



THE HOUR GLASS

The Hour Glass Limited and its Subsidiaries
Company Registration No. 197901972D

Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 September 2023

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For the half year ended 30 September 2023

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A. Condensed interim consolidated income statement
For the half year ended 30 September 2023

		Group		
		Half Year ended		
	Note	30 Sep 23	30 Sep 22	Change
		\$'000	\$'000	%
Revenue	4	558,379	555,489	1%
Other income	5	7,888	7,202	10%
Revenue and other income		566,267	562,691	1%
Cost of goods sold		385,739	375,546	3%
Employee benefits expense		35,498	37,770	-6%
Selling and promotion expenses		17,730	17,690	0%
Depreciation of property, plant and equipment		6,524	5,618	16%
Depreciation of right-of-use assets		15,083	14,318	5%
Rental expenses		3,157	3,905	-19%
Finance costs	6	3,137	2,792	12%
Foreign exchange gain		(591)	(808)	-27%
Other expenses	7	10,460	9,855	6%
Costs and expenses		476,737	466,686	2%
Share of results of associates		8,684	10,654	-18%
Profit before taxation		98,214	106,659	-8%
Income tax expense	8	20,343	21,120	-4%
Profit for the period		77,871	85,539	-9%
Profit attributable to:				
Owners of the Company		77,006	84,551	-9%
Non-controlling interests		865	988	-12%
		77,871	85,539	-9%
Earnings per share (cents)				
Basic and diluted	10	11.71	12.58	-7%

B. Condensed interim consolidated statement of comprehensive income
For the half year ended 30 September 2023

	Group		
	Half Year ended		
	30 Sep 23	30 Sep 22	Change
	\$'000	\$'000	%
Profit for the period	77,871	85,539	-9%
Other comprehensive income:			
<u>Item that may be reclassified subsequently to profit or loss:</u>			
Foreign currency translation	(9,628)	(25,891)	-63%
Other comprehensive income for the period, net of tax	(9,628)	(25,891)	-63%
Total comprehensive income for the period	68,243	59,648	14%
Total comprehensive income attributable to:			
Owners of the Company	67,007	57,931	16%
Non-controlling interests	1,236	1,717	-28%
	68,243	59,648	14%

C. Condensed interim statements of financial position
As at 30 September 2023

	Note	Group		Company	
		30 Sep 23 \$'000	31 Mar 23 \$'000	30 Sep 23 \$'000	31 Mar 23 \$'000
Assets					
Non-current assets					
Property, plant and equipment	12	229,183	232,257	11,858	9,973
Right-of-use assets	13	66,165	68,882	41,996	43,736
Investment properties	14	126,995	119,122	5,192	5,192
Intangible assets	15	5,528	4,606	1,575	604
Investment in subsidiaries		-	-	182,892	166,258
Investment in associates		77,192	73,828	-	-
Other receivables		7,728	9,077	3,673	5,160
Deferred tax assets		477	623	278	416
		513,268	508,395	247,464	231,339
Current assets					
Inventories		301,374	283,538	192,362	181,418
Trade and other receivables		30,202	18,127	12,461	8,231
Prepaid operating expenses		2,770	1,224	1,338	530
Amounts due from associates		100	112	-	-
Amounts due from subsidiaries		-	-	8,190	5,764
Cash and bank balances		206,487	244,553	75,542	117,847
		540,933	547,554	289,893	313,790
Total assets		1,054,201	1,055,949	537,357	545,129
Equity and liabilities					
Current liabilities					
Loans and borrowings	16	84,043	93,814	-	-
Trade and other payables		59,790	71,600	20,638	28,843
Amounts due to subsidiaries		-	-	4,133	4,992
Lease liabilities		29,953	29,236	19,855	19,283
Income tax payable		21,195	22,643	14,670	16,567
		194,981	217,293	59,296	69,685
Net current assets		345,952	330,261	230,597	244,105
Non-current liabilities					
Lease liabilities		41,294	44,858	25,269	27,832
Deferred tax liabilities		6,731	5,748	-	-
Other non-current liabilities		404	318	-	-
		48,429	50,924	25,269	27,832
Total liabilities		243,410	268,217	84,565	97,517
Net assets		810,791	787,732	452,792	447,612
Equity attributable to owners of the Company					
Share capital	17(a)	67,638	67,638	67,638	67,638
Treasury shares	17(b)	(94,991)	(89,991)	(94,991)	(89,991)
Reserves		823,909	796,386	480,145	469,965
		796,556	774,033	452,792	447,612
Non-controlling interests		14,235	13,699	-	-
Total equity		810,791	787,732	452,792	447,612
Total equity and liabilities		1,054,201	1,055,949	537,357	545,129

