

THE HOUR GLASS

THE HOUR GLASS LIMITED

Co. Registration No: 197901972D

Unaudited Third Quarter and Nine Months Financial Statement For The Period Ended 31 December 2014

1(a)(i) An income statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group					
		Third Quarter ended			Nine Months ended		
	Note	31 Dec 14	31 Dec 13	Change	31 Dec 14	31 Dec 13	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue		186,529	179,086	4%	508,372	494,143	3%
Other income	(i)	914	931	-2%	3,465	2,407	44%
Total revenue and other income		187,443	180,017	4%	511,837	496,550	3%
Cost of goods sold		143,291	138,194	4%	396,682	384,536	3%
Salaries and employees benefits		10,169	10,046	1%	29,116	29,615	-2%
Depreciation of property, plant and equipment		2,039	1,652	23%	5,939	4,881	22%
Selling and promotion expenses		4,819	4,505	7%	12,866	13,222	-3%
Rental expenses		6,421	5,658	13%	17,821	16,386	9%
Finance costs		243	127	91%	514	364	41%
Foreign exchange loss/(gain)		100	123	-19%	(82)	642	NM
Other operating expenses		2,529	2,206	15%	6,362	6,557	-3%
Total costs and expenses		169,611	162,511	4%	469,218	456,203	3%
Share of results of associates		1,478	664	123%	3,281	1,784	84%
Profit before taxation		19,310	18,170	6%	45,900	42,131	9%
Taxation		4,171	4,011	4%	9,534	9,046	5%
Profit for the period		15,139	14,159	7%	36,366	33,085	10%
Profit attributable to:							
Owners of the Company		14,835	13,816	7%	34,950	32,085	9%
Non-controlling interests		304	343	-11%	1,416	1,000	42%
		15,139	14,159	7%	36,366	33,085	10%

Note:

(i) Other income

		Group					
		Third Quarter ended			Nine Months ended		
		31 Dec 14	31 Dec 13	Change	31 Dec 14	31 Dec 13	Change
		\$'000	\$'000	%	\$'000	\$'000	%
Rental income		343	239	44%	803	735	9%
Interest income		131	198	-34%	522	614	-15%
Net gain on disposal of property, plant and equipment		-	78	NM	-	110	NM
Management fee		150	139	8%	466	352	32%
Others		290	277	5%	1,674	596	181%
		914	931	-2%	3,465	2,407	44%

NM – Not Meaningful

1(a)(ii) Amount of any adjustment for under or overprovision of tax in respect of prior years

Group						
Third Quarter ended			Nine Months ended			
31 Dec 14	31 Dec 13	Change	31 Dec 14	31 Dec 13	Change	
\$'000	\$'000	%	\$'000	\$'000	%	
Income Tax						
- (Over)/under provision of tax in respect of prior years	(26)	49	NM	(26)	49	NM

NM – Not Meaningful

1(a)(iii) Statement of comprehensive income

Group						
Third Quarter Ended			Nine Months ended			
31 Dec 14	31 Dec 13	Change	31 Dec 14	31 Dec 13	Change	
\$'000	\$'000	%	\$'000	\$'000	%	
Profit for the period	15,139	14,159	7%	36,366	33,085	10%
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Net change in fair value of investment security	-	(2)	NM	-	1	-100%
Foreign currency translation	(865)	(2,399)	-64%	(2,426)	(8,191)	-70%
Other comprehensive loss for the period, net of tax	(865)	(2,401)	-64%	(2,426)	(8,190)	-70%
Total comprehensive income for the period	14,274	11,758	21%	33,940	24,895	36%
Total comprehensive income attributable to:						
Owners of the Company	13,610	11,350	20%	32,022	23,763	35%
Non-controlling interests	664	408	63%	1,918	1,132	69%
	14,274	11,758	21%	33,940	24,895	36%

