

# 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 2013**

**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 13       | 31 Mar 12            | Change     |
|   |      | \$'000          | (Restated)<br>\$'000 | %          |
| Revenue                                       |      | 601,936         | 607,009              | -1%        |
| Other income                                  | (i)  | 5,822           | 4,771                | 22%        |
| <b>Total revenue and other income</b>         |      | <b>607,758</b>  | <b>611,780</b>       | <b>-1%</b> |
| Cost of goods sold                            |      | 458,279         | 460,654              | -1%        |
| Salaries and employees benefits               |      | 37,226          | 40,264               | -8%        |
| Depreciation of property, plant and equipment |      | 5,872           | 5,853                | 0%         |
| Selling and promotion expenses                |      | 14,765          | 13,650               | 8%         |
| Rental expenses                               |      | 18,743          | 15,087               | 24%        |
| Finance costs                                 |      | 488             | 316                  | 54%        |
| Foreign exchange loss                         |      | 136             | 67                   | 103%       |
| Impairment loss on investment securities      |      | 785             | 659                  | 19%        |
| Other operating expenses                      |      | 7,461           | 7,062                | 6%         |
| <b>Total costs and expenses</b>               |      | <b>543,755</b>  | <b>543,612</b>       | <b>0%</b>  |
| Share of results of associates                |      | 1,876           | 1,170                | 60%        |
| <b>Profit before taxation</b>                 |      | <b>65,879</b>   | <b>69,338</b>        | <b>-5%</b> |
| Taxation                                      |      | 11,548          | 13,129               | -12%       |
| <b>Profit for the year</b>                    |      | <b>54,331</b>   | <b>56,209</b>        | <b>-3%</b> |
| <b>Profit attributable to:</b>                |      |                 |                      |            |
| Owners of the Company                         |      | 52,841          | 54,753               | -3%        |
| Non-controlling interests                     |      | 1,490           | 1,456                | 2%         |
|   |      | <b>54,331</b>   | <b>56,209</b>        | <b>-3%</b> |

Note:

(i) Other income

|   |  | Group           |                      |            |
|---|--|-----------------|----------------------|------------|
|   |  | Full Year ended |                      |            |
|   |  | 31 Mar 13       | 31 Mar 12            | Change     |
|   |  | \$'000          | (Restated)<br>\$'000 | %          |
| Rental income   |  | 1,087           | 1,055                | 3%         |
| Interest income                                       |  | 948             | 886                  | 7%         |
| Net gain on disposal of property, plant and equipment |  | 281             | 148                  | 90%        |
| Fair value gain on investment properties              |  | 1,954           | 1,107                | 77%        |
| Management fee  |  | 431             | 539                  | -20%       |
| Investment income                                     |  | 392             | -                    | NM         |
| Others  |  | 729             | 1,036                | -30%       |
|   |  | <b>5,822</b>    | <b>4,771</b>         | <b>22%</b> |

*NM – Not Meaningful*

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

| Group   |                         |        |
|---|-------------------------|--------|
| Full Year Ended                                 |                         |        |
| 31 Mar 13                                       | 31 Mar 12<br>(Restated) | Change |
| \$'000  | \$'000                  | %      |
| Income Tax                                      |                         |        |
| Over provision of tax in respect of prior years | (291)                   | 274%   |
| (1,089)   | (291)                   | 274%   |

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

| Group   |                         |            |
|---|-------------------------|------------|
| Full Year Ended                                     |                         |            |
| 31 Mar 13   | 31 Mar 12<br>(Restated) | Change     |
| \$'000  | \$'000                  | %          |
| Profit for the year                                 | 56,209                  | -3%        |
| 54,331  | 56,209                  | -3%        |
| <b>Other comprehensive income</b>                   |                         |            |
| Foreign currency translation                        | (458)                   | 651%       |
| (3,441)   | (458)                   | 651%       |
| Net surplus on revaluation of investment properties | 69                      | -100%      |
| -   | 69                      | -100%      |
| Net change in fair value of investment security     | (453)                   | -100%      |
| -   | (453)                   | -100%      |
| Other comprehensive loss for the year, net of tax   | (842)                   | 309%       |
| (3,441)   | (842)                   | 309%       |
| <b>Total comprehensive income for the year</b>      | <b>55,367</b>           | <b>-8%</b> |
| 50,890  | 55,367                  | -8%        |
| <b>Total comprehensive income attributable to:</b>  |                         |            |
| Owners of the Company                               | 53,923                  | -7%        |
| 49,997  | 53,923                  | -7%        |
| Non-controlling interests                           | 1,444                   | -38%       |
| 893   | 1,444                   | -38%       |
| 50,890  | 55,367                  | -8%        |

