

CIRCULAR DATED 6 JUNE 2022

This Circular is important and requires your immediate attention. Please read it carefully.

If you are in any doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

This Circular together with the Notice of Extraordinary General Meeting of the Company (“**EGM**”) and the enclosed Proxy Form may be accessed at the Company’s website at the URL <https://www.negrator.com/announcements> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. **Printed copies of this Circular, the Notice of EGM and the enclosed Proxy Form will NOT be sent to shareholders of the Company (“Shareholders”).**

If you have sold or transferred all your ordinary shares in the capital of Watches.com Limited (the “**Company**”), you should (a) immediately forward this Circular together with the Notice of EGM and the enclosed Proxy Form to the purchaser or the transferee or to the bank, the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee; and (b) immediately inform the purchaser or the transferee or the bank, the stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or the transferee that this Circular together with the Notice of EGM and the enclosed Proxy Form may be accessed at the Company’s website at the URL <https://www.negrator.com/announcements> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

*This Circular has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.*

The contact person for the Sponsor is Ms Gillian Goh, 16 Collyer Quay #10-00 Income at Raffles Singapore 049318, sponsorship@ppcf.com.sg.

Watches.com Limited

(Company Registration Number 199904281D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- 1. THE PROPOSED CAPITAL REDUCTION**
- 2. THE PROPOSED DISTRIBUTION *IN SPECIE* OF 300,000,000 WARRANTS ISSUED BY INCREDIBLE HOLDINGS LTD. TO SHAREHOLDERS OF THE COMPANY**

Important Dates and Times:

Last date and time of lodgement of Proxy Form : Saturday, 25 June 2022 at 12.00 p.m. (Singapore Time)
Date and time of EGM : Tuesday, 28 June 2022 at 12.00 p.m. (Singapore Time)
Place of EGM : The EGM will be convened and held by electronic means.

Due to the current COVID-19 situation in Singapore, Shareholders will NOT be able to attend the EGM in person. The EGM will be convened and held by electronic means. Shareholders MUST appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM.

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires, or unless otherwise stated:

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| “Accumulated Losses” | : | Has the meaning ascribed to it in paragraph 2.2 of this Circular |
| “Board” | : | The board of directors of the Company as at the Latest Practicable Date |
| “Capital Reduction Resolution” | : | The resolution to be proposed at the EGM to approve the Proposed Capital Reduction as set out in the Notice of EGM |
| “Catalist Rules” | : | The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Circular” | : | This circular to Shareholders dated 6 June 2022 |
| “Companies Act” | : | The Companies Act 1967 of Singapore, as amended or modified from time to time |
| “Company” | : | Watches.com Limited |
| “Directors” | : | The directors of the Company as at the Latest Practicable Date |
| “Distribution Resolution” | : | The resolution to be proposed at the EGM to approve the Proposed Distribution as set out in the Notice of EGM |
| “EGM” | : | The extraordinary general meeting of the Company to be convened and held by electronic means on Tuesday, 28 June 2022 at 12.00 p.m. (Singapore Time), notice of which is set out on page N-1 of this Circular |
| “Entitled Shareholders” | : | Shareholders whose registered addresses with CDP or the Company are in Singapore as at the Record Date and who will be entitled to participate in the Proposed Distribution |
| “EPS” | : | Earnings per Share |
| “Foreign Shareholders” | : | Shareholders with registered addresses outside Singapore as at the Record Date and who have not, by 5.00 p.m. (Singapore Time) at least three (3) market days prior to the Record Date, provided CDP or the Company, as the case may be, with addresses in Singapore for the service of notices and documents |
| “FY” | : | Financial year of the Company ended or ending 31 December, as the case may be |
| “Group” | : | The Company and its subsidiaries |

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| “Incredible” | : Incredible Holdings Ltd. |
| “Incredible Exercised Share” | : The new shares to be issued by Incredible pursuant to the exercise of Incredible Warrants, subject to the terms and conditions of the Incredible Warrants |
| “Incredible Subscription Agreement” | : The subscription agreement dated 31 December 2021 entered into by the Company and Incredible |
| “Incredible Warrants” | : The 1,000,000,000 free warrants, each granting the holder thereof the right to subscribe for one (1) Incredible Exercised Share at an exercise price of S\$0.0016 pursuant to the terms and conditions specified in the Subscription Agreement |
| “Ineligible Shareholders” | : Shareholders other than the Entitled Shareholders |
| “Issuance Deed Poll” | : The deed poll to be executed by the Company to constitute the free detachable warrants to be created and issued by the Company pursuant to the Proposed Bond Issuance and containing, <i>inter alia</i> , the provisions for the protection of the rights and interests of the holder of the warrants |
| “Latest Practicable Date” | : 30 May 2022, being the latest practicable date prior to the issue of this Circular |
| “LPS” | : Loss per Share |
| “Notice of EGM” | : The notice of EGM which is set out on page N-1 of this Circular |
| “NTA” | : Net tangible assets |
| “Proposed Bond Issuance” | : The proposed issuance of (a) 0% perpetual convertible bonds of an aggregate principal amount of S\$9,000,000 which shall, at the option of the holder thereof, be convertible into new Shares at a conversion price of S\$0.003333 per new Share; and (b) 10,000,000,000 free warrants, each warrant shall grant the holder thereof the right to subscribe for one (1) new Share at an exercise price of S\$0.003333, on the terms and conditions specified in the Issuance Deed Poll |

Shareholders are advised to read the full text of the announcements made by the Company between 1 January 2022 and 27 May 2022 and the circulars issued by the Company dated 6 April 2022 and 31 May 2022, which are available on SGXNET, for further details

- “Proposed Bond Subscription” : The subscription of:
- (a) 0% perpetual bonds of an aggregate principal amount of S\$6,900,000;
 - (b) 0% perpetual convertible bonds of an aggregate principal amount of S\$2,100,000 which shall, at the option of the holder thereof, be convertible into new ordinary shares in Incredible at a conversion price of S\$0.004 per share, on the terms and conditions specified in the Incredible Subscription Agreement; and
 - (c) 1,000,000,000 free warrants, each warrant shall grant the holder thereof the right to subscribe for one new ordinary share in Incredible at an exercise price of S\$0.0016, on the terms and conditions specified in the Subscription Deed Poll

Shareholders are advised to read the full text of the announcements made by the Company between 1 January 2022 and 27 May 2022 and the circulars issued by the Company dated 6 April 2022 and 31 May 2022, which are available on SGXNET, for further details

- “Proposed Capital Reduction” : The proposed capital reduction pursuant to Section 78C of the Companies Act to be undertaken by the Company which involves a reduction of the share capital of the Company

- “Proposed Distribution” : The proposed distribution *in specie* of 300,000,000 Incredible Warrants to Entitled Shareholders in proportion to their respective shareholdings in the Company (i.e. on a *pro-rata* basis) as at the Record Date, fractional entitlements to be disregarded

- “Proposed Distribution Completion Date” : The time and date, to be determined by the Directors, at and on which the Incredible Warrants will be distributed to Entitled Shareholders free and clear from any encumbrances, together with all rights entitlements that attach (or may in the future attach) to the Incredible Warrants

- “Proposed Rights Issue” : The proposed renounceable non-underwritten rights issue of up to 8,890,293,570 new ordinary shares in the capital of the Company and up to 5,926,862,380 free detachable warrants.

