

THE HOUR GLASS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 197901972D)

PROPOSED ACQUISITION OF PROPERTIES IN AUCKLAND, NEW ZEALAND

1. INTRODUCTION

The Hour Glass Limited (the “Company”, and together with its subsidiaries, collectively the “Group”) wishes to announce that The Hour Glass (NZ) Limited (“THGNZ”), a wholly-owned subsidiary of the Company, has entered into the following sale and purchase agreements (each, an “SPA” and collectively, the “SPAs”):

- (i) an SPA with Immeuble Blacketts Limited (as vendor), for the acquisition of a freehold property located at 90-92 Queen Street, Auckland, New Zealand; and
- (ii) an SPA with Securities House Trustee Limited (as vendor) for the acquisition of a freehold property located at 112-116 Queen Street, Auckland, New Zealand,

each, a “Property” and collectively, the “Properties”.

2. THE PROPERTIES

The details of the Properties are as follows:

S/No.	Address	Description	Site Area	Gross Lettable Area
1	90-92 Queen Street	Five-storey retail and commercial office building	205 sqm	901 sqm (approximately 9,700 sft)
2	112-116 Queen Street	Five-storey retail and commercial office building	187 sqm	835 sqm (approximately 9,000 sft)

The Properties are located in Auckland’s prime luxury retail precinct and benefit from a high volume of passing pedestrian traffic. Both Properties are presently tenanted.

3. PURCHASE CONSIDERATION

The aggregate consideration for the purchase of the Properties is NZ\$60.0 million (approximately S\$54.0 million) (the “Purchase Consideration”). The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis, based on THGNZ’s assessment of the Properties’ values having regard to their prime locations.

The Purchase Consideration will be funded by internal resources and bank borrowings. A deposit of NZ\$\$6.0 million in aggregate has been paid and the balance of the Purchase Consideration is payable in full on completion of the sale and purchase of the Properties pursuant to the respective SPAs, which is expected to be effected by February 2020.

4. RATIONALE

The Properties will provide the Group with the opportunity to develop and strengthen the Group’s footprint in New Zealand over time.

5. FINANCIAL EFFECTS

The pro forma financial effects below have been prepared based on the audited consolidated financial results of the Group for the financial year ended 31 March 2019 (“FY2019”), assuming the completion of the acquisition of the Properties 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 of the Properties was completed on 31 March 2019, the pro forma financial effects on the consolidated NTA of the Group for FY2019 are as follows:

	Before acquisition of Properties	After acquisition of Properties
NTA (S\$'000)	554,986	554,986
NTA per share (S\$)	0.79	0.79

- 5.2 **Earnings per share (“EPS”).** For illustrative purposes and assuming that the acquisition of the Properties was completed on 1 April 2018, the pro forma effects on the consolidated EPS of the Group for FY2019 are as follows:

	Before acquisition of Properties	After acquisition of Properties
Earnings (S\$'000)	70,431	71,200
EPS (cents)	9.99	10.10

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006

The relative figures computed on the applicable bases under Rule 1006(b) and (c) respectively of the Listing Manual of the SGX-ST (the “Listing Manual”) amount to below 5% in respect of each Property, and hence the proposed acquisition of each Property would be classified as a non-discloseable transaction for the purposes of Chapter 10 of the Listing Manual.

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 transactions (other than through their shareholding interests, if any, in the Company).

By Order of the Board

Christine Chan
Company Secretary
22 January 2020