



**Condensed Interim Financial Statements
For the six months and full year ended 31 December 2022**

**Watches.com Ltd
Incorporated in the Republic of Singapore
Company Registration Number – 199904281D**

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A. Condensed interim consolidated statement of profit and loss and other comprehensive income

		Group						
		6 months ended 31 December			12 months ended 31 December			
		2022	2021	+/(-) %	2022	2021	+/(-) %	
Note		\$'000	\$'000	%	\$'000	\$'000	%	
	Revenue	4	51,684	14,178	264.5%	77,888	25,695	203.1%
	Cost of sales		(48,459)	(12,323)	293.2%	(70,678)	(20,190)	250.1%
	Gross profit	4	3,225	1,855	73.9%	7,210	5,505	31.0%
	Other gains - net	6.1						
	- Reversal of impairment loss							
	on financial assets		-	11	(100.0%)	-	11	(100.0%)
	- Others		(110)	427	(125.8%)	156	1,332	(88.3%)
	Distribution and marketing expenses		(6)	(6)	0%	(39)	(24)	62.5%
	Administrative expenses		(5,102)	(4,655)	9.6%	(10,425)	(9,177)	13.6%
	Finance expense		(2,097)	(261)	703.4%	(2,841)	(549)	417.5%
	Loss before income tax		(4,090)	(2,629)	55.6%	(5,939)	(2,902)	104.7%
	Income tax expense	7	-	-	N.M.	-	-	N.M.
	Net loss		(4,090)	(2,629)	55.6%	(5,939)	(2,902)	104.7%
	Other comprehensive loss, net of tax:							
	Items that may be reclassified							
	subsequently to profit or loss:							
	Currency translation differences arising							
	from consolidation							
	- Losses		(27)	-	100.0%	(44)	-	100.0%
	Total comprehensive loss		(4,117)	(2,629)	56.6%	(5,983)	(2,902)	106.2%
	Loss attributable to:							
	Equity holders of the Company		(4,357)	(2,486)	75.3%	(5,806)	(2,374)	144.6%
	Non-controlling interests		267	(143)	(286.7)%	(133)	(528)	(74.8%)
			(4,090)	(2,629)	55.6%	(5,939)	(2,902)	104.7%
	Total comprehensive loss							
	attributable to:							
	Equity holders of the Company		(4,384)	(2,486)	76.3%	(5,850)	(2,374)	146.4%
	Non-controlling interests		267	(143)	(286.7)%	(133)	(528)	(74.8%)
			(4,117)	(2,629)	56.6%	(5,983)	(2,902)	106.2%
	Loss per share for loss							
	attributable to equity holders							
	of the Company (cents per share):							
	Basic		(0.84)	(0.21)	300.0%	(1.12)	(0.20)	460.0%
	Diluted		(0.84)	(0.21)	300.0%	(1.12)	(0.20)	460.0%

N.M. – Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31 Dec 2022 \$'000	31 Dec 2021 \$'000	31 Dec 2022 \$'000	31 Dec 2021 \$'000
ASSETS					
Current assets					
Cash and bank balances		4,777	4,836	87	1,246
Financial assets, at FVPL		177	-	177	-
Trade and other receivables		14,780	7,907	4,570	8,387
Contract assets		7,234	12,045	-	-
Inventories		14,012	315	-	-
		<u>40,980</u>	<u>25,103</u>	<u>4,834</u>	<u>9,633</u>
Non-current assets					
Investments in subsidiary		-	-	56,869	18,266
Other investments		313	-	-	-
Property, plant and equipment	13	675	454	-	-
Right-of-use assets		908	1,632	-	-
Intangible assets		39,761	-	-	-
Deferred income tax assets		778	778	-	-
		<u>42,435</u>	<u>2,864</u>	<u>56,869</u>	<u>18,266</u>
Total assets		<u>83,415</u>	<u>27,967</u>	<u>61,703</u>	<u>27,899</u>
LIABILITIES					
Current liabilities					
Trade and other payables		7,462	4,838	5,952	831
Contract liabilities		367	463	-	-
Borrowings	14	33,109	9,187	-	-
		<u>40,938</u>	<u>14,488</u>	<u>5,952</u>	<u>831</u>
Non-current liabilities					
Borrowings	14	37,690	3,593	32,551	-
		<u>37,690</u>	<u>3,593</u>	<u>32,551</u>	<u>-</u>
Total liabilities		<u>78,628</u>	<u>18,081</u>	<u>38,503</u>	<u>831</u>
NET ASSETS		<u>4,787</u>	<u>9,886</u>	<u>23,200</u>	<u>27,068</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	15	31,044	29,948	31,044	29,948
Treasury shares	15	(11)	(11)	(11)	(11)
Other reserves		(5,069)	-*	-	-
Accumulated losses		(21,466)	(15,660)	(7,833)	(2,869)
		<u>4,498</u>	<u>14,277</u>	<u>23,200</u>	<u>27,068</u>



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Non-controlling interests	289	(4,391)	-	-
Total equity	4,787	9,886	23,200	27,068

*Amount below S\$1,000

C. Condensed interim statements of changes in equity

Group	Attributable to equity holders of the Company							
	Share capital	Treasury shares	Capital reserve	Currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2022	29,948	(11)	-	-*	(15,660)	14,277	(4,391)	9,886
Loss for the year	-	-	-	-	(5,806)	(5,806)	(133)	(5,939)
Other comprehensive loss for the year	-	-	-	(44)	-	(44)	-	(44)
Total comprehensive loss for the year	-	-	-	(44)	(5,806)	(5,850)	(133)	(5,983)
Issuance of shares	1,096	-	-	-	-	1,096	-	1,096
Acquisition of non-controlling interests without a change in control	-	-	(5,025)	-	-	(5,025)	5,025	-
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	(212)	(212)
Balance as at 31 December 2022	31,044	(11)	(5,025)	(44)	(21,466)	4,498	289	4,787
Balance as at 1 January 2021	26,161	(11)	-	-	(13,286)	12,864	(3,863)	9,001
Total comprehensive loss for the year	-	-	-	-*	(2,374)	(2,374)	(528)	(2,902)
Issuance of shares	3,787	-	-	-	-	3,787	-	3,787
Balance as at 31 December 2021	29,948	(11)	-	-*	(15,660)	14,277	(4,391)	9,886