D. Condensed interim statements of changes in equity
For the half year ended 30 September 2023

<u>Group</u>	Share capital \$'000	Treasury shares \$'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
Balance at 1 April 2022	67,638	(34,677)	(6,600)	(142)	3,303	722,077	751,599	15,941	767,540
Total comprehensive income									
Profit for the period	-	-	-	-	-	84,551	84,551	988	85,539
Other comprehensive income									
Foreign currency translation	-	-	(26,620)	-	-	-	(26,620)	729	(25,891)
Total other comprehensive income	-	-	(26,620)	-	-	-	(26,620)	729	(25,891)
Total comprehensive income	-	-	(26,620)	-	-	84,551	57,931	1,717	59,648
Contributions by and distributions to owners									
Purchase of treasury shares	-	(55,314)	-	-	-	-	(55,314)	-	(55,314)
Dividends on ordinary shares	-	-	-	-	-	(40,312)	(40,312)	-	(40,312)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(2,388)	(2,388)
Return of capital to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(121)	(121)
Total transactions with owners	-	(55,314)	-	-	-	(40,312)	(95,626)	(2,509)	(98,135)
Balance at 30 September 2022	67,638	(89,991)	(33,220)	(142)	3,303	766,316	713,904	15,149	729,053

<u>Group</u>	Share capital \$'000	Treasury shares \$'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
Balance at 1 April 2023	67,638	(89,991)	(47,879)	(142)	3,448	840,959	774,033	13,699	787,732
Total comprehensive income									
Profit for the period	-	-	-	-	-	77,006	77,006	865	77,871
Other comprehensive income									
Foreign currency translation	-	-	(9,999)	-	-	-	(9,999)	371	(9,628)
Total other comprehensive income	-	-	(9,999)	-	-	-	(9,999)	371	(9,628)
Total comprehensive income	-	-	(9,999)	-	-	77,006	67,007	1,236	68,243
Contributions by and distributions to owners									
Purchase of treasury shares	-	(5,000)	-	-	-	-	(5,000)	-	(5,000)
Dividends on ordinary shares	-	-	-	-	-	(39,484)	(39,484)	-	(39,484)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(700)	(700)
Total transactions with owners	-	(5,000)	-	-	-	(39,484)	(44,484)	(700)	(45,184)
Balance at 30 September 2023	67,638	(94,991)	(57,878)	(142)	3,448	878,481	796,556	14,235	810,791

D. Condensed interim statements of changes in equity (cont'd)
For the half year ended 30 September 2023

	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
<u>Company</u>				
Balance at 1 April 2022	67,638	(34,677)	392,317	425,278
Total comprehensive income				
Profit for the period	-	-	73,981	73,981
Total comprehensive income	-	-	73,981	73,981
Contributions by and distributions to owners				
Purchase of treasury shares	-	(55,314)	-	(55,314)
Dividends on ordinary shares	-	-	(40,312)	(40,312)
Total transactions with owners	-	(55,314)	(40,312)	(95,626)
Balance at 30 September 2022	67,638	(89,991)	425,986	403,633
Balance at 1 April 2023	67,638	(89,991)	469,965	447,612
Total comprehensive income				
Profit for the period	-	-	49,664	49,664
Total comprehensive income	-	-	49,664	49,664
Contributions by and distributions to owners				
Purchase of treasury shares	-	(5,000)	-	(5,000)
Dividends on ordinary shares	-	-	(39,484)	(39,484)
Total transactions with owners	-	(5,000)	(39,484)	(44,484)
Balance at 30 September 2023	67,638	(94,991)	480,145	452,792

