

**THE HOUR GLASS LIMITED**  
(Co. Reg. No. 197901972D)

**MINUTES OF THE 44TH ANNUAL GENERAL MEETING OF THE HOUR GLASS LIMITED HELD  
AT HILTON SINGAPORE ORCHARD, IMPERIAL BALLROOM, LEVEL 35, 333 ORCHARD ROAD,  
SINGAPORE 238867 ON TUESDAY, 25 JULY 2023 AT 10.00 A.M.**

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**Present**

Shareholders ) As per Attendance Lists  
Invitees )

**In Attendance**

**Board of Directors**

Dr Henry Tay Yun Chwan	Executive Chairman
Mr Michael Tay Wee Jin	Group Managing Director
Mr Lock Wai Han	Lead Independent Director
Dr Kenny Chan Swee Kheng	Non-Executive Director
Mr Kuah Boon Wee	Non-Executive Director
Mr Jeffrey Lee Yu Chern	Independent Director and Chairman of the Nomination and Remuneration Committee
Ms Christine Bullitt Pillsbury	Independent Director

**Management**

Mr Ho Mang Chan Chief Financial Officer

**Company Secretary**

Ms Christine Chan Meng Yook

**Independent Auditor**

Mr Terry Wee Hiang Bing Partner-in-charge, Ernst & Young LLP

**Scrutineer**

Mr Subramaniam s/o Thirumeni Representing CNP Business Advisory Pte. Ltd.

**1. Opening Address**

- 1.1 Dr Henry Tay, the Executive Chairman, took the chair and welcomed attendees to the Company's 44th Annual General Meeting ("**AGM**" or "**Meeting**").
- 1.2 The Chairman conveyed the apologies of Mr Liew Choon Wei, Independent Director and Chairman of the Audit Committee, who was unable to be in attendance as he was on medical leave following recent hospitalisation. The Chairman added that Mr Lock Wai Han, Lead Independent Director and a member of the Audit Committee, will answer any questions from shareholders that may be directed to the Audit Committee at this Meeting.

**2. Quorum**

- 2.1 As a quorum was present, the Chairman declared the Meeting open.

### **3. Notice of Annual General Meeting**

3.1 The Notice of AGM dated 3 July 2023 was taken as read.

### **4. Voting Procedures**

4.1 The Chairman informed attendees that all 10 items on the agenda are ordinary resolutions. In accordance with Article 64(A) of the Company's Constitution and Rule 730A of the SGX Listing Manual, all resolutions to be put to the vote at this Meeting will be decided by way of poll. Polling will be conducted electronically using a wireless handheld device, and the Company had appointed CNP Business Advisory Pte. Ltd. to act as scrutineer for this Meeting ("**Scrutineer**").

4.2 A video clip by the electronic poll service provider, Boardroom Corporate & Advisory Services Pte Ltd, was shown. Mr Subramaniam s/o Thirumeni, the representative of the Scrutineer, took attendees through the poll voting procedures. A test resolution was conducted to familiarise shareholders with the electronic polling process.

### **5. Questions and Answers**

5.1 The Chairman stated that shareholders had been invited to submit, in advance of the AGM, their questions related to the business of the AGM. He thanked shareholders for their questions. The Chairman invited Mr Michael Tay, the Group Managing Director, to address all substantial and relevant questions received.

5.2 Mr Michael Tay thanked shareholders for their personal attendance after having had to participate online for the past few Annual General Meetings due to the pandemic. He shared by way of background to this Q&A session that shareholders had been encouraged to submit their questions in advance of the AGM pursuant to new SGX listing rules and that he had classified the questions received from shareholders into five distinct categories, namely (i) sales and profitability, (ii) business strategies and plans, (iii) pre-owned market, (iv) capital allocation strategies, and (v) others.

5.3 For more efficient handling of questions at this session, Mr Tay requested shareholders present to field any questions that they may have which are new or additional to those already submitted to the Company, after which he would address all the questions. He requested questioners to provide their name and status as shareholder or proxy before putting forward their questions.

5.4 Shareholder #1 referred to Rolex advertisements which appeared in the English and Chinese daily newspapers over several weeks and noted these were placed by The Hour Glass and other authorised Rolex retailers which were its competitors. Shareholder #1 asked about the reason for the series of advertisements and its financial impact on the Company as he felt that few people continued to advertise in such medium.