* Amount below S\$1,000

C. Condensed interim statements of changes in equity (cont'd)

Company	Share capital \$'000	Treasury shares \$'000	Accumulated losses \$'000	Total equity \$'000
Balance as at 1 January 2022	29,948	(11)	(2,869)	27,068
Issuance of share capital	1,096	-	-	1,096
Total comprehensive loss for the financial year	-	-	(4,964)	(4,964)
Balance as at 31 December 2022	31,044	(11)	(7,833)	23,200
Balance as at 1 January 2021	26,161	(11)	(552)	25,598
Issuance of share capital	3,787	-	-	3,787
Total comprehensive loss for the financial year	-	-	(2,317)	(2,317)
Balance as at 31 December 2021	29,948	(11)	(2,869)	27,068

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		12 months ended 31 December	
		2022	2021
		\$'000	\$'000
Cash flows from operating activities			
Loss before income tax		(5,939)	(2,902)
Adjustments for:			
- Depreciation of property, plant and equipment		341	439
- Depreciation of right-of-use assets		876	892
- Impairment loss on financial assets		484	-
- (Gain)/ loss on disposal of property, plant and equipment		(33)	3
- Property, plant and equipment written-off		-	1
- Interest expense		2,699	549
- Unrealised currency translation loss		(49)	133
		(1,621)	(885)
Change in working capital:			
- Inventories		(8,304)	(26)
- Trade and other receivables		19,535	(297)
- Trade and other payables		1,178	(790)
Net cash generated from/ (used in) operating activities		10,788	(1,998)
Cash flows from investing activities			
Additions to property, plant and equipment		(477)	(110)
Purchase of financial assets		(1,010)	-
Proceeds from disposal of financial assets		393	-
Acquisition of subsidiaries, net of cash acquired		245	-
Net cash used in investing activities		(849)	(110)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		1,096	3,787
Proceeds from a director		-	70
Bank deposits discharged		178	57
Restricted cash		-	(177)
Proceeds from borrowings		554	-
Repayment of borrowings		(7,818)	(2,785)
Repayment of lease liabilities		(842)	(885)
Interest paid		(2,699)	(549)
Net cash used in financing activities		(9,531)	(482)
Net increase/ (decrease) in cash and cash equivalents		408	(2,590)
Cash and cash equivalents			
Beginning of financial year		(2,163)	413
Effects of currency translation on cash and cash			

equivalents	-	14
End of financial period	(1,755)	(2,163)

D. Condensed interim consolidated statement of cash flows (cont'd)

Notes to the consolidated statement of cash flows

Cash and cash equivalents included in the consolidated statement of cash flows consist of the following: -

	Group	
	2022	2021
	\$'000	\$'000
Cash and bank balances of the Group	4,777	4,836
Less: Bank deposits pledged	(205)	(206)
Less: Restricted cash	-	(177)
Less: Bank overdraft	(6,327)	(6,616)
Cash and cash equivalents per consolidated statement of cash flows	(1,755)	(2,163)

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Watches.com Ltd. (the “**Company**”) is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements for the six months and full year ended 31 December 2022 comprise the financial statements of the Company and its subsidiaries (collectively, the “**Group**”).

The principal activity of the Company is that of investment holding. The principal activities of the Group are:

- (a) To provide system integration services of voice, video and data communication networks and building construction cable/civil works for underground road and inbuilding;
- (b) To provide building construction New Engineering Contracts (fiber patching, splicing, installation and maintenance);
- (c) To provide for the retailing, designing, manufacturing, marketing, distributing, trading and selling of watches and watch accessories; and
- (d) To provide for e-commerce solutions, mobile content development, online payment solutions, digital advertising and social marketing.

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Singapore dollars which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group does not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. The adoption of the new standards that are effective from 1 January 2022 did not result in any substantial change to the Group's and the Company's accounting policies or have any significant impact on the condensed interim financial statements.

2.2 Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are:

- a) Classification of equity investments (Note 10 and 17)
- b) Impairment assessment of goodwill (Note 11)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into four operating segments:

- (i) Corporate;
- (ii) Project sales, project management and maintenance services;
- (iii) Retail; and
- (iv) Internet marketing

Corporate segment consists of investment holding company and dormant company which do not meet any of the quantitative threshold for determining a reportable segment.

Project sales segment engages in integration of network infrastructure that enable the customers to communicate electronically within an organisation or with another organisation whether located in the same country or globally. It also provides the customers with seamless integration of a wide variety of voice and data signals used in large institutional telecom applications.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

4. Segment and revenue information (cont'd)

Project management and maintenance services segment provides installation and implementation services of the network infrastructure or voice communication systems that have been purchased by the customers from the Group's principals, and maintenance and support services mainly for the network infrastructure and voice communication systems.

Retail segment provides for the retailing, designing, manufacturing, marketing, distributing, trading and selling of watches and watch accessories through the Group's own and third-party internet websites, applications, retail stores and online platforms.

Internet marketing segment provides for e-commerce solutions, mobile content development, online payment solutions, digital advertising and social marketing.

4.1 Reportable segments

	Corporate		Project sales, project management and maintenance services		Retail		Internet marketing		Consolidated	
	12 months ended 31 December									
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue										
Revenue to external parties	-	-	22,492	22,567	52,407	3,128	2,989	-	77,888	25,695
Segment results	-	-	4,064	5,433	2,186	72	960	-	7,210	5,505
Other gains/ (losses) - net										
- Reversal of impairment loss on financial assets	-	-	-	11	-	-	-	-	-	11
- Others	(472)	6	499	1,326	154	-	(25)	-	156	1,332
- Distribution and marketing	(39)	(24)	-*	-	-	-	-	-	(39)	(24)
- Administrative	(3,339)	(2,419)	(5,519)	(6,467)	(1,000)	(291)	(567)	-	(10,425)	(9,177)
- Finance	(1,438)	-	(551)	(549)	(803)	-	(49)	-	(2,841)	(549)
(Loss)/ profit before income tax	(5,288)	(2,437)	(1,507)	(246)	537	(219)	319	-	(5,939)	(2,902)
Income tax for the year	-	-	-	-	-	-	-	-	-	-
Net (loss)/ profit	(5,288)	(2,437)	(1,507)	(246)	537	(219)	319	-	(5,939)	(2,902)

* Amount below S\$1,000

	Corporate		Project sales, project management and maintenance services		Retail		Internet marketing		Consolidated	
	6 months ended 31 December									
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue										
Revenue to external parties	-	-	10,333	11,050	38,714	3,128	2,637	-	51,684	14,178
Segment results	-	-	739	1,783	1,634	72	852	-	3,225	1,855
Other gains/ (losses) - net										
- Reversal of impairment loss on financial assets	-	-	-	11	-	-	-	-	-	11
- Others	(243)	10	204	417	58	-	(129)	-	(110)	427
- Distribution and marketing	(6)	(6)	.*	.*	-	-	-	-	(6)	(6)

