



**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 2022

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**For the half year ended 30 September 2022**

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**A. Condensed interim consolidated income statement**  
**For the half year ended 30 September 2022**

		<b>Group</b>		
		<b>Half Year ended</b>		
	<b>Note</b>	<b>30 Sep 22</b>	<b>30 Sep 21</b>	<b>Change</b>
		\$'000	\$'000	%
Revenue	4	555,489	472,407	18%
Other income	5	7,202	5,041	43%
<b>Revenue and other income</b>		<b>562,691</b>	<b>477,448</b>	<b>18%</b>
Cost of goods sold		375,546	333,964	12%
Salaries and employee benefits		37,770	29,146	30%
Selling and promotion expenses		17,690	12,600	40%
Depreciation of property, plant and equipment		5,618	5,120	10%
Depreciation of right-of-use assets		14,318	13,919	3%
Rental expenses		3,905	2,259	73%
Finance costs	6	2,792	1,799	55%
Foreign exchange gain		(808)	(178)	354%
Other expenses	7	9,855	7,372	34%
<b>Costs and expenses</b>		<b>466,686</b>	<b>406,001</b>	<b>15%</b>
Share of results of associates		10,654	6,578	62%
<b>Profit before taxation</b>		<b>106,659</b>	<b>78,025</b>	<b>37%</b>
Taxation	8	21,120	14,492	46%
<b>Profit for the period</b>		<b>85,539</b>	<b>63,533</b>	<b>35%</b>
<b>Profit attributable to:</b>				
Owners of the Company		84,551	62,553	35%
Non-controlling interests		988	980	1%
		<b>85,539</b>	<b>63,533</b>	<b>35%</b>
<b>Earnings per share (cents)</b>				
Basic and diluted	10	12.58	8.95	41%

**B. Condensed interim consolidated statement of comprehensive income**  
**For the half year ended 30 September 2022**

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	<b>Group</b>		
	<b>Half Year ended</b>		
	<b>30 Sep 22</b>	<b>30 Sep 21</b>	<b>Change</b>
	\$'000	\$'000	%
<b>Profit for the period</b>	<b>85,539</b>	<b>63,533</b>	<b>35%</b>
<b>Other comprehensive income:</b>			
<u>Item that may be reclassified subsequently to profit or loss:</u>			
Foreign currency translation	(25,891)	(14,504)	79%
Other comprehensive loss for the period, net of tax	(25,891)	(14,504)	79%
<b>Total comprehensive income for the period</b>	<b>59,648</b>	<b>49,029</b>	<b>22%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	57,931	48,147	20%
Non-controlling interests	1,717	882	95%
	<b>59,648</b>	<b>49,029</b>	<b>22%</b>

**C. Condensed interim statements of financial position**  
**As at 30 September 2022**

	Note	Group		Company	
		30 Sep 22 \$'000	31 Mar 22 \$'000	30 Sep 22 \$'000	31 Mar 22 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	245,411	143,818	10,569	10,330
Right-of-use assets	13	82,152	99,112	51,999	59,529
Investment properties	14	127,397	178,913	5,192	11,272
Intangible assets	15	9,984	10,673	536	372
Investment in subsidiaries		-	-	137,579	118,396
Investment in associates		61,494	54,575	-	-
Other receivables		8,693	7,233	4,697	4,444
Deferred tax assets		977	962	616	587
		536,108	495,286	211,188	204,930
<b>Current assets</b>					
Inventories		261,793	254,126	163,249	164,480
Trade and other receivables		20,033	19,574	10,167	8,441
Prepaid operating expenses		1,952	810	901	443
Amounts due from associates		93	85	5	-
Amounts due from subsidiaries		-	-	32,299	4,975
Cash and bank balances		218,049	323,360	95,312	162,835
		501,920	597,955	301,933	341,174
<b>Total assets</b>		<b>1,038,028</b>	<b>1,093,241</b>	<b>513,121</b>	<b>546,104</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Loans and borrowings	16	120,508	111,037	-	-
Trade and other payables		66,192	74,446	34,377	33,755
Amounts due to associates		23	-	23	-
Amounts due to subsidiaries		-	-	4,423	9,534
Lease liabilities		29,198	28,823	18,708	18,326
Income tax payable		26,701	27,831	15,025	14,176
		242,622	242,137	72,556	75,791
<b>Net current assets</b>		<b>259,298</b>	<b>355,818</b>	<b>229,377</b>	<b>265,383</b>
<b>Non-current liabilities</b>					
Lease liabilities		58,555	76,498	36,932	45,035
Deferred tax liabilities		6,117	6,641	-	-
Other non-current liabilities		1,681	425	-	-
		66,353	83,564	36,932	45,035
<b>Total liabilities</b>		<b>308,975</b>	<b>325,701</b>	<b>109,488</b>	<b>120,826</b>
<b>Net assets</b>		<b>729,053</b>	<b>767,540</b>	<b>403,633</b>	<b>425,278</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	17(a)	67,638	67,638	67,638	67,638
Treasury shares	17(b)	(89,991)	(34,677)	(89,991)	(34,677)
Reserves		736,257	718,638	425,986	392,317
		713,904	751,599	403,633	425,278
<b>Non-controlling interests</b>		15,149	15,941	-	-
<b>Total equity</b>		<b>729,053</b>	<b>767,540</b>	<b>403,633</b>	<b>425,278</b>
<b>Total equity and liabilities</b>		<b>1,038,028</b>	<b>1,093,241</b>	<b>513,121</b>	<b>546,104</b>

