Base (the “EB Sale Shares”) representing 51% of the issued share capital of East Base, for a cash consideration of HK$14,893,920 (the “EB Consideration”); and

(ii) a sale and purchase of shares agreement (the “TT Agreement”) with Mr Christian Marcel Frommherz (“CF”) for the proposed acquisition from CF of 51 shares of Swiss Franc 1,000 each in the issued share capital of Tick Tack (the “TT Sale Shares”) representing 51% of the issued share capital of Tick Tack, for a cash consideration of HK$6,000,000 (the “TT Consideration”).

Notwithstanding anything to the contrary contained in the EB Agreement or the TT Agreement, the Purchaser shall not be obliged to complete the sale and purchase of any of the EB Sale Shares or the TT Sale Shares unless the sale and purchase of all the TT Sale Shares or the EB Sale Shares, is respectively completed simultaneously under the TT Agreement or the EB Agreement.

For the purpose of this announcement, East Base and Tick Tack shall be collectively referred to as the “Sale Companies” and each, a “Sale Company”.

The Sale Companies

(i) **About East Base**
East Base is principally involved in the design and production of watches for brand owners and licensees (such as POLICE, Jacques Lemans and S. Oliver), and the sourcing of watch components.

(ii) **About Tick Tack**
Tick Tack is principally involved in the design, production and distribution of watches. Some of the brands associated with Tick Tack are Aigner and Swiss Military.
Rationale and benefits of the Proposed Acquisitions

The Board of Directors is of the view that the Proposed Acquisitions will provide a platform for the Company and its subsidiaries (the “Group”) in the manufacture, assembly and distribution of branded watches such as those mentioned above. The Company believes that the Sale Companies, which have a presence in the Asian and European watch-related markets, will be a good strategic fit for the Group. The Sale Companies will also offer the Group opportunities to access greater revenue streams and expand further into these markets. The Group is also expected to benefit from economies of scale through the integration of the Sale Companies’ businesses with the Group’s existing operations.

Value of the assets acquired

The total net assets of the Sale Companies for the financial year ended 31 December 2005 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>East Base (Audited) (HK$ million)</th>
<th>Tick Tack (Audited) (HK$ million)</th>
<th>Intercompany (1) Elimination (HK$ million)</th>
<th>Consolidated (Unaudited) (HK$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.12</td>
<td>2.57</td>
<td>0.60</td>
<td>9.09(2)</td>
</tr>
</tbody>
</table>

Notes:
(1) To account for goods that Tick Tack buys from East Base. East Base’s sales to Tick Tack makes up approximately 15% of the total sales of East Base for the financial year ended 31 December 2005.
(2) Figure is represented by the Company’s shareholding of 51% in the Sale Companies. Total unaudited consolidated net assets for the Sale Companies are approximately HK$17.82 million.

Net profits attributable to the assets acquired

The net profits(1) attributable to the Sale Companies based on their respective audited consolidated accounts for the financial year ended 31 December 2005 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>East Base (Audited) (HK$ million)</th>
<th>Tick Tack (Audited) (HK$ million)</th>
<th>Intercompany (2) Elimination (HK$ million)</th>
<th>Consolidated (Unaudited) (HK$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.96</td>
<td>2.28</td>
<td>0.60</td>
<td>6.64(3)</td>
</tr>
</tbody>
</table>

Notes:
(1) For this purpose, “net profits” means profit or loss before income tax, minority interests and extraordinary items.
(2) To account for goods that Tick Tack buys from East Base. East Base’s sales to Tick Tack makes up approximately 15% of the total sales of East Base for the financial year ended 31 December 2005.
(3) Figure is represented by the Company’s shareholding of 51% in the Sale Companies. Total unaudited consolidated net profits for the Sale Companies are HK$13.02 million.
**Rule 1006 relative figures**

The relative figures that were computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

| Rule 1006(a) | Net asset value of the assets to be disposed of, compared with the Group’s net asset value | N.A. to acquisition of assets |
| Rule 1006(b) | Net profits attributable to the assets acquired, compared with the Group’s net profits (losses) | 18.52% (2) |
| Rule 1006(c) | Aggregate value of the consideration given, compared with the Group’s market capitalisation | 5.04% |

| Rule 1006(d) | The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue | N.A. as no shares will be issued |

Notes:

(1) For this purpose, “net profits” means profit or loss before income tax, minority interests and extraordinary items. For (b), the net profits (for the 12 months period ended 31 December 2005) attributable to the assets acquired are approximately HK$6.6 million and the Group’s net losses (2) are approximately HK$35.9 million.

(2) As the Group’s result is a loss, an absolute figure is used for the basis of this computation.