- Administrative	(1,518)	(1,639)	(2,619)	(2,725)	(543)	(291)	(422)	-	(5,102)	(4,655)
- Finance	(1,119)	-	(267)	(261)	(668)	-	(43)	-	(2,097)	(261)
(Loss)/ profit before income tax	(2,886)	(1,635)	(1,943)	(775)	481	(219)	258	-	(4,090)	(2,629)
Income tax for the year	-	-	-	-	-	-	-	-	-	-
Net (loss)/ profit	(2,886)	(1,635)	(1,943)	(775)	481	(219)	258	-	(4,090)	(2,629)

* Amount below S\$1,000

4.1 Reportable segments (cont'd)

	Corporate		Project sales, project management and maintenance services		Retail		Internet marketing		Unallocated		Consolidated	
	12 months ended 31 December											
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and liabilities												
Segment assets	531	1,340	16,933	23,413	22,656	3,214	3,534	-	39,761	-	83,415	27,967
Segment liabilities	(33,386)	(564)	(15,070)	(16,968)	(25,588)	(549)	(4,584)	-	-	-	(78,628)	(18,081)

Other segment information

Expenditure for property, plant and equipment	-	-	(477)	(110)	-	-	-	-	-	-	(477)	(110)
Other non-cash items:												
Depreciation of property, plant and equipment and investment property	-	-	(312)	(439)	(8)	-	(21)	-	-	-	(341)	(439)
Gain/ (loss) on disposal of property	-	-	33	(3)	-	-	-	-	-	-	33	(3)
Property, plant and equipment written off	-	-	-	(1)	-	-	-	-	-	-	-	(1)
Deposits written off	(459)	-	-	-	-	-	-	-	-	-	(459)	-

	Corporate		Project sales, project management and maintenance services		Retail		Internet marketing		Unallocated		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and liabilities												
Segment assets	(547)	1,026	(5,233)	(2,663)	(8,036)	1,090	1,096	-	8,934	-	(3,786)	(547)
Segment liabilities	(2,681)	(212)	2,369	363	998	(502)	(778)	-	-	-	(92)	(351)

Other segment information

Expenditure for property, plant and equipment	-	-	(190)	(24)	-	-	-	-	-	(190)	(24)
Other non-cash items:											
Depreciation of property, plant and equipment and investment property	-	-	(138)	(201)	(6)	-	(18)	-	-	(162)	(201)
Gain on disposal of property, plant and equipment	-	-	32	2	-	-	-	-	-	32	2
Property, plant and equipment written off	-	-	-	(1)	-	-	-	-	-	-	(1)

4.1 Reportable segments (cont'd)

Singapore		Hong Kong		Myanmar		Vietnam		Consolidated	
12 months ended 31 December									
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Segment revenue

Sales to external

parties	22,313	22,335	55,396	3,128	-	232	179	-	77,888	25,695
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	Singapore		Hong Kong		Myanmar		Vietnam		Consolidated	
	6 months ended 31 December									
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue										
Sales to external parties	10,333	10,819	41,351	3,128	-	231	-	-	51,684	14,178

	Singapore		Hong Kong		Consolidated	
	12 months ended 31 December					
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets	42,063	2,864	372	-	42,435	2,864

	Singapore		Hong Kong		Consolidated	
	6 months ended 31 December					
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000



Non-current assets	<u>8,695</u>	<u>130</u>	<u>(85)</u>	<u>-</u>	<u>8,610</u>	<u>130</u>
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Revenue of approximately S\$16,635,000 (31 Dec 2021: S\$16,851,000) is derived from a single external customer. This revenue is attributable to the project sales, project management and maintenance services segment.

4.2 Geographical segments

Group Revenue	\$'000	\$'000	%
	FY2022	FY2021	Increase/ (Decrease)
Singapore	22,313	22,335	(0.1%)
Myanmar	-	232	(100.0%)
Vietnam	179	-	100.0%
Hong Kong	55,396	3,128	1,671.0%
Total	77,888	25,695	203.1%

4.3 Disaggregation of revenue

1 July 2022 to 31 December 2022

	The Group				Total
	6 months ended 31 December 2022				
	Project sales	Project Management and Maintenance Services	Retail	Internet Marketing	
	\$'000	\$'000	\$'000	\$'000	\$'000
Timing of revenue					
At a point in time	1,174	7,938	38,714	2,637	50,463
Over time	-	1,221	-	-	1,221
Total revenue	1,174	9,159	38,714	2,637	51,684

1 July 2021 to 31 December 2021

	The Group				Total
	6 months ended 31 December 2021				
	Project sales	Project Management and Maintenance Services	Retail	Internet Marketing	
	\$'000	\$'000	\$'000	\$'000	\$'000
Timing of revenue					
At a point in time	1,729	8,080	3,128	-	12,937
Over time	-	1,241	-	-	1,241
Total revenue	1,729	9,321	3,128	-	14,178

4.3 Disaggregation of revenue (cont'd)

1 January 2022 to 31 December 2022

	The Group				Total
	12 months ended 31 December 2022				
	Project sales	Project Management and Maintenance Services	Retail	Internet Marketing	
	\$'000	\$'000	\$'000	\$'000	\$'000
Timing of revenue					
At a point in time	1,849	18,161	52,407	2,989	75,406
Over time	-	2,482	-	-	2,482
Total revenue	1,849	20,643	52,407	2,989	77,888

1 January 2021 to 31 December 2021

	The Group				Total
	12 months ended 31 December 2021				
	Project sales	Project Management and Maintenance Services	Retail	Internet Marketing	
	\$'000	\$'000	\$'000	\$'000	\$'000
Timing of revenue					
At a point in time	3,040	17,038	3,128	-	23,206
Over time	-	2,489	-	-	2,489
Total revenue	3,040	19,527	3,128	-	25,695

5. Financial assets and financial liabilities

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets at amortised cost</u>				
Cash and bank balances	4,777	4,836	87	1,246
Trade and other receivables*	13,982	7,233	4,503	8,294
Contract assets	7,234	12,045	-	-
	<u>25,993</u>	<u>24,114</u>	<u>4,590</u>	<u>9,540</u>
<u>Financial liabilities at amortised cost</u>				
Trade and other payables**	6,935	4,536	5,952	831
Contract liabilities	367	463	-	-
Borrowings	70,799	12,780	32,551	-
	<u>78,101</u>	<u>17,779</u>	<u>38,503</u>	<u>831</u>

* Financial assets exclude prepayments and GST receivable.