**D. Condensed interim statements of changes in equity**  
**For the half year ended 30 September 2022**

	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
<b>Group</b>									
Balance at 1 April 2021	67,638	(590)	817	(142)	3,303	608,925	679,951	15,373	695,324
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	-	62,553	62,553	980	63,533
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	(14,406)	-	-	-	(14,406)	(98)	(14,504)
Total other comprehensive loss	-	-	(14,406)	-	-	-	(14,406)	(98)	(14,504)
<b>Total comprehensive (loss)/income</b>	-	-	(14,406)	-	-	62,553	48,147	882	49,029
<b>Contributions by and distributions to owners</b>									
Purchase of treasury shares	-	(22,060)	-	-	-	-	(22,060)	-	(22,060)
Dividends on ordinary shares	-	-	-	-	-	(27,798)	(27,798)	-	(27,798)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(628)	(628)
<b>Total transactions with owners</b>	-	(22,060)	-	-	-	(27,798)	(49,858)	(628)	(50,486)
Balance at 30 September 2021	67,638	(22,650)	(13,589)	(142)	3,303	643,680	678,240	15,627	693,867

	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
<b>Group</b>									
Balance at 1 April 2022	67,638	(34,677)	(6,600)	(142)	3,303	722,077	751,599	15,941	767,540
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	-	84,551	84,551	988	85,539
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	(26,620)	-	-	-	(26,620)	729	(25,891)
Total other comprehensive (loss)/income	-	-	(26,620)	-	-	-	(26,620)	729	(25,891)
<b>Total comprehensive (loss)/income</b>	-	-	(26,620)	-	-	84,551	57,931	1,717	59,648
<b>Contributions by and distributions to owners</b>									
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)
<b>Total transactions with owners</b>	-	(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

**D. Condensed interim statements of changes in equity (cont'd)**  
**For the half year ended 30 September 2022**

<b>Company</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Revenue reserve \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 April 2021</b>	<b>67,638</b>	<b>(590)</b>	<b>340,163</b>	<b>407,211</b>
<b>Total comprehensive income</b>				
Profit for the period	-	-	35,649	35,649
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>35,649</b>	<b>35,649</b>
<b>Contributions by and distributions to owners</b>				
Purchase of treasury shares	-	(22,060)	-	(22,060)
Dividends on ordinary shares	-	-	(27,798)	(27,798)
<b>Total transactions with owners</b>	<b>-</b>	<b>(22,060)</b>	<b>(27,798)</b>	<b>(49,858)</b>
<b>Balance at 30 September 2021</b>	<b>67,638</b>	<b>(22,650)</b>	<b>348,014</b>	<b>393,002</b>
<b>Balance at 1 April 2022</b>	<b>67,638</b>	<b>(34,677)</b>	<b>392,317</b>	<b>425,278</b>
<b>Total comprehensive income</b>				
Profit for the period	-	-	73,981	73,981
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>73,981</b>	<b>73,981</b>
<b>Contributions by and distributions to owners</b>				
Purchase of treasury shares	-	(55,314)	-	(55,314)
Dividends on ordinary shares	-	-	(40,312)	(40,312)
<b>Total transactions with owners</b>	<b>-</b>	<b>(55,314)</b>	<b>(40,312)</b>	<b>(95,626)</b>
<b>Balance at 30 September 2022</b>	<b>67,638</b>	<b>(89,991)</b>	<b>425,986</b>	<b>403,633</b>

