

THE HOUR GLASS

THE HOUR GLASS LIMITED

Co. Registration No: 197901972D

Unaudited Full Year Financial Statement and Dividend Announcement For The Year Ended 31 March 2019

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 | | |
|---|------|-----------------|----------------|------------|
| | | Full Year ended | | |
| | Note | 31 Mar 19 | 31 Mar 18 | Change |
| | | \$'000 | \$'000 | % |
| Revenue | | 720,925 | 691,645 | 4% |
| Other income (net) | (i) | 6,390 | 3,229 | 98% |
| Total revenue and other income | | 727,315 | 694,874 | 5% |
| Cost of goods sold | | 526,404 | 524,590 | 0% |
| Salaries and employees benefits | | 48,140 | 42,811 | 12% |
| Depreciation of property, plant and equipment | | 6,052 | 7,173 | -16% |
| Selling and promotion expenses | | 19,062 | 14,548 | 31% |
| Rental expenses | | 31,134 | 29,900 | 4% |
| Finance costs | | 927 | 1,267 | -27% |
| Foreign exchange loss | | 754 | 195 | >100% |
| Other operating expenses | | 11,527 | 12,496 | -8% |
| Total costs and expenses | | 644,000 | 632,980 | 2% |
| Share of results of associates | | 6,734 | 2,865 | >100% |
| Profit before taxation | | 90,049 | 64,759 | 39% |
| Taxation | | 18,645 | 14,034 | 33% |
| Profit for the year | | 71,404 | 50,725 | 41% |
| Profit attributable to: | | | | |
| Owners of the Company | | 70,431 | 49,817 | 41% |
| Non-controlling interests | | 973 | 908 | 7% |
| | | 71,404 | 50,725 | 41% |

Note:

(i) Other income (net)

| | | Group | | |
|---|--|-----------------|--------------|------------|
| | | Full Year ended | | |
| | | 31 Mar 19 | 31 Mar 18 | Change |
| | | \$'000 | \$'000 | % |
| Rental income | | 1,834 | 1,724 | 6% |
| Interest income | | 1,876 | 977 | 92% |
| Net gain on disposal of property, plant and equipment | | 248 | - | NM |
| Fair value gain/(loss) on investment properties | | 822 | (1,102) | NM |
| Management fee | | 1,053 | 771 | 37% |
| Others | | 557 | 859 | -35% |
| | | 6,390 | 3,229 | 98% |

NM – Not Meaningful

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

Income Tax

- Over provision of tax in respect of prior years

| Group | | |
|-----------------|-----------|--------|
| Full Year ended | | |
| 31 Mar 19 | 31 Mar 18 | Change |
| \$'000 | \$'000 | % |
| (197) | (731) | -73% |

1(a)(iii) Statement of comprehensive income

Profit for the year

Other comprehensive income:

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Other comprehensive loss for the year, net of tax

Total comprehensive income for the year

Total comprehensive income attributable to:

Owners of the Company

Non-controlling interests

| Group | | |
|-----------------|---------------|------------|
| Full Year ended | | |
| 31 Mar 19 | 31 Mar 18 | Change |
| \$'000 | \$'000 | % |
| 71,404 | 50,725 | 41% |
| (2,877) | (7,826) | -63% |
| (2,877) | (7,826) | -63% |
| 68,527 | 42,899 | 60% |
| 67,204 | 42,763 | 57% |
| 1,323 | 136 | >100% |
| 68,527 | 42,899 | 60% |

