



# THE HOUR GLASS LIMITED

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

## Unaudited Full Year Financial Statement and Dividend Announcement For The Year Ended 31 March 2011

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

		Group		
		Full Year ended		
	Note	31 Mar '11	31 Mar '10	Change
		\$'000	\$'000	%
Revenue		517,617	483,662	7%
Other Income	(i)	4,217	4,636	-9%
<b>Total revenue and other income</b>		<b>521,834</b>	<b>488,298</b>	<b>7%</b>
Cost of goods sold		401,462	386,575	4%
Salaries and employees benefits		32,415	30,229	7%
Depreciation of property, plant and equipment		4,381	3,260	34%
Selling and promotion expenses		10,100	8,867	14%
Rental expenses		12,513	11,608	8%
Finance costs		552	425	30%
Foreign exchange gain, net		(262)	(107)	145%
Other operating expenses		7,105	6,268	13%
<b>Total costs and expenses</b>		<b>468,266</b>	<b>447,125</b>	<b>5%</b>
Share of results of an associate		715	512	40%
<b>Profit before taxation</b>		<b>54,283</b>	<b>41,685</b>	<b>30%</b>
Taxation		11,102	8,207	35%
<b>Profit for the year</b>		<b>43,181</b>	<b>33,478</b>	<b>29%</b>
Profit attributable to:				
<b>Owners of the parent</b>		<b>42,375</b>	<b>32,817</b>	<b>29%</b>
Non-controlling interests		806	661	22%
		<b>43,181</b>	<b>33,478</b>	<b>29%</b>

Note:

(i) Other income

		Group		
		Full Year ended		
		31 Mar '11	31 Mar '10	Change
		\$'000	\$'000	%
Rental income		952	637	49%
Interest income		373	304	23%
Gain on disposal of property, plant and equipment, net		383	-	NM
Fair value gain on investment properties		1,370	2,838	-52%
Management fee		457	388	18%
Others		682	469	45%
		<b>4,217</b>	<b>4,636</b>	<b>-9%</b>

NM – Not Meaningful

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

**Income tax**  
 - Under/(over) provision of tax in respect  
 of prior years

<b>Group</b>		
<b>Full Year ended</b>		
<b>31 Mar '11</b>	<b>31 Mar '10</b>	<b>Change</b>
<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
107	(171)	NM

**1(a)(iii) Statement of Comprehensive Income**

**Profit for the year**

**Other comprehensive income**

Foreign currency translation  
 Net surplus on revaluation of leasehold premises  
 Net change in fair value of investment security

**Total comprehensive income for the year**

Total comprehensive income attributable to:

**Owners of the parent**

Non-controlling interests

<b>Group</b>		
<b>Full Year ended</b>		
<b>31 Mar '11</b>	<b>31 Mar '10</b>	<b>Change</b>
<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>43,181</b>	<b>33,478</b>	<b>29%</b>
(2,982)	4,094	NM
2,532	-	NM
(1,031)	1,237	NM
<b>41,700</b>	<b>38,809</b>	<b>7%</b>
<b>40,913</b>	<b>38,131</b>	<b>7%</b>
787	678	16%
<b>41,700</b>	<b>38,809</b>	<b>7%</b>