Shareholder #2 requested the Company to consider providing quarterly updates, in addition to the current half yearly reporting, so that shareholders may better monitor the Company's performance.

Shareholder #3 thanked the Chairman for his insightful statement in the Annual Report and asked, in relation to Rolex having announced earlier this year that it was ramping up production, whether the Company expected this to have an impact on its sales and profits.

Shareholder #4 referred to the business outlook commentary on page 14 of the Annual Report concerning the demand downtrend and supply catch-up in the watch industry and the expectation that the Company might not be able to maintain profit levels going forward if the situation normalised, and the Company's shareholder return programme via share buyback mentioned on page 13 of the Annual Report. Shareholder #4 asked the Company to share its rationale.

Shareholder #5 requested for (i) an explanation on how and why the three years of very high growth and flight to luxury happened, as Shareholder #5 found it difficult to understand its connection to the watch industry, and (ii) a status update on the probability of surplus inventory happening due to excess capacity and the fact of the weakened secondary market which had been mentioned in the Chairman's statement.

Shareholder #6 inquired about the Company's business strategy in Malaysia, noting that apart from its outlets in the shopping belt in Bukit Bintang, Kuala Lumpur, there appeared to be a concentration of outlets in Mid Valley, a non-tourist area of Kuala Lumpur, where the Group had at least five outlets. Shareholder #6 also requested for insights into the Company's business strategy in Vietnam.

Shareholder #7 asked (i) for more colour on the remarks in the Chairman's statement that the Group will continue to "*invest with the next decade in mind and operate in a manner that, whilst may not maximise short-term financial gains, will exact future advantages*", and (ii) in relation to the Group's profit margins, which had reached net margins of 15.5% for FY2023 versus around 9% pre-pandemic, how much of it was due to market demand versus operational efficiencies, and whether such margins could be maintained moving forward.

Shareholder #8 congratulated Mr Tay on his 25 years in The Hour Glass and highlighted his achievements including growing The Hour Glass network of boutiques, service quality, digitisation transformation and entry into the New Zealand market. Shareholder #8 commended Mr Tay and his team for doing a great job.

#### Sales and profitability

- 5.5 Mr Michael Tay began the discussion by responding to Shareholder #5's question on what had happened regarding the luxury market. Mr Tay explained that the catalyst was the COVID-19 pandemic. With the amount of time that people had to spend at home because of movement controls, to treat themselves and enjoy life's little luxuries, especially when they could not travel, they indulged in personal luxury goods. He cited, by way of example, Louis Vuitton, a pre-eminent brand in the luxury world, which, in 2019 had reported revenue for the brand of about €12 billion, growing to €22 billion in 2022. Mr Tay remarked that it had added €10 billion worth of net sales in a span of three years, which he thought was incredible.

Whilst he noted that the watch industry to some degree has always been associated with the luxury industry and seen as a subset of it, Mr Tay shared that he did not favour the association and expressed his belief that the watch industry is an entirely separate sector, and watches are instead in the category of collectibles, and that is how The Hour Glass approaches it. To his mind, a luxury good is ephemeral: it is consumed, depreciated and devalued, whereas a collectible retains its value. In his view, horology (the art of watch making) is perennial and creates objects that last and defy traditional product life cycles of an FMCG (fast moving consumer good) or even a luxury good. For instance, a life cycle of a watch can last for a

hundred to two hundred years.

Mr Tay explained that the growth experienced, not just at The Hour Glass but the entire watch industry, had also been somewhat fuelled by the pandemic era response. He stated that the motivators that drove people to acquire watches in abundance during the period had been highlighted and documented in previous Chairman's statements, and shareholders who are keen to know more may read the Chairman's statements over the years, going back to FY2020. In essence, there were two particularly strong drivers: (1) Because people had time to spend at home during the pandemic, they could do more research. In this respect, collecting watches was no different from collecting any other collectible, be it art, stamps, etc. It required some scholarship, and the more knowledge one gained, the more confidence one had to spend one's discretionary income on it. (2) The shift in demographics also contributed to the growth. Pre-pandemic, the biggest age demographic that The Hour Glass had as clients were those between age 40 to 60, whereas post-pandemic the average age has dropped by 30%. Presently, the Group's fastest-growing age demographic are people in their 20's to 40's. This development may be attributed largely to the rise of social media which has resulted in intensification of status competition. People can post on social media platforms and be seen with what they own or have of the latest, biggest or best models of luxury objects, and this behaviour has become very much a part of the popular norms of contemporary culture today.

