

THE HOUR GLASS LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197901972D)

TRANSFER OF INTEREST IN ASSOCIATED COMPANIES, THG S&S COMPANY LIMITED AND ITS SUBSIDIARY

The Hour Glass Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company has transferred (the “**Transfer**”) its entire 50% equity interest in THG S&S Company Limited (“**THG S&S**”) to Siam Dynasty Limited, a wholly-owned subsidiary of THG Prima Times Co., Ltd (“**THG Prima Times**”), the Company’s associated company in Thailand, for a consideration of US\$50,000 (approximately S\$68,000) (the “**Consideration**”).

THG S&S and its wholly-owned subsidiary, S & S – Indochine Company Limited (“**SSID**”), collectively the “**THG S&S Group**”, are incorporated in the Socialist Republic of Vietnam. Their principal activities are distribution and retailing of watches and related products.

The Consideration, satisfied fully in cash, was arrived at on a willing-buyer and willing-seller basis, after taking into account various factors including THG S&S’s charter capital of US\$100,000, rationalisation of the Company’s holding structure for the THG S&S Group via THG Prima Times in which the Group has a 50% equity interest, the risks associated with the venture in Vietnam and the growth potential of the restructured group. The unaudited adjusted consolidated net asset value of THG S&S Group as at 30 November 2019 was US\$614,000 (approximately S\$835,000).

Consequent upon the Transfer, THG S&S and SSID have ceased to be associated companies (as defined in the SGX-ST Listing Manual)¹ of the Company. However, as the Company, through THG Prima Times, has a 25% effective interest in the THG S&S Group following the Transfer, THG S&S and SSID continue to be accounted for by the Company as associates in accordance with Singapore Financial Reporting Standards (International).

The Transfer is not expected to have a material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 March 2020.

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

By Order of the Board

Christine Chan
Company Secretary
20 December 2019

¹ An associated company is defined in the SGX-ST Listing Manual as “a company in which at least 20% but not more than 50% of its shares are held by the listed company or group”.