Shareholders are advised to read the full text of the announcements made by the Company on 31 December 2021, 4 April 2022, 11 April 2022 and 22 April 2022, and circular to shareholders dated 19 March 2022 which are available on SGXNET, for further details on the Proposed Rights Issue

- “Proxy Form” : The proxy form in respect of the EGM which is enclosed in this Circular

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| “Record Date” | : The time and date, to be determined by the Directors, at and on which the Register of Members and the share transfer books of the Company will be closed for the purposes of determining the entitlement of Shareholders to the Proposed Distribution |
| “Register of Members” | : The register of members of the Company |
| “Registrar” | : The Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies |
| “Securities Account” | : A securities account maintained by a Depositor with CDP (but does not include a securities sub-account) |
| “SFA” | : The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time |
| “SGX-ST” | : Singapore Exchange Securities Trading Limited |
| “Share Registrar” | : KCK CorpServe Pte. Ltd. |
| “Shareholders” | : The registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited |
| “Shares” | : The ordinary shares in the capital of the Company |
| “Singapore” | : Republic of Singapore |
| “Solvency Statement” | : Has the meaning ascribed to it in paragraph 2.4 of this Circular |
| “Subscription Deed Poll” | : The deed poll to be executed by the Company to constitute the Incredible Warrants to be created and issued by the Company pursuant to the Proposed Bond Subscription and containing, <i>inter alia</i> , the provisions for the protection of the rights and interests of holder of the warrants |
| “Subscription Agreement” | : The subscription agreement dated 31 December 2021 entered into by the Company and Incredible |
| “Substantial Shareholder” | : A substantial shareholder of the Company |
| “Warrant Register” | : The register of Warrantholders of Incredible |

“Warrantholders” : Registered holders of Incredible Warrants in the Warrant Register, except that where the registered holder is CDP, the term “Warrantholders” shall, in relation to such Incredible Warrants and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Incredible Warrants are credited

Currencies, Units of Measurement and Others

“S\$” and “cents” : Singapore dollars and cents respectively

“%” : Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The terms “subsidiary”, “substantial shareholder” and “treasury shares” shall have the meanings ascribed to them in Section 5, Section 81 and Section 76H of the Companies Act respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

Watches.com Limited

(Company Registration Number 199904281D)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

Directors

| | |
|----------------------------------|---|
| Chay Yiowmin | (Independent Non-Executive Chairman and Independent Non-Executive Director) |
| Christian Kwok-Leun Yau Heilesen | (Executive Director) |
| Han Meng Siew | (Executive Director) |
| Leung Kwok Kuen Jacob | (Independent Non-Executive Director) |
| Leung Yu Tung Stanley | (Independent Non-Executive Director) |
| Zhou Jia Lin | (Independent Non-Executive Director) |
| Tao Yeoh Chi | (Independent Non-Executive Director) |

Registered Office

4 Leng Kee Road
#06-04 SIS Building
Singapore 159088

6 June 2022

To: The Shareholders of Watches.com Limited

Dear Sir / Madam,

1. INTRODUCTION

1.1 EGM

The Board proposes to convene the EGM to be held on Tuesday, 28 June 2022 at 12.00 p.m. (Singapore Time) to seek the approval of Shareholders for the Capital Reduction Resolution and the Distribution Resolution.

1.2 Conditionality of the Capital Reduction Resolution and the Distribution Resolution

Shareholders should note that Capital Reduction Resolution and the Distribution Resolution are inter-conditional upon the passing of one another. This means that if either the Capital Reduction Resolution or the Distribution Resolution is not passed at the EGM, both the Capital Reduction Resolution and the Distribution Resolution will not be passed. As disclosed in paragraph 3.1 of this Circular, the Company intends to undertake the Proposed Distribution following completion of the Proposed Capital Reduction. Accordingly, if the Capital Reduction Resolution is not passed at the EGM, the Company will not be proceeding with the Proposed Distribution.

1.3 Circular

The purpose of this Circular is to provide Shareholders with information relating to, and to explain the rationale for, the Proposed Capital Reduction and the Proposed Distribution and to seek Shareholders' approval for the Capital Reduction Resolution and the Distribution Resolution at the EGM.

1.4 Legal Adviser

Shook Lin & Bok LLP is the legal adviser to the Company in relation to the Proposed Capital Reduction and the Proposed Distribution.

2. THE PROPOSED CAPITAL REDUCTION

2.1 Background

In the announcement dated 24 May 2022 which was subsequently superseded by the announcement dated 27 May 2022, the Company announced that it intends to undertake the Proposed Capital Reduction pursuant to Section 78C of the Companies Act which involves a reduction of the share capital of the Company.

2.2 Rationale for the Proposed Capital Reduction

The Company has insufficient retained profits as at the date of the announcement (i.e. 24 May 2022) to effect a distribution *in specie* of the Incredible Warrants to Entitled Shareholders by way of dividends. Accordingly, the Company is proposing to undertake the Proposed Capital Reduction which involves a reduction of the share capital of the Company.

The writing-off of the accumulated losses of the Company as at 31 December 2021 of S\$2.87 million (the “**Accumulated Losses**”)¹ will enable the Company to restructure its finances and serve to rationalise its balance sheet to be an accurate reflection of its financial position. In addition, the writing-off of the Accumulated Losses will facilitate future equity-related fund-raising exercises to recapitalise and strengthen the balance sheet of the Company. The Company would also be in a better position to retain profits and enhance its ability to pay future dividends, when appropriate, if the Accumulated Losses are written-off. The Directors will take into consideration the present and future funding needs of the Company and the Group before declaring any dividends.

2.3 Conditions for the Proposed Capital Reduction

The Proposed Capital Reduction is subject to, *inter alia*, the following conditions:

- (a) completion of the Proposed Bond Subscription;
- (b) all Directors making a solvency statement in relation to the reduction of share capital of the Company in compliance with Section 78C of the Companies Act;
- (c) the Company meeting the solvency requirements as prescribed by the Companies Act;
- (d) the Company meeting the publicity requirements as prescribed by the Companies Act;
- (e) Shareholders’ approval for the Capital Reduction Resolution at the EGM;
- (f) no application for cancellation of the Capital Reduction Resolution being made by a creditor of the Company within the timeframe prescribed by the Companies Act or, if an application for cancellation of the Capital Reduction Resolution was made, the withdrawal or dismissal of such application by the Singapore Courts; and
- (g) the Company complying with any other requirements prescribed by the Companies Act.

¹ The Accumulated Losses arose mainly from the Group’s loss-making operations.

2.4 Solvency Statement

Pursuant to Section 78C of the Companies Act, the Directors will each make a solvency statement (the “**Solvency Statement**”) confirming that:

- (a) in regards to the Company’s situation at the date of the Solvency Statement, there is no ground on which the Company could then be found to be unable to pay its debts;
- (b) the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the Solvency Statement; and
- (c) the value of the Company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the Proposed Capital Reduction, become less than the value of its liabilities (including contingent liabilities).