**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 13      | 31 Mar 12<br>(Restated) | 1 Apr 11<br>(Restated) | 31 Mar 13      | 31 Mar 12<br>(Restated) | 1 Apr 11<br>(Restated) |
| <b>Assets</b>                                       |                |                         |                        |                |                         |                        |
| <b>Non-current assets</b>                           | \$'000         | \$'000                  | \$'000                 | \$'000         | \$'000                  | \$'000                 |
| Property, plant and equipment                       | 29,218         | 22,248                  | 25,076                 | 14,120         | 13,448                  | 14,655                 |
| Investment properties                               | 19,434         | 20,629                  | 18,739                 | 12,126         | 9,100                   | 8,850                  |
| Investment in subsidiaries                          | -              | -                       | -                      | 20,459         | 20,459                  | 20,459                 |
| Investment in associates                            | 5,976          | 3,864                   | 2,788                  | -              | -                       | -                      |
| Loan to subsidiaries                                | -              | -                       | -                      | 8,842          | 8,000                   | -                      |
| Loan to an associate                                | 2,738          | 2,023                   | 2,084                  | -              | -                       | -                      |
| Investment securities                               | 25             | 783                     | 1,236                  | -              | 783                     | 1,236                  |
| Other receivables                                   | 5,713          | 5,637                   | 5,330                  | 2,365          | 1,945                   | 1,671                  |
| Deferred tax assets                                 | 1,171          | 786                     | 715                    | -              | -                       | 202                    |
|   | <b>64,275</b>  | <b>55,970</b>           | <b>55,968</b>          | <b>57,912</b>  | <b>53,735</b>           | <b>47,073</b>          |
| <b>Current assets</b>                               |                |                         |                        |                |                         |                        |
| Stocks  | 265,742        | 230,954                 | 190,742                | 155,222        | 141,582                 | 117,340                |
| Trade and other receivables                         | 20,373         | 17,393                  | 15,950                 | 11,716         | 10,538                  | 9,879                  |
| Prepaid operating expenses                          | 504            | 530                     | 477                    | 242            | 292                     | 275                    |
| Amount due from associates                          | 51             | 170                     | 866                    | -              | -                       | -                      |
| Amount due from subsidiaries                        | -              | -                       | -                      | 3,426          | 5,276                   | 3,946                  |
| Cash and cash equivalents                           | 79,536         | 53,701                  | 50,708                 | 32,757         | 5,598                   | 13,267                 |
|   | <b>366,206</b> | <b>302,748</b>          | <b>258,743</b>         | <b>203,363</b> | <b>163,286</b>          | <b>144,707</b>         |
| <b>Total assets</b>                                 | <b>430,481</b> | <b>358,718</b>          | <b>314,711</b>         | <b>261,275</b> | <b>217,021</b>          | <b>191,780</b>         |