(3) Market capitalisation of the listed company is determined by multiplying the number of shares in issue by the closing price of such shares transacted on the market day preceding the date of the EB Agreement and the TT Agreement. The exchange rate as at 23 May 2006 of S$1.00 to HK$4.88 has been used for the computation.

As the relative figures set out in Rule 1006(b) and 1006(c) above are more than 5% but does not exceed 20%, the Proposed Acquisitions constitute a discloseable transaction under Chapter 10 of the Listing Manual and accordingly, no shareholders’ approval will be required.

**Purchase Consideration**

The aggregate consideration payable by the Purchaser for the Proposed Acquisitions is HK$20,893,920 (the “Purchase Consideration”).

The Purchase Consideration will be funded through internal resources and shall be satisfied as follows:

(i) **The EB Consideration**

The EB Consideration shall be satisfied in the following manner:

(a) the sum of HK$8,000,000 shall be paid in cash to SWG upon signing of the EB Agreement (the “EB Deposit”); and

(b) the balance of HK$6,893,920 shall be paid in cash to SWG on the completion of the EB Agreement (the “EB Completion”).
The TT Consideration shall be satisfied in the following manner:

(a) HK$3,000,000 shall be paid in cash to CF upon signing of the TT Agreement (the “TT Deposit”); and

(b) the balance of HK$3,000,000 shall be paid in cash to CF on the completion of the TT Agreement (the “TT Completion”).

Each of the EB Consideration and TT Consideration was arrived at on a willing buyer willing seller basis. The terms were commercially negotiated, and the Purchase Consideration takes into account, inter alia, the Warranted Profit Amount (as defined below) for each of the Guaranteed Years (as defined below).

Under the terms of the EB Agreement and the TT Agreement, in the event that the EB Completion and the TT Completion does not take place, the respective EB Deposit and the TT Deposit shall be refunded by the SWG and CF (each, a “Vendor”) respectively to the Purchaser on (i) 21 business days from the date the parties agree that respective EB Completion or the TT Completion will not take place; or (ii) the Cut-Off Date (as defined below), whichever is the earlier.

As mentioned above, the EB Completion is inter-conditional upon the TT Completion.

EB Cut-Off Statement and TT Cut-Off Statement

Under the EB Agreement, SWG shall deliver the EB Cut-Off Statement to the Purchaser within 14 business days from the signing of the EB Agreement. The EB Cut-Off Statement means the unaudited balance sheet of East Base as at 30 April 2006 together with all the supporting documents prepared for the sole purpose of identifying (i) 90-Days Receivables; (ii) 90-Days Inventories; and (iii) any commitments, contingent liabilities or unrecorded liabilities of East Base as at 30 April 2006.

Under the TT Agreement, CF shall deliver the TT Cut-Off Statement to the Purchaser within 14 business days from the signing of the TT Agreement. The TT Cut-Off Statement means the unaudited balance sheet of Tick Tack as at 30 April 2006 together with all the supporting documents prepared for the sole purpose of identifying (i) 90-Days Receivables; (ii) 90-Days Inventories; and (iii) any commitments, contingent liabilities or unrecorded liabilities of Tick Tack as at 30 April 2006.

For this purpose,

(i) “90-Days Receivables” means the book and other debts receivable by or owing to the Sale Company in connection with the business carried on by the Sale Company (and whether or not yet due and payable) as at 30 April 2006 which are at least 90 days old as at 30 April 2006 (including, without limitation, trade debts and prepayments); and

(ii) “90-Days Inventories” means the watches, watch components and related spare parts held by the Sale Company in connection with the business carried on by the Sale Company as at 30 April 2006 and which are at least 90 days old as at 30 April 2006.
The respective EB Agreement and the TT Agreement further provide that:

1. If part or all of the 90-Days Receivables of the relevant Sale Company as set out in the respective EB Cut-Off Statement and the TT Cut-Off Statement are not collected and received by 31 October 2006, the relevant Vendor shall pay in cash to the relevant Sale Company a sum equal to the aggregate of all the 90-Days Receivables that have not been collected as at 31 October 2006, and such 90-Days Receivables shall be assigned by the relevant Sale Company to the relevant Vendor at the value recorded in the books of the relevant Sale Company as at 30 April 2006.

2. If part or all of the 90-Days Inventories of the relevant Sale Company as set out in the respective EB Cut-Off Statement or the TT Cut-Off Statement are not converted into cash or collectible receivables by 31 October 2006, the relevant Vendor shall pay in cash to the relevant Sale Company a sum equal to the aggregate of all the 90-Days Inventories that have not been converted into cash or collectible receivables as at 31 October 2006, and such 90-Days Inventories shall be transferred by the relevant Sale Company to the relevant Vendor at the value recorded in the books of the relevant Sale Company as at 30 April 2006.

