



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 42nd Annual General Meeting of the Company will be convened and held by way of electronic means on Wednesday, 28 July 2021 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 2021.
2. To approve the payment of a Final Dividend of 4.00 cents per ordinary share (one-tier) for the financial year ended 31 March 2021.
3. (a) To re-elect Mr Lock Wai Han, a Director who retires under Article 100 of the Constitution of the Company.

(Mr Lock Wai Han, a member of the Company's Audit Committee, is an independent Director.)
- (b) To re-elect the following Directors who retire by rotation under Article 94 of the Constitution of the Company:
 - (i) Mr Kuah Boon Wee
 - (ii) Mr Jeffry Lee Yu Chern
(Mr Kuah Boon Wee, a member 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 \$346,000 for the financial year ending 31 March 2022. (2021: \$315,993)
5. To re-appoint Ernst & Young LLP as Auditor and to authorise the Directors to fix its remuneration.

AS SPECIAL BUSINESS:

6. Approval of Share Issue Mandate

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. Renewal of Share Purchase Mandate

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.”

8. “Tier-1” Approval for Mr Kuah Boon Wee

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

“That for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 3(b)(i) (relating to Mr Kuah Boon Wee’s re-election as a Director) by shareholders of the Company, and the passing of Resolution 9 (relating to his “Tier-2” approval) by shareholders of the Company (excluding the Directors and the chief executive officer of the Company and their respective associates (as defined in the Listing Manual of the SGX-ST)):

- (a) the continued appointment of Mr Kuah Boon Wee as an independent Director be and is hereby approved; and
- (b) such approval shall continue in force until (i) the retirement or resignation of Mr Kuah Boon Wee as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier.”

9. “Tier-2” Approval for Mr Kuah Boon Wee

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

“That for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited (which will take effect from 1 January 2022), and subject to and contingent upon the passing of Resolution 3(b)(i) (relating to Mr Kuah Boon Wee’s re-election as a Director), and the passing of Resolution 8 (relating to his “Tier-1” approval) by shareholders of the Company:

- (a) the continued appointment of Mr Kuah Boon Wee as an independent Director be and is hereby approved; and
- (b) such approval shall continue in force until (i) the retirement or resignation of Mr Kuah Boon Wee as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of this Resolution, whichever is earlier.”

BY ORDER OF THE BOARD

Christine Chan
Company Secretary

6 July 2021
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/agm2021/>. 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 accompanying announcement dated 6 July 2021. This announcement may be accessed at the Company's website at the URL <https://www.thehourglass.com/investor-relations/agm2021/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **As a precautionary measure 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/agm2021/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the pre-registration website for the Annual General Meeting at the URL <https://thehourglass.com/agm2021>. 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 15 July 2021 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, the SGX website or the pre-registration website for the Annual General Meeting, 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 2021 and the Letter to Shareholders dated 6 July 2021 (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 2021 may be accessed at the URL <https://www.thehourglass.com/investor-relations/agm2021/>; and
 - (b) the Letter to Shareholders dated 6 July 2021 may be accessed at the URL <https://www.thehourglass.com/investor-relations/agm2021/>.

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 2021.
- Item 4 This item is to approve payment of the Directors’ fees for Non-Executive Directors on a current year basis (“**FY2022**”). The aggregate fees are calculated based on a fee formulation substantially similar to that applied in the prior financial year (please refer to the “Corporate Governance” section of the Annual Report 2021 for more information), taking into account the number of scheduled Board and committee meetings for FY2022, and assuming that all the 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 FY2022 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 of the SGX-ST) 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 June 2021, 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**”). On 16 March 2021, SGX RegCo announced that the availability of the Enhanced Share Issue Limit will be extended for Mainboard issuers (from 31 December 2021 previously) to the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law or the Listing Manual of the SGX-ST to be held, whichever is the earliest.

Shareholders had approved a general share issue mandate (“**Share Issue Mandate**”) with an Enhanced Share Issue Limit at last year’s Annual General Meeting held on 28 August 2020. As such approval will expire at the conclusion of the upcoming Annual General Meeting to be held on 28 July 2021, shareholders’ approval is being sought at the Annual General Meeting for refreshment of the Share Issue Mandate with an Enhanced Share Issue Limit. The Board is of the view that it would be in the interests of the Company and its shareholders to do so in the event that circumstances evolve before next year’s Annual General Meeting 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. As at 7 June 2021, the Company has not issued any shares or convertible instruments pursuant to the Share Issue Mandate approved by shareholders at last year’s Annual General Meeting.