A copy of the Solvency Statement will be available for inspection (i) at the URL <https://www.ntegrator.com/announcements> throughout the EGM; and (ii) at the registered office of the Company throughout the six (6) weeks beginning with the date of passing of the Capital Reduction Resolution.

2.5 Creditor Objections

Pursuant to Section 78D(2) of the Companies Act, any creditor of the Company may, at any time during the six (6) weeks beginning with the date of passing of the Capital Reduction Resolution, apply to the Singapore Courts for the Capital Reduction Resolution to be cancelled.

Where during the six (6) weeks beginning with the date of passing of the Capital Reduction Resolution, one (1) or more applications for cancellation of the Capital Reduction Resolution are made under Section 78D(2) of the Companies Act, the following conditions must be satisfied for the Proposed Capital Reduction to take effect:

- (a) the Company has complied with Section 78D(4)(b) of the Companies Act in relation to all such applications by giving the Registrar notice of any such applications as soon as possible after any such applications have been served on the Company by any creditors of the Company;
- (b) the proceedings in relation to each such application have been brought to an end:
 - (i) by the dismissal of the application under Section 78F of the Companies Act; or
 - (ii) without determination (for example, because the application has been withdrawn); and
- (c) the Company has, within 15 days beginning with the date on which the last such proceedings were brought to an end in accordance with sub-paragraph (b) above, lodged with the Registrar:
 - (i) a statement made by the Directors confirming that the requirements under Sections 78B(1)(c) and 78D(4)(b) of the Companies Act and the solvency requirements under Section 78B(3) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;
 - (ii) in relation to each such application which has been dismissed by the Singapore Courts, a copy of the order of the Singapore Courts dismissing the application; and

- (iii) a notice containing the information relating to the Proposed Capital Reduction prescribed by the Companies Act.

Where no application for cancellation of the Capital Reduction Resolution has been made under Section 78D(2) of the Companies Act during the six (6) weeks beginning with the date of passing of the Capital Reduction Resolution, the Company must lodge with the Registrar the relevant documents required under Section 78E(2) of the Companies Act after the end of six (6) weeks, and before the end of eight (8) weeks, beginning with the date of passing of the Capital Reduction Resolution for the Proposed Capital Reduction to take effect.

An announcement will be made by the Company to notify Shareholders of the effective date of the Proposed Capital Reduction.

2.6 Details relating to the Proposed Capital Reduction

The Proposed Capital Reduction will be effected in the following manner:

- (a) by reducing the share capital of the Company that has been lost or is unrepresented by the available assets of the Company by the amount of the Accumulated Losses of S\$2.87 million; and
- (b) thereafter applying the amount of S\$2.87 million, being the credit arising from the Proposed Capital Reduction, towards writing-off the Accumulated Losses.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$30,925,588 comprising 522,168,711 Shares (excluding treasury shares).

Assuming, for illustrative purposes only, that there is no change to the issued and paid-up share capital of the Company², the issued and paid-up share capital of the Company will be reduced from S\$30,925,588 to S\$28,055,588 pursuant to the Proposed Capital Reduction.

The Proposed Capital Reduction does not entail any outflow of cash or change in the net assets of the Company. There will not be any cancellation of Shares or any reduction in the number of issued Shares, and the number of Shares held by each Shareholder will remain the same before and immediately after the Proposed Capital Reduction. The Proposed Capital Reduction will also not involve the payment of any paid-up share capital of the Company to any Shareholder.

2.7 Financial Effects of the Proposed Capital Reduction

The Proposed Capital Reduction is an accounting procedure that reduces the share capital of the Company that has been lost or is unrepresented by the available assets of the Company by the amount of the Accumulated Losses and thereafter applying such amount towards writing-off the Accumulated Losses. The Proposed Capital Reduction represents merely a change in composition of reserves and does not entail any reduction or distribution of cash or other assets of the Company. As there will be no changes to the number of issued Shares

² Shareholders should note that the issued and paid-up share capital of the Company as at the Latest Practicable Date is subject to change in view of the various corporate actions to be undertaken by the Company, including (a) the Proposed Rights Issue; and (b) the Proposed Bond Issuance. Please refer to the announcements made by the Company between 31 December 2021 and 27 May 2022 and the circulars dated 19 March 2022 and 31 May 2022 issued by the Company to Shareholders, which are available on SGXNET, for further details on the Proposed Rights Issue and the announcements made by the Company between 1 January 2022 and 27 May 2022 and the circulars dated 6 April 2022 and 31 May 2022 issued by the Company to Shareholders, which are available on SGXNET, for further details on the Proposed Bond Issuance.

(excluding treasury shares) following the Proposed Capital Reduction, the Proposed Capital Reduction will not have any effect on the NTA per Share, the EPS and the gearing of the Company.

As there will be no changes to the number of issued ordinary shares in the Company (excluding treasury shares) following the Proposed Capital Reduction, the Proposed Capital Reduction will not have any effect on the net tangible assets per share, the earnings per share and the gearing of the Company.

3. THE PROPOSED DISTRIBUTION

3.1 Background

In the announcement dated 24 May 2022 which was subsequently superseded by the announcement dated 27 May 2022, the Company announced that following the Proposed Bond Subscription and the Proposed Capital Reduction, the Company intends to undertake the Proposed Distribution of 300,000,000 Incredible Warrants to Entitled Shareholders in proportion to their respective shareholdings in the Company (i.e. on a *pro-rata* basis) as at the Record Date to be determined by the Directors for the purposes of determining the entitlement of Shareholders to the Proposed Distribution, fractional entitlements to be disregarded.

3.2 Information on Incredible

Incredible Holdings Ltd. (Company Registration Number 199906220H) is a public company incorporated in Singapore on 12 October 1999 and has an issued and paid-up share capital of approximately S\$53.7 million comprising 2,993,532,545 ordinary shares as at the Latest Practicable Date.

Incredible is listed on Catalist and its principal activities comprise, *inter alia*, the following:

- (a) the distribution of specialty chemical products and consumable materials for the electronics industry;
- (b) the retail and trade of new and used luxury consumer goods;
- (c) the provision of management and accounting services; and
- (d) the provision of personal and business loans in Hong Kong.

3.3 Rationale for the Proposed Distribution

The Company intends to undertake the Proposed Distribution to reward Shareholders for their continued support in relation to the Company. In addition, Shareholders, who receive the Incredible Warrants and who exercise such Incredible Warrants, will be allotted and issued Incredible Exercised Shares and will become shareholders of Incredible. Such Shareholders will then be able to participate in the business growth and upside of the existing and new businesses of Incredible, thus further rewarding such Shareholders and enhancing Shareholders' value in the long run.

3.4 Terms of the Proposed Distribution

3.4.1 Method of Distribution

The Proposed Distribution is subject to, *inter alia*, the completion of the Proposed Bond Subscription and the Proposed Capital Reduction.