E. Condensed interim consolidated statement of cash flows
For the half year ended 30 September 2023

	Group	
	Half Year ended	
	30 Sep 23	30 Sep 22
	\$'000	\$'000
Operating activities		
Profit before taxation	98,214	106,659
Adjustments for:		
Finance costs	3,137	2,792
Interest income	(2,257)	(735)
Depreciation of property, plant and equipment	6,524	5,618
Depreciation of right-of-use assets	15,083	14,318
Amortisation of intangible assets	218	186
Amortisation of deferred income	(50)	(55)
Foreign currency translation adjustment	(1,157)	(2,165)
Net loss on disposal of property, plant and equipment	59	106
Share of results of associates	(8,684)	(10,654)
Operating cash flows before changes in working capital	111,087	116,070
Increase in inventories	(18,473)	(8,869)
Increase in trade and other receivables	(10,325)	(2,128)
Increase in prepaid operating expenses	(1,554)	(1,157)
Decrease/(increase) in amounts due from associates	10	(12)
Decrease in trade and other payables	(10,780)	(7,347)
Increase in amounts due to associates	-	23
Cash flows from operations	69,965	96,580
Income taxes paid	(20,837)	(21,382)
Interest paid	(3,137)	(2,792)
Interest received	2,257	735
Net cash flows from operating activities	48,248	73,141
Investing activities		
Payments for purchase of property, plant and equipment	(6,972)	(88,726)
Additions to intangible assets	(1,143)	(304)
Payments for purchase of investment property	(9,765)	-
Proceeds from disposal of property, plant and equipment	37	6
Proceeds from disposal of investment property	-	6,080
Dividend received from an associate	2,819	-
Net cash flows used in investing activities	(15,024)	(82,944)
Financing activities		
Proceeds from loans and borrowings	-	47,958
Repayment of loans and borrowings	(8,369)	(26,277)
Payment of principal portion of lease liabilities	(15,148)	(14,036)
Return of capital to non-controlling interests of subsidiary	-	(121)
Dividends paid to non-controlling interests	(700)	(2,388)
Dividends paid on ordinary shares	(39,484)	(40,312)
Purchase of treasury shares	(5,000)	(55,314)
Net cash flows used in financing activities	(68,701)	(90,490)
Net decrease in cash and cash equivalents	(35,477)	(100,293)
Effects of exchange rate changes on cash and cash equivalents	(2,589)	(5,018)
Cash and cash equivalents at beginning of financial period	244,553	323,360
Cash and cash equivalents at end of financial period	206,487	218,049

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

	Group	
	30 Sep 23	
	30 Sep 23	30 Sep 22
	\$'000	\$'000
Cash at bank and on hand	111,914	169,363
Fixed deposits with banks	94,573	48,686
	206,487	218,049

F. Business review and market outlook
For the half year ended 30 September 2023

- F1. 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.**

(a) Group performance review for the half year ended 30 September 2023

Revenue for the 6 months ended 30 September 2023 ("1H FY2024") increased by 1% to \$558.4 million (1H FY2023: \$555.5 million). Gross margin was 30.9% in 1H FY2024 versus 32.4% in 1H FY2023, partly due to unfavourable exchange rate movements. The lower margin in 1H FY2024 mainly contributed to the decline in profit after tax by 9% to \$77.9 million (1H FY2023: \$85.5 million).