**E. Condensed interim consolidated statement of cash flows**  
**For the half year ended 30 September 2022**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	106,659	78,025
Adjustments for:		
Finance costs	2,792	1,799
Interest income	(735)	(225)
Depreciation of property, plant and equipment	5,618	5,120
Depreciation of right-of-use assets	14,318	13,919
Amortisation of intangible assets	186	466
Amortisation of deferred income	(55)	-
Foreign currency translation adjustment	(2,165)	(543)
Net loss/(gain) on disposal of property, plant and equipment	106	(140)
Share of results of associates	(10,654)	(6,578)
<b>Operating cash flows before changes in working capital</b>	<b>116,070</b>	<b>91,843</b>
(Increase)/decrease in inventories	(8,869)	1,547
Increase in trade and other receivables	(2,128)	(6,245)
Increase in prepaid operating expenses	(1,157)	(696)
(Increase)/decrease in amounts due from associates	(12)	27
(Decrease)/increase in trade and other payables	(7,347)	10,727
Increase/(decrease) in amounts due to associates	23	(143)
<b>Cash flows from operations</b>	<b>96,580</b>	<b>97,060</b>
Income taxes paid	(21,382)	(12,505)
Interest paid	(2,792)	(1,799)
Interest received	735	225
<b>Net cash flows from operating activities</b>	<b>73,141</b>	<b>82,981</b>
<b>Investing activities</b>		
Additions to intangible assets	(304)	(146)
Dividend received from an associate	-	4,161
Proceeds from disposal of investment property	6,080	-
Proceeds from disposal of property, plant and equipment	6	140
Payments for purchase of investment property	-	(36,516)
Payments for purchase of property, plant and equipment	(88,726)	(4,211)
<b>Net cash flows used in investing activities</b>	<b>(82,944)</b>	<b>(36,572)</b>
<b>Financing activities</b>		
Proceeds from loans and borrowings	47,958	19,776
Return of capital to non-controlling interests of subsidiary	(121)	-
Repayment of loans and borrowings	(26,277)	(990)
Payment of principal portion of lease liabilities	(14,036)	(13,456)
Dividends paid to non-controlling interests	(2,388)	(628)
Dividends paid on ordinary shares	(40,312)	(27,798)
Purchase of treasury shares	(55,314)	(22,060)
<b>Net cash flows used in financing activities</b>	<b>(90,490)</b>	<b>(45,156)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(100,293)</b>	<b>1,253</b>
Effects of exchange rate changes on cash and cash equivalents	(5,018)	(2,349)
Cash and cash equivalents at beginning of financial period	323,360	247,872
<b>Cash and cash equivalents at end of financial period</b>	<b>218,049</b>	<b>246,776</b>

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

	<b>Group</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
	\$'000	\$'000
Cash at bank and on hand	169,363	236,512
Fixed deposits with banks	48,686	10,264
	<b>218,049</b>	<b>246,776</b>



**F. Business review and market outlook**  
**For the half year ended 30 September 2022**

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- 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 2022

Revenue for the 6 months ended 30 September 2022 ("1H FY2023") increased by 18% to \$555.5 million (1H FY2022: \$472.4 million). Gross margin was 32.4% in 1H FY2023 versus 29.3% in 1H FY2022.

Profit after tax rose 35% to \$85.5 million (1H FY2022: \$63.5 million).

Higher operating expenses were due to increased staff costs, rental expenses and advertising and promotion activities.

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

As at 30 September 2022, group inventories were \$261.8 million (31 March 2022: \$254.1 million). Cash and bank balances stood at \$218.0 million (31 March 2022: \$323.4 million). The lower cash and bank balances was mainly due to payment of dividend, share buy backs and purchase of a property in Australia.