The 300,000,000 Incredible Warrants will be distributed to Entitled Shareholders in proportion to their respective shareholdings in the Company (i.e. on a *pro-rata* basis) as at the Record Date, fractional entitlements to be disregarded.

The Directors will fix the Record Date at such time and on such date as they deem fit in the interests of the Company. An announcement will be made by the Company to notify Shareholders of the Record Date in due course.

3.4.2 Distribution Ratio

As the number of Incredible Warrants to be distributed pursuant to the Proposed Distribution is fixed, the distribution ratio for the Proposed Distribution will vary depending on the total number of issued ordinary shares in the Company (excluding treasury shares) as at the Record Date.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$30,925,588 comprising 522,168,711 ordinary shares (excluding treasury shares).

Assuming, for illustrative purposes only, that there is no change to the total number of issued ordinary shares in the Company (excluding treasury shares) as at the Record Date³, the Proposed Distribution will be effected on the basis of 0.575 Incredible Warrants for every one (1) ordinary share in the Company held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Shareholders should note that the number of Incredible Warrants which they will be entitled to pursuant to the Proposed Distribution, based on their respective shareholdings in the Company as at the Record Date, will be rounded down to the nearest whole Incredible Warrant and any fractions of an Incredible Warrant will be disregarded. Fractions of an Incredible Warrant will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Shareholder shall have any claim whatsoever against the Company, the Directors or any other person in connection therewith.

For the avoidance of doubt, in the event that the 300,000,000 Incredible Warrants are not distributed in full to Entitled Shareholders pursuant to the Proposed Distribution, the Company will not exercise such number of Incredible Warrants which were not distributed to Entitled Shareholders.

³ Shareholders should note that the issued and paid-up share capital of the Company as at the Latest Practicable Date is subject to change in view of the various corporate actions to be undertaken by the Company which have yet to be completed as at the Latest Practicable Date, including (a) the Proposed Rights Issue; and (b) the Proposed Bond Issuance. Please refer to the announcements made by the Company between 31 December 2021 and 20 May 2022 and the circular dated 19 March 2022 issued by the Company to Shareholders, which are available on SGXNET, for further details on the Proposed Rights Issue and the announcements made by the Company between 1 January 2022 and 27 May 2022 and the circulars dated 6 April 2022 and 31 May 2022 issued by the Company to Shareholders, which are available on SGXNET, for further details on the Proposed Bond Issuance.

3.4.3 Subject to Shareholders' Approval

The Proposed Distribution is subject to the approval of Shareholders as set out in paragraph 0 below.

3.4.4 No Payment required from Entitled Shareholders

Entitled Shareholders will not be required to pay for any Incredible Warrants received from the Proposed Distribution. The Incredible Warrants will be distributed to Entitled Shareholders on the Proposed Distribution Completion Date free and clear from any encumbrances, together with all rights and entitlements that attach (or may in the future attach) to the Incredible Warrants on or after the Proposed Distribution Completion Date. The date of completion of the Proposed Distribution shall be determined by the Directors and announced by the Company via SGXNET.

3.4.5 Eligibility of Shareholders to Participate in the Proposed Distribution

Only Entitled Shareholders will be entitled to participate in the Proposed Distribution.

The distribution of Incredible Warrants to persons who have registered addresses outside Singapore may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities laws applicable in jurisdictions other than Singapore, Foreign Shareholders will not be entitled to participate in the Proposed Distribution. Foreign Shareholders may provide CDP or the Company with addresses in Singapore for the service of notices and documents by 5.00 p.m. at least three (3) market days prior to the Record Date. Notwithstanding the foregoing, the participation by such persons in the Proposed Distribution could still violate the securities laws of jurisdictions where such persons are located or resident or could otherwise be restricted or prohibited by the laws of such jurisdictions, and such persons are advised to inform themselves of, and to observe, any such restriction or prohibition at their own expense and without liability to the Company. For the avoidance of doubt, the Company reserves the absolute discretion in determining whether any person may participate in the Proposed Distribution.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the Incredible Warrants, which would otherwise have been distributed to Ineligible Shareholders, to be sold on the SGX-ST if listed. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Shareholders in proportion to their respective shareholdings in the Company as at the Record Date, provided that where the amount of net proceeds to be distributed to any single Ineligible Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Ineligible Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors or any other person in connection therewith. In the event the Incredible Warrants are not listed and quoted on Catalist, holders of the Incredible Warrants will not be able to trade their Incredible Warrants on Catalist.

Shareholders should note that the special arrangements described above will apply only to Ineligible Shareholders.

3.4.6 Effect of the Proposed Distribution

On completion of the Proposed Distribution, the Company will have distributed 300,000,000 Incredible Warrants. The Incredible Warrants are expected to be listed and quoted on Catalist. Shareholders should note that the Incredible Warrants may not be listed and quoted on Catalist in the event of an insufficient spread of holdings of the Incredible Warrants to provide for an orderly market in the Incredible Warrants. Accordingly, in such event, holders of the Incredible Warrants will not be able to trade their Incredible Warrants on Catalist. However, if the Incredible Warrants are exercised in accordance with its terms, the Incredible Exercised Shares will be listed and quoted on Catalist. For the avoidance of doubt, in the unlikely event that the Company decides not to proceed with the Proposed Distribution or that the Proposed Distribution is aborted and not completed, the Company will not exercise the 300,000,000 Incredible Warrants and the 300,000,000 Incredible Warrants will be returned to Incredible.

3.4.7 Conditions of the Proposed Distribution

Pursuant to Regulation 149 of the constitution of the Company, the Proposed Distribution requires approval of Shareholders. Accordingly, the Proposed Distribution and completion thereof is subject to the approval of Shareholders by way of an ordinary resolution for the Proposed Distribution at an EGM to be convened.

Shareholders should note that Capital Reduction Resolution and the Distribution Resolution are inter-conditional upon the passing of one another. This means that if either the Capital Reduction Resolution or the Distribution Resolution is not passed at the EGM, both the Capital Reduction Resolution and the Distribution Resolution will not be passed.

3.4.8 Record Date

The Register of Members of the Company will be closed as at a time and date to be determined by the Directors and announced by the Company in due course, for the purpose of determining the entitlements of Shareholders to the Incredible Warrants in connection with the Proposed Distribution.

3.4.9 Taxation

Shareholders should not that the following statements are not to be regarded as advice on the tax position of any Shareholder or on any tax implications arising from the Proposed Distribution. Shareholders (including those who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction outside Singapore) should consult their own professional advisers.

- (i) As the Company is a tax resident in Singapore, dividends paid by the Company (whether paid in the form of cash or by way of distribution *in specie* of the Company's assets) are tax exempt (one-tier) dividends which are exempt from Singapore income tax in the hands of the shareholders. Accordingly, as the Proposed Distribution is a payment of a distribution *in specie* by the Company, it will be exempt from Singapore tax when received by Shareholders.
- (ii) The Company will bear stamp duty, if any, chargeable for the transfer of the Incredible Warrant by the Company to Shareholder pursuant to the Proposed Distribution.