(b) Cash flow, working capital, assets or liabilities of the Group

As at 30 September 2023, group inventories were \$301.4 million (31 March 2023: \$283.5 million). Cash and bank balances stood at \$206.5 million (31 March 2023: \$244.6 million). Bank borrowings were reduced to \$84.0 million (31 March 2023: \$93.8 million).

The Company distributed dividend of \$39.5 million to shareholders and bought back \$5.0 million of its own shares in 1H FY2024. The Group purchased a retail property located at 101 Queen Street, Auckland for \$9.8 million in the same period.

Consolidated net assets were \$796.6 million or \$1.21 per share as at 30 September 2023.

- F2. 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 prevailing economic environment and geopolitical uncertainties are expected to continue to impact consumer sentiment in the specialty watch sector.

The Group expects to remain profitable for the full financial year.

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

1. Corporate information

The Hour Glass Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's immediate and ultimate holding company is TYC Investment Pte Ltd, a company incorporated in Singapore.

The registered office and principal place of business of the Company is located at 302 Orchard Road, #11-01 Tong Building, Singapore 238862.

The principal activities of the Company and its subsidiaries (collectively, the "Group") are those of retailing and distribution of watches, jewellery and other luxury products, investment in properties and investment holding.

2. Basis of preparation

The condensed interim consolidated financial statements for the half year ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual consolidated financial statements for the year ended 31 March 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group has adopted all applicable SFRS(I) that are mandatory for financial years beginning on or after 1 April 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

4. Revenue

Revenue represents sale of goods after deducting allowances for goods returned and trade discounts.

Disaggregation of revenue from contracts with customers

The Group derives revenue from contracts with customers through the transfer of goods at a point in time. The Group has determined that disaggregation of revenue using existing segments and geographical markets meet the disclosure objective in SFRS(I) 15.114. Information regarding operating segments is disclosed in Note 20.

5. Other income

	Group	
	Half Year ended	
	30 Sep 23	30 Sep 22
	\$'000	\$'000
Rental income	4,144	3,912
Interest income from cash and bank balances	2,257	735
Management fee income from associates	1,118	1,037
Others	369	1,518
	7,888	7,202

6. Finance costs

	Group	
	Half Year ended	
	30 Sep 23	30 Sep 22
	\$'000	\$'000
Interest on loans and borrowings	2,143	1,737
Interest on lease liabilities	994	1,055
	3,137	2,792

7. Other expenses

	Group	
	Half Year ended	
	30 Sep 23	30 Sep 22
	\$'000	\$'000
Net loss on disposal of property, plant and equipment	59	106
Facility costs	4,393	3,864
Professional fees	1,738	1,663
General and administrative expenses	4,270	4,222
	10,460	9,855

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

8. Taxation

Major components of income tax expense

The major components of income tax expense for the half years ended 30 September 2023 and 2022 are:

	Group	
	Half Year ended	
	30 Sep 23	30 Sep 22
	\$'000	\$'000
Consolidated income statement:		
Current income tax		
- Current income taxation	19,119	21,157
- Under provision in respect of previous years	28	–
	<hr/>	<hr/>
	19,147	21,157
Deferred income tax		
- Origination and reversal of temporary differences	1,196	(37)
	<hr/>	<hr/>
	1,196	(37)
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	20,343	21,120
	<hr/>	<hr/>

9. Dividends

	Group and Company	
	Half Year ended	
	30 Sep 23	30 Sep 22
	\$'000	\$'000
<i>Declared and paid during the financial period</i>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend in respect of the year ended 31 March 2023: 6.00 cents (2022: 6.00 cents)	39,484	40,312
	<hr/>	<hr/>

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

10. Earnings per share

	Group	
	Half Year ended	
	30 Sep 23	30 Sep 22
Profit for the period attributable to owners of the Company (\$'000)	77,006	84,551
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share ('000)	657,831	672,025
Basic and diluted earnings per share (cents)	11.71	12.58

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 or bought back 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 30 September 2023.