The Company paid dividend of \$40.3 million and bought back \$55.3 million of its own shares in 1H FY2023. The Group concluded the purchase of the property located at 171 Edward Street, Brisbane at \$85.3 million in the same period.

Consolidated net assets were \$713.9 million or \$1.08 per share as at 30 September 2022.

- 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 continuing war in Ukraine and increasingly negative economic and political uncertainties may adversely impact consumer sentiment particularly with luxury consumers and watch buyers.

The Group expects to continue to be profitable in 2H FY2023, and for the full financial year.

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2022**

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**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 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.

The Company's immediate and ultimate holding company is TYC Investment Pte Ltd, a company incorporated in Singapore.

**2. Basis of preparation**

The condensed interim consolidated financial statements for the half year ended 30 September 2022 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 2022.

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 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

**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 2022.

**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 2022**

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**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**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
	\$'000	\$'000
Rental income	3,912	3,747
Interest income from cash and bank balances	735	225
Management fee income from associates	1,037	792
Net gain on disposal of property, plant and equipment	–	140
Others	1,518	137
	7,202	5,041

**6. Finance costs**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
	\$'000	\$'000
Interest on loans and borrowings	1,737	690
Interest on lease liabilities	1,055	1,109
	2,792	1,799

**7. Other expenses**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
	\$'000	\$'000
Net loss on disposal of property, plant and equipment	106	–
Facility costs	3,864	3,448
Professional fees	1,663	1,520
General and administrative expenses	4,222	2,404
	9,855	7,372

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2022**

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**8. Taxation**

Major components of income tax expense

The major components of income tax expense for the half years ended 30 September 2022 and 2021 are:

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
	\$'000	\$'000
<b>Consolidated income statement:</b>		
Current income tax		
- Current income taxation	21,157	15,823
- Over provision in respect of previous years	–	(1,068)
	<hr/>	<hr/>
	21,157	14,755
Deferred income tax		
- Origination and reversal of temporary differences	(37)	(263)
	<hr/>	<hr/>
	(37)	(263)
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	21,120	14,492
	<hr/>	<hr/>

**9. Dividends**

	<b>Group and Company</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
	\$'000	\$'000
<b><i>Declared and paid during the financial period</i></b>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend in respect of the year ended 31 March 2022: 6.00 cents (2021: 4.00 cents)	40,312	27,798
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**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2022**

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**10. Earnings per share**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 22</b>	<b>30 Sep 21</b>
Profit for the period attributable to owners of the Company (\$'000)	84,551	62,553
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share ('000)	672,025	699,068
Basic and diluted earnings per share (cents)	12.58	8.95

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 2022.

**11. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 22</b>	<b>31 Mar 22</b>	<b>30 Sep 22</b>	<b>31 Mar 22</b>
Number of issued shares ('000)	658,527	682,579	658,527	682,579
Net asset value per ordinary share (in \$)	1.08	1.10	0.61	0.62

**12. Property, plant and equipment**

During the half year ended 30 September 2022, the Group acquired assets amounting to \$90,449,000 (30 September 2021: \$4,211,000 ) and disposed of assets with cost and carrying value amounting to \$782,000 and \$112,000 (30 September 2021: \$428,000 and \$Nil ) respectively.

During the half year ended 30 September 2022, the Group reclassified the entire shop and office unit at 190 Edward Street from investment properties due to the change of intended use of the premises.

**13. Right-of-use assets**

During the half year ended 30 September 2022, the Group recognised \$2,733,000 (30 September 2021: \$27,484,000) 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 2022**

**14. Investment properties**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 22</b>	<b>31 Mar 22</b>	<b>30 Sep 22</b>	<b>31 Mar 22</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 April	178,913	143,739	11,272	11,272
Additions during the half year / full year	–	36,516	–	–
Fair value adjustments	–	(1,394)	–	–
Transferred to property, plant and equipment	(31,273)	–	–	–
Disposals during the half year / full year	(6,080)	–	(6,080)	–
Translation adjustment	(14,163)	52	–	–
At 30 September / 31 March	<b>127,397</b>	<b>178,913</b>	<b>5,192</b>	<b>11,272</b>

Investment properties are stated at fair value, which has been determined based on latest valuations performed as at 31 March 2022. 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 2022, the Group did not engage independent valuers to determine the fair value of the properties. However, management had taken into considerations those underlying factors that would have impacts to the fair value of the investment properties since the last valuations completed in March 2022. There are no major aspects that could affect the fair value of the investment properties as at 30 September 2022.