- 5.6 Regarding the question submitted by a shareholder in advance of the AGM requesting for a breakdown of sales and profit contribution by country, Mr Tay stated that the Company does not provide such information even to financial analysts, as the Company regards it as competitive market information that had strategic value. Instead of country breakdowns, the Company provides a split of two clear geographic zones, namely (i) South East Asia and Oceania, and (ii) North East Asia. As can be seen in note 32 on pages 113 and 114 of the Annual Report, the Group's business in South East Asia and Oceania has grown from \$921 million in FY2022 to just over \$1 billion in FY2023 and the business in North East Asia has grown from \$112 million in FY2022 to \$120.5 million FY2023.
- 5.7 Regarding questions submitted by shareholders in advance of the AGM as well as at this Meeting concerning margins, improvements in margins, the differential between countries and so on, Mr Tay stated that when he first joined The Hour Glass over 25 years ago, the Group's overall gross margin was 12.6%. Since then, the Group has been able to build it up to where it stands today at about 32%. The growth, especially in the last few years, could be attributed to several factors: (1) Market growth and audience growth. The watch industry today is very different from what it was 20 years ago, or even 5 years ago. Nowadays, the watch industry is embedded in popular culture, and there is more financial news coverage about the state and nature of the watch industry. Social media and a younger demographic have resulted in more interest overall, with the growth in recent years being fuelled by the younger demographic. (2) Premiumisation of the watch industry. Where the watch industry stands now versus five years ago and 25 years ago is very different. As the watch industry inserts itself deeper in the popular consciousness, this industry is expected to grow in terms of demand. The portfolio of brands managed by The Hour Glass has also matured, with many of the brands which the Group had consciously focused on maturing to a very high degree of desirability. (3) Pricing integrity. Up to a decade ago, the watch retail industry was not a fixed-price industry and customers could negotiate for discounts. Through conscious efforts of the industry, and the market driving it due to supply not being able to keep up with global demand, the discounts that were offered in the past very rarely exist today and the conversation with clients was no longer about prices but the availability of highly desirable models. The Hour Glass was also fortunate to have partnered

with brands that are focused on long term outcomes, where pricing integrity is absolutely critical in ensuring the brand's long term desirability and value. The latter will be touched on in greater detail in the discussion on the pre-owned market.

5.8 Mr Tay referred to the questions submitted by shareholders in advance of the AGM concerning percentage of sales from watches on waitlists, how this mix has changed in the past five years and how margins compared against non-waitlist products. For more information on margins, Mr Tay referred shareholders to the summary Financial Highlights in the Annual Report where they will see that over the last five years, overall gross margins grew by a net 6.6% on sales. Mr Tay stated that the demand equation did have an impact on the Group's margins as it was able to very consciously micromanage pricing to fit demand. It had started with scrutinising every individual SKU (stock-keeping unit) and the stock turns that came out of it, tweaking it little by little over time, and narrowing the gaps in areas that were not functioning so effectively. Along the way, and over the last four years, the Company has seen the demand equation triple or quadruple for some of its most popular brands. The process had helped to provide the confidence for the Company to enact policies that enabled it to maximise the full potential of the Group's margins.

5.9 Regarding the questions submitted by shareholders in advance of the AGM as well as at this Meeting concerning the short-term outlook, inventory situation and Rolex ramping up its production, and whether the Company is prepared to provide interim updates, Mr Tay stated that the Company has always complied with SGX continuing listing requirements, including specific requirements on half yearly financial results reporting, which the Company historically provides and will continue to do so. He was of the view that the Company gave enough colour in its half yearly reports to enable shareholders and investors to analyse the Group's business.

However, since there were questions concerning the short-term and near-term outlook, Mr Tay stated that contextually the outlook for FY2023 has dimmed as compared with FY2022. Not as many people were as enthusiastic, and this was reflected in the pre-owned market prices. With rising interest rates after the better part of a decade of low and declining rates, the consequences of consumer psychology naturally defer to logical outcomes, viz., less discretionary spending. Higher interest rates dampen consumer sentiment for discretionary purchases such as watches or luxury goods. Added to this was normalisation: the reopening of borders for international travel has seen a share of the consumer wallet going back to peoples' holiday travels as compared to that during the pandemic years in 2021 and 2022. In this regard, Mr Tay reminded shareholders of a remark made in the Chairman's statement about five years ago that the Company felt that the greatest threat to its business was the preference of the younger demographic to buy experiences rather than material objects.