**Financial liabilities exclude GST payable.

6. Loss before taxation

6.1. Significant items

	Group	
	6 months ended 31 December	
	2022	2021
	\$'000	\$'000
Expenses		
Depreciation of property, plant and equipment	162	201
Depreciation of right-of-use assets	440	435
	602	636

Other gains/ (losses) – net

Fair value losses		
- Financial assets and liabilities, mandatorily measure at FVPL		
- Financial assets, at FVPL	(71)	-
Reversal of impairment loss on financial assets	-	11
Provision for impairment on long term asset	(19)	-
Currency exchange loss - net	(110)	(78)
Gain on disposal of property, plant and equipment	34	2
Property, plant and equipment written-off	-	(1)
Government grants	50	366
Miscellaneous income	-	138
Interest income	6	-
	(110)	438

	Group	
	12 months ended 31 December	
	2022	2021
	\$'000	\$'000
Expenses		
Depreciation of property, plant and equipment	341	439
Depreciation of right-of-use assets	876	892
	1,217	1,331

Other gains – net

Fair value losses		
- Financial assets and liabilities, mandatorily measure at FVPL		
- Financial assets, at FVPL	(465)	-
Reversal of impairment loss on financial assets	-	11
Provision for impairment on long term asset	(19)	-
Currency exchange gains - net	6	224
Gain/ (loss) on disposal of property, plant and equipment	36	(3)
Property, plant and equipment written-off	-	(1)
Government grants	556	970
Miscellaneous income	36	142
Interest income	6	-
	<u>156</u>	<u>1,343</u>

6.2. Related party transactions

There are no material related party transactions.

7. Taxation

The Group calculates the current financial period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 31 December	
	2022	2021
	\$'000	\$'000
Current income tax expense	-	-

	12 months ended 31 December	
	2022	2021
	\$'000	\$'000
Current income tax expense	-	-

8. Loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Group			
	6 months ended 31 Dec		12 months ended 31 Dec	
	2022	2021	2022	2021
Net (loss) attributable to equity holders of the Company (S\$'000)	(4,357)	(2,486)	(5,806)	(2,486)
Weighted average number of ordinary shares	519,520,752	1,162,345,550	519,520,752	1,162,345,550
Based on weighted average number of ordinary shares on issue (cents)	(0.84)	(0.21)	(1.12)	(0.21)
Fully diluted number of ordinary shares	532,601,711	1,598,058,714	532,601,711	1,598,058,714
Based on fully diluted basis (cents)*	(0.84)*	(0.21)*	(1.12)*	(0.21)*
Issued share capital at the end of financial period	532,601,711	1,464,458,714	532,601,711	1,464,458,714

*As the Group recorded losses, the potential ordinary shares from the exercise of warrants are anti-dilutive and hence, no changes has been made to the fully diluted loss per share.

9. Net asset value per share

Group		Company	
31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021

Net asset value per ordinary share (cents per share) (\$\$)	0.90	0.68	4.36	1.85
Total number of issued shares (excluding treasury shares) as at end of period/year	532,601,711	1,464,458,714	532,601,711	1,464,458,714

The Company completed a share consolidation exercise on 9 May 2022 which was approved by shareholders at the extraordinary general meeting of the Company held by electronic means on 11 April 2022.

10. Financial assets at fair value through profit or loss (“FVTPL”)

	Group and Company	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Quoted equity investments in Singapore	177	-

The fair value of the quoted equity investment is determined by the quoted closing market price of these investments. This fair value measurement is categorised in Level 1 of the fair value hierarchy – quoted prices (unadjusted) in active markets for identical assets or liabilities.

11. Intangible assets

	Goodwill on consolidation	
	Group	Company
	\$'000	\$'000
As at 30 June 2022		
Cost	30,827	-
Accumulated amortisation and impairment	-	-
Net book value	30,827	-

	Goodwill on consolidation	
	Group	Company
	\$'000	\$'000
6 months ended 31 December 2022		
Opening net book amount	30,827	-
Additions	8,934	-
Closing net book amount	39,761	-

	Goodwill on consolidation	
	Group	Company
	\$'000	\$'000
As at 31 December 2022		
Cost	39,761	-
Accumulated amortisation and impairment	-	-
Net book value	39,761	-

11.1 Goodwill impairment

There is no impairment of goodwill for the year ended 31 December 2022 (“FY2022”) as based on the Company’s assessment on impairment of Goodwill, there were no impairment indicators as at 31 December 2022.

12. Other investments

	Group	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Beginning of financial year	-	-
Addition	313	-
End of financial year	313	-

	Group	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Non-current		
Unit trust funds in Hong Kong	92	-
Life insurance	240	-
	332	-
Less: Loss allowance	(19)	-
Total	313	-

The fair value of the unit trust funds in Hong Kong is determined by the quoted closing market price of these investments. This fair value measurement is categorised in Level 1 of the fair value hierarchy – quoted prices (unadjusted) in active markets for identical assets or liabilities.

13. Property, plant and equipment

During the 12 months ended 31 December 2022, the Group acquired assets amounting to \$477,000 (31 December 2021: \$110,000) and disposed of assets amounting to \$32,000 (31 December 2021: \$47,000).

During the 6 months ended 31 December 2022, the Group acquired assets amounting to \$190,000 (31 December 2021: \$24,000) and disposed of assets amounting to \$30,000 (31 December 2021: \$42,000).

14. Borrowings

	Group	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
Amount repayable within one year or on demand		
Secured	24,621	-
Unsecured	8,488	9,187
Amount repayable after one year		
Secured	8,955	-

Unsecured	28,735	3,593
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Borrowings from one of the subsidiaries is secured by private properties to serve as collateral owned by a Director who is also the substantial shareholder of the Company.

	Company	
	31 Dec 2022	31 Dec 2021
	S\$'000	S\$'000
Amount repayable within one year or on demand		
Secured	-	-
Unsecured	-	-
Amount repayable after one year		
Secured	8,955	-
Unsecured	23,596	-

Borrowings from one of the subsidiaries is secured by private properties to serve as collateral owned by a Director who is also the substantial shareholder of the Company.