| <b>Equity and liabilities</b>                       |                |                         |                        |                |                         |                        |
| <b>Current liabilities</b>                          |                |                         |                        |                |                         |                        |
| Loans and borrowings                                | 41,198         | 3,069                   | 14,292                 | 38,000         | -                       | -                      |
| Trade and other payables                            | 40,472         | 41,995                  | 33,068                 | 22,731         | 26,365                  | 21,087                 |
| Amount due to subsidiaries                          | -              | -                       | -                      | -              | 10                      | 16                     |
| Provision for taxation                              | 8,151          | 9,602                   | 8,111                  | 5,348          | 7,523                   | 5,802                  |
|   | <b>89,821</b>  | <b>54,666</b>           | <b>55,471</b>          | <b>66,079</b>  | <b>33,898</b>           | <b>26,905</b>          |
| <b>Net current assets</b>                           | <b>276,385</b> | <b>248,082</b>          | <b>203,272</b>         | <b>137,284</b> | <b>129,388</b>          | <b>117,802</b>         |
| <b>Non-current liabilities</b>                      |                |                         |                        |                |                         |                        |
| Provisions  | 283            | 133                     | 145                    | -              | -                       | -                      |
| Deferred income                                     | 7              | 93                      | 152                    | -              | -                       | -                      |
| Deferred tax liabilities                            | 95             | 14                      | -                      | 95             | 14                      | -                      |
|   | <b>385</b>     | <b>240</b>              | <b>297</b>             | <b>95</b>      | <b>14</b>               | <b>-</b>               |
| <b>Total liabilities</b>                            | <b>90,206</b>  | <b>54,906</b>           | <b>55,768</b>          | <b>66,174</b>  | <b>33,912</b>           | <b>26,905</b>          |
| <b>Net assets</b>                                   | <b>340,275</b> | <b>303,812</b>          | <b>258,943</b>         | <b>195,101</b> | <b>183,109</b>          | <b>164,875</b>         |
| <b>Equity attributable to owners of the Company</b> |                |                         |                        |                |                         |                        |
| Share capital                                       | 67,638         | 67,638                  | 66,826                 | 67,638         | 67,638                  | 66,826                 |
| Reserves  | 262,998        | 227,101                 | 184,236                | 127,463        | 115,471                 | 98,049                 |
|   | <b>330,636</b> | <b>294,739</b>          | <b>251,062</b>         | <b>195,101</b> | <b>183,109</b>          | <b>164,875</b>         |
| <b>Non-controlling interests</b>                    | 9,639          | 9,073                   | 7,881                  | -              | -                       | -                      |
| <b>Total equity</b>                                 | <b>340,275</b> | <b>303,812</b>          | <b>258,943</b>         | <b>195,101</b> | <b>183,109</b>          | <b>164,875</b>         |
| <b>Total equity and liabilities</b>                 | <b>430,481</b> | <b>358,718</b>          | <b>314,711</b>         | <b>261,275</b> | <b>217,021</b>          | <b>191,780</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 Mar 13   |                     | As at 31 Mar 12   |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| -                 | 41,198              | -                 | 3,069               |

