

THE HOUR GLASS

(Incorporated in the Republic of Singapore)
(Company Registration No: 197901972D)

MEDIA RELEASE

The Hour Glass in friendly buyout of home-grown Watches of Switzerland

Deal enables The Hour Glass to extend retail reach into prestige watch segment

Singapore, 28 October 2014 - The Hour Glass Limited, one of Asia's leading specialty watch retailers, completed its purchase of Watches of Switzerland, a fifty year old watch retail chain owned by the Jay Gee Melwani Group.

This deal was driven by the opportunity for The Hour Glass to tap into Singapore's suburban retail landscape and extend its reach into the prestige watch segment.

The purchase was concluded on a willing buyer willing seller basis. With this, Watches of Switzerland will become a 100% subsidiary of The Hour Glass Group. The Group will use internal resources to fund the purchase.

The listed company will continue to maintain and operate the Watches of Switzerland retail brand through its current five stores in VivoCity, The Paragon, Centrepoint, Tampines Mall and City Square Mall.

Mr Michael Tay, Executive Director of The Hour Glass says, "The custodial transfer of Watches of Switzerland to The Hour Glass Group will bring about more developmental opportunities, strengthening the group's position in the watch retail sector. Given the synergies across various merchandising and operating platforms, we see tremendous potential in enhancing our overall business. More importantly, we are excited to be welcoming Watches of Switzerland's excellent team of sales professionals into The Hour Glass family."

"Watches of Switzerland has a five decade history operating in Singapore and we are delighted to have found a like-minded peer in The Hour Glass. The Hour Glass not only understands and respects the core elements of our business, but also has the resources and capacity to grow the business with success. We believe this transaction will provide new opportunities for our employees, customers and business partners" says Mr R Dhinakaran, Group Managing Director of Jay Gee Melwani Group.

A strategic beachhead into the prestige watch segment

The Hour Glass Group is a leading specialty luxury watch retailer with 32 boutiques principally located within core prime luxury shopping precincts. With this new acquisition, The Hour Glass will be able to tap into the rising affluence of suburban Singapore, raising its network of boutiques in Singapore to 20; and a total of 37 boutiques throughout the Asia-Pacific region.

The acquisition will also enable the Group to extend its reach into the prestige watch market, offering a complementary fit to its current specialty and luxury watch portfolio.

The transaction is not expected to have a material impact on the net tangible assets or earnings per share of The Hour Glass Limited for the current financial year ending 31 March 2015.

ISSUED BY

THE HOUR GLASS LIMITED

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About The Hour Glass

Established in 1979, The Hour Glass is one of Asia's premier luxury retail groups with 32 boutiques in nine key cities throughout the Asia Pacific region. The Hour Glass prides itself as the world's leading cultural retail enterprise; pioneering the promotion and appreciation of contemporary luxury and horological culture. Having been recognised by international publications such as Monocle, Wallpaper and Vanity Fair as one of the most influential specialty retailers in the world, The Hour Glass has been accorded the "Best Watch Retail" honours by Singapore Tatler in 2014.

The Hour Glass has achieved international acclaim in the industry for its approach towards redefining specialty watch retail which includes the creation of thematic salons and placing an emphasis on developing consumer oriented cultural engagement platforms to promote the values of authentic luxury. L'Atelier, a boutique dedicated to expressing the patrimony of traditional watchmaking; and Malmaison, a first multi-category luxury emporium in its stable to retail the finest and carefully curated collections in horology, sartorial tailoring, fragrances and leather goods – were bestowed the "Best Retail Concept of the Year" award by Singapore Retailers Association in 2010 and 2011 respectively. Malmaison lauded for its unique and differentiated shopping experience, bagged the highly coveted "Best Shopping Experience" award by Singapore Tourism Board in 2012. L'Atelier and Malmaison were also awarded "Most Innovative Retail Concept of the Year" by the Federation of Asia-Pacific Retail Associations (FAPRA) in 2010 and 2013 respectively.

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