1(b)(i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Dec 14	31 Mar 14	31 Dec 14	31 Mar 14
	\$'000	\$'000	\$'000	\$'000
Assets				
Non-current assets				
Property, plant and equipment	31,727	33,072	12,788	13,536
Investment properties	58,380	21,786	13,278	13,278
Intangible assets	4,722	318	257	318
Investment in subsidiaries	-	-	50,459	20,459
Investment in associates	12,024	8,354	-	-
Loan to subsidiaries	-	-	798	770
Loan to an associate	2,194	2,118	-	-
Investment securities	-	24	-	-
Other receivables	5,781	6,009	2,296	2,299
Deferred tax assets	953	1,024	-	-
	115,781	72,705	79,876	50,660
Current assets				
Stocks	326,220	263,280	188,735	155,695
Trade and other receivables	20,184	20,220	9,990	10,081
Prepaid operating expenses	1,050	493	377	157
Amount due from associates	70	33	-	-
Amount due from subsidiaries	-	-	5,023	5,708
Cash and cash equivalents	75,223	116,379	28,079	48,318
	422,747	400,405	232,204	219,959
Total assets	538,528	473,110	312,080	270,619
Equity and liabilities				
Current liabilities				
Loans and borrowings	55,338	39,738	48,000	38,000
Trade and other payables	57,862	47,620	29,887	23,184
Provision for taxation	7,273	8,752	3,565	5,004
	120,473	96,110	81,452	66,188
Net current assets	302,274	304,295	150,752	153,771
Non-current liabilities				
Loans and borrowings	21,526	-	-	-
Provisions	223	240	-	-
Deferred tax liabilities	29	23	23	23
	21,778	263	23	23
Total liabilities	142,251	96,373	81,475	66,211
Net assets	396,277	376,737	230,605	204,408
Equity attributable to owners of the Company				
Share capital	67,638	67,638	67,638	67,638
Reserves	316,144	298,222	162,967	136,770
	383,782	365,860	230,605	204,408
Non-controlling interests	12,495	10,877	-	-
Total equity	396,277	376,737	230,605	204,408
Total equity and liabilities	538,528	473,110	312,080	270,619

1(b)(ii) Aggregate amount of Group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 31 Dec 14		As at 31 Mar 14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	55,338	-	39,738

Amount repayable after one year

As at 31 Dec 14		As at 31 Mar 14	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
21,526	-	-	-

Details of any collateral

The unsecured term loans of subsidiaries are covered by corporate guarantees given by the Company. Loans of \$21,526,000 are secured on certain properties of a subsidiary.

1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	Third Quarter ended		Nine months ended	
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	19,310	18,170	45,900	42,131
Adjustments for:				
Finance costs	243	127	514	364
Interest income	(131)	(198)	(522)	(614)
Depreciation of property, plant and equipment	2,039	1,652	5,939	4,881
Amortisation of intangible assets	20	20	61	61
Foreign currency translation adjustment	(791)	(364)	(1,443)	(596)
Net loss/(gain) on disposal of property, plant and equipment	6	(78)	6	(110)
Gain on disposal of investment in quoted shares	-	-	(168)	-
Share of results of associates	(1,478)	(664)	(3,281)	(1,784)
Operating cash flows before changes in working capital	19,218	18,665	47,006	44,333
Increase in stocks	(20,171)	(9,165)	(53,520)	(18,788)
Increase/(decrease) in receivables	(4,689)	(160)	474	(4,756)
Increase in prepaid operating expenses	(20)	(174)	(576)	(736)
Decrease/(increase) in amount due from associates	2	(49)	(36)	337
Increase in payables	13,486	9,605	9,730	12,109
Cash flows from operations	7,826	18,722	3,078	32,499
Income taxes paid	(3,834)	(3,519)	(10,735)	(9,098)
Interest paid	(243)	(127)	(514)	(364)
Interest received	131	198	522	614
Net cash flows from/(used in) operating activities	3,880	15,274	(7,649)	23,651
Investing activities				
Acquisition of subsidiary, net of cash acquired	(12,828)	-	(12,828)	-
Additions to intangible assets	-	-	-	(399)
Proceeds from disposal of property, plant and equipment	-	360	-	392
Purchase of investment property	(37,235)	-	(37,235)	-
Proceeds on disposal of investment of quoted shares	-	-	192	-
Purchase of property, plant and equipment	(884)	(6,447)	(5,074)	(8,995)
Net cash flows used in investing activities	(50,947)	(6,087)	(54,945)	(9,002)
Financing activities				
Proceeds from loans and borrowings	44,668	3,000	46,871	18,355
Repayment of loans and borrowings	(11,202)	-	(11,202)	(14,330)
Dividends paid to non-controlling interests	(72)	(88)	(300)	(154)
Dividends paid on ordinary shares	-	-	(14,100)	(12,925)
Net cash flows from/(used in) financing activities	33,394	2,912	21,269	(9,054)
Net (decrease)/increase in cash and cash equivalents	(13,673)	12,099	(41,325)	5,595
Effects of exchange rate changes on cash and cash equivalents	297	(626)	169	(1,697)
Cash and cash equivalents at beginning of financial period	88,599	71,961	116,379	79,536
Cash and cash equivalents at end of financial period	75,223	83,434	75,223	83,434

