

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

PROPOSED ACQUISITION OF A PROPERTY IN BRISBANE, AUSTRALIA

1. INTRODUCTION

The Hour Glass Limited (the “Company”, and together with its subsidiaries, collectively the “Group”) wishes to announce that The Hour Glass (Australia) Pty Ltd (“THGA”), a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (the “SPA”) with Dexus Wholesale Management Limited (as vendor) for the acquisition of the freehold property located at 151-155, 159, 161 and 171 Edward Street and 211 and 211A Elizabeth Street, Brisbane, in Australia (the “Property”).

2. THE PROPERTY

The Property is a two-storey retail and office building occupying a site area of approximately 1,521 sqm, located at the junction of Edward Street and Elizabeth Street, within the main luxury retail precinct in the heart of Brisbane’s central business district. The Property has a total net lettable area of 2,030 sqm (approximately 21,851 sft).

3. RATIONALE

The acquisition of the Property is in line with the Group’s strategy of owning properties at prime locations in selected cities.

4. PURCHASE CONSIDERATION

The consideration for the purchase of the Property is A\$82.2 million (approximately S\$81.4 million) (the “Purchase Consideration”). The Purchase Consideration was arrived at on a “willing buyer-willing seller” basis, based on THGA’s assessment of the Property’s value having regard to its prime location.

The Purchase Consideration will be funded by internal resources and bank borrowings. A deposit of A\$4.1 million was paid by THGA at the exchange of the SPA. The balance of the Purchase Consideration is payable in full upon completion of the sale and purchase of the Property pursuant to the SPA, which is expected to be effected in end of June 2022.

5. FINANCIAL EFFECTS

The pro forma financial effects below have been prepared based on the consolidated unaudited financial results of the Group (“accounts”) for the financial year ended 31 March 2022 (“FY2022”), assuming the completion of the acquisition of the Property 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 Property was completed on 31 March 2022, the pro forma financial effects on the consolidated NTA of the Group for FY2022 are as follows:

	Before acquisition of Property	After acquisition of Property
NTA (S\$'000)	740,926	740,926
NTA per share (S\$)	1.09	1.09

- 5.2 **Earnings per share (“EPS”).** For illustrative purposes and assuming that the acquisition of the Property was completed on 1 April 2021, the pro forma effects on the consolidated EPS of the Group for FY2022 are as follows:

	Before acquisition of Property	After acquisition of Property
Earnings (S\$'000)	154,696	156,463
EPS (cents)	22.34	22.60

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	1.2% ⁽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	5.1% ⁽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 full year ended 31 March 2022.
- (3) Computed based on the Company's market capitalisation of approximately S\$1,597 million on 31 May 2022.
- (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
1 June 2022