

PROPOSED ACQUISITION OF SPV IN AUSTRALIA

1. INTRODUCTION

The Hour Glass Limited (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, The Hour Glass (Australia) Pty Ltd (“**THGA**”), has entered into a share purchase agreement (the “**SPA**”) with the shareholders of A.C.N. 685 541 851 Pty Ltd (“**SPV**”, and the shareholders of SPV, the “**vendors**”) to acquire from the vendors, 100% of the issued and paid-up share capital of SPV (the “**Acquisition**”).

2. INFORMATION ON SPV

SPV is a company newly incorporated in Australia. Its principal activity at the time of completion of the Acquisition will be retailing of watches and related products.

3. RATIONALE

The Acquisition is in line with the Group’s strategy to continue expanding its presence in Australia and strengthen the Group’s retail footprint. The Acquisition is expected to provide both an enlarged client base and operating synergies to THGA’s business.

4. PURCHASE CONSIDERATION

The consideration for the Acquisition is A\$90.0 million (approximately S\$75.6 million) (the “**Purchase Consideration**”). Under the SPA, the vendors will undertake a restructuring pursuant to which certain dealership rights, leases in prime locations and inventories will be transferred to SPV (the “**Business**”). The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account the earnings potential and assets of the Business.

The Purchase Consideration will be funded by internal resources and bank borrowings. The Purchase Consideration is payable in full upon completion of the Acquisition pursuant to the SPA, which is expected to be in the first half of the financial year ending 31 March 2026.

Completion under the SPA is conditional on, among others, (a) the restructuring to constitute the Business as referred to above; (b) satisfactory due diligence results regarding the Business; and (c) complete release by any lenders of the vendors group of security over the Business or any part thereof. Upon completion of the Acquisition, SPV will become a wholly-owned subsidiary of THGA.

5. FINANCIAL EFFECTS

The pro forma financial effects below have been prepared based on the consolidated audited financial results of the Group (“**accounts**”) for the financial year ended 31 March 2024 (“FY2024”), assuming the completion of the Acquisition 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 after completion.

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

	Before the Acquisition	After the Acquisition
NTA (S\$'000)	841,670	768,590 *
NTA per share (S\$)	1.30	1.18 *

* The consolidated Net Assets (“NA”) (including intangible assets) and NA per share after the Acquisition would be S\$848.4 million and S\$1.31 respectively.

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

	Before the Acquisition	After the Acquisition
Earnings (S\$'000)	156,485	165,240
EPS (cents)	23.87	25.21

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	8.1% ⁽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	7.5% ⁽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 unaudited net profits for the half year ended 30 September 2024, released on 12 November 2024.
- (3) Computed based on the Company’s market capitalisation of approximately S\$1,008 million on 4 April 2025.
- (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
7 April 2025