

# 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 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					
		Third Quarter ended			Nine Months ended		
Note		31 Dec 19	31 Dec 18	Change	31 Dec 19	31 Dec 18	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	197,802	188,863	5%	578,880	544,273	6%
	Other income	1,453	1,478	-2%	4,454	4,041	10%
	<b>Total revenue and other income</b>	<b>199,255</b>	<b>190,341</b>	<b>5%</b>	<b>583,334</b>	<b>548,314</b>	<b>6%</b>
	Cost of goods sold	141,893	138,380	3%	421,029	405,358	4%
	Salaries and employees benefits	13,784	13,004	6%	40,130	37,116	8%
	Selling and promotion expenses	8,001	5,673	41%	19,321	14,924	29%
	Depreciation of property, plant and equipment	1,284	1,494	-14%	3,757	4,624	-19%
	Depreciation of right-of-use assets	6,907	-	NM	20,824	-	NM
	Rental expenses	1,332	7,925	-83%	3,887	23,064	-83%
	Finance costs	832	214	>100%	2,566	710	>100%
	Foreign exchange loss	491	306	60%	253	36	>100%
	Other operating expenses	2,856	3,306	-14%	8,646	8,558	1%
	<b>Total costs and expenses</b>	<b>177,380</b>	<b>170,302</b>	<b>4%</b>	<b>520,413</b>	<b>494,390</b>	<b>5%</b>
	Share of results of associates	1,589	3,013	-47%	5,142	5,266	-2%
	<b>Profit before taxation</b>	<b>23,464</b>	<b>23,052</b>	<b>2%</b>	<b>68,063</b>	<b>59,190</b>	<b>15%</b>
	Taxation	4,506	4,454	1%	13,578	12,417	9%
	<b>Profit for the period</b>	<b>18,958</b>	<b>18,598</b>	<b>2%</b>	<b>54,485</b>	<b>46,773</b>	<b>16%</b>
	<b>Profit attributable to:</b>						
	Owners of the Company	18,613	18,333	2%	53,590	46,107	16%
	Non-controlling interests	345	265	30%	895	666	34%
		<b>18,958</b>	<b>18,598</b>	<b>2%</b>	<b>54,485</b>	<b>46,773</b>	<b>16%</b>

Note:

(i) Other income

		Group					
		Third Quarter ended			Nine Months ended		
		31 Dec 19	31 Dec 18	Change	31 Dec 19	31 Dec 18	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Rental income	728	461	58%	1,739	1,379	26%
	Interest income	397	474	-16%	1,346	1,350	-0%
	Net (loss)/gain on disposal of property, plant and equipment	(13)	(10)	30%	84	72	17%
	Management fee	253	305	-17%	821	724	13%
	Others	88	248	-65%	464	516	-10%
		<b>1,453</b>	<b>1,478</b>	<b>-2%</b>	<b>4,454</b>	<b>4,041</b>	<b>10%</b>

NM – Not Meaningful

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

Note:

(ii) Finance costs

Interest on bank loans and overdrafts  
Interest on lease liabilities

Group					
Third Quarter ended			Nine Months ended		
31 Dec 19	31 Dec 18	Change	31 Dec 19	31 Dec 18	Change
\$'000	\$'000	%	\$'000	\$'000	%
178	214	-17%	487	710	-31%
654	-	NM	2,079	-	NM
<b>832</b>	<b>214</b>	<b>&gt;100%</b>	<b>2,566</b>	<b>710</b>	<b>&gt;100%</b>

**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					
Third Quarter ended			Nine Months ended		
31 Dec 19	31 Dec 18	Change	31 Dec 19	31 Dec 18	Change
\$'000	\$'000	%	\$'000	\$'000	%
(342)	(146)	>100%	(342)	(147)	>100%

**1(a)(iii) Statement of comprehensive income**

Profit for the period

Other comprehensive income:

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Other comprehensive loss for the period, net of tax

Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the Company

Non-controlling interests

Group					
Third Quarter ended			Nine Months ended		
31 Dec 19	31 Dec 18	Change	31 Dec 19	31 Dec 18	Change
\$'000	\$'000	%	\$'000	\$'000	%
18,958	18,598	2%	54,485	46,773	16%
(1,117)	(1,944)	-43%	(53)	(407)	-87%
(1,117)	(1,944)	-43%	(53)	(407)	-87%
<b>17,841</b>	<b>16,654</b>	<b>7%</b>	<b>54,432</b>	<b>46,366</b>	<b>17%</b>
17,724	16,321	9%	53,447	45,121	18%
117	333	-65%	985	1,245	-21%
<b>17,841</b>	<b>16,654</b>	<b>7%</b>	<b>54,432</b>	<b>46,366</b>	<b>17%</b>

NM – Not Meaningful

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 19 \$'000	31 Mar 19 \$'000	31 Dec 19 \$'000	31 Mar 19 \$'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	105,256	55,546	10,832	9,949
Right-of-use assets	105,817	-	67,890	-
Investment properties	49,997	55,665	11,207	11,207
Intangible assets	5,110	5,258	991	1,070
Investment in subsidiaries	-	-	52,074	52,074
Investment in associates	39,687	33,494	-	68
Investment in unquoted security	500	-	-	-
Loan to an associate	2,710	5,388	2,710	5,388
Other receivables	8,394	8,287	4,036	3,967
Deferred tax assets	369	377	106	106
	317,840	164,015	149,846	83,829
<b>Current assets</b>				
Inventories	285,510	286,356	174,704	172,214
Trade and other receivables	26,549	16,818	9,020	7,414
Prepaid operating expenses	1,320	914	594	298
Amount due from associates	206	70	154	10
Amount due from subsidiaries	-	-	13,131	6,541
Cash and cash equivalents	182,894	180,971	114,961	82,811
	496,479	485,129	312,564	269,288
<b>Total assets</b>	<b>814,319</b>	<b>649,144</b>	<b>462,410</b>	<b>353,117</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	31,441	14,972	-	-
Trade and other payables	56,191	46,346	28,335	22,788
Amount due to subsidiaries	-	-	5,327	5,062
Lease liabilities	25,119	-	15,306	-
Provision for taxation	9,761	11,584	5,419	5,624
	122,512	72,902	54,387	33,474
<b>Net current assets</b>	<b>373,967</b>	<b>412,227</b>	<b>258,177</b>	<b>235,814</b>
<b>Non-current liabilities</b>				
Provisions	320	269	-	-
Lease liabilities	84,162	1,623	55,386	1,623
Deferred tax liabilities	1,299	1,326	-	-
	85,781	3,218	55,386	1,623
<b>Total liabilities</b>	<b>208,293</b>	<b>76,120</b>	<b>109,773</b>	<b>35,097</b>
<b>Net assets</b>	<b>606,026</b>	<b>573,024</b>	<b>352,637</b>	<b>318,020</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	67,638	67,638	67,638	67,638
Reserves	524,903	492,606	284,999	250,382
	592,541	560,244	352,637	318,020
<b>Non-controlling interests</b>	13,485	12,780	-	-
<b>Total equity</b>	<b>606,026</b>	<b>573,024</b>	<b>352,637</b>	<b>318,020</b>
<b>Total equity and liabilities</b>	<b>814,319</b>	<b>649,144</b>	<b>462,410</b>	<b>353,117</b>

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 19		As at 31 Mar 19	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
31,441	-	12,951	2,021