11. Net asset value

	Group		Company	
	30 Sep 23	31 Mar 23	30 Sep 23	31 Mar 23
Number of issued shares ('000)	656,027	658,527	656,027	658,527
Net asset value per ordinary share (in \$)	1.21	1.18	0.69	0.68

12. Property, plant and equipment

During the half year ended 30 September 2023, the Group acquired assets amounting to \$6,972,000 (30 September 2022: \$90,449,000) and disposed of assets with cost and carrying value amounting to \$2,477,000 and \$96,000 (30 September 2022: \$782,000 and \$112,000) respectively.

13. Right-of-use assets

During the half year ended 30 September 2023, the Group recognised \$12,810,000 (30 September 2022: \$2,733,000) of additions and lease modifications based on new leases and changes in lease terms upon renewal.

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

14. Investment properties

	Group		Company	
	30 Sep 23	31 Mar 23	30 Sep 23	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
At 1 April	119,122	178,913	5,192	11,272
Additions during the half year / full year	9,765	–	–	–
Disposals	–	(6,080)	–	(6,080)
Transferred from property, plant and equipment	–	776	–	–
Transferred to property, plant and equipment	–	(31,273)	–	–
Loss from fair value adjustments recognised in profit or loss	–	(4,532)	–	–
Foreign currency translation adjustment	(1,892)	(18,682)	–	–
At 30 September / 31 March	126,995	119,122	5,192	5,192

Investment properties are stated at fair value, which has been determined based on latest valuations performed as at 31 March 2023. The valuations were performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

During the half year ended 30 September 2023, the Group did not engage independent valuers to determine the fair value of the properties. However, management had taken into consideration those underlying factors that would have impact to the fair value of the investment properties since the last valuations completed in March 2023. There are no major aspects that could affect the fair value of the investment properties as at 30 September 2023.

15. Intangible assets

Intangible assets comprise goodwill, brands, customer relationships and software cost capitalised.

Brands relate to various brand names that were acquired in business combinations. Included in the carrying amount of brands is an amount of \$179,000 (31 March 2023: \$182,000) with indefinite useful life. The remaining balance of \$3,774,000 (31 March 2023: \$3,820,000) has a remaining amortisation period of 41 (31 March 2023: 41) years.

Software has a carrying amount of \$1,575,000 (31 March 2023: \$604,000) and an average remaining amortisation period of 2 (31 March 2023: 2) years.

As at 30 September 2023, the carrying values of goodwill and customer relationships were nil.

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

16. Loans and borrowings

	Group	
	30 Sep 23	31 Mar 23
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured loans	84,043	93,814
Unsecured loan	–	–
	84,043	93,814
	84,043	93,814
Amount repayable after one year		
Secured loans	–	–
Unsecured loan	–	–
	–	–
	–	–

The secured loans of \$84,043,000 (31 March 2023: \$93,814,000) are secured by certain properties held by subsidiaries and corporate guarantees given by the Company.

17. Share capital and treasury shares

(a) *Share capital*

	Group and Company			
	30 Sep 23		31 Mar 23	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
Balance at 1 April and 30 September / 31 March	705,012	67,638	705,012	67,638
	705,012	67,638	705,012	67,638

As at 30 September 2023, the Company's total issued shares is 656,026,880 ordinary shares (31 March 2023: 658,526,880) excluding 48,985,000 shares held as treasury shares (31 March 2023: 46,485,000).

(b) *Treasury shares*

	Group and Company			
	30 Sep 23		31 Mar 23	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 April	(46,485)	(89,991)	(22,433)	(34,677)
Acquired during the financial period	(2,500)	(5,000)	(24,052)	(55,314)
At 30 September / 31 March	(48,985)	(94,991)	(46,485)	(89,991)
	(48,985)	(94,991)	(46,485)	(89,991)

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

17. Share capital and treasury shares (cont'd)

(b) Treasury shares (cont'd)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

As at 30 September 2023, the Company held 48,985,000 treasury shares (30 September 2022: 46,485,000) which represents 7.467% (30 September 2022: 7.059%) of the total number of issued shares (excluding treasury shares).