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 Mar 19 | 31 Mar 18 | 31 Mar 19 | 31 Mar 18 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 55,546 | 34,066 | 9,949 | 8,933 |
| Investment properties | 55,665 | 67,202 | 11,207 | 11,181 |
| Intangible assets | 5,258 | 5,216 | 1,070 | 936 |
| Investment in subsidiaries | - | - | 52,074 | 52,074 |
| Investment in associates | 33,494 | 28,744 | 68 | 68 |
| Loan to an associate | 5,388 | - | 5,388 | - |
| Other receivables | 8,287 | 6,878 | 3,967 | 3,566 |
| Deferred tax assets | 377 | 441 | 106 | 211 |
| | 164,015 | 142,547 | 83,829 | 76,969 |
| Current assets | | | | |
| Inventories | 286,356 | 282,479 | 172,214 | 164,196 |
| Trade and other receivables | 16,818 | 16,839 | 7,414 | 6,707 |
| Prepaid operating expenses | 914 | 968 | 298 | 469 |
| Amount due from associates | 70 | 2,751 | 10 | 2,720 |
| Amount due from subsidiaries | - | - | 6,541 | 5,610 |
| Cash and cash equivalents | 180,971 | 180,496 | 82,811 | 76,120 |
| | 485,129 | 483,533 | 269,288 | 255,822 |
| Total assets | 649,144 | 626,080 | 353,117 | 332,791 |
| Equity and liabilities | | | | |
| Current liabilities | | | | |
| Loans and borrowings | 14,972 | 49,655 | - | 26,000 |
| Trade and other payables | 46,346 | 45,651 | 22,788 | 22,716 |
| Amount due to subsidiaries | - | - | 5,062 | 5,327 |
| Provision for taxation | 11,584 | 8,049 | 5,624 | 4,603 |
| | 72,902 | 103,355 | 33,474 | 58,646 |
| Net current assets | 412,227 | 380,178 | 235,814 | 197,176 |
| Non-current liabilities | | | | |
| Provisions | 269 | 241 | - | - |
| Deferred tax liabilities | 1,326 | 1,413 | - | - |
| Other non-current liabilities | 1,623 | 1,474 | 1,623 | 1,474 |
| | 3,218 | 3,128 | 1,623 | 1,474 |
| Total liabilities | 76,120 | 106,483 | 35,097 | 60,120 |
| Net assets | 573,024 | 519,597 | 318,020 | 272,671 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 67,638 | 67,638 | 67,638 | 67,638 |
| Reserves | 492,606 | 439,502 | 250,382 | 205,033 |
| | 560,244 | 507,140 | 318,020 | 272,671 |
| Non-controlling interests | 12,780 | 12,457 | - | - |
| Total equity | 573,024 | 519,597 | 318,020 | 272,671 |
| Total equity and liabilities | 649,144 | 626,080 | 353,117 | 332,791 |

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 Mar 19 | | As at 31 Mar 18 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| 12,951 | 2,021 | 23,655 | 26,000 |

Amount repayable after one year

| As at 31 Mar 19 | | As at 31 Mar 18 | |
|-------------------|---------------------|-------------------|---------------------|
| Secured \$'000 | Unsecured \$'000 | Secured \$'000 | Unsecured \$'000 |
| - | - | - | - |

Details of any collateral

The unsecured term loans of a subsidiary are covered by corporate guarantees given by the Company.

Loans of \$12,951,000 (31 March 2018: \$23,655,000) are secured on certain properties of a subsidiary and corporate guarantees given by the Company.

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 | |
|---|------------------|
| Full Year ended | |
| 31 Mar 19 | 31 Mar 18 |
| \$'000 | \$'000 |
| Operating activities | |
| Profit before taxation | 64,759 |
| Adjustments for: | |
| Finance costs | 1,267 |
| Interest income | (977) |
| Depreciation of property, plant and equipment | 7,173 |
| Amortisation of intangible assets | 317 |
| Foreign currency translation adjustment | (80) |
| Net (gain)/loss on disposal of property, plant and equipment | 151 |
| Fair value (gain)/loss on investment properties | 1,102 |
| Share of results of associates | (2,865) |
| Operating cash flows before changes in working capital | 70,847 |
| (Increase)/decrease in inventories | 22,045 |
| (Increase)/decrease in receivables | 446 |
| Decrease/(increase) in prepaid operating expenses | (244) |
| Increase in amount due from associates | (366) |
| Increase in payables | 369 |
| Cash flows from operations | 93,097 |
| Income taxes paid | (12,158) |
| Interest paid | (1,267) |
| Interest received | 977 |
| Net cash flows from operating activities | 80,649 |
| Investing activities | |
| Additions to intangible assets | (687) |
| Proceeds from disposal of property, plant and equipment | 1 |
| Dividend received from an associate | - |
| Investment in an associate | (68) |
| Purchase of property, plant and equipment | (5,781) |
| Net cash flows used in investing activities | (6,535) |
| Financing activities | |
| Proceeds from loans and borrowings | 47,907 |
| Repayment of loans and borrowings | (47,907) |
| Dividends paid to non-controlling interests | (1,000) |
| Dividends paid on ordinary shares | (14,100) |
| Net cash flows used in financing activities | (15,100) |
| Net increase in cash and cash equivalents | 59,014 |
| Effects of exchange rate changes on cash and cash equivalents | (3,367) |
| Cash and cash equivalents at beginning of financial year | 124,849 |
| Cash and cash equivalents at end of financial year | 180,496 |