15. Share capital

	No. of ordinary shares		Amount	
	Issued share capital	Treasury shares	Issued share capital	Treasury shares
			S\$'000	S\$'000
Group and Company				
At 31 December 2021	1,464,709,714	(251,000)	29,948	(11)
Exercise of warrants	112,566,666*	-	1,096	-
Share consolidation	(1,044,591,003)	167,334	-	-
At 31 December 2022	532,685,377	(83,666)	31,044	(11)

* Movement of Warrants

Date	Description	Number of Warrants	Remarks
31 December 2021	Balance	133,600,000	
28 January 2022	Exercise of Warrants	(102,050,000)	
		31,550,000	
9 May 2022	Share consolidation	(21,033,334)	3 into 1 shares and decimal disregarded
		10,516,666	
12 July 2022	Exercise of Warrants	(10,516,666)	
		-	
31 December 2022		-	

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares (except for treasury shares) carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company had, on 9 May 2022, completed a share consolidation of every three (3) existing shares held by shareholders into one (1) consolidated share, which was approved by shareholders at the extraordinary general meeting held on 11 April 2022.

16. Acquisition of Subsidiary

Acquisition of Golden Ultra Limited (the “Target”) (“GU Acquisition”)

On 25 April 2022, the Company announced the completion of the acquisition of 55% of the issued share capital of Golden Ultra Limited from Christian Kwok-Leun Yau Heilesen (the “Seller”) on 21 April 2022 after all the conditions precedent as set out in the share purchase agreement dated 12 October 2021 have been fulfilled.

Following the completion of acquisition, the Seller and Incredible Holdings Ltd. holds 3% and 42% of the issued share capital of the target respectively.

Purchase consideration	\$’000
Purchase consideration	<u>20,706</u>
 <u>Assets and Liabilities recognised as a result of the acquisition</u>	
	Fair value S’000
Cash and cash equivalents	157
Trade and other receivables	19,837
Inventories	5,393
Property, plant and equipment	26
Trade and other payables	(281)
Borrowings	<u>(25,130)</u>
Net identifiable assets acquired	2
Non-controlling interest	(1)
Add: Goodwill	<u>20,705</u>
	<u>20,706</u>

The goodwill is attributable to Golden Ultra Limited’s strong position and profitability in the Retail Segment and the GU Acquisition provides a positive opportunity for the Group to diversify to new revenue streams.

Acquisition of New Genesis Development Limited (the “Target”) (“NG Acquisition”)

On 30 May 2022, the Company announced the completion of the acquisition of 85% of the of the issued share capital of New Genesis Development Limited through Cyber Sail Global Limited, from Mr. Tam Ki Ying (the “Seller”) on 25 May 2022 after all the conditions precedent as set out in the share purchase agreement dated 12 October 2021 have been fulfilled.

Following the completion, the Target had become a subsidiary of the Company which was incorporated in the British Virgin Islands on 8 November 2021 with an issued share capital of US\$100.

Purchase consideration	\$’000
Purchase consideration	17,897
	17,897

Assets and Liabilities recognised as a result of the acquisition

	Fair value S’000
Cash and cash equivalents	89
Trade and other receivables	1,860
Property, plant and equipment	62
Other investments	353
Trade and other payables	(1,165)
Borrowings	(2,562)
Net identifiable liabilities acquired	(1,363)
Non-controlling interest	204
Add: Goodwill	19,056
	17,897

The goodwill is attributable to New Genesis Development Limited’s strong position and profitability in the Internet Marketing Segment and the NG Acquisition provides a positive opportunity for the Group to diversify to new revenue streams.

17. Subsequent events

On 9 February 2023, the Company issued a circular to hold an EGM on 3 March 2023 in relation to:-

- The proposed change of name of the Company from “Watches.com Limited” to “Ntegrator Holdings Limited”; and
- The proposed change of auditors of the Company from Moore Stephens LLP to RT LLP.

There are no known subsequent events which have led to adjustments to this set of interim financial statements including the above-mentioned disclosure.

F. Other information required by Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of Watches.com Ltd and its subsidiaries (the “Group”) as at 31 December 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month and full year ended 31 December 2022 and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

The Group’s latest audited financial statements for the financial year ended 31 December 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Overview

The Group posted a revenue of S\$77.9 million for FY2022 representing an increase of 203.1% or S\$52.2 million from S\$25.7 million recorded in the previous corresponding period (“FY2021”).

The Group posted a gross profit of S\$7.2 million in FY2022, representing an increase of 31.0% from S\$5.5 million reported in FY2021. This is a result of positive contribution from the completion of the GU Acquisition and NG Acquisition on 25 April 2022 and 30 May 2022 respectively.

Overall, the Group made a net loss of S\$5.9 million in FY2022 compared to a net loss of S\$2.9 million in FY2021. Before taking into consideration non-controlling interests, net loss attributable to equity holders of the Company is S\$5.8 million in FY2022 compared to a net loss of S\$2.4 million in FY2021.

Revenue

Group Revenue	FY2022	FY2021	Increase/ (Decrease)
	S\$'000	S\$'000	%
Project Sales	1,849	3,040	(39.2%)
Project Management and Maintenance Services	20,643	19,527	5.7%
Retail	52,407	3,128	1,575.4%
Internet Marketing	2,989	-	100.0%
Total Group	77,888	25,695	203.1%

The Group’s revenue increased 203.1% in FY2022. The Retail and Internet Marketing segment of the Group was the main driver for the overall increase in revenue due to the GU Acquisition and NG Acquisition. Project Sales segment revenue decreased 39.2% in FY2022 and this partially offset a slight increase in revenue of 5.7% from the Project Management and Maintenance Services.

Project Sales segment showed a decrease of 39.2% as the Group has less revenue contributed from Singapore and Myanmar market during FY2022.

Revenue in the Project Management and Maintenance Services segment increased slightly by 5.7% to S\$20.6 million in FY2022. The Project Management and Maintenance Services segment continues to provide the Group with a steady stream of recurring income.

The Retail segment contributed 67.3% or S\$52.4 million to the overall Group revenue of S\$77.9 million. The GU Acquisition contributed S\$45.9 million from its consolidation whereas the subsidiary, Fund Joy Limited contributed revenue of S\$6.5 million to the Retail segment of the Group, providing diversification to the Group revenue streams as the global economy begins to recover from the Covid-19 pandemic.

The new Internet Marketing segment contributed 3.8% or S\$3.0 million to the overall Group revenue of S\$77.9 million and this was contributed by the consolidation of the NG Acquisition, providing diversification to the Group revenue streams.

Profitability

Gross Profit	FY2022	FY2021	Increase/ (Decrease)
	S\$'000	S\$'000	%
Project Sales	531	943	(43.7%)
Project Management and Maintenance Services	3,533	4,490	(21.3%)
Retail	2,186	72	2936.1%
Internet Marketing	960	-	100.0%
Total Group	7,210	5,505	31.0%

The higher revenue reported by the Group led to an increase in gross profit of 31.0%.