Amount repayable after one year

| As at 31 Mar 13   |                     | As at 31 Mar 12   |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| -                 | -                   | -                 | -                   |

Details of any collateral

The unsecured term loans of a subsidiary 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.

|   | <b>Group</b>           |                  |
|---|------------------------|------------------|
|   | <b>Full Year ended</b> |                  |
|   | <b>31 Mar 13</b>       | <b>31 Mar 12</b> |
|   | \$'000                 | \$'000           |
| <b>Operating activities</b>                                     |                        |                  |
| Profit before taxation  | 65,879                 | 69,338           |
| Adjustments for:  |                        |                  |
| Finance costs   | 488                    | 316              |
| Interest income   | (948)                  | (886)            |
| Investment income   | (392)                  | -                |
| Depreciation of property, plant and equipment                   | 5,872                  | 5,853            |
| Foreign currency translation adjustment                         | (134)                  | (163)            |
| Net gain on disposal of property, plant and equipment           | (281)                  | (148)            |
| Fair value gain on investment properties                        | (1,954)                | (1,107)          |
| Impairment loss in investment securities                        | 785                    | 659              |
| Share of results of associates                                  | (1,876)                | (1,170)          |
| <b>Operating cash flows before changes in working capital</b>   | <b>67,439</b>          | <b>72,692</b>    |
| Increase in stocks  | (36,602)               | (40,465)         |
| Increase in receivables   | (3,716)                | (1,727)          |
| Decrease/(increase) in prepaid operating expenses               | 14                     | (53)             |
| (Increase)/decrease in amount due from associates               | (506)                  | 671              |
| (Decrease)/increase in payables                                 | (981)                  | 8,888            |
| <b>Cash flows from operations</b>                               | <b>25,648</b>          | <b>40,006</b>    |
| Income taxes paid   | (13,169)               | (11,711)         |
| Interest paid   | (488)                  | (316)            |
| Interest received   | 948                    | 886              |
| <b>Net cash flows from operating activities</b>                 | <b>12,939</b>          | <b>28,865</b>    |
| <b>Investing activities</b>                                     |                        |                  |
| Investment income   | 392                    | -                |
| Proceeds from disposal of property, plant and equipment         | 451                    | 371              |
| Purchase of investment property                                 | (1,820)                | -                |
| Purchase of property, plant and equipment                       | (9,614)                | (3,916)          |
| <b>Net cash flows used in investing activities</b>              | <b>(10,591)</b>        | <b>(3,545)</b>   |
| <b>Financing activities</b>                                     |                        |                  |
| Proceeds from loans and borrowings                              | 41,198                 | -                |
| Repayment of loans and borrowings                               | (2,632)                | (11,150)         |
| Proceeds from issue of shares pursuant to scrip dividend scheme | -                      | 812              |
| Dividends paid to non-controlling interests                     | (327)                  | (252)            |
| Dividends paid on ordinary shares                               | (14,100)               | (11,717)         |
| <b>Net cash flows from/(used in) financing activities</b>       | <b>24,139</b>          | <b>(22,307)</b>  |
| <b>Net increase in cash and cash equivalents</b>                | <b>26,487</b>          | <b>3,013</b>     |
| Effects of exchange rate changes on cash and cash equivalents   | (652)                  | (20)             |
| Cash and cash equivalents at 1 April                            | 53,701                 | 50,708           |
| <b>Cash and cash equivalents at 31 March</b>                    | <b>79,536</b>          | <b>53,701</b>    |

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

|                           | <b>31 Mar 13</b> | <b>31 Mar 12</b> |
|---------------------------|------------------|------------------|
|                           | \$'000           | \$'000           |
| Cash and bank balances    | 51,945           | 21,996           |
| Fixed Deposits with banks | 27,591           | 31,705           |
|                           | <b>79,536</b>    | <b>53,701</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.**