**15. Intangible assets**

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

Goodwill and impairment testing of goodwill

Goodwill acquired in a business combination is allocated to the cash generating unit (“CGU”), which is the watch and jewellery business of The Hour Glass (NZ) Limited.

The recoverable amount of the CGU has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

As at 30 September 2022, the Group reviewed the key assumptions used in the value-in-use calculation as at 31 March 2022 impairment test and noted that the assumptions remained reasonable. No impairment loss was recognised as at 30 September 2022.

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2022**

**16. Loans and borrowings**

	<b>Group</b>	
	<b>30 Sep 22</b>	<b>31 Mar 22</b>
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured loans	120,508	98,834
Unsecured loan	–	12,203
	<u>120,508</u>	<u>111,037</u>
Amount repayable after one year		
Secured loans	–	–
Unsecured loan	–	–
	<u>–</u>	<u>–</u>

The unsecured loan of \$12,203,000 of a subsidiary as at 31 March 2022 is secured by a corporate guarantee given by the Company. The secured loans of \$120,508,000 (31 March 2022: \$98,834,000) are secured by certain properties held by subsidiaries and corporate guarantees given by the Company.

**17. Share capital and treasury shares**

(a) **Share capital**

	<b>Group and Company</b>			
	<b>30 Sep 22</b>		<b>31 Mar 22</b>	
	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

As at 30 September 2022, the Company's total issued shares is 658,526,880 ordinary shares (31 March 2022: 682,578,880) excluding 46,485,000 shares held as treasury shares (31 March 2022: 22,433,000).

(b) **Treasury shares**

	<b>Group and Company</b>			
	<b>30 Sep 22</b>		<b>31 Mar 22</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 April	(22,433)	(34,677)	(1,030)	(590)
Acquired during the financial period	(24,052)	(55,314)	(21,403)	(34,087)
At 30 September / 31 March	<u>(46,485)</u>	<u>(89,991)</u>	<u>(22,433)</u>	<u>(34,677)</u>

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2022**

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

**(b) Treasury shares (cont'd)**

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

As at 30 September 2022, the Company held 46,485,000 treasury shares (30 September 2021: 16,066,000) which represents 7.059% (30 September 2021: 2.332%) 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:

	<b>Sale of goods</b> \$'000	<b>Purchase of goods</b> \$'000	<b>Services rendered</b> \$'000	<b>Rental expenses</b> \$'000	<b>Rental income</b> \$'000	<b>Commission received</b> \$'000
<b>Half Year ended 30 Sep 22</b>						
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	–	–
<b>Half Year ended 30 Sep 21</b>						
Associates	22	213	–	–	–	13
Directors and close family members of directors of the Company	126	–	300	–	–	–
Directors-related companies	–	–	–	192	14	–
Key management personnel	55	–	–	60	–	–



**19. Commitments**

The capital commitments of the Group as at 30 September 2022 are not significantly different from its capital commitments as at 31 March 2022.

**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 2022**

**20. Segment information (cont'd)**

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
<b>Half Year ended 30 Sep 22</b>					
<b>Segment revenue:</b>					
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
<b>Segment results:</b>					
Segment results	128,404	7,737	136,141	(37,344)	98,797
Finance costs <sup>(1)</sup>					(2,792)
Share of results of associates					10,654
Profit before taxation					106,659
Taxation					(21,120)
Profit for the period					85,539
<b>Other segment information:</b>					
Capital expenditure for the period	90,709	44	90,753	-	90,753
Depreciation and amortisation <sup>(2)</sup>	16,668	3,454	20,122	-	20,122
<b>Half Year ended 30 Sep 21</b>					
<b>Segment revenue:</b>					
Sales to external customers	417,314	55,093	472,407	-	472,407
Inter-segment sales	10,263	17	10,280	(10,280)	-
Interest income	224	1	225	-	225
Other income	21,728	28	21,756	(16,940)	4,816
Revenue and other income	449,529	55,139	504,668	(27,220)	477,448
<b>Segment results:</b>					
Segment results	78,540	8,518	87,058	(13,812)	73,246
Finance costs <sup>(1)</sup>					(1,799)
Share of results of associates					6,578
Profit before taxation					78,025
Taxation					(14,492)
Profit for the period					63,533
<b>Other segment information:</b>					
Capital expenditure for the period	2,055	2,302	4,357	-	4,357
Depreciation and amortisation <sup>(2)</sup>	16,173	3,332	19,505	-	19,505