Project Sales segment gross profit reported a decrease of 43.7% from S\$0.9 million in FY2021 to S\$0.5 million in FY2022. This is in line with the lower revenue report from the Project Sales segment.

Project Management and Maintenance Services segment gross profit decreased by 21.3% from S\$4.5 million in FY2021 to S\$3.5 million in FY2022 as a result of higher material cost and upkeep of motor vehicles cost.

Retail segment gross profit reported an increase of 2,936.1% from S\$72,000 in FY2021 to S\$2.2 million in FY2022. As a result of the GU Acquisition, there was a contribution of S\$2.0 million in the Retail segment. The subsidiary, Fund Joy Limited contributed S\$0.2 million to the gross profit of the Group.

The NG Acquisition contributed 100.0% to the Internet Marketing segment gross profit or S\$1.0 million in FY2022.

The Group made a net loss of S\$5.9 million in FY2022 compared to a net loss of S\$2.9 million in FY2021 after taking into consideration the following:

- * Increase in the cost of sales by 250.1% to S\$70.7 million in FY2022 due to:-
 - o higher cost of sales of the Project Management and Maintenance Services segment due to increase in the cost of materials and also upkeep of motor vehicles cost; and
 - o the absence of prior year comparison numbers for the 2 newly acquired subsidiaries, GU and NG.
- * Decrease in other gains – net by 88.3% due mainly to the reduction in Covid-19 government support schemes as compared to the previous corresponding period and also a fair value loss incurred on a financial asset;
- * Higher distribution and marketing expense by 62.5% mainly due to higher corporate advertising and marketing cost;
- * Increase in administrative expenses by 13.6% was largely due to (i) additional corporate action expenses of S\$0.4 million and S\$0.5 million which arises from a forfeiture of deposit paid and (ii) higher administrative manpower expenses. Details of the administrative expenses are as shown in the table below.

Administrative expenses

	FY2022	FY2021	Increase/ (Decrease)
	S\$'000	S\$'000	%
Forfeiture of the non-refundable deposit as a result of the expiry of the Letter of Intent. Refer to announcement dated on 1 July 2022.	459	-	100%
Professional services relating to new shares and warrants issuance, bonds and acquisitions	436	-	100%
Other administrative expenses			
Manpower	6,224	5,993	3.9%
Depreciation of property, plant and equipment and Right-of-use assets	1,217	1,331	(8.6%)
Other professional fees	360	385	(6.5%)
Bank charges	123	149	(17.4%)
Telephone and internet	28	142	(80.3%)
Others	1,578	1,177	34.1%
Sub-total	9,530	9,177	3.8%
Total administrative expenses	10,425	9,177	13.6%

- * Higher finance expenses by 417.5% or S\$2.3 million from S\$0.5 million in FY2021 to S\$2.8 million in FY2022 due to the payment of interest of S\$1.4 million incurred from the promissory notes which was issued to finance GU and NB Acquisitions during FY2022 and S\$0.9 million is interest incurred as a result of financing from financial institutions.

Financial Position

Assets

Cash and bank balances decreased slightly by S\$59,000 to S\$4.78 million as at 31 December 2022.

Financial assets, at FVPL is based on the realisable market value of the listed stocks on hand.

Other investments, which comprise of unit trust funds in Hong Kong and life insurance, increased by 100.0% as a result of the first time recognition pursuant to the NG Acquisition of S\$0.3 million.

Intangible assets increased by 100.0% as a result of the first time recognition of goodwill from the GU Acquisition of S\$20.1 million and NG Acquisition of S\$19.9 million.

Trade and other receivables increased by S\$6.9 million mainly due to the first time recognition from the consolidation of GU Acquisition of S\$7.2 million and NG Acquisition of S\$1.9 million and offset by a decrease in trade receivables of S\$2.2 million from Project Sales, Project Management and Maintenance Services and Retail business segment as a result of collection from invoices which were due as per agreed terms.

Inventories increased by S\$13.7 million mainly due to the recognition from the first time consolidation of the GU Acquisition of S\$13.5 million and NG Acquisition of S\$0.05 million and S\$0.15 million additional inventories for the Group's Project sales and Retail segment's project usage.

Contract assets decreased by S\$4.8 million due to the transfer of unbilled receivables to trade receivables from both Project sales and Project Management and maintenance services segments.

The increase in property, plant and equipment of \$0.2 million was mainly due to:

- * Purchase of Property, plant and equipment of S\$0.5 million;
- * Increase in Property, plant and equipment of S\$0.1 million through GU Acquisition and NG Acquisition offset by; and
- * Depreciation of Property, plant and equipment of S\$0.3 million.

The decrease in Right-of-use assets by S\$0.7 million due mainly to the amortisation of Right-of-use assets.

Liabilities

Trade and other payables increased by S\$2.6 million mainly due to the first time recognition from the consolidation of the GU Acquisition of S\$0.4 million and NG Acquisition of S\$1.5 million and increase in trade payables of S\$0.6 million and other non-supplier payables of the Group by S\$0.2 million mainly due to higher payable turnaround time.

Current borrowings increased by S\$23.9 million mainly due to the first time recognition from the consolidation of the GU Acquisition of S\$24.6 million and NB Acquisition of S\$0.5 million and offset by a decrease of S\$1.2 million in project financing borrowings of the Group mainly due to repayment of bank borrowings.

Non-current borrowings increased by S\$34.1 million mainly due to the first time recognition from the consolidation of the GU Acquisition of S\$0.5 million and NG Acquisition of S\$2.6 million, increase in borrowings of the Group of S\$32.6 million to fund the GU and NB Acquisitions and offset by loan repayment of the Group's Project Sales, Project Management and Maintenance Services segment of S\$1.6 million.

Cash flow

The Group recorded cash and cash equivalents of S\$1.8 million at the end of FY2022. This was a decrease of S\$0.4 million from S\$2.2 million as at the end of FY2021.

The Group's net cash generated from operating activities in FY2022 was S\$10.8 million mainly due to a negative operating cash flow before working capital changes of S\$1.6 million and changes in inventories of S\$8.3 million, off- set by changes in trade and other receivables of S\$19.5 million and changes in trade and other payables of S\$1.2 million.

The Group's net cash used in investing activities in FY2022 was S\$0.8 million. The net cash provided by investing activities in FY2022 was due to proceeds from sale of financial assets of S\$0.3 million and S\$0.2 million net cash acquired from the acquisition of subsidiaries which was offset by:

- * Purchase of property, plant and equipment of S\$0.5 million; and
- * Purchase of financial assets of S\$1 million.