| Group  | Share capital<br>\$'000 | Foreign<br>currency<br>translation<br>reserve<br>\$'000 | Fair value<br>adjustment<br>reserve<br>\$'000 | Asset<br>revaluation<br>reserve<br>\$'000 | Revenue<br>reserve<br>\$'000 | Total<br>attributable to<br>owners of the<br>Company<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>equity<br>\$'000 |
|--|-------------------------|---|---|---|------------------------------|--|--|---------------------------|
| <b>Balance at 1 April 2011, as previously reported</b>                       | 66,826                  | 3,194   | (206)   | 2,532                                     | 177,234                      | 249,580  | 7,881                                      | 257,461                   |
| Effects of adopting Amendments to FRS 12                                     | -                       | (25)  | -   | 500                                       | 1,007                        | 1,482  | -  | 1,482                     |
| <b>Balance at 1 April 2011, as restated</b>                                  | 66,826                  | 3,169   | (206)   | 3,032                                     | 178,241                      | 251,062  | 7,881                                      | 258,943                   |
| Profit for the year  | -                       | -   | -   | -   | 54,753                       | 54,753   | 1,456                                      | 56,209                    |
| Other comprehensive income   | -                       | (446)   | (453)   | 69  | -                            | (830)  | (12)                                       | (842)                     |
| Total comprehensive income for the year                                      | -                       | (446)   | (453)   | 69  | 54,753                       | 53,923   | 1,444                                      | 55,367                    |
| Issuance of new shares pursuant to scrip dividend scheme                     | 812                     | -   | -   | -   | -                            | 812  | -  | 812                       |
| Dividends on ordinary shares   | -                       | -   | -   | -   | (11,717)                     | (11,717)   | -  | (11,717)                  |
| Dividends paid to non-controlling interests                                  | -                       | -   | -   | -   | -                            | -  | (252)                                      | (252)                     |
| Recognised in the income statement on impairment loss of investment security | -                       | -   | 659   | -   | -                            | 659  | -  | 659                       |
| Reclassification of reserve arising from liquidation of a foreign subsidiary | -                       | (187)   | -   | -   | 187                          | -  | -  | -                         |
| <b>Balance at 31 March 2012</b>  | 67,638                  | 2,536   | -   | 3,101                                     | 221,464                      | 294,739  | 9,073                                      | 303,812                   |
| <b>Balance at 1 April 2012, as previously reported</b>                       | 67,638                  | 2,561   | -   | 2,601                                     | 220,415                      | 293,215  | 9,073                                      | 302,288                   |
| Effects of adopting Amendments to FRS 12                                     | -                       | (25)  | -   | 500                                       | 1,049                        | 1,524  | -  | 1,524                     |
| <b>Balance at 1 April 2012, as restated</b>                                  | 67,638                  | 2,536   | -   | 3,101                                     | 221,464                      | 294,739  | 9,073                                      | 303,812                   |
| Profit for the year  | -                       | -   | -   | -   | 52,841                       | 52,841   | 1,490                                      | 54,331                    |
| Other comprehensive income   | -                       | (2,844)   | -   | -   | -                            | (2,844)  | (597)                                      | (3,441)                   |
| Total comprehensive income for the year                                      | -                       | (2,844)   | -   | -   | 52,841                       | 49,997   | 893  | 50,890                    |
| Dividends on ordinary shares   | -                       | -   | -   | -   | (14,100)                     | (14,100)   | -  | (14,100)                  |
| Dividends paid to non-controlling interests                                  | -                       | -   | -   | -   | -                            | -  | (327)                                      | (327)                     |
| <b>Balance at 31 March 2013</b>  | 67,638                  | (308)   | -   | 3,101                                     | 260,205                      | 330,636  | 9,639                                      | 340,275                   |

### 1(d)(i) Statement of changes in equity (Cont'd)

| Company  | Share capital<br>\$'000 | Fair value<br>adjustment<br>reserve<br>\$'000 | Revenue<br>reserve<br>\$'000 | Total<br>equity<br>\$'000 |
|--|-------------------------|---|------------------------------|---------------------------|
| Balance at 1 April 2011, as previously reported                              | 66,826                  | (206)   | 97,351                       | 163,971                   |
| Effects of adopting Amendments to FRS 12                                     | -                       | -   | 904                          | 904                       |
| Balance at 1 April 2011, as restated   | 66,826                  | (206)   | 98,255                       | 164,875                   |
| Profit for the year  | -                       | -   | 28,933                       | 28,933                    |
| Other comprehensive income   | -                       | (453)   | -                            | (453)                     |
| Total comprehensive income for the year                                      | -                       | (453)   | 28,933                       | 28,480                    |
| Issuance of new shares pursuant to scrip dividend scheme                     | 812                     | -   | -                            | 812                       |
| Dividends on ordinary shares   | -                       | -   | (11,717)                     | (11,717)                  |
| Recognised in the income statement on impairment loss of investment security | -                       | 659   | -                            | 659                       |
| Balance at 31 March 2012   | 67,638                  | -   | 115,471                      | 183,109                   |
| Balance at 1 April 2012, as previously reported                              | 67,638                  | -   | 114,524                      | 182,162                   |
| Effects of adopting Amendments to FRS12                                      | -                       | -   | 947                          | 947                       |
| Balance at 1 April 2012, as restated   | 67,638                  | -   | 115,471                      | 183,109                   |
| Profit for the year  | -                       | -   | 26,092                       | 26,092                    |
| Total comprehensive income for the year                                      | -                       | -   | 26,092                       | 26,092                    |
| Dividends on ordinary shares   | -                       | -   | (14,100)                     | (14,100)                  |
| Balance at 31 March 2013   | 67,638                  | -   | 127,463                      | 195,101                   |