3. If there are any commitments, contingent liabilities or unrecorded liabilities of the relevant Sale Company as at 30 April 2006 which are not reflected or are not fully reflected in the respective EB Cut-Off Statement and TT Cut-Off Statement, and as at 31 October 2006, such commitments, contingent liabilities or unrecorded liabilities amount to HK$500,000 or more, whether singly or collectively, the relevant Vendor shall pay in cash to the relevant Sale Company an amount equal to the aggregate value of such unrecorded commitments, contingent liabilities or unrecorded liabilities.

Any payments to be made by the relevant Vendor pursuant to above provisions shall be made to the relevant Sale Company on the date falling 5 business days after the Purchaser has notified the relevant Vendor of the relevant Vendor’s payment obligation (if any) arising from the above.

Profit Guarantee

As a term of the TT Agreement, CF will give a guarantee (the “Profit Guarantee”) to the Purchaser and its successors in title that the aggregate net profit after tax (“NPAT”) of the Sale Companies will not be less than US$1,600,000 (the “Warranted Profit Amount”) in each of the financial years ending 31 December 2006, 31 December 2007 and 31 December 2008 (the “Guaranteed Years”).

If the Warranted Profit Amount is not attained in any of the Guaranteed Years (a “Shortfall Year”) and there is a shortfall in profits in relation to the Warranted Profit Amount, CF shall pay to the Sale Companies in cash the amount of such shortfall immediately after the later of the dates on which the respective audited accounts for the Shortfall Year are laid before the shareholders of each of the Sale Companies.

Conditions Precedent

Under the EB Agreement and the TT Agreement, the respective EB Completion and the TT Completion is conditional upon, inter alia:

(a) the completion of a financial, tax, business and legal due diligence to be conducted by the Purchaser’s professional advisers on the relevant Sale Company on or before the respective EB Completion or the TT Completion and the results of such due diligence being satisfactory to the Purchaser in its sole and absolute discretion;
(b) the delivery to the Purchaser of the Disclosure Letter, in form and substance acceptable to the Purchaser in its sole and absolute discretion, within 21 business days from the respective date of the EB Agreement and the TT Agreement or such later date as may be agreed by the relevant parties in writing;

(c) all consents, approvals and licenses (whether governmental, corporate or otherwise) (in form and substance satisfactory to the Purchaser), which are necessary or desirable to be obtained under any existing contractual, financing or security arrangements or otherwise or such other consents or approvals from any third party, governmental or regulatory body or relevant competent authority as may be necessary or desirable to be obtained in respect of or in connection with the transactions described or contemplated under the respective EB Agreement and the TT Agreement, being granted or obtained and such consents and approvals remaining in full force and effect and not withdrawn or revoked or amended, on or before the respective EB Completion or the TT Completion and all conditions attaching thereto required to be complied with being complied with on or before the respective EB Completion or the TT Completion;

(d) there being no material adverse change (as determined by the Purchaser) of the relevant Sale Company’s assets, properties, leases, business, operations, financial condition, prospects or distributorship, trading or other business arrangements with its suppliers or customers, and there being no breach of any warranty, representation, undertaking or obligation of each of SWG and Pishu under the EB Agreement and of CF under the TT Agreement, on or before the respective EB Completion or the TT Completion;

(e) the execution of shareholders agreements with the Purchaser by CF on terms satisfactory to the Purchaser in respect of East Base and Tick Tack on the EB Completion and the TT Completion respectively;

(f) the execution of executive service agreements with East Base and Tick Tack by CF on terms satisfactory to the Purchaser on the EB Completion and the TT Completion respectively;

(g) the transactions contemplated under each of the EB Agreement and the TT Agreement not being prohibited by any prevailing laws and regulations of the respective country of incorporation of the relevant Sale Company.

The EB Completion is also conditional upon the purchase by CF of a 24% shareholding interest in East Base from SWG.

