

ACQUISITION OF ASSETS IN SINGAPORE

1. INTRODUCTION

The Hour Glass Limited (the “Company”, and together with its subsidiaries, collectively the “Group”) wishes to announce that the Company has exercised the Options to Purchase (the “OTPs”) granted to it by (a) See Hoy Chan Realty Pte Ltd for the acquisition of 302 Orchard Road, #09-01 to #09-04 Tong Building, Singapore and (b) See Hoy Chan Land Pte Ltd for the acquisition of 302 Orchard Road, #10-01 to #10-04 Tong Building, Singapore (the said properties hereinafter referred to collectively as the “Property”).

2. THE PROPERTY

Each level of the Property has a strata area of 638 sqm (6,867 sqft approximately) within a freehold premium-grade office property named Tong Building at 302 Orchard Road. The Property is in close proximity to the Company’s corporate offices located within the building.

3. RATIONALE

The acquisition of the Property is part of the Group's strategy to invest in high quality assets which will complement the Group's commercial properties in the region, and have potential for its own use.

4. PURCHASE CONSIDERATION

The consideration for the purchase of the Property is \$68.5 million (the “Purchase Consideration”) in aggregate. The Purchase Consideration was arrived at on a “willing buyer-willing seller” basis, based on the Company's assessment of the Property's value having regard to its prime location and rarity.

The Purchase Consideration will be funded mainly by internal resources. A deposit amounting to \$3.425 million (before GST) was paid by the Company upon signing of the OTPs. The balance of the Purchase Consideration is payable upon completion of the purchase of the Property, which is expected to be in December 2024.

5. FINANCIAL EFFECTS

The pro forma financial effects below have been prepared based on the audited consolidated financial statements of the Group and the Company for the financial year ended 31 March 2024 (“FY2024”), assuming the completion of the acquisition of the Property at the Purchase Consideration (net of estimated expenses), and are purely for illustration purposes only and do not reflect the actual financial position of the Group and the Company after completion.

- 5.1 **Net Tangible Assets (“NTA”) per share.** For illustrative purposes only and assuming that the acquisition of the Property was completed on 31 March 2024, the pro forma financial effects on the consolidated NTA of the Group for FY2024 are as follows:

	Before acquisition of Property	After acquisition of Property
NTA (S\$'000)	841,670	841,670
NTA per share (S\$)	1.30	1.30

- 5.2 **Earnings per share (“EPS”).** For illustrative purposes only and assuming that the acquisition of the Property was completed on 1 April 2023, the pro forma financial effects on the consolidated EPS of the Group for FY2024 are as follows:

	Before acquisition of Property	After acquisition of Property
Earnings (S\$'000)	156,485	157,003
EPS (cents)	23.87	23.95

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

For illustrative purposes only, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST are as follows:

Rule 1006	Bases	Relative figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	0.3% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	6.7% ⁽³⁾
(d)	The number of equity shares issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾

Notes:

- (1) Not applicable as this is an acquisition.
- (2) Computed based on the Group's audited net profits for the year ended 31 March 2024.
- (3) Computed based on the Company's market capitalisation of approximately S\$1,026 million on 25 September 2024.
- (4) Not applicable as no equity securities are proposed to be issued by the Company as consideration for the acquisition.

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the transaction (other than through their shareholding interests, if any, in the Company).

By Order of the Board

Christine Chan
Company Secretary
26 September 2024