**Amount repayable after one year**

As at 31 Dec 19		As at 31 Mar 19	
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 \$31,441,000 (31 March 2019: \$12,951,000) 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			
	Third Quarter ended		Nine Months ended	
	31 Dec 19 \$'000	31 Dec 18 \$'000	31 Dec 19 \$'000	31 Dec 18 \$'000
<b>Operating activities</b>				
Profit before taxation	23,464	23,052	68,063	59,190
Adjustments for:				
Finance costs	832	214	2,566	710
Interest income	(397)	(474)	(1,346)	(1,350)
Depreciation of property, plant and equipment	1,284	1,494	3,757	4,624
Depreciation of right-of-use assets	6,907	-	20,824	-
Amortisation of intangible assets	199	201	564	506
Foreign currency translation adjustment	(42)	(50)	(1)	(188)
Net loss/(gain) on disposal of property, plant and equipment	13	10	(84)	(72)
Effects of transfer of equity interest in an associate	167	-	167	-
Share of results of associates	(1,589)	(3,013)	(5,142)	(5,266)
<b>Operating cash flows before changes in working capital</b>	<b>30,838</b>	<b>21,434</b>	<b>89,368</b>	<b>58,154</b>
Decrease/(increase) in inventories	3,292	(13,422)	(406)	(8,080)
Increase in receivables	(7,549)	(2,247)	(9,853)	(4,276)
(Increase)/decrease in prepaid operating expenses	(306)	376	(552)	(400)
(Increase)/decrease in amount due from associates	(149)	(29)	2,646	(2,822)
Increase in payables	19,569	6,592	10,088	547
<b>Cash flows from operations</b>	<b>45,695</b>	<b>12,704</b>	<b>91,291</b>	<b>43,123</b>
Income taxes paid	(5,689)	(5,853)	(15,291)	(12,429)
Interest paid	(832)	(214)	(2,566)	(710)
Interest received	397	474	1,346	1,350
<b>Net cash flows from operating activities</b>	<b>39,571</b>	<b>7,111</b>	<b>74,780</b>	<b>31,334</b>
<b>Investing activities</b>				
Additions to intangible assets	(95)	(291)	(415)	(566)
Dividend received from an associate	-	-	817	-
Proceeds from transfer of equity interest in an associate	68	-	68	-
Proceeds from disposal of property, plant and equipment	-	-	97	114
Purchase of investment property	-	-	(32,292)	-
Purchase of unquoted security	-	-	(500)	-
Purchase of property, plant and equipment	(5,852)	(5,804)	(17,669)	(13,568)
<b>Net cash flows used in investing activities</b>	<b>(5,879)</b>	<b>(6,095)</b>	<b>(49,894)</b>	<b>(14,020)</b>
<b>Financing activities</b>				
Proceeds from loans and borrowings	-	3,362	21,711	23,705
Repayment of loans and borrowings	(2,710)	-	(4,778)	(44,000)
Payment of lease liabilities	(6,276)	-	(18,803)	-
Dividends paid to non-controlling interests	(152)	(500)	(280)	(1,000)
Dividends paid on ordinary shares	-	-	(21,150)	(14,100)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(9,138)</b>	<b>2,862</b>	<b>(23,300)</b>	<b>(35,395)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>24,554</b>	<b>3,878</b>	<b>1,586</b>	<b>(18,081)</b>
Effects of exchange rate changes on cash and cash equivalents	(791)	(305)	337	915
Cash and cash equivalents at beginning of financial period	159,131	159,757	180,971	180,496
<b>Cash and cash equivalents at end of financial period</b>	<b>182,894</b>	<b>163,330</b>	<b>182,894</b>	<b>163,330</b>

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

	Group	
	31 Dec 19 \$'000	31 Dec 18 \$'000
Cash and bank balances	109,799	111,503
Fixed deposits with banks	73,095	51,827
	<b>182,894</b>	<b>163,330</b>

**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
<b>Group</b>								
<b>Balance at 1 April 2018</b>	67,638	(7,054)	(142)	3,372	443,326	507,140	12,457	519,597
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	14,294	14,294	164	14,458
<b>Other comprehensive income</b>								
Foreign currency translation	-	2,383	-	-	-	2,383	474	2,857
Total other comprehensive income	-	2,383	-	-	-	2,383	474	2,857
<b>Total comprehensive income</b>	-	2,383	-	-	14,294	16,677	638	17,315
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(500)	(500)
<b>Balance at 30 June 2018</b>	67,638	(4,671)	(142)	3,372	457,620	523,817	12,595	536,412
<b>Balance at 1 July 2018</b>	67,638	(4,671)	(142)	3,372	457,620	523,817	12,595	536,412
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	13,480	13,480	237	13,717
<b>Other comprehensive income</b>								
Foreign currency translation	-	(1,357)	-	-	-	(1,357)	37	(1,320)
Total other comprehensive (loss)/income	-	(1,357)	-	-	-	(1,357)	37	(1,320)
<b>Total comprehensive (loss)/income</b>	-	(1,357)	-	-	13,480	12,123	274	12,397
<b>Contributions by and distributions to owners</b>								
Dividends on ordinary shares	-	-	-	-	(14,100)	(14,100)	-	(14,100)
<b>Total transactions with owners</b>	-	-	-	-	(14,100)	(14,100)	-	(14,100)
<b>Balance at 30 September 2018</b>	67,638	(6,028)	(142)	3,372	457,000	521,840	12,869	534,709
<b>Balance at 1 October 2018</b>	67,638	(6,028)	(142)	3,372	457,000	521,840	12,869	534,709
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	18,333	18,333	265	18,598
<b>Other comprehensive income</b>								
Foreign currency translation	-	(2,012)	-	-	-	(2,012)	68	(1,944)
Total other comprehensive (loss)/income	-	(2,012)	-	-	-	(2,012)	68	(1,944)
<b>Total comprehensive (loss)/income</b>	-	(2,012)	-	-	18,333	16,321	333	16,654
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(500)	(500)
<b>Balance at 31 December 2018</b>	67,638	(8,040)	(142)	3,372	475,333	538,161	12,702	550,863