**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 year 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 Mar 13</b> | <b>31 Mar 12</b> |
|------------------|------------------|
| 235,003,960      | 235,003,960      |

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 March 2012, 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 has adopted the revised and amendments to Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") which became effective 1 January 2012, including Amendment to FRS 12 *Deferred Tax: Recovery of Underlying Assets*. The adoption of these FRSs and INT FRSs do not have any significant impact on the financial statements of the Group except for the following:

*Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets*

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 Investment Property. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group previously provided for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of the Amendments to FRS 12, there is a presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties located in certain countries as there is no capital gains tax in those countries.



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 (cont'd)**

This change in accounting policy has been applied retrospectively. Accordingly, the comparatives have been restated. The effects on the comparatives arising from the adoption of the Amendments to FRS 12 are as follows:

| <b><u>Consolidated income statement</u></b>                   | <b>Group<br/>Full year<br/>2012<br/>(Restated)<br/>\$'000</b> |   |  |   |
|---|---|---|--|---|
| Decrease in taxation  |   | (42)                                      |  |   |
| Increase in profit for the year                               |   | 42  |  |   |
| Increase in profit attributable to owners of the Company      |   | 42  |  |   |
| Increase in earnings per share (cents)<br>– Basic and diluted |   | 0.02                                      |  |   |
| <br>  |   |   |  |   |
| <b><u>Statements of financial position</u></b>                | <b>Group</b>  |   | <b>Company</b>                             |   |
|   | <b>31 Mar 12<br/>(Restated)<br/>\$'000</b>                    | <b>1 Apr 11<br/>(Restated)<br/>\$'000</b> | <b>31 Mar 12<br/>(Restated)<br/>\$'000</b> | <b>1 Apr 11<br/>(Restated)<br/>\$'000</b> |
| Increase in deferred tax assets                               | -   | 202                                       | -  | 202                                       |
| Decrease in deferred tax liabilities                          | (1,524)   | (1,280)                                   | (947)                                      | (702)                                     |
| Decrease in foreign currency translation reserve              | (25)  | (25)                                      | -  | -   |
| Increase in asset revaluation reserve                         | 500   | 500                                       | -  | -   |
| Increase in revenue reserve                                   | 1,049   | 1,007                                     | 947  | 904                                       |

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**

- (a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share
- (b) Basic and diluted earnings per share (cents)

| <b>Group</b>           |                                 |
|------------------------|---------------------------------|
| <b>Full Year ended</b> |                                 |
| <b>31 Mar 13</b>       | <b>31 Mar 12<br/>(Restated)</b> |
| 235,003,960            | 234,695,387                     |
| 22.49                  | 23.33                           |

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 2013.

**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 13   | 31 Mar 12<br>(Restated) | 31 Mar 13   | 31 Mar 12<br>(Restated) |
| Number of issued shares                    | 235,003,960 | 235,003,960             | 235,003,960 | 235,003,960             |
| Net asset value per ordinary share (in \$) | 1.41        | 1.25                    | 0.83        | 0.78                    |

**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 full year ended 31 March 2013 ("FY2013") was \$601.9 million, 1% below that of the last financial year ("FY2012").

Gross margin remained stable at 23.9% (FY2012: 24.1%). This was achieved despite an increasingly competitive environment. Operating expenses were higher due to the expansion of the Group's retail network, with the opening of three new watch boutiques, one each in Singapore, Hong Kong and Australia. Inventory rose by \$34.8 million due to the expansion of the retail network.

The share of our associates' results have improved by 60%, mainly due to contribution from a new multi-brand store which opened in Phuket, Thailand.

The Group's profit after tax reduced marginally by 3% to \$54.3 million, compared to \$56.2 million in FY2012.

As at 31 March 2013, consolidated net assets were \$330.6 million or \$1.41 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 prospect statement in the results announcement for the period ended 31 December 2012.

