



THE HOUR GLASS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No: 197901972D)

Unaudited First Quarter Financial Statement For The Period Ended 30 June 2011

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		
		First Quarter ended		
	Note	30 Jun '11	30 Jun '10	Change
		\$'000	\$'000	%
Revenue		137,098	105,303	30%
Other income	(i)	953	677	41%
Total revenue and other income		138,051	105,980	30%
Cost of goods sold		108,149	83,483	30%
Salaries and employees benefits		8,565	7,055	21%
Depreciation of property, plant and equipment		1,439	955	51%
Selling and promotion expenses		3,365	2,841	18%
Rental expenses		3,450	3,325	4%
Finance costs		70	106	-34%
Foreign exchange loss/(gain), net		323	(182)	NM
Other operating expenses		1,479	1,514	-2%
Total costs and expenses		126,840	99,097	28%
Share of results of an associate		228	19	1100%
Profit before taxation		11,439	6,902	66%
Taxation		2,327	1,519	53%
Profit for the period		9,112	5,383	69%
Profit attributable to:				
Owners of the parent		8,614	5,232	65%
Non-controlling interests		498	151	230%
		9,112	5,383	69%

Note:

(i) Other income

		Group		
		First Quarter ended		
		30 Jun '11	30 Jun '10	Change
		\$'000	\$'000	%
Rental income		257	189	36%
Interest income		178	68	162%
Gain on disposal of property, plant and equipment, net		100	62	61%
Management fee		125	63	98%
Others		293	295	-1%
		953	677	41%

NM – Not Meaningful

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

Income tax

- Under provision of tax in respect of prior periods

Group		
First Quarter ended		
30 Jun '11	30 Jun '10	Change
\$'000	\$'000	%
-	6	-100%

1(a)(iii) Statement of Comprehensive Income

Profit for the period

Other comprehensive income

Foreign currency translation

Net change in fair value of investment security

Other comprehensive loss for the period, net of tax

Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the parent

Non-controlling interests

Group		
First Quarter ended		
30 Jun '11	30 Jun '10	Change
\$'000	\$'000	%
9,112	5,383	69%
(1,067)	(2,276)	-53%
(618)	(206)	200%
(1,685)	(2,482)	-32%
7,427	2,901	156%
6,947	2,748	153%
480	153	214%
7,427	2,901	156%

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

	Group		Company	
	30 Jun '11	31 Mar '11	30 Jun '11	31 Mar '11
Assets				
Non-current assets	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	24,136	25,076	14,041	14,655
Investment properties	19,433	18,739	8,850	8,850
Investment in subsidiaries	-	-	20,459	20,459
Investment in an associate	2,909	2,788	-	-
Loan to an associate	2,008	2,084	-	-
Loan to a subsidiary	-	-	8,000	-
Investment security	618	1,236	618	1,236
Other receivables	5,338	5,330	1,671	1,671
Deferred tax assets	501	513	-	-
	<u>54,943</u>	<u>55,766</u>	<u>53,639</u>	<u>46,871</u>
Current assets				
Stocks	205,681	190,742	126,292	117,340
Trade and other receivables	15,881	15,950	8,940	9,879
Prepaid operating expenses	483	477	288	275
Amount due from an associate	523	866	-	-
Amount due from subsidiaries	-	-	5,429	3,946
Cash and cash equivalents	52,691	50,708	9,807	13,267
	<u>275,259</u>	<u>258,743</u>	<u>150,756</u>	<u>144,707</u>
Total assets	<u>330,202</u>	<u>314,509</u>	<u>204,395</u>	<u>191,578</u>
Equity and liabilities				
Current liabilities				
Loans and borrowings	14,435	14,292	8,000	-
Trade and other payables	39,725	33,068	22,363	21,087
Amount due to subsidiaries	-	-	-	16
Provision for taxation	9,668	8,111	6,573	5,802
	<u>63,828</u>	<u>55,471</u>	<u>36,936</u>	<u>26,905</u>
Net current assets	211,431	203,272	113,820	117,802
Non-current liabilities				
Provisions	142	145	-	-
Deferred income	155	152	-	-
Deferred tax liabilities	1,269	1,280	702	702
	<u>1,566</u>	<u>1,577</u>	<u>702</u>	<u>702</u>
Total liabilities	<u>65,394</u>	<u>57,048</u>	<u>37,638</u>	<u>27,607</u>
Net assets	<u>264,808</u>	<u>257,461</u>	<u>166,757</u>	<u>163,971</u>
Equity attributable to owners of the parent				
Share capital	66,826	66,826	66,826	66,826
Reserves	189,701	182,754	99,931	97,145
	<u>256,527</u>	<u>249,580</u>	<u>166,757</u>	<u>163,971</u>
Non-controlling interests	8,281	7,881	-	-
Total equity	<u>264,808</u>	<u>257,461</u>	<u>166,757</u>	<u>163,971</u>
Total equity and liabilities	<u>330,202</u>	<u>314,509</u>	<u>204,395</u>	<u>191,578</u>

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 30 Jun '11		As at 31 Mar '11	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	14,435	-	14,292

Amount repayable after one year

As at 30 Jun '11		As at 31 Mar '11	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	-	-