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

<u>Group</u>	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
<b>Balance at 1 April 2019</b>	67,638	(10,281)	(142)	3,372	499,657	560,244	12,780	573,024
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	17,072	17,072	201	17,273
<b>Other comprehensive income</b>								
Foreign currency translation	-	660	-	-	-	660	92	752
Total other comprehensive income	-	660	-	-	-	660	92	752
<b>Total comprehensive income</b>	-	660	-	-	17,072	17,732	293	18,025
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(128)	(128)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(128)	(128)
<b>Balance at 30 June 2019</b>	67,638	(9,621)	(142)	3,372	516,729	577,976	12,945	590,921
<b>Balance at 1 July 2019</b>	67,638	(9,621)	(142)	3,372	516,729	577,976	12,945	590,921
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	17,905	17,905	349	18,254
<b>Other comprehensive income</b>								
Foreign currency translation	-	86	-	-	-	86	226	312
Total other comprehensive income	-	86	-	-	-	86	226	312
<b>Total comprehensive income</b>	-	86	-	-	17,905	17,991	575	18,566
<b>Contributions by and distributions to owners</b>								
Dividends on ordinary shares	-	-	-	-	(21,150)	(21,150)	-	(21,150)
<b>Total transactions with owners</b>	-	-	-	-	(21,150)	(21,150)	-	(21,150)
<b>Balance at 30 September 2019</b>	67,638	(9,535)	(142)	3,372	513,484	574,817	13,520	588,337
<b>Balance at 1 October 2019</b>	67,638	(9,535)	(142)	3,372	513,484	574,817	13,520	588,337
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	18,613	18,613	345	18,958
<b>Other comprehensive income</b>								
Foreign currency translation	-	(889)	-	-	-	(889)	(228)	(1,117)
Total other comprehensive loss	-	(889)	-	-	-	(889)	(228)	(1,117)
<b>Total comprehensive (loss)/income</b>	-	(889)	-	-	18,613	17,724	117	17,841
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(152)	(152)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(152)	(152)
<b>Balance at 31 December 2019</b>	67,638	(10,424)	(142)	3,372	532,097	592,541	13,485	606,026