The Company does not have any outstanding share convertibles 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.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the period under review.

18. Related party transactions

Sale and purchase of goods and services

In addition to those related party information disclosed elsewhere in the condensed interim consolidated financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place at terms agreed between the parties during the period:

	Sale of goods \$'000	Purchase of goods \$'000	Services rendered \$'000	Rental expenses \$'000	Rental income \$'000	Royalties income \$'000
Half Year ended 30 Sep 23						
Associates	3	20	–	–	–	6
Directors and close family members of directors of the Company	532	–	300	–	–	–
Directors-related companies	–	–	–	201	14	–
Key management personnel	68	–	–	60	–	–
Half Year ended 30 Sep 22						
Associates	5	23	–	–	–	–
Directors and close family members of directors of the Company	167	–	300	–	–	–
Directors-related companies	–	–	–	201	14	–
Key management personnel	96	–	–	60	–	–

19. Commitments

The capital commitments of the Group as at 30 September 2023 are not significantly different from its capital commitments as at 31 March 2023.

20. Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

Reporting format

The primary segment reporting format is determined to be geographical segments as the operating businesses are organised and managed separately according to the location of the Group assets, with each segment representing a strategic business unit to serve that market.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the country of operation.

Business segment

The Group comprises only one business segment which is the retailing and distribution of watches and jewellery and other luxury products. All relevant information regarding the business segment has been disclosed elsewhere in the financial statements.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between geographical segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between geographical segments. These transfers are eliminated on consolidation.

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

20. Segment information (cont'd)

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
Half Year ended 30 Sep 23					
Segment revenue:					
Sales to external customers	492,836	65,543	558,379	-	558,379
Inter-segment sales	5,812	-	5,812	(5,812)	-
Interest income	2,004	253	2,257	-	2,257
Other income	30,001	19	30,020	(24,389)	5,631
Revenue and other income	530,653	65,815	596,468	(30,201)	566,267
Segment results:					
Segment results	100,738	12,300	113,038	(20,371)	92,667
Finance costs ⁽¹⁾					(3,137)
Share of results of associates					8,684
Profit before taxation					98,214
Income tax expense					(20,343)
Profit for the period					77,871
Other segment information:					
Capital expenditure for the period	8,112	3	8,115	-	8,115
Depreciation and amortisation ⁽²⁾	18,468	3,357	21,825	-	21,825
Half Year ended 30 Sep 22					
Segment revenue:					
Sales to external customers	503,278	52,211	555,489	-	555,489
Inter-segment sales	4,030	81	4,111	(4,111)	-
Interest income	734	1	735	-	735
Other income	46,918	-	46,918	(40,451)	6,467
Revenue and other income	554,960	52,293	607,253	(44,562)	562,691
Segment results:					
Segment results	128,404	7,737	136,141	(37,344)	98,797
Finance costs ⁽¹⁾					(2,792)
Share of results of associates					10,654
Profit before taxation					106,659
Income tax expense					(21,120)
Profit for the period					85,539
Other segment information:					
Capital expenditure for the period	90,709	44	90,753	-	90,753
Depreciation and amortisation ⁽²⁾	16,668	3,454	20,122	-	20,122

⁽¹⁾ Includes interest on lease liabilities

⁽²⁾ Includes depreciation of right-of-use assets

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
30 Sep 23					
Segment assets	880,102	96,907	977,009	-	977,009
Investment in associates	77,192	-	77,192	-	77,192
					1,054,201
Segment liabilities	217,420	25,990	243,410	-	243,410
31 Mar 23					
Segment assets	881,304	100,817	982,121	-	982,121
Investment in associates	73,828	-	73,828	-	73,828
					1,055,949
Segment liabilities	240,074	28,143	268,217	-	268,217

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

21. Financial assets and financial liabilities

The table below summarises the financial assets and financial liabilities of the Group and Company as at 30 September 2023 and 31 March 2023.

