



THE HOUR GLASS
THE HOUR GLASS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 197901972D)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of the Company will be convened and held by way of electronic means on Friday, 28 August 2020 at 10.00 a.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement, Auditor's Report and Audited Financial Statements for the financial year ended 31 March 2020.
2. To approve the payment of a First and Final Dividend of 2.00 cents per ordinary share (one-tier) for the financial year ended 31 March 2020.
3. To re-elect the following Directors who retire under Article 94 of the Constitution of the Company:
 - (a) Mr Michael Tay Wee Jin
 - (b) Mr Liew Choon Wei

(Mr Liew Choon Wei, the Chairman of the Company's Audit Committee, is an independent Director.)
4. To approve the payment of Directors' fees for Non-Executive Directors of up to \$335,000 for the financial year ending 31 March 2021. (2020: \$279,000)
5. To re-appoint Ernst & Young LLP as Auditor and to authorise the Directors to fix its remuneration.

AS SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

- (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares, excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares, excluding treasury shares and subsidiary holdings, shall be based on the total number of issued shares, excluding treasury shares and subsidiary holdings, at the time that this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards that were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares,
- and, in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of the SGX-ST;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchases (each a “**Market Purchase**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
 - (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; and
 - (ii) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

“**Prescribed Limit**” means that number of issued Shares representing 10% of the issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST));

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days on which Shares were transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs during the relevant 5 Market Day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

“**date of the making of the offer**” means the day on which the Company makes an offer for the purchase or acquisition of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.”

BY ORDER OF THE BOARD

Christine Chan
Company Secretary

4 August 2020
Singapore

Notes:

1. The Annual General Meeting is being convened, and will be 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. This Notice will be sent to members by electronic means via publication on the Company's website at the URL <https://www.thehourglass.com/investor-relations/agm2020/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. In addition, printed copies will be despatched by post to members.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the Company's announcement dated 4 August 2020. This announcement may be accessed at the Company's website at the URL <https://www.thehourglass.com/investor-relations/agm2020/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The Proxy Form may be accessed at the Company's website at the URL <https://www.thehourglass.com/investor-relations/agm2020/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. In addition, printed copies will be despatched by post to members.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 18 August 2020 to submit their votes.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The Proxy Form appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at hourglass-agm@boardroomlimited.com,

in either case not less than 72 hours before the time appointed for the Annual General Meeting.

Members are encouraged to use the printed copy of the Proxy Form (which was sent by post to all members), by completing and signing the Proxy Form before scanning and sending it by email to the email address provided above. Alternatively, if the member wishes to submit the Proxy Form which is accessed electronically from the Company's website or the SGX website, he/she/it must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **Due to the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

6. The Annual Report 2020 and the Letter to Shareholders dated 4 August 2020 (in relation to the proposed renewal of the share purchase mandate) will be published on the Company's website and may be accessed as set out below. In addition, printed copies will be despatched by post to shareholders:
 - (a) the Annual Report 2020 may be accessed at the URL <https://www.thehourglass.com/investor-relations/agm2020/>; and
 - (b) the Letter to Shareholders dated 4 August 2020 may be accessed at the URL <https://www.thehourglass.com/investor-relations/agm2020/>.

These documents may also be viewed on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

7. Any reference to a time of day is made by reference to Singapore time.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Annual General Meeting 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 Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including 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.

Additional information on items of ordinary and special business

- Item 3 Key information on the Directors to be re-elected can be found in the “Board of Directors” and “Corporate Governance” sections of the Annual Report 2020.

Another Director, Mr Pascal Guy Chung Wei Demierre, retires by rotation at the 41st Annual General Meeting pursuant to Article 94 of the Constitution of the Company, and is not seeking re-election. Mr Demierre is an independent Director and a member of the Audit Committee.

- Item 4 This item is to approve payment of the Directors’ fees for Non-Executive Directors on a current year basis (“FY2021”). The aggregate fees are calculated based on a fee formulation similar to that applied in the prior financial year (please refer to the “Corporate Governance” section of the Annual Report 2020 for more information), taking into account the number of scheduled Board and committee meetings for FY2021, and assuming that (with the exception of Mr Pascal Guy Chung Wei Demierre who will be retiring at the close of the 41st Annual General Meeting) all the other Non-Executive Directors will hold office for the full period. The amount also includes a buffer to cater for contingencies such as, but are not limited to, *ad hoc* meetings, additional Board committees, etc. In the event the Directors’ fees proposed for FY2021 are insufficient (for example, due to more meetings or enlarged Board size), approval will be sought at next year’s Annual General Meeting for additional fees to meet the shortfall.

- Item 6 This Ordinary Resolution is to empower the Directors, effective until the conclusion of the next Annual General Meeting, to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, for such purposes as they consider would be in the interests of the Company, up to a number not exceeding in aggregate 100% of the issued shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the total number of issued shares, excluding treasury shares and subsidiary holdings, will be calculated based on the total number of issued shares, excluding treasury shares and subsidiary holdings, at the time that this Resolution is passed, after adjusting for the conversion or exercise of any convertible securities and share options or vesting of share awards that have been issued or granted (provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual) and which are outstanding or subsisting at the time that this Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of shares. As at 7 July 2020, the Company held 1,030,000 treasury shares and there were no subsidiary holdings.

On 8 April 2020, SGX RegCo issued a news release which introduced measures to support issuers amid the challenging business and economic climate due to COVID-19, including enabling the acceleration of fund-raising efforts by allowing Mainboard issuers to provisionally seek a general mandate for an issue of shares and convertible securities on a *pro rata* basis of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus 50% previously (“**Enhanced Share Issue Limit**”).

The Company is proposing to avail itself of these measures and to seek shareholders’ approval for a general mandate with an Enhanced Share Issue Limit at the upcoming Annual General Meeting. The Board is of the view that it would be in the interest of the Company and its shareholders to avail itself of the Enhanced Share Issue Limit in the event that circumstances evolve before the AGM in 2021 amid the COVID-19 situation to such an extent that a 50% limit for *pro rata* issues is no longer sufficient to meet the Company’s needs. If this were to occur and no Enhanced Share Issue Limit were to be in place, fund raising efforts would otherwise be unnecessarily hampered and compromised by the time needed to obtain shareholders’ approval to issue shares above the 50% threshold.

The Enhanced Share Issue Limit may be renewed at next year’s Annual General Meeting and is only valid until 31 December 2021, by which date any shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares may be issued under that limit.

The Company will notify SGX RegCo, by email to enhancedsharelimit@sgx.com, of the date on which the general mandate with the Enhanced Share Issue Limit has been approved by shareholders.

- Item 7 This Ordinary Resolution is to renew, effective until the date of the next Annual General Meeting, the Share Purchase Mandate for the Company to make purchases or acquisitions of its issued ordinary shares. The Company intends to use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance purchases or acquisitions of its shares. For illustrative purposes only, the financial effects of an assumed purchase or acquisition by the Company, of 10% of its issued ordinary shares as at 7 July 2020, at a purchase price equivalent to the Maximum Price per share, in the case of a Market Purchase and an Off-Market Purchase respectively, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2020, and certain other assumptions, are set out in the Company's letter to shareholders dated 4 August 2020 accompanying this Notice of Annual General Meeting.