Mr Tay added that the foregoing did not detract from the firm belief of the Board and Management that the watch industry still has a lot of legs to grow, and this was why manufacturers still continued to invest in increasing their capacity. More importantly, The Hour Glass is a business that is interested in the long term sustainability of its business model and its long term survivability, and, in this regard, Mr Tay referred to the Company's media release accompanying its FY2023 financial results where it was stated that balance and moderation was coming back into the market place. Mr Tay remarked that this was a good thing as it provided an opportunity for the Company to review its operations, improve its processes and lay stronger foundations for the next leg of growth.

- 5.10 Regarding the questions submitted by shareholders in advance of the AGM as well as at this Meeting concerning setting of retail prices and wholesale prices, Mr Tay referred shareholders to past Chairman's statements where the topic had been discussed. For the benefit of new shareholders, Mr Tay explained briefly that retail prices are set by the brand partners, and the recommended retail price set by the brand partner is the maximum price at which The Hour Glass can sell its watches at, regardless that the secondary market price may be double or triple that. As for pricing policies of the brands, different brands and groups operate differently. As there are many regions or countries around the world, pricing policies differ according to each brand's or group's desire but most brands would try to achieve a price neutrality strategy or parity across the different regions or countries before the respective taxes of each country. Fluctuations come about primarily because of foreign exchange volatility. As such, one could see prices being more expensive in one country as compared to another. For example, this year alone there had been a couple of price increases seen in the Japan market due to the Yen weakness against the Swiss Franc.
- 5.11 Regarding the questions submitted by shareholders in advance of the AGM concerning the impact of secondary market prices on sales and margins of the Company, Mr Tay referred to his response earlier that the maximum price at which that the Company can sell a watch is at the recommended retail price set by the brand. He explained that the secondary market price has an impact on the demand equation in that while he reckoned more than 95% of the Company's clients buy a watch because they really want to own and enjoy the watch, there may be a small number who do so more for commercial considerations, that is, for the financial returns of what the object has to offer. Mr Tay added that the growth in the Group's margins recorded over the last five years was somewhat contributed by secondary market prices rising hence positively impacting the demand for watches. That said, with the overall calming of the secondary market, Mr Tay commented that many of the speculators have been swept away and the flippers (customers who buy and sell quickly in order to make a profit) had been burnt quite badly. As a result, the Company's boutiques see more happy and genuine buyers of watches. Likewise, watch retailers are happier as they worry less about resellers buying the watches.

#### Business strategies and plans

- 5.12 Regarding the questions submitted by shareholders in advance of the AGM as well as at this Meeting concerning the impact of tourism on the Group's sales, Mr Tay referred shareholders to an interview that he gave on Channel News Asia in 2019 in conjunction with celebrating The Hour Glass' 40th Anniversary, where he had spoken about the importance of local clients versus tourists. Mr Tay stated that The Hour Glass' *modus operandi* is, and traditionally has been, focused on local clients, that is, residents, as opposed to non-residents. The Company had learnt through experience, such as the Asian Financial Crisis, SARS, and in 2004 and 2008 when the Chinese tourist numbers dropped dramatically, to not rely so much on tourists driving its core business. As an instance which best demonstrated this approach, Mr Tay gave the example of the COVID-19 outbreak in FY2021 when the Company's revenue dropped by only 1% versus that of its peers which declined by 20% to 50%. Mr Tay attributed this in part to the Company's focus on residents, and reiterated that it remains the core emphasis in terms of clientele base.
- 5.13 Regarding the questions submitted by shareholders in advance of the AGM as well as at this Meeting concerning business development, geographic areas, the Company's thoughts in terms of further expansion, the Group's outlets in Malaysia, the strategy in Vietnam, and so on,

Mr Tay stated that by the end of the current financial year, there would be 57 to 58 boutiques within the Group. As mentioned before at past Annual General Meetings, the Company will continue to focus and invest further in the Australia and New Zealand markets, including acquiring commercial real estate/retail properties which is a strategy that has worked out well. The Company believes that Australia and New Zealand are markets that continue to be primed for growth. Vietnam is another market that the Company had identified several years ago as a market with long term potential.