3.5 Financial Effects of the Proposed Distribution

The financial effects of the Proposed Distribution presented below:

- (a) are purely for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and/or the Group immediately after completion of the Proposed Distribution;
- (b) are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021;
- (c) assume, for illustrative purposes only, that:
 - (i) the Company has an issued and paid-up share capital of S\$30,925,588 comprising 522,168,711 ordinary shares (excluding treasury shares);
 - (ii) the acquisition of Golden Ultra Limited⁴ has been completed;
 - (iii) the acquisition of Gadmobee Group⁵ has been completed;
 - (iv) the Proposed Bond Issuance has been completed and the Company allotted and issued 2,700,270,027 new ordinary shares in the Company to Incredible pursuant to the conversion of perpetual convertible bonds issued in connection with the Proposed Bond Issuance;
 - (v) the Proposed Bond Subscription has been completed and the Company was allotted and issued 700,000,000 Incredible Shares by Incredible pursuant to

⁴ Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the announcements made by the Company on 12 October 2021, 14 October 2021, 22 October 2021, 23 February 2022, 4 March 2022 and 25 April 2022 and the circular dated 10 February 2022 issued by the Company to Shareholders (the “**10 February 2022 Circular**”), which are available on SGXNET, for further details on the acquisition of Golden Ultra Limited.

Likewise per the 10 February 2022 Circular, the financial effects are computed assuming that (a) Mr Heilesen has repaid all loans made by the Golden Ultra Group to Mr Heilesen, which in aggregate amount to approximately HK\$8.3 million (equivalent to approximately S\$1.5 million); and (b) Mr Heilesen’s associates have repaid all loans made by the Golden Ultra Group to Mr Heilesen’s associates, which in aggregate amount to approximately HK\$12.7 million (equivalent to approximately S\$2.2 million); and (c) the Golden Ultra Group has declared dividends to Mr Heilesen, such amount to be determined on completion of the Proposed Acquisition of 55% of the Issued Share Capital of Golden Ultra which will result in NTA of the Golden Ultra Group to be HK\$0 (equivalent to approximately S\$0).

⁵ Gadmobee Group means New Genesis Developments Limited, Sasha Lab Limited, Gadmobee Interactive Limited, 廣州悠綠游信息技術有限公司 (GZ Youlvyou Info Tech Co Ltd), COD Centre Pte. Ltd. and Bass of Hala OÜ collectively.

Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the announcements made by the Company on 12 October 2021, 14 October 2021, 22 October 2021, 23 February 2022, 4 March 2022 and 30 May 2022 and the 10 February 2022 Circular, which are available on SGXNET, for further details on the acquisition of Gadmobee Group.

Likewise per the 10 February 2022 Circular, the financial effects are computed assuming that (a) the Gadmobee Group Vendor has repaid all loans made by the Gadmobee Group Companies to the Gadmobee Group Vendor, which in aggregate amount to approximately HK\$10.6 million (equivalent to approximately S\$1.8 million) as at the date of the Gadmobee Group SPA; and (b) the Gadmobee Group Companies has declared dividends, which in aggregate amount to approximately HK\$9.3 million (equivalent to approximately S\$1.6 million), to the Gadmobee Group Vendor, before completion of the Proposed Acquisition of 85% of the Issued Share Capital of Gadmobee Group.

the exercise of 700,000,000 Incredible Warrants issued in connection with the Proposed Bond Subscription;

- (vi) the Proposed Capital Reduction has been completed;
 - (vii) the Proposed Distribution had been completed on 31 December 2021 in calculating the financial effects on the NTA per share and the gearing of the Company as at 31 December 2021; and
 - (viii) the Proposed Distribution had been completed on 1 January 2021 in calculating the financial effects on the LPS of the Company for the financial year ended 31 December 2021; and
- (d) do not take into account expenses that may be incurred in connection with the Proposed Distribution.

No representation is made as to the actual results and/or financial position of the Company and/or the Group.

3.5.1 NTA per Share

| | Before Completion of the Proposed Distribution | After Completion of the Proposed Distribution |
|--|---|--|
| NTA as at 31 December 2021 (S\$'000) | 18,886 | 18,886 |
| Number of issued ordinary shares in the Company (excluding treasury shares) | 1,422,258,720 | 1,422,258,720 |
| NTA per share of the Company (Singapore cents) | 1.33 | 1.33 |

3.5.2 Gearing

| | Before Completion of the Proposed Distribution | After Completion of the Proposed Distribution |
|--|---|--|
| Total net borrowings as at 31 December 2021 (S\$'000) | 49,706 | 49,706 |
| Shareholders' equity as at 31 December 2021 | 18,886 | 18,886 |
| Net gearing ⁽¹⁾ (Times) | 2.63 | 2.63 |

Note:

(1) Net gearing refers to the ratio of net borrowings to Shareholders' equity.

3.5.3 LPS

| | Before Completion of the Proposed Distribution | After Completion of the Proposed Distribution |
|--|---|--|
| Loss attributable to Shareholders for the financial year ended 31 December 2021 (\$'000) | 3,563 | 3,563 |
| Weighted average number of issued ordinary shares in the Company (excluding treasury shares) | 1,295,152,342 | 1,295,152,342 |
| LPS of the Company (Singapore cents) | 0.28 | 0.28 |

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Interests in Shares

The interests of the Directors and the Substantial Shareholders in Shares as at the Latest Practicable Date are set out in the table below.

| | Direct Interest | | Deemed Interest | |
|---|------------------|-------------------|------------------|-------------------|
| | Number of Shares | %(¹) | Number of Shares | %(¹) |
| <u>Directors</u> | | | | |
| Chay Yiowmin | - | - | - | - |
| Christian Kwok-Leun Yau Heilesen ⁽²⁾ | - | - | 57,104,833 | 10.9 |
| Han Meng Siew ⁽³⁾ | 3,796,880 | 0.7 | 5,497,000 | 1.1 |
| Leung Kwok Kuen Jacob | - | - | - | - |
| Leung Yu Tung Stanley | - | - | - | - |
| Zhou Jia Lin | - | - | - | - |
| Tao Yeoh Chi | - | - | - | - |

| | Direct Interest | | Deemed Interest | |
|--|------------------|------------------|------------------|------------------|
| | Number of Shares | % ⁽¹⁾ | Number of Shares | % ⁽¹⁾ |
| <u>Substantial Shareholders (other than Directors)</u> | | | | |
| Mission Well Limited | 57,104,833 | 10.9 | - | - |
| Zheng Ze Li | 68,033,333 | 13.0 | - | - |

Notes:

- (1) Based on the issued and paid-up share capital of the Company comprising 522,168,711 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr Christian Kwok-Leun Yau Heilesen is deemed to have an interest in 57,104,833 Shares held by Mission Well Limited.
- (3) Mr Han Meng Siew is deemed to have an interest in 5,497,000 Shares held by his spouse, Mdm Goh Siok Kuan.

4.2 Interests of Directors and Substantial Shareholder

Save as disclosed below, none of the Directors or the Substantial Shareholders has any interest, direct or indirect, in the Proposed Capital Reduction and the Proposed Distribution other than through their respective shareholdings, direct or deemed, in the Company, as disclosed in paragraph 4.1 of this Circular.