1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

Cash and cash equivalents at the end of the period comprise the following:

	Group	
	31 Dec 14	31 Dec 13
	\$'000	\$'000
Cash and bank balances	59,816	45,161
Fixed Deposits with banks	15,407	38,273
	75,223	83,434

Cash flow on acquisition of Watches of Switzerland Pte Ltd, net of cash acquired

	Group
	\$'000
a. Effect on cash flows of the Group	
Cash paid	13,338
Less: Cash and cash equivalents in subsidiary acquired	(510)
Net Cash outflow on acquisition	12,828
b. Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	167
Stocks	10,562
Trade and other receivables	281
Cash and cash equivalents	510
Total assets	11,520
Loans and borrowings	1,500
Trade and other payables	1,054
Provision for taxation	87
Deferred tax liabilities	6
Total liabilities	2,647
Net identifiable assets	8,873
Add: Goodwill on acquisition*	4,465
Consideration transferred for the business	13,338

*Measured on provisional basis

1(d)(i) A statement (for the Company and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group								
Balance at 1 April 2013	67,638	(308)	-	3,101	260,205	330,636	9,639	340,275
Total comprehensive income								
Profit for the period	-	-	-	-	8,810	8,810	339	9,149
Other comprehensive income								
Net change in fair value of investment security	-	-	5	-	-	5	-	5
Foreign currency translation	-	(4,370)	-	-	-	(4,370)	162	(4,208)
Total other comprehensive income	-	(4,370)	5	-	-	(4,365)	162	(4,203)
Total comprehensive income	-	(4,370)	5	-	8,810	4,445	501	4,946
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(66)	(66)
Total transactions with owners	-	-	-	-	-	-	(66)	(66)
Balance at 30 Jun 2013	67,638	(4,678)	5	3,101	269,015	335,081	10,074	345,155
Balance at 1 July 2013	67,638	(4,678)	5	3,101	269,015	335,081	10,074	345,155
Total comprehensive income								
Profit for the period	-	-	-	-	9,459	9,459	318	9,777
Other comprehensive income								
Net change in fair value of investment security	-	-	(2)	-	-	(2)	-	(2)
Foreign currency translation	-	(1,489)	-	-	-	(1,489)	(95)	(1,584)
Total other comprehensive income	-	(1,489)	(2)	-	-	(1,491)	(95)	(1,586)
Total comprehensive income	-	(1,489)	(2)	-	9,459	7,968	223	8,191
Contributions by and distributions to owners								
Dividends on ordinary shares	-	-	-	-	(12,925)	(12,925)	-	(12,925)
Total transactions with owners	-	-	-	-	(12,925)	(12,925)	-	(12,925)
Balance at 30 September 2013	67,638	(6,167)	3	3,101	265,549	330,124	10,297	340,421
Balance at 1 October 2013	67,638	(6,167)	3	3,101	265,549	330,124	10,297	340,421
Total comprehensive income								
Profit for the period	-	-	-	-	13,816	13,816	343	14,159
Other comprehensive income								
Net change in fair value of investment security	-	-	(2)	-	-	(2)	-	(2)
Foreign currency translation	-	(2,464)	-	-	-	(2,464)	65	(2,399)
Total other comprehensive income	-	(2,464)	(2)	-	-	(2,466)	65	(2,401)
Total comprehensive income	-	(2,464)	(2)	-	13,816	11,350	408	11,758
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(88)	(88)
Total transactions with owners	-	-	-	-	-	-	(88)	(88)
Balance at 31 December 2013	67,638	(8,631)	1	3,101	279,365	341,474	10,617	352,091

1(d)(i) Statement of Changes in equity (Cont'd)