As for the question on the concentration of boutiques in Mid Valley, Kuala Lumpur, Mr Tay shared that Mid Valley is the #1 shopping mall destination for domestic tourism in Malaysia. It is in Mid Valley that the Group draws the most local clients in Malaysia.

As for the questions on the next leg of growth and priorities over the next five years, Mr Tay stated that the Company's focus since 2016/2017 has been directed at improving the qualitative attributes that The Hour Glass can offer to its clients and brand partners. This meant, in the age of digitisation, what needs to be done to improve service, trust, client perception and partner perception. To that end, the Company has invested significantly behind building its own client relationship management platform, shoring up its technological infrastructure and digital defences, and training and developing a learning and development team across the Group and its affiliates. All this lends itself to improving the overall quality of the business. Mr Tay shared that Management and the general managers do not have set revenue targets in place; rather their performance is focused on the quality that they bring to the organisation and its clients and brand partners.

#### Pre-owned market

- 5.14 Regarding the questions submitted by shareholders in advance of the AGM as well as at this Meeting concerning the pre-owned market, what the Rolex Certified Pre-Owned (Rolex CPO) programme is about and whether it would weaken the Company's multi-brand business retailing model, and why Asia is the last region for the Rolex CPO, and so on, Mr Tay stated that the pre-owned business model is one that Management continues to study closely and had been doing so since 2016. It included making several trips abroad to visit different companies and retailers to see their operations and set up, in order to understand what it would require for the Company to succeed in this category. He shared the assumptions derived from all these studies, which were: (1) there is no first mover advantage, and (2) the businesses of the more popular and well known pre-owned retailers are not necessarily fully fleshed out, mature or profitable. Whilst he acknowledged that it was an interesting business where one could develop revenue, he cautioned that net margins were tough to come by. Mr Tay shared that the net margin achieved by one of the industry's biggest pre-owned and pre-loved luxury goods retailer was around 4% as compared to the Group's 15.5%. Mr Tay commented that he had yet to see an existing business model that could achieve more than 10% in this category.

Mr Tay noted that the pre-owned business is one that had very few moats as anybody with capital could enter the business. He stated that his first consideration, if the Company were to represent the Rolex CPO model, would be how would the Company manage and execute such business with the same level of precision and excellence as that demanded for selling new Rolex watches. He stated that the Company has yet to arrive at a conclusion. Mr Tay reiterated that the Company would only do it at the right time when it had the confidence and wherewithal to do it well. He also noted that, being an authorised Rolex retailer, it may be important for the Company to do so eventually as Rolex is also thinking hard about its ecosystem and the client

experience of a Rolex owner, that is, the importance of knowing that they are buying from a trusted and reliable source and that the watches they acquire have been authenticated, which was an objective that the Company supported.

Capital allocation strategies

5.15 Regarding the questions submitted by shareholders in advance of the AGM as well as at this Meeting concerning stock split, driving shareholder returns and so on, Mr Tay asked shareholders present, and in this regard, he disclosed that he and his family were also shareholders, to consider whether their long term goals and those of the Company were aligned. Mr Tay stated that, first and foremost, his long term goal was to ensure the survivability of The Hour Glass as a group. As already highlighted in previous Chairman’s statements, he reminded shareholders of the context in which the Company existed, that is, to add value to clients and key brand partners in a meaningful way, and ensure its long term survivability. These objectives were what drove and motivated the general management team across the Group and its affiliates. He hoped that shareholders shared this prime business objective.

As for questions on the dividend payouts, Mr Tay stated that the Company did not have a stated dividend policy. If shareholders tracked or looked back at past dividends, they would see a dividend payout which ranged between 25% and 35% of distributable profits.

As for the question on stock split, Mr Tay stated there was no present intention. He added that the fact that the Company did a stock split a decade ago did not imply that it would repeat such an exercise ten years hence.

**6. Ordinary Business - item 1 of the Agenda**  
**Adoption of Directors’ Statement, Auditor’s Report and Audited Financial Statements**

6.1 The Chairman proposed:

“That the Directors’ Statement, Auditor’s Report and Audited Financial Statements for the financial year ended 31 March 2023, now submitted to this Meeting, be and are hereby received, approved and adopted.”