The Group's net cash used in financing activities in FY2022 amounted to S\$9.5 million. The net cash provided by financing activities in FY2022 was due to proceeds from issuance of ordinary shares of S\$1.1 million, bank deposits discharged of S\$0.2 million and proceeds from bank borrowings of S\$0.6 million which was offset by:

- * Repayment of borrowings of S\$7.8 million;
- * Repayment of finance lease liabilities of S\$0.8 million; and
- * Payment of interest of S\$2.7 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The financial results are in line with the forecast statement disclosed in the Company's announcements dated 14 March 2022, 25 August 2022 and 3 October 2022 for five contracts secured for the amount of S\$26.0 million, S\$3.0 million, S\$8.7 million, S\$14.6 million and S\$16.8 million respectively. The commencement of the August and October awarded projects were delayed until November 2022 as a result of the delay in finalising the financing arrangement for these projects with the financial institution and the customers. As the contracts are currently in-progress and still on track to be completed by 31 December 2024 as previously announced, the Company does not expect a material variance on the expected results on the completion of the contracts.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The outstanding order book (contracts signed) for Project Sales, Project Management and Maintenance Segment as at 31 December 2022 is S\$74.9 million. The majority of the Group's outstanding order book is in Singapore, the Group's key market for Project Management Segment.

Although we see improvement in revenue after completion of the GU Acquisition and NG Acquisition in the financial year ended 31 December 2022 as compared to the previous corresponding period, the Group still incurred a loss due to a slow down in the Project Sales and Project Management segment. The new projects awarded in August 2022 could only commence in the month of November 2022, leading to a delay in 3 months

implementation. Barring any unforeseen circumstances, we are expecting the Group's profitability to improve as a result of the commencement of new projects and the cost cutting measures in place. While we hope that there will not be any newer "covid waves", many uncertainties remain in the countries we operate in although majority of the countries have opened their borders.

5. Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Ordinary Shares	Warrants Outstanding/(Exercised)
Balance as at 31 December 2021	1,464,458,714	133,600,000
Exercise of warrants	102,050,000	(102,050,000)
Share consolidation	(1,044,423,669)	(21,033,334)
Balance as at 30 June 2022	522,085,045	10,516,666
Exercise of warrants	10,516,666	(10,516,666)
Balance as at 31 December 2022	532,601,711	-

The Company's share capital excluding treasury shares was S\$31,032,703.84 as at 31 December 2022 and comprised 532,601,711 shares. The Company's share capital excluding treasury shares was S\$29,937,183.86 as at 31 December 2021 and comprised 1,464,458,714 shares.

Convertibles

There are Nil (after share consolidation) outstanding warrants at 31 December 2022 (31 December 2021: 133,600,000 outstanding warrants which can be converted into 133,600,000 ordinary shares of the Company).

Save as disclosed, the Company did not have any other outstanding convertibles as at 31 December 2022 and 31 December 2021.

Treasury Shares

There were 83,666 treasury shares representing 0.02% of the Company's 532,601,711 ordinary shares (excluding treasury shares) as at 31 December 2022. There were 251,000 treasury shares (before share consolidation) representing 0.02% of the Company's 1,464,458,714 ordinary shares (excluding treasury shares) as at 31 December 2021.

Subsidiary Holdings

There were no subsidiary holdings as at 31 December 2022 and 31 December 2021.

6. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31 Dec 2022	31 Dec 2021
As at end of the financial period	532,601,711	1,464,458,714 ⁽¹⁾

⁽¹⁾The Company had, on 9 May 2022, completed a share consolidation of every three (3) existing shares held by shareholders into one (1) consolidated share, which was approved by shareholders at the extraordinary general meeting held on 11 April 2022.

7. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

8. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and at the end of the current financial period reported on.

9. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

10. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable

11. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (this is not required for any audit issue that is a material uncertainty relating to going concern):—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

12. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Please refer to "E. Notes to the condensed interim consolidated financial statements: 2. Basis of Preparation".

13. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to "E. Notes to the condensed interim consolidated financial statements: 2.1. Accounting policies and adoption of new and revised standards".

14. Dividend Information

(a) Current Financial Period Reported on

No dividend was declared or recommended for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared or recommended for the corresponding period of the immediately preceding financial year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date Payable

Not applicable.

(e) Books Closure Date

Not applicable.

15. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Due to losses incurred, no dividend has been declared for the current financial period ended 31 December 2022.

16. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions. Save for the below, there were no IPT transactions amounting to S\$100,000 and above during the financial year ended 31 December 2022.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Mission Well Limited	Mission Well Limited is the shareholder in the Company. Accrued Interest paid for amount under promissory note relating to GU Acquisition	S\$125,774.43 ⁽²⁾	Nil
Christian Kwok-Leun Yau Heilesen ⁽²⁾	Christian Kwok-Leun Yau Heilesen is the Executive Director of the Company and is deemed interested in Mission Well Limited which is 100% owned by him. Accrued Interest paid for amount under promissory note relating to GU Acquisition	S\$77,601.54	Nil
Christian Kwok-Leun Yau Heilesen ⁽²⁾	One of the Group’s subsidiary, GU had leased an office for CKLY Trading Limited from a company which is wholly-owned by	S\$56,232.00	Nil

<p>Christian Kwok-Leun Yau Heilesen who is the Executive Director of the Company and controlling shareholder of the Company.</p> <p>The total rental expenses paid in FY2022 after taking into consideration that it is a 55% owned subsidiary was HK\$316,800 (equivalent to S\$56,232).</p>		
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- (1) The GU and NG Acquisitions were proposed on 12 October 2021 followed by a circular issued on 10 February 2022. Shareholders' approval for the acquisition of both companies were obtained during the extraordinary general meeting held on 4 March 2022. Subsequent to the shareholders' approval, the GU Acquisition and NG Acquisition were completed on 25 April 2022 and 30 May 2022 respectively.
- (2) As Mission Well Limited is 100% owned by Christian Kwok-Leun Yau Heilesen, the aggregate of interested person transactions inclusive of rental for FY2022 with Christian Kwok-Leun Yau Heilesen is S\$259,607.97.

As at date of this announcement, the holders of the promissory notes are: -

Incredible Holdings Ltd.	S\$599,040.00
Mission Well Limited	S\$5,137,593.00
Christian Kwok-Leun Yau Heilesen	S\$2,547,751.00
Zheng Zeli	S\$14,575,291.00
Tam Ki Ying	S\$736,682.00
Total	S\$23,596,357.00

17. Use of Proceeds – Issuance of Placement Shares

As at 31 December 2022, approximately S\$1.1 million of proceeds were raised from the issuance of shares from the exercise of warrants completed on 28 January 2022 and 12 July 2022.

