

Watches.com Limited

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

RESPONSES TO SGX QUERIES REGARDING TRADING ACTIVITY

The Board of Directors (the “**Board**”) of Watches.com Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) received on 26 August 2022 in relation to the contract secured announced on 25 August 2022 (the “**Announcement**”) and wishes to respond to the queries as follows:

	Query	Response
1.	Please clarify who is the telecommunications operator.	<p>The telecommunications operator is a Business Investment Trust based in Singapore. The customer is the owner, designer, builder and operator of the passive fibre network structure (comprising ducts, manholes, fibre cables and central offices) of Singapore's NGNBN.</p> <p>We apologize that we are unable to disclose the name of the customer due to confidentiality agreements signed with the customer as well as competitive reasons within the industry.</p> <p>This contract is the first or maiden contract for the provision of installation and maintenance of duct lines and manhole services signed directly with the customer. To clarify, this is not a new customer of the Group.</p>
2.	<p>It is stated that the contract commenced on 20 August 2022 and is expected to be completed by 19 August 2023.</p> <ul style="list-style-type: none">• Please clarify when was the contract signed between the Company and the telecommunications operator.• Why is this only announced on 25 Aug 2022?• Please provide information on the scope / nature of work to be undertaken by the Company under this new contract.	<p>The signed contract was received by the Company on 23 August 2022 after office hours. The Company prepared the draft announcement and released it after trading hours on 25 August 2022.</p> <p>As mentioned above, the signed copy was only received on 23 August 2022 after office hours.</p> <p>As disclosed in the press release, the scope of work is for the installation and maintenance of duct lines and manhole services in the Orchard Region.</p>

3.	<p>It is disclosed that with the new contract, the Group now has an outstanding order book of S\$61.7 million as at 25 Aug 2022. All orders are expected to be delivered within the next 24 months and will generate sustainable revenue streams for the Group up to FY2024. The contract is not expected to have any material impact on earnings of the Group for the financial year ending 31 December 2022.</p> <ul style="list-style-type: none"> • Considering that the S\$8.7 million contract contributed a 16.4% increase to the Group's order book of S\$53.0 million as at 30 June 2022, and would potentially increase the Group revenue by 33% (from S\$26.2 million as at 30 June 2022 to S\$34.9 million), please clarify why the contract is not expected to have any material impact on the Group's earnings for FY2022. • What are the terms of the contracts and are there any payment milestones for the contracts? 	<p>The contract would not have a material impact for the financial year ending 31 December 2022 as the contract is in the initial stage of preparation for this financial year. The major part of the contract will be completed in the next financial year. As such, it will not have a material impact in revenue or contribution to the Group for the financial year ending 31 December 2022.</p> <p>This is a frame contract with the customer and a separate service order will be issued for work in different locations in the Orchard Region. Upon satisfactory completion of the work done, the Company shall be entitled to payment of 100% of the value of service order issued.</p>
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By Order of the Board of Directors of
Watches.com Limited

Christian Kwok-Leun Yau Heilesen
Executive Director

29 August 2022

This document 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

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