

THE HOUR GLASS

THE HOUR GLASS LIMITED

Co. Registration No: 197901972D

Unaudited First Quarter Financial Statement For The Period Ended 30 June 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		
		First Quarter ended		
	Note	30 Jun 13 \$'000	30 Jun 12 \$'000	Change %
Revenue		154,671	135,318	14%
Other income	(i)	900	931	-3%
Total revenue and other income		155,571	136,249	14%
Cost of goods sold		121,268	105,246	15%
Salaries and employees benefits		9,337	7,857	19%
Depreciation of property, plant and equipment		1,641	1,470	12%
Selling and promotion expenses		4,079	3,677	11%
Rental expenses		5,311	3,934	35%
Finance costs		116	52	123%
Foreign exchange loss		365	46	693%
Other operating expenses		2,085	1,856	12%
Total costs and expenses		144,202	124,138	16%
Share of results of associates		346	427	-19%
Profit before taxation		11,715	12,538	-7%
Taxation		2,566	2,727	-6%
Profit for the period		9,149	9,811	-7%
Profit attributable to:				
Owners of the Company		8,810	9,345	-6%
Non-controlling interests		339	466	-27%
		9,149	9,811	-7%

Note:

(i) Other income

		Group		
		First Quarter ended		
		30 Jun 13 \$'000	30 Jun 12 \$'000	Change %
Rental income		253	272	-7%
Interest income		200	255	-22%
Net gain on disposal of property, plant and equipment		32	-	NM
Management fee		100	89	12%
Others		315	315	0%
		900	931	-3%

NM – Not Meaningful

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

No adjustment for under or overprovision of tax in respect of prior years was made for the periods ended 30 June 2013 and 30 June 2012.

1(a)(iii) Statement of comprehensive income

	Group		
	First Quarter Ended		
	30 Jun 13 \$'000	30 Jun 12 \$'000	Change %
Profit for the period	9,149	9,811	-7%
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Net change in fair value of investment security	5	41	-88%
Foreign currency translation	(4,208)	(1,264)	233%
Other comprehensive loss for the period, net of tax	(4,203)	(1,223)	244%
Total comprehensive income for the period	4,946	8,588	-42%
Total comprehensive income attributable to:			
Owners of the Company	4,445	8,510	-48%
Non-controlling interests	501	78	542%
	4,946	8,588	-42%

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	
	30 Jun 13	31 Mar 13	30 Jun 13	31 Mar 13
	\$'000	\$'000	\$'000	\$'000
Assets				
Non-current assets				
Property, plant and equipment	28,320	29,218	14,221	14,120
Investment properties	18,725	19,434	12,126	12,126
Intangible assets	379	-	379	-
Investment in subsidiaries	-	-	20,459	20,459
Investment in associates	6,065	5,976	-	-
Loan to subsidiaries	-	-	8,807	8,842
Loan to an associate	2,624	2,738	-	-
Investment securities	30	25	-	-
Other receivables	5,641	5,713	2,366	2,365
Deferred tax assets	1,073	1,171	-	-
	62,857	64,275	58,358	57,912
Current assets				
Stocks	276,669	265,742	166,460	155,222
Trade and other receivables	21,668	20,373	11,420	11,716
Prepaid operating expenses	694	504	429	242
Amount due from associates	82	51	-	-
Amount due from subsidiaries	-	-	3,364	3,426
Cash and cash equivalents	64,795	79,536	14,504	32,757
	363,908	366,206	196,177	203,363
Total assets	426,765	430,481	254,535	261,275
Equity and liabilities				
Current liabilities				
Loans and borrowings	33,795	41,198	33,000	38,000
Trade and other payables	38,633	40,472	18,471	22,731
Amount due to subsidiaries	-	-	282	-
Provision for taxation	8,888	8,151	5,867	5,348
	81,316	89,821	57,620	66,079
Net current assets	282,592	276,385	138,557	137,284
Non-current liabilities				
Provisions	199	283	-	-
Deferred income	-	7	-	-
Deferred tax liabilities	95	95	95	95
	294	385	95	95
Total liabilities	81,610	90,206	57,715	66,174
Net assets	345,155	340,275	196,820	195,101
Equity attributable to owners of the Company				
Share capital	67,638	67,638	67,638	67,638
Reserves	267,443	262,998	129,182	127,463
	335,081	330,636	196,820	195,101
Non-controlling interests	10,074	9,639	-	-
Total equity	345,155	340,275	196,820	195,101
Total equity and liabilities	426,765	430,481	254,535	261,275

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 13		As at 31 Mar 13	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
-	33,795	-	41,198

Amount repayable after one year

As at 30 Jun 13		As at 31 Mar 13	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'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.