<u>Group</u>	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 April 2014	67,638	(7,095)	-	3,101	302,216	365,860	10,877	376,737
Total comprehensive income								
Profit for the period	-	-	-	-	8,369	8,369	683	9,052
Other comprehensive income								
Foreign currency translation	-	(26)	-	-	-	(26)	(76)	(102)
Total other comprehensive income	-	(26)	-	-	-	(26)	(76)	(102)
Total comprehensive income	-	(26)	-	-	8,369	8,343	607	8,950
Balance at 30 Jun 2014	67,638	(7,121)	-	3,101	310,585	374,203	11,484	385,687
Balance at 1 July 2014	67,638	(7,121)	-	3,101	310,585	374,203	11,484	385,687
Total comprehensive income								
Profit for the period	-	-	-	-	11,746	11,746	429	12,175
Other comprehensive income								
Foreign currency translation	-	(1,677)	-	-	-	(1,677)	218	(1,459)
Total other comprehensive income	-	(1,677)	-	-	-	(1,677)	218	(1,459)
Total comprehensive income	-	(1,677)	-	-	11,746	10,069	647	10,716
Contributions by and distributions to owners								
Dividends on ordinary shares	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(228)	(228)
Total transactions with owners	-	-	-	-	(14,100)	(14,100)	(228)	(14,328)
Balance at 30 September 2014	67,638	(8,798)	-	3,101	308,231	370,172	11,903	382,075
Balance at 1 October 2014	67,638	(8,798)	-	3,101	308,231	370,172	11,903	382,075
Total comprehensive income								
Profit for the period	-	-	-	-	14,835	14,835	304	15,139
Other comprehensive income								
Foreign currency translation	-	(1,225)	-	-	-	(1,225)	360	(865)
Total other comprehensive income	-	(1,225)	-	-	-	(1,225)	360	(865)
Total comprehensive income	-	(1,225)	-	-	14,835	13,610	664	14,274
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(72)	(72)
Total transactions with owners	-	-	-	-	-	-	(72)	(72)
Balance at 31 December 2014	67,638	(10,023)	-	3,101	323,066	383,782	12,495	396,277

1(d)(i) Statement of Changes in equity (Cont'd)

<u>Company</u>	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 April 2013	67,638	127,463	195,101
Total comprehensive income			
Profit for the period	-	1,719	1,719
Total comprehensive income	-	1,719	1,719
Balance at 30 June 2013	67,638	129,182	196,820
Balance at 1 July 2013	67,638	129,182	196,820
Total comprehensive income			
Profit for the period	-	2,542	2,542
Total comprehensive income	-	2,542	2,542
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(12,925)	(12,925)
Total transactions with owners	-	(12,925)	(12,925)
Balance at 30 September 2013	67,638	118,799	186,437
Balance at 1 October 2013	67,638	118,799	186,437
Total comprehensive income			
Profit for the period	-	5,012	5,012
Total comprehensive income	-	5,012	5,012
Balance at 31 December 2013	67,638	123,811	191,449
Balance at 1 April 2014	67,638	136,770	204,408
Total comprehensive income			
Profit for the period	-	833	833
Total comprehensive income	-	833	833
Balance at 30 June 2014	67,638	137,603	205,241
Balance at 1 July 2014	67,638	137,603	205,241
Total comprehensive income			
Profit for the period	-	17,089	17,089
Total comprehensive income	-	17,089	17,089
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(14,100)	(14,100)
Total transactions with owners	-	(14,100)	(14,100)
Balance at 30 September 2014	67,638	140,592	208,230
Balance at 1 October 2014	67,638	140,592	208,230
Total comprehensive income			
Profit for the period	-	22,375	22,375
Total comprehensive income	-	22,375	22,375
Balance at 31 December 2014	67,638	162,967	230,605

1(d)(ii) Details of any changes in the Company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the Company, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

On 28 November 2014, the number of ordinary shares in the Company increased from 235,003,960 to 705,011,880 as a result of the sub-division of each existing ordinary share in the capital of the Company into three ordinary shares. The new shares rank pari passu in all respects with existing shares of the Company prior to the sub-division.

	No. of Ordinary Shares
As at 30 September 2014	235,003,960
Sub-division of shares	<u>470,007,920</u>
As at 31 December 2014	<u>705,011,880</u>

The Company does not have any outstanding share convertibles and treasury shares at the end of the period under review.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

31 Dec 14	31 Mar 14
705,011,880	235,003,960

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the Company’s most recently audited annual financial statements have been applied

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 March 2014, except as disclosed in paragraph 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect of, the change

In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards (“FRSs”) and Interpretations of FRSs (“INT FRSs”) that are relevant to its operations and effective for annual periods beginning on 1 April 2014. The adoption of these new/revised “FRSs” and “INT FRSs” does not result in substantial changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current or prior periods.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Third Quarter Ended		Nine Months ended	
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
(a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	705,011,880	705,011,880	705,011,880	705,011,880
(b) Basic and diluted earnings per share (cents)	2.10	1.96	4.96	4.55

For the purpose of comparison, earnings per share (“EPS”) for prior corresponding periods are adjusted retrospectively pursuant to the sub-division of every one existing ordinary share into three ordinary shares on 28 November 2014.