**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**

Consumer sentiment and the demand for hard luxury goods continue to be affected by the global economic uncertainty. Barring any unforeseen circumstances, the Group is cautiously optimistic of its outlook 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 | 5.50 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 | 6.00 cents               |
| Tax Rate                           | (one-tier)               |

**(c) Date Payable**

The Directors have recommended a first and final dividend of 5.50 cents per ordinary share (one-tier) ("FY2013 Dividend") amounting to approximately \$12,925,000. This is subject to the approval of the shareholders of the Company at the next Annual General Meeting to be held on 17 July 2013.

**(d) Books Closure Date**

The books closure and payment dates in respect of the FY2013 Dividend will be announced on a later date.

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

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. Negative confirmation pursuant to Rule 705(5).**

Not applicable for full year results announcement.

**Part II – Additional Information required for Full Year Announcement**

**15. 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.**

| 2013                                     | South East Asia<br>& Australia<br>S\$'000 | North East<br>Asia<br>S\$'000 | Total<br>S\$'000 | Eliminations<br>S\$'000 | Group<br>S\$'000 |
|--|---|-------------------------------|------------------|-------------------------|------------------|
| <b>Segment Revenue:</b>                  |   |                               |                  |                         |                  |
| Sales to external customers              | 512,848                                   | 89,088                        | 601,936          | -                       | 601,936          |
| Inter-segment sales                      | 111                                       | 5,159                         | 5,270            | (5,270)                 | -                |
| Interest income                          | 851                                       | 97                            | 948              | -                       | 948              |
| Other income                             | 5,455                                     | 765                           | 6,220            | (1,346)                 | 4,874            |
| Total revenue and other income           | 519,265                                   | 95,109                        | 614,374          | (6,616)                 | 607,758          |
| <b>Segment results:</b>                  |   |                               |                  |                         |                  |
| Segment results                          | 47,992                                    | 15,812                        | 63,804           | (874)                   | 62,930           |
| Finance costs                            |   |                               |                  |                         | (488)            |
| Fair value gain on investment properties |   |                               |                  |                         | 1,954            |
| Impairment loss on investment securities |   |                               |                  |                         | (785)            |
| Share of results of associates           |   |                               |                  |                         | 1,876            |
| Investment income                        |   |                               |                  |                         | 392              |
| Profit before taxation                   |   |                               |                  |                         | 65,879           |
| Taxation                                 |   |                               |                  |                         | (11,548)         |
| Profit for the year                      |   |                               |                  |                         | 54,331           |
| <b>Other segment information:</b>        |   |                               |                  |                         |                  |
| Segment assets                           | 357,248                                   | 66,086                        | 423,334          | -                       | 423,334          |
| Investment in associates                 | 5,976                                     | -                             | 5,976            | -                       | 5,976            |
| Unallocated corporate assets             |   |                               |                  |                         | 1,171            |
|  |   |                               |                  |                         | 430,481          |
| Segment liabilities                      | 77,435                                    | 4,525                         | 81,960           | -                       | 81,960           |
| Unallocated corporate liabilities        |   |                               |                  |                         | 8,246            |
|  |   |                               |                  |                         | 90,206           |
| Capital expenditure for the year         | 10,839                                    | 595                           | 11,434           | -                       | 11,434           |
| Depreciation                             | 5,492                                     | 380                           | 5,872            | -                       | 5,872            |