6.2 The Chairman invited questions on the financial statements that had not already been addressed. There being no further questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 1 (Adoption of Directors’ Statement, Auditor’s Report and Audited Financial Statements)	No. of Votes	Percentage
For	530,552,982	100.00
Against	0	0.00

6.3 Based on the result of the poll, the Chairman declared the resolution carried.

**7. Ordinary business - item 2 of the Agenda**  
**Declaration of Final Dividend**

7.1 The Chairman stated that the Board of Directors had recommended a one-tier final dividend of

6.00 cents per ordinary share to be paid in cash on 17 August 2023 to shareholders whose names appear on the Register of Members on 3 August 2023 at 5.00 p.m.. The final dividend, upon approval at this AGM, together with the one-tier interim dividend of 2.00 cents per ordinary share paid in November 2022, will amount in aggregate to a total dividend payout of 8.00 cents for FY2023.

7.2 The Chairman proposed:

“That a one-tier Final Dividend of 6.00 cents per ordinary share be approved for the financial year ended 31 March 2023.”

7.3 Shareholder #9 asked how the Company prioritised between dividends and share buyback as both were means of returning surplus capital to shareholders, and whether surplus cash would be allocated to dividends or share buyback. Mr Tay responded that the Company’s capital allocation strategies had been detailed in the Chairman’s statement for FY2022, and was as follows: business needs, then dividends, and if the business did not have further requirement for capital, the Company would then look to allocate capital to share buybacks.

7.4 There being no further questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 2 (Declaration of Final Dividend)	No. of Votes	Percentage
For	533,636,627	100.00
Against	0	0.00

7.5 Based on the result of the poll, the Chairman declared the resolution carried.

**8. Ordinary business - item 3(a) of the Agenda**  
**Re-election of Ms Christine Bullitt Pillsbury**

8.1 The Chairman stated that Ms Christine Bullitt Pillsbury, who was appointed as an Independent Non-Executive Director on 1 December 2022, retired under Article 100 of the Constitution of the Company and, being eligible, had offered herself for re-election as a Director. The Chairman proposed.

“That Ms Christine Bullitt Pillsbury be and is hereby re-elected a Director of the Company.”

8.2 There being no questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 3(a) (Re-election of Ms Christine Bullitt Pillsbury)	No. of Votes	Percentage
For	533,527,203	99.99
Against	28,700	0.01

8.3 Based on the result of the poll, the Chairman declared the resolution carried.

**9. Ordinary business - item 3(b)(i) of the Agenda**  
**Re-election of Mr Michael Tay Wee Jin**

9.1 The Chairman stated that Mr Michael Tay Wee Jin retired by rotation under Article 94 of the Constitution of the Company and, being eligible, had offered himself for re-election as a Director. The Chairman proposed:

“That Mr Michael Tay Wee Jin be and is hereby re-elected a Director of the Company.”

9.2 There being no questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 3(b)(i) (Re-election of Mr Michael Tay Wee Jin)	No. of Votes	Percentage
For	532,956,613	99.90
Against	528,536	0.10

9.3 Based on the result of the poll, the Chairman declared the resolution carried.

**10. Ordinary business - item 3(b)(ii) of the Agenda**  
**Re-election of Mr Kuah Boon Wee**

10.1 The Chairman stated that Mr Kuah Boon Wee retired by rotation under Article 94 of the Constitution of the Company and, being eligible, had offered himself for re-election as a Director. The Chairman proposed:

“That Mr Kuah Boon Wee be and is hereby re-elected a Director of the Company.”

10.2 The motion was put to the vote and the result of the poll was as follows:

Resolution 3(b)(ii) (Re-election of Mr Kuah Boon Wee)	No. of Votes	Percentage
For	488,674,670	91.62
Against	44,720,255	8.38

10.3 Based on the result of the poll, the Chairman declared the resolution carried.

**11. Ordinary business - item 3(b)(iii) of the Agenda**  
**Re-election of Mr Jeffry Lee Yu Chern**

11.1 The Chairman stated that Mr Jeffry Lee Yu Chern retired by rotation under Article 94 of the Constitution of the Company and, being eligible, had offered himself for re-election as a Director. The Chairman proposed:

“That Mr Jeffry Lee Yu Chern be and is hereby re-elected a Director of the Company.”

- 11.2 There being no questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 3(b)(iii) (Re-election of Mr Jeffrey Lee Yu Chern)	No. of Votes	Percentage
For	512,685,282	96.13
Against	20,654,143	3.87

- 11.3 Based on the result of the poll, the Chairman declared the resolution carried.