The Enhanced Share Issue Limit under the Share Issue Mandate approved at the upcoming Annual General Meeting will expire at the conclusion of the next Annual General Meeting or on the date by which the next Annual General Meeting is required by law or the Listing Manual of the SGX-ST to be held, whichever is the earliest. Any extension of time which may be obtained for the holding of the next Annual General Meeting will be disregarded in determining the expiry date of the Enhanced Share Issue Limit. If the Company subsequently changes its financial year end, the expiry date of the Enhanced Share Issue Limit will be the date by which the next Annual General Meeting would have been required by law or the Listing Manual of the SGX-ST to be held, whichever is the earlier, assuming no change to the financial year end. By the expiry date of the Enhanced Share Issue Limit, the shares and/or convertible securities issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares and/or convertible securities shall be issued under this limit.

The Company will notify SGX RegCo, by email to enhancedsharelimit@sgx.com, of the date on which the Share Issue 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 June 2021, 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 2021, and certain other assumptions, are set out in the Company's letter to shareholders dated 6 July 2021 accompanying this Notice of Annual General Meeting.

Items 8 and 9 Resolutions 8 and 9 are both Ordinary Resolutions, and are to approve the continued appointment of Mr Kuah Boon Wee as an independent Director for the purposes of Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST, which will take effect from 1 January 2022. This Rule provides that a Director will not be independent if he has been a Director for an aggregate period of more than nine years and his continued appointment as an independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the chief executive officer of the Company (being in the case of the latter, the Company's Group Managing Director), and their respective associates.

Mr Kuah, who is seeking re-election as a Director at the Annual General Meeting (Item 3(b)(i) under the heading "As Ordinary Business" refers), is an independent Director who has served beyond an aggregate of nine years, having joined the Board on 1 April 2011. The Company is accordingly seeking, subject to the passing of the Ordinary Resolution relating to his re-election as a Director ("**Resolution 3(b)(i)**"), the requisite approvals from shareholders for his continued appointment as an independent Director from 1 January 2022 via the two-tier voting process under Rule 210(5)(d)(iii)(A) ("**Resolution 8**") and Rule 210(5)(d)(iii)(B) ("**Resolution 9**"). If obtained, the requisite approvals will remain in force until (i) the retirement or resignation of Mr Kuah as a Director; or (ii) the conclusion of the third Annual General Meeting of the Company following the passing of Resolutions 8 and 9, whichever is the earlier. Otherwise, Mr Kuah will be regarded as non-independent from 1 January 2022. Even if Resolutions 8 and 9 are not passed, based on the current composition of the Board (4 independent Directors and 3 non-independent Directors), independent Directors will continue to comprise at least one-third of the Board for the purposes of Rule 210(5)(c) of the Listing Manual of the SGX-ST, which will take effect from 1 January 2022.

In seeking the requisite approvals under Rule 210(5)(d)(iii) for Mr Kuah to continue as an independent Director, the Company seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. The Board believes that the Company will benefit from such continuity as Mr Kuah has over the course of his tenure as a Board member gained significant insights in the Group's business and operations, which in turn enables him to provide meaningful and valuable contribution to the Board as a whole. Mr Kuah continues to be forthcoming in expressing his individual viewpoint, active in providing constructive inputs and debating issues and objective in his scrutiny and challenges to management, and the Company continues to benefit from his experience and knowledge. The Nomination and Remuneration Committee and the Board (in both cases, with Mr Kuah recusing himself) have determined that Mr Kuah continues to demonstrate independence in conduct, character and judgement in the manner in which he discharges his responsibilities, his length of service on the Board neither interferes with his exercise of independent judgement nor hinders his ability to act in the best interests of the Company, and there are no relationships or circumstances which affect or would be likely to affect his judgement and ability to discharge his responsibilities as an independent member of the Board and to contribute to the Board in such capacity. On this basis, the Board is confident that he is able to continue to discharge his duties independently with integrity and competency.

Under Rule 210(5)(d)(iii)(A), all shareholders may vote on Resolution 8. In compliance with Rule 210(5)(d)(iii)(B), the Group Managing Director and the other Directors of the Company, and their respective associates (as defined in the Listing Manual of the SGX-ST), will abstain from voting on Resolution 9. The Company will disregard any votes cast by the Group Managing Director and the other Directors of the Company, and their respective associates, in respect of their holdings of shares (if any) on Resolution 9. The Chairman of the Meeting will accept appointment as proxy for any other shareholder to vote in respect of Resolution 9, where such shareholder has given specific instructions in a validly completed and submitted proxy form as to voting, or abstention from voting, in respect of Resolution 9.

If Resolution 8 is not passed, Resolution 9 will be withdrawn. If Resolution 3(b)(i) is not passed, both Resolutions 8 and 9 will be withdrawn.