| 2012 (Restated)                          | South East Asia<br>& Australia<br>S\$'000 | North East<br>Asia<br>S\$'000 | Total<br>S\$'000 | Eliminations<br>S\$'000 | Group<br>S\$'000 |
|--|---|-------------------------------|------------------|-------------------------|------------------|
| <b>Segment Revenue:</b>                  |   |                               |                  |                         |                  |
| Sales to external customers              | 522,808                                   | 84,201                        | 607,009          | -                       | 607,009          |
| Inter-segment sales                      | 54  | 1,437                         | 1,491            | (1,491)                 | -                |
| Interest income                          | 741                                       | 145                           | 886              | -                       | 886              |
| Other income                             | 4,367                                     | 114                           | 4,481            | (596)                   | 3,885            |
| Total revenue and other income           | 527,970                                   | 85,897                        | 613,867          | (2,087)                 | 611,780          |
| <b>Segment results:</b>                  |   |                               |                  |                         |                  |
| Segment results                          | 55,342                                    | 13,200                        | 68,542           | (506)                   | 68,036           |
| Finance costs                            |   |                               |                  |                         | (316)            |
| Fair value gain on investment properties |   |                               |                  |                         | 1,107            |
| Impairment loss on investment security   |   |                               |                  |                         | (659)            |
| Share of results of an associate         |   |                               |                  |                         | 1,170            |
| Profit before taxation                   |   |                               |                  |                         | 69,338           |
| Taxation                                 |   |                               |                  |                         | (13,129)         |
| Profit for the year                      |   |                               |                  |                         | 56,209           |
| <b>Other segment information:</b>        |   |                               |                  |                         |                  |
| Segment assets                           | 298,586                                   | 55,482                        | 354,068          | -                       | 354,068          |
| Investment in an associate               | 3,864                                     | -                             | 3,864            | -                       | 3,864            |
| Unallocated corporate assets             |   |                               |                  |                         | 786              |
|  |   |                               |                  |                         | 358,718          |
| Segment liabilities                      | 38,961                                    | 6,329                         | 45,290           | -                       | 45,290           |
| Unallocated corporate liabilities        |   |                               |                  |                         | 9,616            |
|  |   |                               |                  |                         | 54,906           |
| Capital expenditure for the year         | 3,855                                     | 61                            | 3,916            | -                       | 3,916            |
| Depreciation                             | 5,431                                     | 422                           | 5,853            | -                       | 5,853            |

16. 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.

17. A breakdown of sales as follows:

|                                       | Group           |                               |             |
|---------------------------------------|-----------------|-------------------------------|-------------|
|                                       | 2013<br>S\$'000 | 2012<br>(Restated)<br>S\$'000 | Change<br>% |
| Revenue for first half year           | 275,764         | 279,888                       | -1.5        |
| Profit after tax for first half year  | 20,109          | 20,055                        | 0.3         |
| Revenue for second half year          | 326,172         | 327,121                       | -0.3        |
| Profit after tax for second half year | 34,222          | 36,154                        | -5.3        |

18. 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<br>S\$'000 | Previous Full Year<br>S\$'000 |
|--------------|-----------------------------|-------------------------------|
| Ordinary     | 12,925                      | 14,100                        |
| Preference   | -                           | -                             |
| <b>Total</b> | <b>12,925</b>               | <b>14,100</b>                 |

19. 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   | 62  | Sister of Dato' Dr Jannie Chan Siew Lee and Dr Kenny Chan Swee Kheng. Aunt of Mr Michael Tay Wee Jin. | Manager (since 1997) - Melbourne Boutique (The Hour Glass Australia Pty Ltd).<br>Responsible for operations of the retail outlet in Melbourne, Australia.  | Nil.  |
| Mr Chen Choong Hian | 62  | Brother-in-law of Dr Henry Tay Yun Chwan.   | Assistant General Manager (promoted since 1 April 2012) - (The Hour Glass Australia Pty Ltd).<br>Responsible for operations in Australia including managing the retail boutiques in Gold Coast and Brisbane. | Yes.  |

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

Note:

Dr Henry Tay Yun Chwan is the Executive Chairman and a substantial shareholder of The Hour Glass Limited. Dato' Dr Jannie Chan Siew Lee is the Executive Vice Chairman and a substantial shareholder of The Hour Glass Limited.

Dr Kenny Chan Swee Kheng is the Group Managing Director of The Hour Glass Limited. He is the brother of Dato' Dr Jannie Chan Siew Lee.

Mr Michael Tay Wee Jin is the Executive Director of The Hour Glass Limited. He is the son of Dr Henry Tay Yun Chwan and Dato' Dr Jannie Chan Siew Lee.

**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
28 May 2013