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 Mar '11</b>	<b>31 Mar '10</b>	<b>31 Mar '11</b>	<b>31 Mar '10</b>
<b>Assets</b>				
<b>Non-current assets</b>	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	25,076	18,819	14,655	9,606
Investment properties	18,739	13,715	8,850	8,350
Investment in subsidiaries	-	-	20,459	19,959
Investment in an associate	2,788	2,183	-	-
Loan to an associate	2,084	2,172	-	-
Investment security	1,236	2,267	1,236	2,267
Other receivables	5,330	956	1,671	956
Deferred tax assets	513	297	-	-
	<b>55,766</b>	<b>40,409</b>	<b>46,871</b>	<b>41,138</b>
<b>Current assets</b>				
Stocks	190,742	159,008	117,340	82,319
Trade debtors	11,285	9,340	5,842	4,386
Other debtors	4,665	12,806	4,037	3,256
Prepaid operating expenses	477	730	275	259
Amount due from an associate	866	2,021	-	-
Amount due from subsidiaries	-	-	3,946	9,440
Cash and cash equivalents	50,708	50,452	13,267	24,451
	<b>258,743</b>	<b>234,357</b>	<b>144,707</b>	<b>124,111</b>
<b>Total assets</b>	<b>314,509</b>	<b>274,766</b>	<b>191,578</b>	<b>165,249</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	14,292	14,186	-	-
Trade creditors	10,277	10,087	4,575	3,649
Other creditors	22,791	20,096	16,512	13,655
Amount due to subsidiaries	-	-	16	62
Provision for taxation	8,111	5,872	5,802	3,995
	<b>55,471</b>	<b>50,241</b>	<b>26,905</b>	<b>21,361</b>
<b>Net current assets</b>	<b>203,272</b>	<b>184,116</b>	<b>117,802</b>	<b>102,750</b>
<b>Non-current liabilities</b>				
Provisions	145	223	-	-
Deferred income	152	-	-	-
Deferred tax liabilities	1,280	481	702	481
	<b>1,577</b>	<b>704</b>	<b>702</b>	<b>481</b>
<b>Total liabilities</b>	<b>57,048</b>	<b>50,945</b>	<b>27,607</b>	<b>21,842</b>
<b>Net assets</b>	<b>257,461</b>	<b>223,821</b>	<b>163,971</b>	<b>143,407</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	66,826	66,514	66,826	66,514
Reserves	182,754	150,029	97,145	76,893
	<b>249,580</b>	<b>216,543</b>	<b>163,971</b>	<b>143,407</b>
<b>Non-controlling interests</b>	<b>7,881</b>	<b>7,278</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>257,461</b>	<b>223,821</b>	<b>163,971</b>	<b>143,407</b>
<b>Total equity and liabilities</b>	<b>314,509</b>	<b>274,766</b>	<b>191,578</b>	<b>165,249</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 '11		As at 31 Mar '10	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	14,292	-	14,186

**Amount repayable after one year**

As at 31 Mar '11		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 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 '11</b>	<b>31 Mar '10</b>
	\$'000	\$'000
<b>Operating activities:</b>		
Profit before taxation	54,283	41,685
Adjustments for:		
Finance costs	552	425
Interest income	(373)	(304)
Depreciation of property, plant and equipment	4,381	3,260
Foreign currency translation adjustment	(1,286)	1,124
(Gain)/loss on disposal of property, plant and equipment, net	(383)	46
Fair value gain on investment properties	(1,370)	(2,838)
Share of results of an associate	(715)	(512)
<b>Operating cash flow before changes in working capital</b>	<b>55,089</b>	<b>42,886</b>
Increase in stocks	(31,734)	(13,051)
Decrease/(increase) in debtors	6,196	(7,989)
Decrease/(increase) in prepaid operating expenses	253	(234)
Decrease in amount due from an associate	1,155	1,776
(Increase)/decrease in long term receivables	(4,374)	168
Increase in creditors	2,959	5,402
<b>Cash flow from operations</b>	<b>29,544</b>	<b>28,958</b>
Income taxes paid	(8,718)	(8,213)
Interest paid	(552)	(425)
Interest received	373	304
<b>Net cash flow from operating activities</b>	<b>20,647</b>	<b>20,624</b>
<b>Investing activities:</b>		
Proceeds from disposal of property, plant and equipment	1,109	18
Purchase of property, plant and equipment	(12,098)	(5,662)
Investment in an associate	-	(1,370)
<b>Net cash flow used in investing activities</b>	<b>(10,989)</b>	<b>(7,014)</b>
<b>Financing activities:</b>		
Proceeds from loans and borrowings	805	2,820
Repayment of loans and borrowings	(699)	(4,148)
Proceeds from issue of shares pursuant to scrip dividend scheme	312	1,308
Dividend paid to non-controlling interest of a subsidiary	(184)	(200)
Dividend paid on ordinary shares	(8,188)	(5,798)
<b>Net cash flow used in financing activities</b>	<b>(7,954)</b>	<b>(6,018)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,704</b>	<b>7,592</b>
Effects of exchange rate changes	(1,448)	743
Cash and cash equivalents at beginning of year	50,452	42,117
<b>Cash and cash equivalents at end of year</b>	<b>50,708</b>	<b>50,452</b>

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

	<b>31 Mar '11</b>	<b>31 Mar '10</b>
	\$'000	\$'000
Cash and bank balances	31,136	39,950
Fixed deposits with banks	19,572	10,502
	<b>50,708</b>	<b>50,452</b>