Details of any collateral

The unsecured term loans of certain subsidiaries are covered by 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	
	First quarter ended	
	30 Jun '11	30 Jun'10
	\$'000	\$'000
Cash flow from operating activities		
Profit before taxation	11,439	6,902
Adjustments for:		
Finance costs	70	106
Interest income	(178)	(68)
Depreciation of property, plant and equipment	1,439	955
Foreign currency translation adjustment	(364)	(837)
Gain on disposal of property, plant and equipment, net	(100)	(62)
Share of results of an associate	(228)	(19)
Operating cash flow before changes in working capital	12,078	6,977
Increase in stocks	(15,199)	(19,493)
Decrease/(increase) in receivables	61	(65)
Increase in prepaid operating expenses	(6)	(553)
Decrease in amount due from an associate	343	142
Increase in payables	6,657	8,714
Cash flow from/(used in) operations	3,934	(4,278)
Income taxes paid	(745)	(768)
Interest paid	(70)	(106)
Interest received	178	68
Net cash flow from/(used in) operating activities	3,297	(5,084)
Cash flow from investing activities		
Proceeds from disposal of property, plant and equipment	99	246
Purchase of property, plant and equipment	(988)	(2,404)
Net cash flow used in investing activities	(889)	(2,158)
Cash flow from financing activities		
Proceeds from loans and borrowings	117	679
Repayment of loans and borrowings	-	(36)
Dividends paid to non-controlling interests of a subsidiary	(80)	-
Net cash flow from financing activities	37	643
Net increase/(decrease) in cash and cash equivalents	2,445	(6,599)
Effects of exchange rate changes	(462)	(524)
Cash and cash equivalents at 1 April	50,708	50,452
Cash and cash equivalents at 30 June	52,691	43,329

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

	30 Jun '11	30 Jun '10
	\$'000	\$'000
Cash and bank balances	33,174	38,574
Fixed deposits with banks	19,517	4,755
	52,691	43,329

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

	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total equity \$'000
Group								
Balance at 1 April 2010	66,514	6,157	825	-	143,047	216,543	7,278	223,821
Profit for the period	-	-	-	-	5,232	5,232	151	5,383
Other comprehensive income	-	(2,278)	(206)	-	-	(2,484)	2	(2,482)
Total comprehensive income for the period	-	(2,278)	(206)	-	5,232	2,748	153	2,901
Balance at 30 June 2010	66,514	3,879	619	-	148,279	219,291	7,431	226,722
Balance at 1 April 2011	66,826	3,194	(206)	2,532	177,234	249,580	7,881	257,461
Profit for the period	-	-	-	-	8,614	8,614	498	9,112
Other comprehensive income	-	(1,049)	(618)	-	-	(1,667)	(18)	(1,685)
Total comprehensive income for the period	-	(1,049)	(618)	-	8,614	6,947	480	7,427
Payment of dividend by a subsidiary	-	-	-	-	-	-	(80)	(80)
Balance at 30 June 2011	66,826	2,145	(824)	2,532	185,848	256,527	8,281	264,808

	Share capital \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Company				
Balance at 1 April 2010	66,514	825	76,068	143,407
Profit for the period	-	-	10,537	10,537
Other comprehensive income	-	(206)	-	(206)
Total comprehensive income for the period	-	(206)	10,537	10,331
Balance at 30 June 2010	66,514	619	86,605	153,738
Balance at 1 April 2011	66,826	(206)	97,351	163,971
Profit for the period	-	-	3,404	3,404
Other comprehensive income	-	(618)	-	(618)
Total comprehensive income for the period	-	(618)	3,404	2,786
Balance at 30 June 2011	66,826	(824)	100,755	166,757

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

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.

30 Jun '11	31 Mar '11
234,331,711	234,331,711

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

Not applicable.

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

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

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer'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 period consistent with those of the audited financial statements for the year ended 31 March 2011, 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 adopted all the new and revised Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2011, including revised FRS24 – Related party disclosures. FRS24 is a disclosure standard, it has no material impact on 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	
	First Quarter ended	
	30 Jun '11	30 Jun '10
(a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	234,331,711	233,954,723
(b) Basic and diluted earnings per share (cents)	3.68	2.24

EPS is calculated by dividing the Group's profits after tax and non-controlling interests 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 30 June 2011.

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

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year**

	Group		Company	
	30 Jun '11	31 Mar '11	30 Jun '11	31 Mar '11
Number of issued shares	234,331,711	234,331,711	234,331,711	234,331,711
Net asset value per ordinary share (cents)	109.47	106.51	71.16	69.97

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**

1Q FY2012 vs 1Q FY2011

A stronger operating performance across the Group's expanded multi-brand retail network coupled with positive trading conditions resulted in a 30% increase in revenue to \$137.1 million for the quarter ended 30 June 2011. Gross margins remained at 21.1%. As a result, profit before tax for the quarter ended 30 June 2011 grew by 66% to \$11.4 million (1Q FY2011: \$6.9 million) whilst profit after tax improved 69% to \$9.1 million (1Q FY2011: \$5.4 million).

As at 30 June 2011, the consolidated net asset value was \$256.5 million or \$1.09 per share. Cash and its equivalents stood at \$52.7 million.

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 31 March 2011.

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

Recent global events have led to the worsening of the financial markets, dampening consumer sentiment which we believe may lead to a lower demand for luxury goods.

Barring any unforeseen circumstances, the Group is cautiously optimistic that it will remain profitable for the financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

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

13. 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, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flow together with their accompanying notes) for the first quarter ended 30 June 2011 to be false or misleading in any material respect.

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

BY ORDER OF THE BOARD

Christine Chan
Company Secretary
10 August 2011

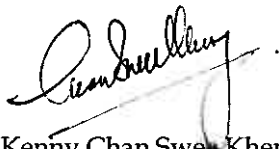
Statement Pursuant to Rule 705(5) of the Listing Manual

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, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity, and consolidated statement of cash flow together with their accompanying notes) for the first quarter ended 30 June 2011 to be false or misleading in any material respect.

On behalf of the Board of Directors



Michael Tay Wee Jin
Executive Director



Kenny Chan Swee Kheng
Group Managing Director

Singapore
10 August 2011