If any of the conditions precedent in the EB Agreement and the TT Agreement respectively is not fulfilled on or before 30 June 2006 (or such other date as the parties may agree in writing) (the “Cut-Off Date”) and such non-fulfilment is not waived by the party entitled to the benefit of that condition precedent, the respective EB Agreement or the TT Agreement shall ipso facto cease and determine and in that event, the relevant Vendor and the Purchaser shall be released and discharged from their obligations under the respective EB Agreement or that TT Agreement, other than the undertakings by the relevant Vendor to the Purchaser to refund the EB Deposit or the TT Deposit, and the other provisions of the EB Agreement or the TT Agreement which are meant to survive the termination of the respective EB Agreement or the TT Agreement, and no party shall have any claim against the other under the respective EB Agreement or the TT Agreement.
Loans

As a term of the EB Agreement,

(i) subject to the EB Completion taking place and SWG’s undertaking relating to the Vendor Loan (as described below) being complied with by SWG, the Purchaser undertakes to lend to East Base an interest-free loan in the sum of HK$10,000,000 with no fixed repayment terms (the “Purchaser Loan”) for working capital purposes, such loan to be disbursed within seven (7) business days after the EB Completion. The Purchaser Loan shall be repayable at such time as shall be determined by the board of directors of East Base in its sole and absolute discretion; and

(ii) subject to the EB Completion taking place, SWG undertakes to lend to East Base an interest-free loan in the sum of HK$10,000,000 with no fixed repayment terms (the “Vendor Loan”) for working capital purposes, such loan to be disbursed within five (5) business days after the EB Completion. The Vendor Loan shall be repayable at such time as shall be determined by the board of directors of East Base in its sole and absolute discretion.

Financial effects of the Proposed Acquisitions

The pro forma financial effects of the Proposed Acquisitions are purely for illustrative purposes only and do not reflect the future actual financial position of the Group after the completion of the Proposed Acquisitions.

The financial effects have been prepared using the following bases and assumptions:

(i) the Sales Companies are based on the twelve months period ended 31 December 2005 unaudited consolidated accounts.

(ii) The latest announced results of the Group for six months ended 31 December 2005 was the first announced results to include the post reverse acquisition of Winning Metal Products Manufacturing Company Limited (the “Reverse Acquisition”). For the basis of the pro forma computation, the Group’s net losses are annualised (with the exception of a one-off reverse acquisition goodwill written off). The use of the preceding full financial year results prior to the Reverse Acquisition is not meaningful.

(iii) For the purpose of this announcement, the exchange rates of US$1 to HK$7.78 and US$1 to Swiss Franc 1.3 have been used.

(A) Net tangible asset (“NTA”)

The pro forma financial effect of the Proposed Acquisitions on the NTA per share in the Company (on a consolidated basis) for the twelve months period ended 31 December 2005, assuming that the Proposed Acquisitions had been effected as at 31 December 2005, would have been as follows:-

<table>
<thead>
<tr>
<th></th>
<th>Before the Proposed Acquisitions</th>
<th>After the Proposed Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTA (HK$’000)</td>
<td>54,329</td>
<td>42,521</td>
</tr>
<tr>
<td>Number of issued shares (’000)</td>
<td>16,980,841</td>
<td>16,980,841</td>
</tr>
<tr>
<td>NTA per share (HK cents)</td>
<td>0.32</td>
<td>0.25</td>
</tr>
</tbody>
</table>
(B) **Earnings per share (“EPS”)**

The pro forma financial effect of the Proposed Acquisitions on the EPS of the Company (on a consolidated basis) for the twelve months period ended 31 December 2005, assuming that the Proposed Acquisitions had been effected as at 1 January 2005, would have been as follows:

<table>
<thead>
<tr>
<th></th>
<th>Before the Proposed Acquisitions</th>
<th>After the Proposed Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss after tax (HK$’000)</td>
<td>(39,825)</td>
<td>(34,546)</td>
</tr>
<tr>
<td>Weighted average number of shares (‘000)</td>
<td>13,928,200</td>
<td>13,928,200</td>
</tr>
<tr>
<td>Loss per share (HK cents)</td>
<td>(0.29)</td>
<td>(0.25)</td>
</tr>
</tbody>
</table>

**Interests of Directors and/or Substantial Shareholders**

None of the Directors of the Company has any direct or indirect interest in the above transaction. The Directors are not aware of any substantial shareholders having any direct or indirect interest in the above transaction and have not received any notification of interest in the transaction from any substantial shareholders.

**Financial Adviser to the Proposed Acquisitions**

The Group has engaged Cooperative Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International), Singapore Branch (“Rabobank International”) as its exclusive financial adviser to advise the Board of Directors of the Company in connection with the Proposed Acquisitions.

**EB Agreement and TT Agreement available for inspection**

A copy each of the EB Agreement and the TT Agreement will be made available for inspection during normal business hours at the Company’s registered office for a period of three months from the date of this announcement.

By Order of the Board
24 May 2006

*Deloitte & Touche Corporate Finance Pte Ltd was the Financial Adviser to Wee Poh Holdings Limited in relation to the acquisition of Winning Metal Products Manufacturing Company Limited.*