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

| Group | |
|---------------------------|------------------|
| 31 Mar 19 | 31 Mar 18 |
| \$'000 | \$'000 |
| Cash and bank balances | 136,844 |
| Fixed deposits with banks | 43,652 |
| 180,971 | 180,496 |

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 | Capital 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 2017 | | | | | | | | |
| - As previously reported | 67,638 | (9,865) | (142) | 3,372 | 417,474 | 478,477 | 13,321 | 491,798 |
| - Effects of adopting SFRS (I) 1 | - | 9,865 | - | - | (9,865) | - | - | - |
| - Restated opening balance | 67,638 | - | (142) | 3,372 | 407,609 | 478,477 | 13,321 | 491,798 |
| Total comprehensive income | | | | | | | | |
| Profit for the year | - | - | - | - | 49,817 | 49,817 | 908 | 50,725 |
| Other comprehensive income | | | | | | | | |
| Foreign currency translation | - | (7,054) | - | - | - | (7,054) | (772) | (7,826) |
| Total other comprehensive loss | - | (7,054) | - | - | - | (7,054) | (772) | (7,826) |
| Total comprehensive (loss)/income | - | (7,054) | - | - | 49,817 | 42,763 | 136 | 42,899 |
| Contributions by and distributions to owners | | | | | | | | |
| Dividends on ordinary shares | - | - | - | - | (14,100) | (14,100) | - | (14,100) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | (1,000) | (1,000) |
| Total transactions with owners | - | - | - | - | (14,100) | (14,100) | (1,000) | (15,100) |
| Balance at 31 March 2018 | 67,638 | (7,054) | (142) | 3,372 | 443,326 | 507,140 | 12,457 | 519,597 |

| | | | | | | | | |
|---|--------|----------|-------|-------|----------|----------|---------|----------|
| Balance at 1 April 2018 | | | | | | | | |
| - As previously reported | 67,638 | (16,919) | (142) | 3,372 | 453,191 | 507,140 | 12,457 | 519,597 |
| - Effects of adopting SFRS (I) 1 | - | 9,865 | - | - | (9,865) | - | - | - |
| - Restated opening balance | 67,638 | (7,054) | (142) | 3,372 | 443,326 | 507,140 | 12,457 | 519,597 |
| Total comprehensive income | | | | | | | | |
| Profit for the year | - | - | - | - | 70,431 | 70,431 | 973 | 71,404 |
| Other comprehensive income | | | | | | | | |
| Foreign currency translation | - | (3,227) | - | - | - | (3,227) | 350 | (2,877) |
| Total other comprehensive (loss)/income | - | (3,227) | - | - | - | (3,227) | 350 | (2,877) |
| Total comprehensive (loss)/income | - | (3,227) | - | - | 70,431 | 67,204 | 1,323 | 68,527 |
| Contributions by and distributions to owners | | | | | | | | |
| Dividends on ordinary shares | - | - | - | - | (14,100) | (14,100) | - | (14,100) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | (1,000) | (1,000) |
| Total transactions with owners | - | - | - | - | (14,100) | (14,100) | (1,000) | (15,100) |
| Balance at 31 March 2019 | 67,638 | (10,281) | (142) | 3,372 | 499,657 | 560,244 | 12,780 | 573,024 |

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 2017 | 67,638 | 199,445 | 267,083 |
| Total comprehensive income | | | |
| Profit for the year | - | 19,688 | 19,688 |
| Total comprehensive income | - | 19,688 | 19,688 |
| Contributions by and distributions to owners | | | |
| Dividends on ordinary shares | - | (14,100) | (14,100) |
| Total transactions with owners | - | (14,100) | (14,100) |
| Balance at 31 March 2018 | 67,638 | 205,033 | 272,671 |
| Balance at 1 April 2018 | 67,638 | 205,033 | 272,671 |
| Total comprehensive income | | | |
| Profit for the year | - | 59,449 | 59,449 |
| Total comprehensive income | - | 59,449 | 59,449 |
| Contributions by and distributions to owners | | | |
| Dividends on ordinary shares | - | (14,100) | (14,100) |
| Total transactions with owners | - | (14,100) | (14,100) |
| Balance at 31 March 2019 | 67,638 | 250,382 | 318,020 |

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

There has been no change in the number of issued shares in the capital of the Company since the end of the previous period reported on.