- (a) Mr Christian Kwok-Leun Yau Heilesen, who is a Director and a controlling shareholder of the Company, is a director and a controlling shareholder of Incredible.
- (b) Mr Leung Kwok Kuen Jacob, Mr Leung Yu Tung Stanley and Ms Zhou Jia Lin, who are Directors of the Company, are directors of Incredible.
- (c) Mission Well Limited, which is a controlling shareholder of the Company, is a controlling shareholder of Incredible.

5. DIRECTORS' RECOMMENDATIONS

5.1 The Proposed Capital Reduction

The Directors, having considered, *inter alia*, the rationale for the Proposed Capital Reduction, are of the view that the Proposed Capital Reduction is in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Capital Reduction Resolution to be proposed at the EGM.

5.2 The Proposed Distribution

The Directors, having considered, *inter alia*, the rationale for the Proposed Distribution, are of the view that the Proposed Distribution is in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Distribution Resolution to be proposed at the EGM.

5.3 Note to Shareholders

Shareholders are advised to read this Circular carefully in its entirety, including the terms and conditions, rationale and financial effects of the Proposed Capital Reduction and the Proposed Distribution.

In giving the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his/her/its specific investment objectives or portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Capital Reduction and the Proposed Distribution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

7. EGM

The EGM, notice of which is set out on page N-1 of this Circular, will be held by electronic means on **Tuesday, 28 June 2022 at 12.00 p.m.** (Singapore Time) for the purpose of considering and, if thought fit, passing with or without modifications, the Capital Reduction Resolution and the Distribution Resolution as set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Attendance at the EGM

Due to the current COVID-19 situation in Singapore, Shareholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions to the Chairman of the EGM in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM and arrangements by which the Board and management may address substantial and relevant comments, queries and/or questions before the EGM.

Shareholders are advised to refer to the notes to the Notice of EGM for more information, including the steps to be taken by Shareholders to participate at the EGM.

8.2 Circular, Notice of EGM and Proxy Form

Printed copies of this Circular, the Notice of EGM and the enclosed Proxy Form will not be sent to Shareholders. This Circular together with the Notice of EGM and the enclosed Proxy Form may be accessed at the Company's website at the URL <https://www.nTEGRATOR.com/announcements> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

8.3 Submission of Questions

Shareholders will not be able to ask questions at the EGM during the live audio-visual webcast or the live audio-only stream. Shareholders may submit questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM in the following manner:

- (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg; or
- (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,

in either case, by **12.00 p.m. (Singapore Time) on Tuesday, 14 June 2022**. The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) received by **12.00 p.m. (Singapore Time) on Wednesday, 22 June 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms).

8.4 Virtual Information Session

A virtual information session will be held by electronic means on **Saturday, 18 June 2022 at 12.00 p.m. (Singapore Time)**. The Company will address all substantial and relevant questions (determined by the Company in its sole discretion) received from Shareholders at the virtual information session. Shareholders may also ask questions relating to the Proposed Capital Reduction and the Proposed Distribution during the virtual information session.

The Company will publish the minutes of the virtual information session on the Company's website at the URL <https://www.nTEGRATOR.com/announcements> and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> by **12.00 p.m. (Singapore Time) on Wednesday, 22 June 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms).

8.5 Appointment of the Chairman of the EGM as Proxy

A Shareholder who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. The Proxy Form must be submitted to the Company in the following manner:

- (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg; or
- (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,

in either case, by **12.00 p.m. (Singapore Time) on Saturday, 25 June 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). A Shareholder who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form before scanning and

sending it by email to the email address provided above or before submitting it by post to the address provided above. Shareholders are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.

In appointing the Chairman of the EGM as proxy, a Shareholder must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy will be treated as invalid.

8.6 Depositors

A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to access the live audio-visual webcast or the live audio-only stream, and to vote by appointing the Chairman of the EGM as proxy at the EGM.

8.7 Key Dates and Times

A summary of the key dates and times are set out in the notes to the Notice of EGM. Shareholders are advised to read the notes to the Notice of EGM for more information.

8.8 Important Reminder

As the COVID-19 situation in Singapore continues to evolve, Shareholders are advised to read the Government of Singapore's "COVID-19: Advisories for Various Sectors" at the URL <https://www.gov.sg/article/covid-19-sector-specific-advisories>, including the health advisories issued by the Ministry of Health. The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the EGM will be announced on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 4 Leng Kee Road #06-04 SIS Building Singapore 1590887 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the constitution of the Company; and
- (b) the annual report of the Company for FY2021.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send a written request via email to the Company at ir@ntegrator.com to make an appointment in advance. The Company will allocate the date and the time when each Shareholder may come to the registered office of the Company to inspect the documents to limit the number of people who are present at the registered office of the Company at any one point in time. Such arrangements are subject to the prevailing regulations, orders advisories and guidelines relating to safe distancing, vaccination status and testing requirements which may be implemented by the relevant authorities from time to time.

Yours faithfully,

For and on behalf of the Board of Directors of
Watches.com Limited

Chay Yiowmin
Independent Non-Executive Chairman and Independent Non-Executive Director

Watches.com Limited

(Company Registration Number 199904281D)
(Incorporated in the Republic of Singapore)

Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the circular issued by the Company to shareholders of the Company dated 6 June 2022.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (the “EGM”) of **Watches.com Limited** (the “**Company**”) will be convened and held by way of electronic means on Tuesday, 28 June 2022 at 12.00 p.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution:

Special Resolution 1: The Capital Reduction Resolution

RESOLVED THAT, subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) pursuant to Section 78C of the Companies Act and Regulation 66 of the constitution of the Company, the issued and paid-up share capital of the Company be reduced by the share capital of the Company that has been lost or is unrepresented by the available assets of the Company by the amount of the accumulated losses of the Company as at 31 December 2021 of S\$2.87 million (the “**Accumulated Losses**”);
- (b) the credit amount of S\$2.87 million will be applied towards to writing-off the Accumulated Losses; and
- (c) the Directors and each of them be and are hereby authorised to take such steps, do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required and making amendments or modifications to documents or otherwise) and to exercise such discretion as they and/or he/she may in their absolute discretion deem fit, advisable or to give full effect to this Resolution.

Note:

- (1) The passing of the Capital Reduction Resolution and the Distribution Resolution are inter-conditional upon the passing of one another. This means that if either the Capital Reduction Resolution or the Distribution Resolution is not passed at the EGM, both the Capital Reduction Resolution and the Distribution Resolution will not be passed.