EPS is calculated by dividing the Group’s profit attributable to owners of the Company with the weighted average number of ordinary shares during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

There is no dilutive effect for EPS as the Company does not have any outstanding share convertibles as at 31 December 2014.

7. Net asset value (for the Company and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the

(a) current financial period reported on; and

(b) immediately preceding financial year

	Group		Company	
	31 Dec 14	31 Mar 14	31 Dec 14	31 Mar 14
Number of issued shares	705,011,880	235,003,960	705,011,880	235,003,960
Net asset value per ordinary share (in \$)	0.54	1.56	0.33	0.87

As at 31 December 2014, net asset value (“NAV”) per ordinary share for the Group and the Company were 0.54 cents and 0.33 cents respectively. The lower NAV per ordinary share was mainly contributed to:

(a) the enlarged share capital resulting from the sub-division of every one existing ordinary share into three ordinary shares during the current financial period.

For the purpose of comparison, assuming the sub-division of every one existing ordinary share into three ordinary shares was effected in previous year, the net asset value per ordinary share would be as follow: -

	Group		Company	
	31 Dec 14	31 Mar 14	31 Dec 14	31 Mar 14
Number of issued shares	705,011,880	705,011,880	705,011,880	705,011,880
Net asset value per ordinary share (in \$)	0.54	0.52	0.33	0.29

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

3Q FY2015 vs 3Q FY2014

Revenue for the quarter ended 31 Dec 2014 ("3Q FY2015") was \$186.5 million compared to \$179.1 million achieved in the same period last year ("3Q FY2014").

Gross margin was marginally higher at 23.2% (3Q FY2014: 22.8%) despite a more competitive retail landscape. Profit after tax was \$15.1 million, an increase of 7% compared to 3Q FY2014.

9M FY2015 vs 9M FY2014

For the 9 month period ended 31 Dec 2014 ("9M FY2015"), revenue was \$508.4 million (9M FY2014: \$494.1 million).

Gross margin dipped marginally to 22.0% (9M FY2014: 22.2%). Rental expenses continued to increase compared to the previous nine months. Share of results of associates increased due to improved business conditions. Overall, profit after tax increased 10% to \$36.4 million (9M FY2014: \$33.1 million)

The Company acquired 100% of the issued and paid-up share capital of Watches of Switzerland Pte. Ltd. ("WOS") on 28 October 2014 for an aggregate consideration \$13.3 million, on a willing-buyer, willing-seller basis, after taking into account, among other factors, the net asset value of WOS as at 30 September 2014 of approximately \$8.8 million. The Company also increased the issued and paid-up share capital of its wholly owned subsidiary in Australia, The Hour Glass (Australia) Pty Ltd, by investing A\$15 million (approximately S\$16.7 million) during the period. These new investments contributed to the increase in the Company's investment in subsidiaries.

Pursuant to the SGX announcement on 30 October 2014, the Group has also completed its acquisition of the freehold property located at 192 Pitt Street, Sydney, Australia (the "Property") in Dec 2014. The consideration for the purchase of the Property is A\$32.8 million (approximately S\$37.2 million) and was funded by internal resources and bank borrowings. The Property is classified as an investment property in the Group's balance sheet.

As at 31 Dec 2014, the Group's inventory was higher at \$326.2 million due to the expanded retail network. Cash and cash equivalents were \$75.2 million. Consolidated net assets were \$383.8 million or \$0.54 per share, based on an enlarged share capital of 705,011,880 shares pursuant to a sub-division of each ordinary share in the issued share capital of the Company into three ordinary shares on 28 November 2014.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Group's performance for the period under review is in line with the prospect statement in the results announcement for the period ended 30 September 2014.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The recent de-pegging of the Swiss franc from the Euro and regional currency fluctuations will impact consumer sentiment and the demand for luxury watches and goods.

Barring any unforeseen circumstances, the Group expects to remain profitable for the financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend is declared or recommended in respect of the current financial period reported on.

13. If the Company has obtained a general mandate from shareholders for interested person transactions ("IPT mandate"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have an IPT mandate.

14. Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 2014 to be false or misleading in any material respect.

Signed by Dr Kenny Chan Swee Kheng and Mr Michael Tay Wee Jin on behalf of the Board of Directors.

BY ORDER OF THE BOARD

Christine Chan
Company Secretary
11 February 2015

Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors



Kenny Chan Swee Kheng
Group Managing Director



Michael Tay Wee Jin
Executive Director

Singapore
11 February 2015