	Group		Company	
	30 Sep 23	31 Mar 23	30 Sep 23	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
Financial assets at amortised cost				
Trade and other receivables	36,525	26,715	16,134	13,391
Amounts due from associates	100	112	–	–
Amounts due from subsidiaries	–	–	8,190	5,764
Cash and bank balances	206,487	244,553	75,542	117,847
Total financial assets at amortised cost	243,112	271,380	99,866	137,002
Financial liabilities at amortised cost				
Trade and other payables	56,270	68,319	18,855	26,640
Loans and borrowings	84,043	93,814	–	–
Amounts due to subsidiaries	–	–	4,133	4,992
Lease liabilities	71,247	74,094	45,124	47,115
Total financial liabilities at amortised cost	211,560	236,227	68,112	78,747

22. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There was no transfer from Level 1 and Level 2 to Level 3 during the period under review.

G. Notes to the condensed interim consolidated financial statements
For the half year ended 30 September 2023

22. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	30 Sep 23			
	\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Non-financial assets:				
Investment properties	–	–	126,995	126,995
Total non-financial assets	–	–	126,995	126,995

	Group			
	31 Mar 23			
	\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Non-financial assets:				
Investment properties	–	–	119,122	119,122
Total non-financial assets	–	–	119,122	119,122

Information about the valuation techniques and significant unobservable inputs used in Level 3 fair value measurements were disclosed in the annual consolidated financial statements for the year ended 31 March 2023.

(c) Fair value of financial instruments whose carrying amounts approximate their fair values

Management has determined that the carrying amounts of cash and bank balances, trade and other receivables, amounts due from/(to) subsidiaries, amounts due from associates, trade and other payables and loans and borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

**H. Other information required by Appendix 7.2 of the Listing Manual
For the half year ended 30 September 2023**

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

The condensed interim statements of financial position of The Hour Glass Limited and its subsidiaries as at 30 September 2023 and the related condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the half year then ended and accompanying explanatory notes have not been audited nor reviewed.

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

Not applicable.

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.

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

No forecast was previously provided for the half year ended 30 September 2023.

3. Dividend

The Board of Directors has approved an interim dividend of 2.00 cents per ordinary share (2022: 2.00 cents) for the half year ended 30 September 2023, amounting to approximately \$13,121,000 (2022 : \$13,171,000).

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend amount per Ordinary Share	2.00 cents
Tax Rate	(one-tier) tax exempt

No scrip alternative will be offered for this interim 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	Interim Dividend (paid)
Dividend Type	Cash
Dividend amount per Ordinary Share	2.00 cents
Tax Rate	(one-tier) tax exempt

**H. Other information required by Appendix 7.2 of the Listing Manual
For the half year ended 30 September 2022**

3. Dividend (cont'd)

(c) Date Payable

6 December 2023

(d) Record Date

5.00 p.m. on 27 November 2023

Please refer to the Company's announcement on Notice of Record Date for Interim Dividend dated 14 November 2023 for details on the books closure for the interim dividend.

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

Not applicable.

5. 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.

6. 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 condensed interim consolidated financial statements of the Group and the Company (comprising the condensed interim statements of financial position, condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows together with their accompanying notes) for the half year ended 30 September 2023 to be false or misleading in any material respect.

Signed by Dr Henry Tay Yun Chwan and Mr Michael Tay Wee Jin on behalf of the Board of Directors.

7. 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
14 November 2023

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 condensed interim consolidated financial statements of the Group and the Company (comprising the condensed interim statements of financial position, condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows together with their accompanying notes) for the half year ended 30 September 2023 to be false or misleading in any material respect.

On behalf of the Board of Directors



Henry Tay Yun Chwan
Executive Chairman



Michael Tay Wee Jin
Group Managing Director

Singapore
14 November 2023