

The Hour Glass Limited

Tax Governance Policy

Compliance with Tax Laws & Regulations

We recognise our duties as a responsible corporate citizen and is committed to complying with the applicable tax laws and regulations in the jurisdictions where we operate and meeting reporting and tax payment requirements. Taxes will be managed with the objective that all tax liabilities properly due under the law are correctly recorded, accounted for and paid on a timely basis.

We update our policies and procedures when necessary to reflect changes in relevant tax laws and regulations, business activities and landscapes.

We seek to maximise shareholder's value by minimising tax liability. We, however, do not engage in artificial tax arrangements or tax structures to create a contrived tax result and has no tolerance for tax evasion and tax fraud. We will only engage in responsible tax planning aligned with genuine commercial and economic activities.

Governance Structure for Managing Tax Risks

We have a risk governance structure in place which provides details on the roles and responsibilities for the Board of Directors ("Board") and management in risk monitoring, escalation, mitigation, and reporting:

- The Board has overall responsibility for governance of risks including tax risk, and oversees management in the design, implementation and monitoring of the risk management and internal control systems; and
- The Chief Financial Officer ("CFO"), supported by the Finance Department, is responsible for the oversight of day-to-day management of tax compliance and planning. The CFO also updates the Board, where appropriate, of key tax issues that may give rise to substantial tax exposure or affect the Company's reputation.

We maintain a sound system of risk management and internal controls as well as people with the necessary skills and knowledge to identify, assess and manage tax risks and ensure accurate reporting.

External advisors will be sought where appropriate to assist with the compliance process and/or to seek advice on complex issues.

We have formalised a tax governance policy which documents our tax strategy, governance structure for managing tax risks and approach to tax risk management. The policy is reviewed periodically or when necessary (e.g., whenever there are significant changes to the Company's business strategies or tax risk environment). The CFO is responsible for conducting the review and recommending appropriate changes to the Board for review. Changes to the Policy will be approved by the Board.

Relationship with Tax Authorities

We value cooperation and seek to build an open and professional relationship with tax authorities that are based on mutual trust and respect.

We work with external tax advisors to perform regular reviews and self-assessment programs of our tax filing positions and is committed to making accurate and timely disclosure to the relevant tax authorities.

We comply with the relevant tax laws, but should any material inaccuracies arise, these will be voluntarily resolved with taxation authorities in an open and professional manner.

Where appropriate, we will seek clarification or rulings from the relevant tax authorities on material transactions or interpretation of tax law relevant to us.