**12. Ordinary business - item 4 of the Agenda**  
**Approval of Directors' fees for Non-Executive Directors**

- 12.1 The Chairman proposed the payment of Directors' fees to the Non-Executive Directors:

"That the payment of Directors' fees for the Non-Executive Directors of up to \$530,000 for the financial year ending 31 March 2024 be and is hereby approved."

- 12.2 There being no questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 4 (Approval of Directors' Fees for Non-Executive Directors)	No. of Votes	Percentage
For	533,293,664	99.97
Against	156,661	0.03

- 12.3 Based on the result of the poll, the Chairman declared the resolution carried.

**13. Ordinary business - item 5 of the Agenda**  
**Re-appointment of Ernst & Young LLP as Auditor**

- 13.1 The Chairman proposed the re-appointment of Ernst & Young LLP as Auditor of the Company:

"That Ernst & Young LLP be and is hereby re-appointed as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting and that their remuneration be fixed by the Directors."

- 13.2 There being no questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 5 (Re-appointment of Ernst & Young LLP as Auditor)	No. of Votes	Percentage
For	532,519,991	99.82
Against	985,740	0.18

- 13.3 Based on the result of the poll, the Chairman declared the resolution carried.

**14. Special business – item 6 of the Agenda**  
**Approval of Share Issue Mandate**

14.1 The Chairman stated that the purpose of this Agenda item was to approve the Company's general Share Issue Mandate authorising the Directors to issue new shares in the Company not exceeding, in aggregate, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) with a sub-limit of 20% for issues other than on a *pro rata* basis to shareholders.

14.2 The Chairman proposed the Ordinary Resolution set out in item 6 of the Notice of AGM:

"That pursuant to Section 161 of the Companies Act 1967 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 50% 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.”

14.3 There being no questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 6 (Approval of Share Issue Mandate)	No. of Votes	Percentage
For	510,839,535	95.79
Against	22,454,264	4.21

14.4 Based on the result of the poll, the Chairman declared the resolution carried.

**15. Special business – item 7 of the Agenda**  
**Renewal of Share Purchase Mandate**

15.1 The Chairman stated that the purpose of this Agenda item was to approve the renewal of the Company’s Share Purchase Mandate on the same terms as was approved by shareholders at last year’s Annual General Meeting.

15.2 The Chairman proposed the Ordinary Resolution set out in item 7 of the Notice of AGM:

“That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (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.”

15.3 Shareholder #6 commented that the Company had carried out quite a lot of share buybacks during the COVID-19 period and led the price increases. Shareholder #6 sought clarification on the logic behind it. Mr Tay responded that the share buybacks were opportunistic as the Company did not usually have a high daily trading volume but the counter became more liquid during that period due to, as the Company was led to believe, certain funds deciding to exit their positions. Mr Tay clarified that all the share buybacks were conducted in accordance with applicable limits and at market prices.

15.4 There being no further questions, the motion was put to the vote and the result of the poll was as follows:

Resolution 7 (Renewal of Share Purchase Mandate)	No. of Votes	Percentage
For	533,026,499	99.98
Against	121,404	0.02

15.5 Based on the result of the poll, the Chairman declared the resolution carried.

**16. Termination**

16.1 There being no further business, the Meeting concluded and was declared closed by the Chairman.

Confirmed as a correct record of the proceedings

Dr Henry Tay Yun Chwan  
Executive Chairman

Notes:

1. The Minutes are not a verbatim record of the proceedings that took place at the AGM, and include only the substantial and relevant questions or comments from shareholders/proxies which were relevant to the agenda of the AGM and the response of the Board or Management.
2. For compliance with the Personal Data Protection Act 2012, shareholders/proxies who submitted questions or provided comments are not named in the Minutes.
3. All percentages in the results of resolutions voted at the AGM were rounded to the nearest two decimal places.
4. For information only, the substantial and relevant questions relating to the business of the AGM which were submitted by shareholders to the Company in advance of the AGM are appended at Annex A.

**THE HOUR GLASS LIMITED**

(Co. Reg. No. 197901972D)

The substantial and relevant questions related to the resolutions to be tabled for approval at the 44th Annual General Meeting (“AGM”) of The Hour Glass Limited (the “Company”) submitted by shareholders to the Company in advance of the AGM are set out below for information only. Where appropriate, such questions have been paraphrased for clarity. The Company endeavoured to answer all the substantial and relevant questions received, including those raised by shareholders/proxies at the AGM, at the AGM itself. Where substantially similar questions were received, including questions raised at the AGM, the Company had consolidated such questions and consequently not all questions were individually addressed.