Ordinary Resolution 1: The Distribution Resolution

RESOLVED THAT, subject to and contingent upon the passing of Special Resolution 1:

- (a) approval be and is hereby given for the Company to make a distribution (the “**Proposed Distribution**”) of 300,000,000 warrants issued by Incredible Holdings Ltd. (“**Incredible Warrants**”) held by the Company to the shareholders of the Company (“**Shareholders**”) by way of a distribution *in specie* in proportion of their respective shareholdings in the Company (i.e. on a *pro-rata* basis) as at a record date to be determined by the Directors of the Company (“**Record Date**”) for the purposes of determining the entitlements of Shareholders to the Proposed Distribution, fractional entitlements to be disregarded, free and clear from any encumbrances, together with all rights and entitlements that attach (or may in the future attach)

to the Incredible Warrants on or after the completion of the Proposed Distribution, except that for practical reasons and in order to avoid any violation of the securities laws applicable in jurisdictions other than Singapore, Shareholders whose registered address with The Central Depository (Pte) Limited or the Company are outside Singapore as at the Record Date (“**Foreign Shareholders**”) will not be entitled to participate in the Proposed Distribution;

- (b) if it is practicable to do so, the Company may, at its absolute discretion, arrange for the Incredible Warrants, which would otherwise have been distributed to Shareholders other than Entitled Shareholders (“**Ineligible Shareholders**”), to be sold on the Singapore Exchange Securities Trading Limited. Such sale may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Shareholders in proportion to their respective shareholdings in the Company as at the Record Date, provided that where the amount of net proceeds to be distributed to any single Ineligible Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Ineligible Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors or any other person in connection therewith; and
- (c) the Directors and each of them be and are hereby authorised to take such steps, do all such acts and things (including but not limited to finalising, approving and executing all such documents as may be required and making amendments or modifications to documents or otherwise) and to exercise such discretion as they and/or he/she may in their absolute discretion deem fit, advisable or to give full effect to this Resolution.

Note:

- (1) The passing of the Capital Reduction Resolution and the Distribution Resolution are inter-conditional upon the passing of one another. This means that if either the Capital Reduction Resolution or the Distribution Resolution is not passed at the EGM, both the Capital Reduction Resolution and the Distribution Resolution will not be passed.

By Order of the Board of Directors of
Watches.com Limited

Chay Yiowmin
Independent Non-Executive Chairman and Independent Non-Executive Director

6 June 2022
Singapore

Notes:

1. The EGM will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended or modified from time to time.
2. **Printed copies of the Circular, this Notice of EGM and the Proxy Form will not be sent to members of the Company.** The Circular, this Notice of EGM and the Proxy Form may be accessed at the Company's website at the URL <https://www.nTEGRATOR.com/announcements> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 situation in Singapore, members of the Company will not be able to attend the EGM in person.** Instead, alternative arrangements have been put in place to allow members of the Company to participate at the EGM by (a) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions to the Chairman of the EGM in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM and arrangements by which the Board and management may address substantial and relevant comments, queries and/or questions before the EGM.
4. **Pre-registration for the EGM**

Members of the Company wish to watch and observe the proceedings of the EGM through the live audio-visual webcast or the live audio-only stream via their mobile phones, tablets or computers must pre-register at the URL <https://www.corporateofficedepot.com/watches-egm-22w27> by **12.00 p.m. (Singapore Time) on Saturday, 25 June 2022** (that is, not less than 72 hours before the time fixed for holding the EGM) to enable the Company's Share Registrar, KCK CorpServe Pte. Ltd., to authenticate their status as members of the Company.

Upon successful authentication, each such member of the Company will receive an email with instructions to access the live audio-visual webcast or the live audio-only stream of the EGM proceedings (the "**EGM Confirmation Email**") by **9.00 a.m. (Singapore Time) on Monday, 27 June 2022**.

Only members of the Company who have been successfully authenticated will be entitled to access the live audio-visual webcast or the live audio-only stream for the EGM. Members of the Company who have pre-registered but have not received the EGM Confirmation Email by **9.00 a.m. (Singapore Time) on Monday, 27 June 2022** should contact the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg as soon as practicable.

5. **Submission of Questions**

Members of the Company will not be able to ask questions at the EGM during the live audio-visual webcast or the live audio-only stream. Members of the Company may submit questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM, together with their full name (as per CDP/CPF/SRS/Script-based records), identification number (e.g. NRIC/Passport/Company Registration Number), shareholding type (e.g. CDP/CPF/SRS/Script-based), email address and contact number to enable the Company (or its agents or service providers) to authenticate their status as members of the Company in the following manner:

- (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg; or
- (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,

in either case, by **12.00 p.m. (Singapore Time) on Tuesday, 14 June 2022**.

6. **Virtual Information Session**

A virtual information session will be held by electronic means on **Saturday, 18 June 2022 at 12.00 p.m. (Singapore Time)**. The Company will address all substantial and relevant questions (determined by the Company in its sole discretion) received from members of the Company at the virtual information session. Members of the Company may also ask questions relating to the Proposed Capital Reduction and the Proposed Distribution during the virtual information session.

Members of the Company wish to attend and participate at the virtual information session through the live audio-visual webcast or the live audio-only stream via their mobile phones, tablets or computers must pre-register at the URL <https://www.corporateofficedepot.com/watches-egm-22w27> by **12.00 p.m. (Singapore Time) on Wednesday, 15 June 2022** (that is, not less than 72 hours before the time fixed for holding the

virtual information session) to enable the Company's Share Registrar, KCK CorpServe Pte. Ltd., to authenticate their status as members of the Company.

Upon successful authentication, each such member of the Company will receive an email with instructions to access the live audio-visual webcast or the live audio-only stream of the virtual information session (the "**VIS Confirmation Email**") by **12.00 p.m. (Singapore Time) on Friday, 17 June 2022**.

Only members of the Company who have been successfully authenticated will be entitled to access the live audio-visual webcast or the live audio-only stream for the virtual information session. Members of the Company who have pre-registered but have not received the VIS Confirmation Email by **12.00 p.m. (Singapore Time) on Friday, 17 June 2022** should contact the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg as soon as practicable.

The Company will publish the minutes of the virtual information session on the Company's website at the URL <https://www.ntegrator.com/announcements> and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> by **12.00 p.m. (Singapore Time) on Wednesday, 22 June 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms).

7. **Appointment of the Chairman of the EGM as Proxy**

A member of the Company who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM. The Proxy Form must be submitted to the Company in the following manner:

- (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg; or
- (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,

in either case, by **12.00 p.m. (Singapore Time) on Saturday, 25 June 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). A member of the Company who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form before scanning and sending it by email to the email address provided above or before submitting it by post to the address provided above. Members of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.

In appointing the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

The Chairman of the EGM, acting as proxy, need not be a member of the Company.

8. **Depositors**

A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to access the live audio-visual webcast or the live audio-only stream, and to vote by appointing the Chairman of the EGM as proxy at the EGM.