Exercise of Warrants Date	Intended use of Net Proceeds	Amount Allocated S\$	Amount Utilised S\$	Balance S\$
28 January 2022	To fund acquisitions	836,810.00	836,810.00	-
12 July 2022	To fund acquisitions	258,709.98	258,709.98	-
Total		1,095,519.98	1,095,519.98	

During FY2022, the Group has fully utilised the above proceeds. The above utilisation of the placement proceeds is in accordance with the intended use as stated in the Company's announcements dated 25 May 2021 and 20 October 2021.

18. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Catalyst Rule 720(1).

19. Disclosures on Acquisition and Realisation of Shares pursuant to Rule 706A

Golden Ultra Limited

The Company had on 21 April 2022 completed the acquisition of 55% of the issued share capital of Golden Ultra Limited from Christian Kwok-Leun Yau Heilesen ("**Vendor**") (as announced on 25 April 2022).

The consideration of the acquisition is HK\$82.5 million (or equivalent to approximately S\$14.4 million), payable by the Company to the seller by way of promissory notes which shall bear interest rate of 8% per annum or such other payment method as the Company and Vendor may agree in writing.

Following the completion of the acquisition, Golden Ultra Limited has become a 55% owned subsidiary of the Company.

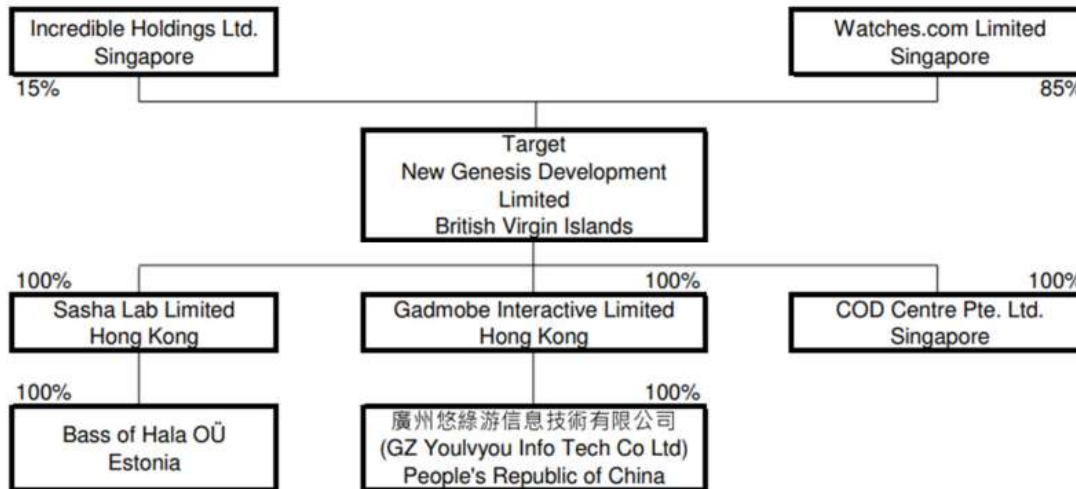
New Genesis Development Limited

The Company had on 25 May 2022 completed the acquisition of 85% of the issued share capital of New Genesis Development Limited (the "**Target**") through Cyber Sail Global Limited, from Mr Tam Ki Ying (the "**Seller**") after all the condition precedent as set out in the share purchase agreement dated 12 October 2021 have been fulfilled. Following the completion, the Target has become a subsidiary of the Company (as announced on 30 May 2022).

The Target was incorporated in the British Virgin Islands on 8 November 2021 with an issued share capital of US\$100 comprising 100 shares. The Seller held 100 shares in the Target, representing 100% of the issued share capital in the Target. The Seller bears all cost in relation to the Restructuring Exercise, further details of which are set out in the Circular (as announced on 10 February 2022).

Pursuant to the announcement dated 12 October 2021 and the share purchase agreement dated 12 October 2021, the Seller shall transfer the entire issue share capital in Bass of Hala OÜ to the Target. However as articulated in the Circular, due to certain regulations in Estonia that does not allow the Seller to transfer one share of Bass of Hala OÜ (representing 100% of the issue share capital of Bass of Hala OÜ) to the Target, the Seller transferred one share of Bass of Hala OÜ to Sasha Lab Limited. Subsequent to the completion, the Target

and its subsidiaries are held by the Company in the manner as tabled below:-



Following the completion of the acquisition, New Genesis Development Limited has become a 85% owned subsidiary of the Company.

Fiber Reach Pte. Ltd.

The Company has increased its shareholding in Fiber Reach Pte. Ltd. (“**Fiber Reach**”) via the issuance and allotment of 50,000,000 ordinary shares for a cash consideration of S\$500,000 (“**Consideration**”). The Consideration is funded through internal resources. Fiber Reach is in the business of providing building construction.

Following the above, the number of ordinary shares in the capital of Fiber Reach increased from 1,225,000 to 51,225,000 ordinary shares and the Company’s shareholding in Fiber Reach increased from 60% to 99.04%. The rationale of the increase of Fiber Reach’s share capital is for purposes of Group restructuring.

Save as disclosed above, there were no incorporation of new entities, acquisitions and realisation of shares during FY2022.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

20. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.

Pursuant to Catalist Rule 704(10), Watches.com Ltd confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company as at the date of this announcement.

21. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

Please refer to "E. Notes to the condensed interim consolidated financial statements: 4. Segment and revenue information".

22. In the review of performance, the factors leading to any material changes in distribution to turnover and earnings by operating segments

Please refer to "F. Other Information required by Appendix 7C of the Catalyst Rules: Review of performance of the Group".

23. Breakdown of sales in the first half and second half of the financial year

Group	\$'000	\$'000	%
	FY2022	FY2021	Increase
(a) Sales reported for first half year	26,204	11,517	127.52%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	-1,849	-273	577.30%
(c) Sales reported for second half year	51,684	14,178	264.54%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	-4,090	-2,629	55.60%

24. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

No dividends were declared and paid in FY2021 and FY2022.

On behalf of the Board of Directors

Christian Kwok-Leun Yau Heilesen
Executive Director
1 March 2023



Watches.com Ltd
Incorporated in the Republic of Singapore
Company Registration Number - 199904281D

BY ORDER OF THE BOARD

Christian Kwok-Leun Yau Heilesen
Executive Director
1 March 2023

This announcement 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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