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

None of the Company's subsidiaries hold any shares in the Company 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 Mar 19 | 31 Mar 18 |
|-------------|-------------|
| 705,011,880 | 705,011,880 |

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

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2018, 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

The Group's financial statements for the financial year beginning 1 April 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)).

In adopting the new SFRS(I) framework from 1 April 2018, the Group is required to apply the specific transaction requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

Adoption of SFRS(I) 1

The Group has elected the option to reset its cumulative translation differences for foreign operations to nil as at 1 April 2017, the date of transition. As a result, cumulative translation losses of \$9,865,000 were reclassified from foreign currency translation reserve to revenue reserve as at 1 April 2017.

Adoption of SFRS(I)s

The Group has adopted all the new SFRS(I)s, amendments and interpretations of SFRS(I)s that are relevant to its operations and effective during the current financial year.

Except for SFRS(I) 1 as disclosed above, the adoption of these SFRS(I)s and interpretation of SFRS(I)s did not have any significant impact to the financial statements of the Group.

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 | |
|--|------------------------|------------------|
| | Full Year ended | |
| | 31 Mar 19 | 31 Mar 18 |
| (a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share | 705,011,880 | 705,011,880 |
| (b) Basic and diluted earnings per share (cents) | 9.99 | 7.07 |

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 March 2019.

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 Mar 19 | 31 Mar 18 | 31 Mar 19 | 31 Mar 18 |
| Number of issued shares | 705,011,880 | 705,011,880 | 705,011,880 | 705,011,880 |
| Net asset value per ordinary share (in \$) | 0.79 | 0.72 | 0.45 | 0.39 |

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**

Revenue for the year ended 31 March 2019 ("FY2019") was \$720.9 million, a 4% increase compared to \$691.6 million achieved in FY2018.

Gross margin improved to 27.0% (FY2018: 24.2%). Operating expenses were higher due to increased employees benefits and selling expenses. Profit after tax rose 41% to \$71.4 million, compared to \$50.7 million in FY2018.

As at 31 March 2019, group inventory was \$286.4 million (FY2018: \$282.5 million). Cash and cash equivalents stood at \$181.0 million, after net repayment of bank loans of \$33.6 million, leaving a balance of \$15.0 million. Consolidated net assets were \$560.2 million or \$0.79 per share.

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 year under review is in line with the statement in the results announcement for the period ended 31 December 2018.

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

Current global geopolitics and economics may dampen demand from watch buyers.

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

| Name of Dividend | Proposed First and Final Dividend |
|------------------------------------|-----------------------------------|
| Dividend Type | Cash |
| Dividend amount per Ordinary Share | 3.00 cents |
| Tax Rate | (one-tier) |

No scrip alternative will be offered for this year's first and final dividend.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

| Name of Dividend | First and Final Dividend |
|------------------------------------|--------------------------|
| Dividend Type | Cash |
| Dividend amount per Ordinary Share | 2.00 cents |
| Tax Rate | (one-tier) |

(c) Date Payable

The Directors have recommended a first and final dividend of 3.00 cents per ordinary share (one-tier) ("FY2019 Dividend") amounting to approximately \$21,150,356. This is subject to the approval of the shareholders of the Company at the Annual General Meeting to be held on 25 July 2019.

(d) Books Closure Date

The book closure and payment dates in respect of the FY2019 Dividend will be announced on a later date.

12. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

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**

Not applicable for full year results announcement.

15. **Confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Hour Glass Limited confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