	Group	
	First Quarter ended	
	30 Jun 13	30 Jun 12
	\$'000	\$'000
Operating activities		
Profit before taxation	11,715	12,538
Adjustments for:		
Finance costs	116	52
Interest income	(200)	(255)
Depreciation of property, plant and equipment	1,641	1,470
Amortisation of intangible assets	20	-
Foreign currency translation adjustment	24	(792)
Net gain on disposal of property, plant and equipment	(32)	-
Share of results of associates	(346)	(427)
Operating cash flows before changes in working capital	12,938	12,586
Increase in stocks	(13,080)	(40,987)
Increase in receivables	(1,227)	(3,600)
Increase in prepaid operating expenses	(200)	(182)
(Increase)/decrease in amount due from associates	(33)	280
Decrease in payables	(1,327)	(3,430)
Cash flows used in operations	(2,929)	(35,333)
Income taxes paid	(1,726)	(1,284)
Interest paid	(116)	(52)
Interest received	200	255
Net cash flows used in operating activities	(4,571)	(36,414)
Investing activities		
Additions to intangible assets	(399)	-
Proceeds from disposal of property, plant and equipment	32	-
Purchase of property, plant and equipment	(1,378)	(127)
Net cash flows used in investing activities	(1,745)	(127)
Financing activities		
Proceeds from loans and borrowings	-	32,798
Repayment of loans and borrowings	(7,384)	-
Dividends paid to non-controlling interests	(66)	(88)
Net cash flows (used in)/from financing activities	(7,450)	32,710
Net decrease in cash and cash equivalents	(13,766)	(3,831)
Effects of exchange rate changes on cash and cash equivalents	(975)	229
Cash and cash equivalents at 1 April	79,536	53,701
Cash and cash equivalents at 30 June	64,795	50,099

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

	30 Jun 13	30 Jun 12
	\$'000	\$'000
Cash and bank balances	39,311	23,436
Fixed Deposits with banks	25,484	26,663
	64,795	50,099

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

	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group								
Balance at 1 April 2012	67,638	2,536	-	3,101	221,464	294,739	9,073	303,812
Total comprehensive income								
Profit for the period	-	-	-	-	9,345	9,345	466	9,811
Other comprehensive income								
Net change in fair value of investment security	-	-	41	-	-	41	-	41
Foreign currency translation	-	(876)	-	-	-	(876)	(388)	(1,264)
Total other comprehensive income	-	(876)	41	-	-	(835)	(388)	(1,223)
Total comprehensive income	-	(876)	41	-	9,345	8,510	78	8,588
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(88)	(88)
Total transactions with owners	-	-	-	-	-	-	(88)	(88)
Balance at 30 June 2012	67,638	1,660	41	3,101	230,809	303,249	9,063	312,312
Balance at 1 April 2013	67,638	(308)	-	3,101	260,205	330,636	9,639	340,275
Total comprehensive income								
Profit for the period	-	-	-	-	8,810	8,810	339	9,149
Other comprehensive income								
Net change in fair value of investment security	-	-	5	-	-	5	-	5
Foreign currency translation	-	(4,370)	-	-	-	(4,370)	162	(4,208)
Total other comprehensive income	-	(4,370)	5	-	-	(4,365)	162	(4,203)
Total comprehensive income	-	(4,370)	5	-	8,810	4,445	501	4,946
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(66)	(66)
Total transactions with owners	-	-	-	-	-	-	(66)	(66)
Balance at 30 June 2013	67,638	(4,678)	5	3,101	269,015	335,081	10,074	345,155

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

	Share capital \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Company				
Balance at 1 April 2012	67,638	-	115,471	183,109
Total comprehensive income				
Profit for the period	-	-	4,151	4,151
Other comprehensive income				
Net change in fair value of investment security	-	41	-	41
Total comprehensive income for the period	-	41	-	41
Total comprehensive income	-	41	4,151	4,192
Balance at 30 June 2012	67,638	41	119,622	187,301
2013				
Balance at 1 April 2013	67,638	-	127,463	195,101
Total comprehensive income				
Profit for the period	-	-	1,719	1,719
Total comprehensive income	-	-	1,719	1,719
Balance at 30 June 2013	67,638	-	129,182	196,820

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 13	31 Mar 13
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 period consistent with those of the audited financial statements for the year ended 31 March 2013, 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 all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 April 2013. The adoption of these standards and interpretations does not have material impact on the financial statements of the Group except for the following:

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI) is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to income statement at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

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)

Group	
First Quarter ended	
30 Jun 13	30 Jun 12
235,003,960	235,003,960
3.75	3.98

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 30 June 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	
	30 Jun 13	31 Mar 13	30 Jun 13	31 Mar 13
Number of issued shares	235,003,960	235,003,960	235,003,960	235,003,960
Net asset value per ordinary share (in \$)	1.43	1.41	0.84	0.83

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 quarter ended 30 June 2013 ("1Q FY2014") grew by 14% over the corresponding quarter last year to \$154.7 million. This was achieved due to an expanded retail network and increased marketing activities.

Gross margins were marginally lower at 21.6% (1Q FY2013: 22.2%) due to a more competitive marketplace. Operating expenses were higher due to increased salaries and rentals.

Profit after tax was \$9.1 million compared to \$9.8 million for the previous corresponding quarter.

As at 30 June 2013, consolidated net assets were \$335.1 million or \$1.43 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 year ended 31 March 2013.

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

Continued global economic uncertainty coupled with slowing Asian economies are expected to affect consumer sentiment and the demand for hard luxury goods. Barring any unforeseen circumstances, the Group is cautiously optimistic of its outlook for the remainder of 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. If the Company has obtained a general mandate from shareholders for interested person transactions ("IPT mandate"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have an IPT mandate.

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the three months ended 30 June 2013 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
6 August 2013

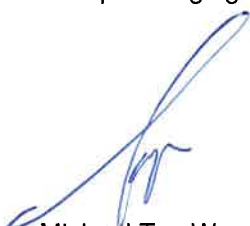
Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the first quarter ended 30 June 2013 to be false or misleading in any material respect.

On behalf of the Board of Directors



Kenny Chan Swee Kheng
Group Managing Director



Michael Tay Wee Jin
Executive Director

Singapore
06 August 2013