- 9. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions related to the resolutions to be tabled for approval at the EGM by **5.00 p.m. (Singapore Time) on Thursday, 16 June 2022** (that is, at least seven (7) working days before the date of the EGM).
- 10. The Company will publish the minutes of the EGM on the Company's website at the URL <https://www.ntegrator.com/announcements> and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> within one (1) month after the date of the EGM.
- 11. As the COVID-19 situation in Singapore continues to evolve, members of the Company are advised to read the Government of Singapore's "COVID-19: Advisories for Various Sectors" at the URL <https://www.gov.sg/article/covid-19-sector-specific-advisories>, including the health advisories issued by the Ministry of Health. The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the EGM will be announced on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Summary of Key Dates and Times

| Dates and Times | Action to be taken by Members of the Company |
|---|---|
| By 12.00 p.m. (Singapore Time) on Tuesday, 14 June 2022 | <p>Deadline for members of the Company to submit questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM in the following manner:</p> <p>(a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg; or</p> <p>(b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621.</p> |
| By 12.00 p.m. (Singapore Time) on Wednesday, 15 June 2022 | <p>Deadline for members of the Company to pre-register at the URL https://www.corporateofficedepot.com/watches-egm-22w27 should they wish to attend and participate at the virtual information session through the live audio-visual webcast or the live audio-only stream.</p> |
| By 5.00 p.m. (Singapore Time) on Thursday, 16 June 2022 | <p>Deadline for CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions related to the resolutions to be tabled for approval at the EGM.</p> |
| By 12.00 p.m. (Singapore Time) on Friday, 17 June 2022 | <p>Members of the Company who have been successfully authenticated to receive an email with instructions to access the live audio-visual webcast or the live audio-only stream for the virtual information session (the "VIS Confirmation Email").</p> <p>Members of the Company who have pre-registered but have not received the VIS Confirmation Email by this date and time should contact the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg as soon as practicable.</p> |
| 12.00 p.m. (Singapore Time) on Saturday, 18 June 2022 | <p>Members of the Company may access the live audio-visual webcast or the live audio-only stream for the virtual information session using the instructions set out in the VIS Confirmation Email.</p> |
| By 12.00 p.m. (Singapore Time) on Saturday, 25 June 2022 | <p>Deadline for members of the Company to pre-register at the URL https://www.corporateofficedepot.com/watches-egm-22w27 should they wish to watch and observe the proceedings of the EGM through the live audio-visual webcast or the live audio-only stream.</p> <p>Deadline for members of the Company to submit the completed and signed Proxy Forms in the following manner:</p> <p>(a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg; or</p> <p>(b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621.</p> <p>Members of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.</p> |
| By 9.00 a.m. (Singapore Time) on Monday, 27 June 2022 | <p>Members of the Company who have been successfully authenticated to receive an email with instructions to access the live audio-visual webcast or the live audio-only stream for the EGM (the "EGM Confirmation Email").</p> <p>Members of the Company who have pre-registered but have not received the EGM Confirmation Email by this date and time should</p> |

| Dates and Times | Action to be taken by Members of the Company |
|--|---|
| | contact the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg as soon as practicable. |
| 12.00 p.m. (Singapore Time) on Tuesday, 28 June 2022 | Members of the Company may access the live audio-visual webcast or the live audio-only stream for the EGM using the instructions set out in the EGM Confirmation Email. |

Personal Data Privacy:

By submitting the Proxy Form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM and/or any adjournment thereof and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM and/or any adjournment thereof, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Watches.com Limited

(Company Registration Number 199904281D)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:

1. Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the circular issued by the Company to shareholders of the Company dated 6 June 2022.
2. The EGM will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended or modified from time to time.
3. **Printed copies of the Circular, the Notice of EGM and this Proxy Form will not be sent to members of the Company.** The Circular, the Notice of EGM and this Proxy Form may be accessed at the Company's website at the URL <https://www.ntegrator.com/announcements> and are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
4. **Due to the current COVID-19 situation in Singapore, members of the Company will not be able to attend the EGM in person.** Instead, alternative arrangements have been put in place to allow members of the Company to participate at the EGM by (a) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions to the Chairman of the EGM in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM. Members of the Company are advised to refer to the notes to the Notice of EGM for more information, including the steps to be taken by members of the Company to participate at the EGM.
5. **A member of the Company who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
6. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes by **5.00 p.m. (Singapore Time) on Thursday, 16 June 2022** (that is, at least seven (7) working days before the date of the EGM).
7. By submitting a Proxy Form, a member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of EGM.
8. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of proxy/proxies.**

EXTRAORDINARY GENERAL MEETING

I/We* _____ (Name) _____ (NRIC / Passport / Company Registration Number*)
of _____ (Address)

being a member of **Watches.com Limited** (the "**Company**"), hereby appoint the Chairman of the EGM as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the EGM to be convened and held by way of electronic means on Tuesday, 28 June 2022 at 12.00 p.m. (Singapore Time) and at any adjournment thereof.

I/We* direct the Chairman of the EGM to vote for or against, or abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder. **In absence of specific instructions as to voting, or abstentions from voting, in respect of a resolution, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.**

All resolutions put to vote at the EGM shall be decided by way of poll.

| Special Resolution relating to: | Number of Votes For [#] | Number of Votes Against [#] | Number of Votes Abstain [#] |
|-----------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| 1. The Proposed Capital Reduction | | | |
| Ordinary Resolution relating to: | | | |
| 2. The Proposed Distribution | | | |

* Delete as appropriate.

[#] If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022.

Signature or Common Seal of Member

| Total number of Shares in: | Number of Shares |
|----------------------------|------------------|
| (a) CDP Register | |
| (b) Register of Members | |

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, a Proxy Form shall be deemed to relate to all the Shares held by you.
2. **Due to the current COVID-19 situation in Singapore, members of the Company will not be able to attend the EGM in person.** Instead, alternative arrangements have been put in place to allow members of the Company to participate at the EGM by (a) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions to the Chairman of the EGM in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to vote on their behalf at the EGM and arrangements by which the Board and management may address substantial and relevant comments, queries and/or questions before the EGM. Members of the Company are advised to refer to the notes to the Notice of EGM for more information, including the steps to be taken by members of the Company to participate at the EGM.
3. **A member of the Company who wishes to exercise his/her/its voting rights at the EGM must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM.** In appointing the Chairman of the EGM as proxy, a member of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid. The Chairman of the EGM, acting as proxy, need not be a member of the Company.
4. CPF/SRS investors, including persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes by **5.00 p.m. (Singapore Time) on Thursday, 16 June 2022** (that is, at least seven (7) working days before the date of the EGM).
5. The Proxy Form must be submitted to the Company in the following manner:
 - (a) by email to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at wcl-egm@kckcs.com.sg; or
 - (b) by post to the Company's Share Registrar, KCK CorpServe Pte. Ltd., at 24 Raffles Place #07-07 Clifford Centre Singapore 048621,in either case, by **12.00 p.m. (Singapore Time) on Saturday, 25 June 2022** (that is, not less than 72 hours before the time fixed for holding the EGM). A member of the Company who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form before scanning and sending it by email to the email address provided above or before submitting it by post to the address provided above. Members of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Share Registrar via email.
6. Where a Proxy Form is executed by an individual, it must be executed under the hand of the individual or his/her attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or officer duly authorised in writing.
7. Where a Proxy Form is signed on behalf of an individual or a corporation, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be submitted to the Company together with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of a member of the Company whose Shares are entered against his/her/its name in the Depository Register, the Company may reject a Proxy Form if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time fixed for holding the EGM, as certified by the CDP to the Company.
9. Any amendments or modifications made in a Proxy Form must be initialled by the person who signs the Proxy Form.