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

<u>Company</u>	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Balance at 1 April 2018</b>	67,638	205,033	272,671
<b>Total comprehensive income</b>			
Profit for the period	-	5,421	5,421
<b>Total comprehensive income</b>	-	5,421	5,421
<b>Balance at 30 June 2018</b>	67,638	210,454	278,092
<b>Balance at 1 July 2018</b>	67,638	210,454	278,092
<b>Total comprehensive income</b>			
Profit for the period	-	32,537	32,537
<b>Total comprehensive income</b>	-	32,537	32,537
<b>Contributions by and distributions to owners</b>			
Dividends on ordinary shares	-	(14,100)	(14,100)
<b>Total transactions with owners</b>	-	(14,100)	(14,100)
<b>Balance at 30 September 2018</b>	67,638	228,891	296,529
<b>Balance at 1 October 2018</b>	67,638	228,891	296,529
<b>Total comprehensive income</b>			
Profit for the period	-	5,615	5,615
<b>Total comprehensive income</b>	-	5,615	5,615
<b>Balance at 31 December 2018</b>	67,638	234,506	302,144
<b>Balance at 1 April 2019</b>	67,638	250,382	318,020
<b>Total comprehensive income</b>			
Profit for the period	-	5,897	5,897
<b>Total comprehensive income</b>	-	5,897	5,897
<b>Balance at 30 June 2019</b>	67,638	256,279	323,917
<b>Balance at 1 July 2019</b>	67,638	256,279	323,917
<b>Total comprehensive income</b>			
Profit for the period	-	41,349	41,349
<b>Total comprehensive income</b>	-	41,349	41,349
<b>Contributions by and distributions to owners</b>			
Dividends on ordinary shares	-	(21,150)	(21,150)
<b>Total transactions with owners</b>	-	(21,150)	(21,150)
<b>Balance at 30 September 2019</b>	67,638	276,478	344,116
<b>Balance at 1 October 2019</b>	67,638	276,478	344,116
<b>Total comprehensive income</b>			
Profit for the period	-	8,521	8,521
<b>Total comprehensive income</b>	-	8,521	8,521
<b>Balance at 31 December 2019</b>	67,638	284,999	352,637



**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.**

<b>31 Dec 19</b>	<b>31 Mar 19</b>
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 modifications or emphasis of a matter).**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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 2019, 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.**

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on the statements of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted SFRS(I) 16 on 1 April 2019, using the modified retrospective approach, without restating prior years' information.

On the adoption of SFRS(I) 16, the Group has chosen, on a lease-by-lease basis, to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Group has elected the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

As at 1 April 2019, the adoption of SFRS(I) 16 resulted in the following effects to the Group and the Company:

	<b>Group</b>	<b>Company</b>
	\$'000	\$'000
<b>Assets</b>		
Right-of-use assets	120,796	84,789
Prepaid operating expenses	(141)	-
<b>Liabilities</b>		
Lease liabilities - current	22,963	14,187
Lease liabilities - non-current	97,662	70,572
Trade and other payables	30	30

**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 19	31 Dec 18	31 Dec 19	31 Dec 18
(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)	2.64	2.60	7.60	6.54

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 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 Dec 19	31 Mar 19	31 Dec 19	31 Mar 19
Number of issued shares	705,011,880	705,011,880	705,011,880	705,011,880
Net asset value per ordinary share (in \$)	0.84	0.79	0.50	0.45

**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 FY2020 vs 3Q FY2019**

Revenue for the quarter ended 31 December 2019 ("3Q FY2020") was at \$197.8 million compared to \$188.9 million ("3Q FY2019"), an increase of 5%.

Gross margin was higher at 28.3% (3Q FY2019: 26.7%). Profit after tax was \$19.0 million (3Q FY2019: \$18.6 million).

**9M FY2020 vs 9M FY2019**

For the 9 months ended 31 December 2019 ("9M FY2020"), Group revenue increased by 6% to \$578.9 million (9M FY2019: \$544.3 million) with gross margin at 27.3% (9M FY2019: 25.5%).

As at 31 December 2019, group inventory was \$285.5 million (31 March 2019: \$286.4 million). Cash and cash equivalents was \$182.9 million (31 March 2019: \$181.0 million). Consolidated net assets were \$592.5 million or \$0.84 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 period under review is in line with the statement in the results announcement for the period ended 30 September 2019.

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.**

Global uncertainties exacerbated by the COVID-19 outbreak continue to affect consumer sentiment. Barring any unforeseen circumstances, the Group expects to be 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/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend is declared or recommended in respect of the current financial period reported on. However, as in past years, the Directors will consider the recommendation of a full-year (final) dividend.

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 2019 to be false or misleading in any material respect.

Signed by Dr Henry Tay Yun Chwan and Dr Kenny Chan Swee Kheng on behalf of the Board of Directors.

**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.

**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
13 February 2020

## 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 2019 to be false or misleading in any material respect.

On behalf of the Board of Directors



Henry Tay Yun Chwan  
Executive Chairman



Kenny Chan Swee Kheng  
Group Managing Director

Singapore  
13 February 2020