Part II – Additional Information required for Full Year Announcement

16. **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

| FY2019 | South East Asia & Australia \$'000 | North East Asia \$'000 | Total \$'000 | Eliminations \$'000 | Group \$'000 |
|--|--|------------------------------|-----------------|------------------------|-----------------|
| Segment revenue: | | | | | |
| Sales to external customers | 608,211 | 112,714 | 720,925 | - | 720,925 |
| Inter-segment sales | 8,712 | - | 8,712 | (8,712) | - |
| Interest income | 1,442 | 434 | 1,876 | - | 1,876 |
| Other income | 45,603 | 34 | 45,637 | (41,123) | 4,514 |
| Total revenue and other income | 663,968 | 113,182 | 777,150 | (49,835) | 727,315 |
| Segment results: | | | | | |
| Segment results | 99,370 | 19,425 | 118,795 | (35,375) | 83,420 |
| Finance costs | | | | | (927) |
| Fair value gain on investment properties | | | | | 822 |
| Share of results of associates | | | | | 6,734 |
| Profit before taxation | | | | | 90,049 |
| Taxation | | | | | (18,645) |
| Profit for the year | | | | | 71,404 |
| Other segment information: | | | | | |
| Segment assets | 534,138 | 81,135 | 615,273 | - | 615,273 |
| Investment in associates | 33,494 | - | 33,494 | - | 33,494 |
| Unallocated corporate assets | | | | | 377 |
| | | | | | 649,144 |
| Segment liabilities | 55,840 | 7,370 | 63,210 | - | 63,210 |
| Unallocated corporate liabilities | | | | | 12,910 |
| | | | | | 76,120 |
| Capital expenditure for the year | 18,955 | 159 | 19,114 | - | 19,114 |
| Depreciation and amortisation | 6,305 | 343 | 6,648 | - | 6,648 |

| FY2018 | South East Asia | North East | Total | Eliminations | Group |
|--|-----------------|------------|---------|--------------|----------|
| | & Australia | Asia | | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Segment revenue: | | | | | |
| Sales to external customers | 589,493 | 102,152 | 691,645 | - | 691,645 |
| Inter-segment sales | 4,449 | - | 4,449 | (4,449) | - |
| Interest income | 847 | 130 | 977 | - | 977 |
| Other income | 4,286 | 1 | 4,287 | (2,035) | 2,252 |
| Total revenue and other income | 599,075 | 102,283 | 701,358 | (6,484) | 694,874 |
| Segment results: | | | | | |
| Segment results | 52,563 | 13,206 | 65,769 | (1,506) | 64,263 |
| Finance costs | | | | | (1,267) |
| Fair value loss on investment properties | | | | | (1,102) |
| Share of results of associates | | | | | 2,865 |
| Profit before taxation | | | | | 64,759 |
| Taxation | | | | | (14,034) |
| Profit for the year | | | | | 50,725 |
| Other segment information: | | | | | |
| Segment assets | 514,793 | 82,102 | 596,895 | - | 596,895 |
| Investment in associates | 28,744 | - | 28,744 | - | 28,744 |
| Unallocated corporate assets | | | | | 441 |
| | | | | | 626,080 |
| Segment liabilities | 88,515 | 8,506 | 97,021 | - | 97,021 |
| Unallocated corporate liabilities | | | | | 9,462 |
| | | | | | 106,483 |
| Capital expenditure for the year | 6,030 | 438 | 6,468 | - | 6,468 |
| Depreciation and amortisation | 7,097 | 393 | 7,490 | - | 7,490 |

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to Paragraph 8.

18. A breakdown of sales as follows:

| | Group | | |
|---------------------------------------|---------|---------|--------|
| | 2019 | 2018 | Change |
| | \$'000 | \$'000 | % |
| Revenue for first half year | 355,410 | 337,411 | 5% |
| Profit after tax for first half year | 28,175 | 17,999 | 57% |
| Revenue for second half year | 365,515 | 354,234 | 3% |
| Profit after tax for second half year | 43,229 | 32,726 | 32% |

19. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year as follows: -

| Total Annual Dividend | Latest Full Year | Previous Full Year |
|-----------------------|------------------|--------------------|
| | \$'000 | \$'000 |
| Ordinary | 21,150 | 14,100 |
| Preference | - | - |
| Total | 21,150 | 14,100 |

20. Disclosure of persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|-------------------|-----|---|--|---|
| Mrs Choy Siew Sen | 68 | Sister of Dr Kenny Chan Swee Kheng (Director) and Dato' Dr Jannie Chan Siew Lee (Substantial Shareholder). Aunt of Mr Michael Tay Wee Jin (Director). | Manager (since 1997) - Melbourne Boutique (The Hour Glass Australia Pty Ltd). This position was re-designated to Senior Retail Manager from 1 April 2016. Responsible for operations of the retail outlet in Melbourne, Australia. | Nil. |

BY ORDER OF THE BOARD

Christine Chan
 Company Secretary
 28 May 2019