**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.**

**Statement of Changes in Equity**

**Group**

	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 April 2009</b>	65,206	2,080	(412)	-	116,028	182,902	6,800	189,702
Profit for the year	-	-	-	-	32,817	32,817	661	33,478
Other comprehensive income	-	4,077	1,237	-	-	5,314	17	5,331
Total comprehensive income for the year	-	4,077	1,237	-	32,817	38,131	678	38,809
Issuance of new shares pursuant to scrip dividend scheme	1,308	-	-	-	-	1,308	-	1,308
Dividends on ordinary shares	-	-	-	-	(5,798)	(5,798)	-	(5,798)
Payment of dividend by a subsidiary	-	-	-	-	-	-	(200)	(200)
<b>Balance at 31 March 2010</b>	66,514	6,157	825	-	143,047	216,543	7,278	223,821

	Share capital \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 April 2010</b>	66,514	6,157	825	-	143,047	216,543	7,278	223,821
Profit for the year	-	-	-	-	42,375	42,375	806	43,181
Other comprehensive income	-	(2,963)	(1,031)	2,532	-	(1,462)	(19)	(1,481)
Total comprehensive income for the year	-	(2,963)	(1,031)	2,532	42,375	40,913	787	41,700
Issuance of new shares pursuant to scrip dividend scheme	312	-	-	-	-	312	-	312
Dividends on ordinary shares	-	-	-	-	(8,188)	(8,188)	-	(8,188)
Payment of dividend by a subsidiary	-	-	-	-	-	-	(184)	(184)
<b>Balance at 31 March 2011</b>	66,826	3,194	(206)	2,532	177,234	249,580	7,881	257,461

**Statement of Changes in Equity**

**Company**

	Share capital \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Balance at 1 April 2009</b>	65,206	(412)	66,989	<b>131,783</b>
Profit for the year	-	-	14,877	<b>14,877</b>
Other comprehensive income	-	1,237	-	<b>1,237</b>
Total comprehensive income for the year	-	1,237	14,877	<b>16,114</b>
Issuance of new shares pursuant to scrip dividend scheme	1,308	-	-	<b>1,308</b>
Dividends on ordinary shares	-	-	(5,798)	<b>(5,798)</b>
<b>Balance at 31 March 2010</b>	<b>66,514</b>	<b>825</b>	<b>76,068</b>	<b>143,407</b>
<b>Balance at 1 April 2010</b>	66,514	825	76,068	<b>143,407</b>
Profit for the year	-	-	29,471	<b>29,471</b>
Other comprehensive income	-	(1,031)	-	<b>(1,031)</b>
Total comprehensive income for the year	-	(1,031)	29,471	<b>28,440</b>
Issuance of new shares pursuant to scrip dividend scheme	312	-	-	<b>312</b>
Dividends on ordinary shares	-	-	(8,188)	<b>(8,188)</b>
<b>Balance at 31 March 2011</b>	<b>66,826</b>	<b>(206)</b>	<b>97,351</b>	<b>163,971</b>

**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.**

31 Mar '11	31 Mar '10
234,331,711	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**

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

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

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

Group	
Full year ended	
31 Mar '11	31 Mar '10
234,156,128	233,006,545
18.10	14.08

(b) Basic and diluted earnings per share (cents)

EPS is calculated by dividing the Group's profits after tax and non-controlling interests with the weighted average number of ordinary shares during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

There is no dilutive effect for EPS as the Company does not have any outstanding share convertibles as at 31 March 2011.



7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year**

	Group		Company	
	31 Mar '11	31 Mar '10	31 Mar '11	31 Mar '10
Number of issued shares	234,331,711	233,954,723	234,331,711	233,954,723
Net asset value per ordinary share (cents)	106.51	92.56	69.97	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 registered a 7% increase in revenue to \$517.6 million for the financial year ended 31 March 2011 ("FY2011"). This increase is largely attributed to the expansion of the Group's multi-brand retail network. An improvement in gross margins to 22.4% from 20.1% a year ago is the result of the successful implementation of the various marketing programmes throughout the year as well as more positive trading conditions.

The Group's operating profit rose 30% to \$54.3 million (FY2010: \$41.7 million) with profit after tax registering a record \$43.2 million.