<b>A.</b>	<b>SALES AND PROFITABILITY, BUSINESS STRATEGIES AND PLANS, PRE-OWNED MARKET, ETC.</b>
1)	<ul style="list-style-type: none"> <li>(i) Could you help describe the direct/indirect impact of secondary market prices on sales and margins for our company?</li> <li>(ii) Could you share your thoughts on growth plans in terms of planned store count expansion and countries targeted for expansion?</li> <li>(iii) What's the breakdown in terms of sales and profit contribution by countries?</li> <li>(iv) Could you share some detail on how margins differ by countries?</li> <li>(v) Could you please elaborate on how GP margins have improved incrementally over the years? It used to be in the 20%+ range compared to now of around 30%. What do you think is a sustainable level in years to come, even with the moderation of secondary market prices?</li> <li>(vi) How much of sales % comes from watches put on waitlist? How has this mix changed in the past 5 years? How do margins compare vs non waitlist products?</li> <li>(vii) How does the price setting mechanism work? Is there a recommended retail price suggested at wholesale level but we still have the freedom to price it any price at retail or is it controlled by brand principals?</li> <li>(viii) When a brand principal increases prices at the wholesale level, how does this impact existing inventory? Can you also increase prices on those since you bought that before the price increase mandate?</li> <li>(ix) Could you elaborate on how the certified pre-owned programme by Rolex will work conceptually and in terms of revenue, costs and margins involved? Could you share your views on (1) how it will benefit our company in the long run and (2) how material it would be?</li> </ul>
2)	<ul style="list-style-type: none"> <li>(i) Has the return of tourists since the lifting of COVID-19 related border measures significantly impact the Group's sales of watches so far? How would the normalisation of tourist numbers to pre-Covid level contribute to the Group's sale of watches in the near future?</li> <li>(ii) Any particular geographical area where the Group sees good potential for further expansion in retail outlets?</li> </ul>
3)	Can you share more about the next leg of growth for The Hour Glass, and its priorities in the upcoming 5 years?
4)	In the short-term, is The Hour Glass doing anything different to prepare for the coming slowdown in the luxury watch market mentioned in the Chairman's statement?

## THE HOUR GLASS LIMITED

(Co. Reg. No. 197901972D)

5)	<p>(i) Current market conditions and business performance – Chairman concluded his FY2023 Chairman’s Statement with the statement that “the short-term outlook has dimmed”. Could the Company provide a general commentary on how business performance has been for year-to-date FY2024? Are any of the Company’s markets showing particular weakness (e.g. Hong Kong, given the weakening Chinese economy)?</p> <p>(ii) Near-term outlook – Over the next 2-3 years, would revenue growth be pressured/constrained by demand (due to a less hyped secondary market and a weaker global economy than in previous years) or supply (availability of watches to sell) or both? Does the Company think that there could be a glut of inventory in global wholesale networks in the years ahead (similar to the 2015-2017 period) with a consequent negative impact on the Company’s prices and margins?</p> <p>(iii) Rolex Certified Pre-Owned – For years, the Company has deliberated on the pre-owned business and has been careful (and rightly so) not to enter the business yet. Now that Rolex has rolled out its CPO programme, would Rolex CPO be compatible or be at odds with the Company’s multi-brand retailing model? Would Rolex CPO weaken the Company’s multi-brand retailing model? Any particular reason why Asia is the last region (after US, Europe, Middle East) for Rolex CPO programme?</p>
<b>B.</b>	<b>CAPITAL ALLOCATION STRATEGIES, DIVIDENDS AND SHARE BUY BACK, ETC.</b>
6)	I noted the \$55m of share buybacks. Can you share more about your thinking around share buybacks, and also more widely on your capital allocation strategy? I noted that capital allocation for driving shareholder return seems to be split in terms of property investments, share buybacks, and growth via acquisitions (such as the 2022 acquisition of the New Zealand business) and it would be good to hear how you currently prioritise these different options on the table.
7)	Understand that there was stock split in year 2014, is there any proposal for stock split in 2023, since the Company is actively for share purchase.
8)	How does the Company prioritise between (i) maintaining a DPS of 8cts and growing it and (ii) conducting share buybacks? If there are limited funds, which would be prioritised?