



THE HOUR GLASS LIMITED

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

Unaudited First Quarter Financial Statement For The Period Ended 30 June 2010

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement	Note	Group		
		First Quarter ended		
		30 Jun '10	30 Jun '09	Change
		\$'000	\$'000	%
Revenue		105,303	104,573	1%
Other Income	(i)	677	450	50%
Total revenue and other income		105,980	105,023	1%
Cost of goods sold		83,483	85,411	-2%
Salaries and employees benefits		7,055	6,434	10%
Depreciation of property, plant and equipment		955	689	39%
Selling and promotion expenses		2,841	2,363	20%
Rental expenses		3,325	2,286	45%
Finance costs		106	112	-5%
Foreign exchange (gain)/loss		(182)	245	NM
Other operating expenses		1,514	1,285	18%
Total costs and expenses		99,097	98,825	0%
Share of results of an associate		19	64	-70%
Profit before taxation		6,902	6,262	10%
Taxation		1,519	1,410	8%
Profit for the period		5,383	4,852	11%
Attributable to:				
Owners of the parent		5,232	4,748	10%
Minority interests		151	104	45%
Profit for the period		5,383	4,852	11%

Note:

(i) Other income

	Group		
	First Quarter ended		
	30 Jun '10	30 Jun '09	Change
	\$'000	\$'000	%
Rental income	189	145	30%
Interest income	68	79	-14%
Gain on disposal of property, plant and equipment, net	62	-	NM
Management fee	63	67	-6%
Others	295	159	86%
	677	450	50%

NM – Not Meaningful

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

Income tax
- Under provision of tax in respect of prior years

Group		
First Quarter		
30 Jun '10	30 Jun '09	Change
\$'000	\$'000	%
6	19	-68%

1(a)(iii) Statement of Comprehensive Income

Statement of Comprehensive Income

Profit for the period

Other comprehensive income

Foreign currency translation

Net change in fair value of investment security

Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the Parent

Minority interests

Total comprehensive income for the period

Group		
First Quarter ended		
30 Jun '10	30 Jun '09	Change
\$'000	\$'000	%
5,383	4,852	11%
(2,276)	1,673	NM
(206)	2,267	NM
2,901	8,792	-67%
2,748	8,695	-68%
153	97	58%
2,901	8,792	-67%

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

	Group		Company	
	30 Jun '10	31 Mar '10	30 Jun '10	31 Mar '10
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	19,623	18,819	9,974	9,606
Investment properties	13,384	13,715	8,350	8,350
Investment in subsidiaries	-	-	19,959	19,959
Investment in an associate	2,178	2,183	-	-
Loan to an associate	2,149	2,172	-	-
Investment security	2,061	2,267	2,061	2,267
Other receivables	1,844	956	1,844	956
Deferred tax assets	292	297	-	-
	<u>41,531</u>	<u>40,409</u>	<u>42,188</u>	<u>41,138</u>
Current assets				
Stocks	178,501	159,008	100,064	82,319
Trade debtors	11,414	9,340	7,536	4,386
Other debtors	9,909	12,806	2,633	3,256
Prepaid operating expenses	1,283	730	491	259
Amount due from an associate	1,879	2,021	-	-
Amount due from subsidiaries	-	-	10,057	9,440
Cash and cash equivalents	43,329	50,452	19,747	24,451
	<u>246,315</u>	<u>234,357</u>	<u>140,528</u>	<u>124,111</u>
Less: Current liabilities				
Loans and borrowings	14,991	14,186	-	-
Trade creditors	15,906	10,087	8,187	3,649
Other creditors	22,964	20,096	15,597	13,655
Amount due to subsidiaries	-	-	33	62
Provision for taxation	6,532	5,872	4,680	3,995
	<u>60,393</u>	<u>50,241</u>	<u>28,497</u>	<u>21,361</u>
Net current assets	185,922	184,116	112,031	102,750
Non-current liabilities				
Provisions	227	223	-	-
Deferred income	23	-	-	-
Deferred tax liabilities	481	481	481	481
Net Assets	<u>226,722</u>	<u>223,821</u>	<u>153,738</u>	<u>143,407</u>
Equity attributable to owners of the parent				
Share capital	66,514	66,514	66,514	66,514
Reserves	152,777	150,029	87,224	76,893
	<u>219,291</u>	<u>216,543</u>	<u>153,738</u>	<u>143,407</u>
Minority interests	7,431	7,278	-	-
Total Equity	<u>226,722</u>	<u>223,821</u>	<u>153,738</u>	<u>143,407</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 30 Jun '10		As at 31 Mar '10	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	14,991	-	14,186

Amount repayable after one year

As at 30 Jun '10		As at 31 Mar '10	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	-	-

Details of any collateral

The unsecured term loans of certain subsidiaries are covered by corporate guarantees given by the Company.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement

	Group	
	First Quarter ended	
	30 Jun '10	30 Jun '09
	\$'000	\$'000
Operating activities:		
Profit before taxation	6,902	6,262
Adjustments for:		
Finance costs	106	112
Interest income	(68)	(79)
Depreciation of property, plant and equipment	955	689
Foreign currency translation adjustment	(837)	349
(Gain)/loss on disposal of property, plant and equipment	(62)	4
Share of results of an associate	(19)	(64)
Operating cash flows before changes in working capital	6,977	7,273
Increase in stocks	(19,493)	(2,842)
Decrease/(increase) in debtors	965	(2,131)
Increase in prepaid operating expenses	(553)	(216)
Increase in creditors	8,714	9,726
Increase in long term receivables	(888)	-
Cash flows (used in)/from operations	(4,278)	11,810
Income taxes paid	(768)	(566)
Interest paid	(106)	(112)
Interest received	68	79
Net cash flows (used in)/from operating activities	(5,084)	11,211
Investing activities:		
Proceeds from disposal of property, plant and equipment	246	26
Purchase of property, plant and equipment	(2,404)	(451)
Investment in an associate	-	(1,370)
Net cash flows used in investing activities	(2,158)	(1,795)
Financing activities:		
Proceeds from loans and borrowings	679	-
Repayment of loans and borrowings	(36)	(2,851)
Net cash flows from/(used in) financing activities	643	(2,851)
Net (decrease)/increase in cash and cash equivalents	(6,599)	6,565
Effects of exchange rate changes	(524)	332
Cash and cash equivalents at beginning of period	50,452	42,118
Cash and cash equivalents at end of period	43,329	49,015

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

	30 Jun '10	30 Jun '09
	\$'000	\$'000
Cash and bank balances	38,574	34,323
Fixed deposits with banks	4,755	14,692
	43,329	49,015

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

Statements of Changes in Equity

	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the parent \$'000	Minority interests \$'000	Total equity \$'000
Group							
Balance at 1 April 2009	65,206	2,080	(412)	116,028	182,902	6,800	189,702
Total comprehensive income for the period	-	1,680	2,267	4,748	8,695	97	8,792
Balance at 30 June 2009	65,206	3,760	1,855	120,776	191,597	6,897	198,494
Balance at 1 April 2010	66,514	6,157	825	143,047	216,543	7,278	223,821
Total comprehensive income for the period	-	(2,278)	(206)	5,232	2,748	153	2,901
Balance at 30 June 2010	66,514	3,879	619	148,279	219,291	7,431	226,722

	Share capital \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	Total equity \$'000
Company				
Balance at 1 April 2009	65,206	(412)	66,989	131,783
Total comprehensive income for the period	-	2,267	1,317	3,584
Balance at 30 June 2009	65,206	1,855	68,306	135,367
Balance at 1 April 2010	66,514	825	76,068	143,407
Total comprehensive income for the period	-	(206)	10,537	10,331
Balance at 30 June 2010	66,514	619	86,605	153,738

- 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 for the period under review.

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 June 2010	31 March 2010
233,954,723	233,954,723

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 March 2010, 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**

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010. The adoption of these new/revised FRSs and INT FRSs does not result in any material effect on the financial statements for the current period.

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 June '10	30 June '09
233,954,723	231,918,928
2.24	2.05

EPS is calculated by dividing the Group's profits after tax and minority interest 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 2010.

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

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

	Group		Company	
	30 Jun '10	31 Mar '10	30 Jun '10	31 Mar '10
Number of issued shares	233,954,723	233,954,723	233,954,723	233,954,723
Net asset value per ordinary share (cents)	93.73	92.56	65.71	61.30

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

The Group achieved revenue of \$105.3 million for the first quarter ended 30 June 2010. Gross margins improved to 20.7% from 18.3% in the corresponding quarter last year, largely due to a tightening of our merchandise offering and placing greater emphasis on higher yielding brands. Profit after tax increased 11% to \$5.4 million. Earnings per ordinary share for the current quarter was 2.24 cents.

As at 30 June 2010, consolidated net assets were \$219.3 million or 93.73 cents per ordinary share. Cash and cash equivalents was \$43.3 million.

In Singapore, the Hublot mono-brand boutique at the Marina Bay Sands integrated resort and the multi-brand store at Raffles Place commenced operations in June.

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

The Group's performance for the period under review is in line with the prospect statement in the results announcement for the year ended 31 March 2010.

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

While sentiment has improved since the previous year, consumers remain cautious due to uncertainty of the global recovery.

The Group continues its strategy to invest in enhancing its market leadership by adding new stores to its premium retail network and extending its brand and merchandise portfolio.

Barring any unforeseen circumstances, the Group expects to remain profitable in the next reporting period and 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/recommendedd, a statement to that effect.

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

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statement of financial position, consolidated income statement, consolidated cash flow statement and statements of changes in equity, together with their accompanying notes) as at 30 June 2010 and the results of the business, changes in equity and cash flows of the Group for the three months ended on that date, 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
5 August 2010




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 statement of financial position, consolidated income statement, consolidated cash flow statements and statements of changes in equity, together with their accompanying notes) as at 30 June 2010 and the results of the business, changes in equity and cash flows of the Group for the three months ended on that date, to be false or misleading in any material respect.

On behalf of the Board of Directors



Michael Tay Wee Jin
Executive Director



Kenny Chan Swee Kheng
Group Managing Director

Singapore
05 August 2010