<sup>(1)</sup> Includes interest on lease liabilities

<sup>(2)</sup> Includes depreciation of right-of-use assets

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
<b>30 Sep 22</b>					
Segment assets	886,387	90,147	976,534	-	976,534
Investment in associates	61,494	-	61,494	-	61,494
					1,038,028
Segment liabilities	280,327	28,648	308,975	-	308,975
<b>31 Mar 22</b>					
Segment assets	927,370	111,296	1,038,666	-	1,038,666
Investment in associates	54,575	-	54,575	-	54,575
					1,093,241
Segment liabilities	291,748	33,953	325,701	-	325,701

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2022**

**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 2022 and 31 March 2022.

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 22</b>	<b>31 Mar 22</b>	<b>30 Sep 22</b>	<b>31 Mar 22</b>
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at amortised cost</b>				
Trade and other receivables	28,196	26,615	14,864	12,885
Amounts due from associates	93	85	5	–
Amounts due from subsidiaries	–	–	32,299	4,975
Cash and bank balances	218,049	323,360	95,312	162,835
Total financial assets at amortised cost	<u>246,338</u>	<u>350,060</u>	<u>142,480</u>	<u>180,695</u>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	61,959	70,747	31,543	31,630
Loans and borrowings	120,508	111,037	–	–
Amounts due to associates	23	–	23	–
Amounts due to subsidiaries	–	–	4,423	9,534
Lease liabilities	87,753	105,321	55,640	63,361
Total financial liabilities at amortised cost	<u>270,243</u>	<u>287,105</u>	<u>91,629</u>	<u>104,525</u>

**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 2022**

**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:

	<b>Group</b>			
	<b>30 Sep 22</b>			
	<b>\$'000</b>			
	<b>Fair value measurements at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical instruments</b>	<b>Significant observable inputs other than quoted prices</b>	<b>Significant unobservable inputs</b>	<b>Total</b>
	(Level 1)	(Level 2)	(Level 3)	
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
<b>Non-financial assets:</b>				
Investment properties	–	–	127,397	127,397
<b>Total non-financial assets</b>	–	–	127,397	127,397

	<b>Group</b>			
	<b>31 Mar 22</b>			
	<b>\$'000</b>			
	<b>Fair value measurements at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical instruments</b>	<b>Significant observable inputs other than quoted prices</b>	<b>Significant unobservable inputs</b>	<b>Total</b>
	(Level 1)	(Level 2)	(Level 3)	
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
<b>Non-financial assets:</b>				
Investment properties	–	–	178,913	178,913
<b>Total non-financial assets</b>	–	–	178,913	178,913

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 2022.

**(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/(to) 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 2022**

**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 2022 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 2022.

**3. Dividend**

The Board of Directors has approved an interim dividend of 2.00 cents per ordinary share (2021: 2.00 cents) for the half year ended 30 September 2022, amounting to approximately \$13,170,000 (2021: \$13,746,000).

**(a) Current Financial Period Reported On**

**Any dividend recommended for the current financial period reported on?**

Yes.

<b>Name of Dividend</b>	<b>Interim Dividend</b>
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.

<b>Name of Dividend</b>	<b>Interim Dividend</b>
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**

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**3. Dividend (cont'd)**

**(c) Date Payable**

24 November 2022

**(d) Record Date**

5.00 p.m. on 15 November 2022

Please refer to the Company's announcement on Notice of Record Date for Interim Dividend dated 2 November 2022 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 2022 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  
2 November 2022

## 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 2022 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  
2 November 2022