As at 31 March 2011, the consolidated net asset value was \$249.6 million or \$1.07 per share. Cash and its equivalents stood at \$50.7 million

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

The Group's performance for the period under review is in line with the prospect statement in the results announcement for the period ended 31 December 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**

The global watch industry continues to remain strong and the Group expects demand in the region to be sustained with the exception of Japan. The Group also anticipates inflationary pressures to drive up operating costs, especially those related to personnel and rental.

Barring any unforeseen circumstances, the Group expects to remain profitable for the next financial year.

**11. Dividend**

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

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

Yes

<b>Name of Dividend</b>	<b>Proposed First and Final Dividend</b>
Dividend Type	Cash or Scrip
Dividend amount per Ordinary Share	5.00 cents
Tax Rate	(one-tier)

**(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>First and Final Dividend</b>
Dividend Type	Cash or Scrip
Dividend amount per Ordinary Share	3.50 cents
Tax Rate	(one-tier)

**(c) Date Payable**

The Directors have recommended a first and final dividend of 5.00 cents per ordinary share (one-tier) ("FY2011 Dividend") amounting to approximately \$11,717,000. This is subject to the approval of the shareholders of the Company at the next Annual General Meeting to be held on 15 July 2011.

The Company's Scrip Dividend Scheme under which shareholders may elect to receive dividends in the form of new shares in lieu of cash will apply to the FY2011 Dividend.

**(d) Books Closure Date**

The books closure and payment dates in respect of the FY2011 Dividend will be announced on a later date.

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

Not applicable.

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

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

2011	South East	North East	Total	Eliminations	Group
	Asia & Australia	Asia			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Segment Revenue:</b>					
Sales to external customers	439,164	78,453	517,617	-	517,617
Inter-segment sales	59	246	305	(305)	-
Other income	11,609	614	12,223	(8,006)	4,217
Total revenue and other income	450,832	79,313	530,145	(8,311)	521,834
<b>Segment results:</b>					
Segment results	50,218	11,017	61,235	(8,485)	52,750
Finance costs					(552)
Fair value gain on investment properties					1,370
Share of results of an associate					715
Profit before taxation					54,283
Taxation					(11,102)
Profit for the year					43,181
<b>Other segment information:</b>					
Segment assets	267,184	46,812	313,996	-	313,996
Unallocated corporate assets					513
					314,509
Segment liabilities	39,094	8,563	47,657	-	47,657
Unallocated corporate liabilities					9,391
					57,048
Capital expenditure for the year	11,245	853	12,098	-	12,098
Depreciation	3,927	454	4,381	-	4,381

2010	South East	North East	Total	Eliminations	Group
	Asia & Australia	Asia			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Segment Revenue:</b>					
Sales to external customers	405,143	78,519	483,662	-	483,662
Inter-segment sales	115	201	316	(316)	-
Other income	4,801	135	4,936	(300)	4,636
Total revenue and other income	410,059	78,855	488,914	(616)	488,298
<b>Segment results:</b>					
Segment results	27,611	11,460	39,071	(311)	38,760
Finance costs					(425)
Fair value gain on investment properties					2,838
Share of results of an associate					512
Profit before taxation					41,685
Taxation					(8,207)
Profit for the year					33,478
<b>Other segment information:</b>					
Segment assets	228,508	45,961	274,469	-	274,469
Unallocated corporate assets					297
					274,766
Segment liabilities	36,913	7,679	44,592	-	44,592
Unallocated corporate liabilities					6,353
					50,945
Capital expenditure for the year	5,023	639	5,662	-	5,662
Depreciation	3,143	117	3,260	-	3,260

14. **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.

15. **A breakdown of sales as follows:**

	<b>Group</b>		
	<b>2011</b> S\$'000	2010 S\$'000	Change %
Revenue for first half year	<b>232,898</b>	224,229	3.9
Profit after tax for first half year	<b>15,992</b>	11,631	37.5
Revenue for second half year	<b>284,719</b>	259,433	9.7
Profit after tax for second half year	<b>27,189</b>	21,847	24.5

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: -**

Total Annual Dividend

	<b>Latest Full Year</b>	Previous Full Year
	S\$'000	S\$'000
Ordinary	<b>11,717</b>	8,188
Preference	-	-
<b>Total</b>	<b>11,717</b>	8,188

**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
24 May 2011