



# THE HOUR GLASS LIMITED

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

## Unaudited Second Quarter And Half Year Financial Statement For The Period Ended 30 September 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.

		Group					
		Second Quarter ended			Half Year ended		
Note		30 Sep '10	30 Sep '09	Change	30 Sep '10	30 Sep '09	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	127,595	119,655	7%	232,898	224,229	4%
	Other Income	3,548	337	953%	4,226	787	437%
	<b>Total revenue and other income</b>	<b>131,143</b>	<b>119,992</b>	<b>9%</b>	<b>237,124</b>	<b>225,016</b>	<b>5%</b>
	Cost of goods sold	101,566	97,525	4%	185,049	182,936	1%
	Salaries and employees benefits	7,859	7,075	11%	14,914	13,510	10%
	Depreciation of property, plant and equipment	981	759	29%	1,936	1,448	34%
	Selling and promotion expenses	2,997	2,343	28%	5,838	4,706	24%
	Rental expenses	3,243	2,836	14%	6,553	5,122	28%
	Finance costs	129	101	28%	235	213	10%
	Foreign exchange (gain)/loss	(214)	73	NM	(396)	318	NM
	Other operating expenses	1,614	1,162	39%	3,143	2,445	29%
	<b>Total costs and expenses</b>	<b>118,175</b>	<b>111,874</b>	<b>6%</b>	<b>217,272</b>	<b>210,698</b>	<b>3%</b>
	Share of results of an associate	293	287	2%	313	350	-11%
	<b>Profit before taxation</b>	<b>13,261</b>	<b>8,405</b>	<b>58%</b>	<b>20,165</b>	<b>14,668</b>	<b>37%</b>
	Taxation	2,653	1,629	63%	4,173	3,040	37%
	<b>Profit for the period</b>	<b>10,608</b>	<b>6,776</b>	<b>57%</b>	<b>15,992</b>	<b>11,628</b>	<b>38%</b>
	Profit attributable to:						
	<b>Owners of the parent</b>	<b>10,379</b>	<b>6,593</b>	<b>57%</b>	<b>15,614</b>	<b>11,341</b>	<b>38%</b>
	<b>Minority interests</b>	<b>229</b>	<b>183</b>	<b>25%</b>	<b>378</b>	<b>287</b>	<b>32%</b>
		<b>10,608</b>	<b>6,776</b>	<b>57%</b>	<b>15,992</b>	<b>11,628</b>	<b>38%</b>

Note:

(i) Other income

		Group					
		Second Quarter ended			Half Year ended		
		30 Sep '10	30 Sep '09	Change	30 Sep '10	30 Sep '09	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Rental income	245	143	71%	434	288	51%
	Interest income	62	38	63%	130	117	11%
	Gain on disposal of property, plant and equipment, net	-	-	NM	63	-	NM
	Fair value gain on investment property	3,093	-	NM	3,093	-	NM
	Management fee	148	127	17%	211	194	9%
	Others	-	29	-100%	295	188	57%
		<b>3,548</b>	<b>337</b>	<b>953%</b>	<b>4,226</b>	<b>787</b>	<b>437%</b>

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

<b>Group</b>					
<b>Second Quarter ended</b>			<b>Half Year ended</b>		
<b>30 Sep '10</b>	<b>30 Sep '09</b>	<b>Change</b>	<b>30 Sep '10</b>	<b>30 Sep '09</b>	<b>Change</b>
\$'000	\$'000	%	\$'000	\$'000	%
<b>Income tax</b>					
- Under/(over) provision of tax in respect of prior years					
37	(268)	NM	43	(249)	NM

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

<b>Group</b>					
<b>Second Quarter ended</b>			<b>Half Year ended</b>		
<b>30 Sep '10</b>	<b>30 Sep '09</b>	<b>Change</b>	<b>30 Sep '10</b>	<b>30 Sep '09</b>	<b>Change</b>
\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period</b>					
<b>10,608</b>	<b>6,776</b>	<b>57%</b>	<b>15,992</b>	<b>11,628</b>	<b>38%</b>
<b>Other comprehensive income</b>					
Foreign currency translation					
517	1,222	-58%	(1,757)	2,895	NM
Net change in fair value of investment security					
(207)	412	NM	(413)	2,679	NM
<b>Total comprehensive income for the period</b>					
<b>10,918</b>	<b>8,410</b>	<b>30%</b>	<b>13,822</b>	<b>17,202</b>	<b>-20%</b>
Total comprehensive income attributable to:					
<b>Owners of the parent</b>					
10,692	8,232	30%	13,443	16,927	-21%
<b>Minority interests</b>					
226	178	27%	379	275	38%
<b>10,918</b>	<b>8,410</b>	<b>30%</b>	<b>13,822</b>	<b>17,202</b>	<b>-20%</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>30 Sep '10</b>	<b>31 Mar '10</b>	<b>30 Sep '10</b>	<b>31 Mar '10</b>
<b>Assets</b>				
<b>Non-current assets</b>	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	21,303	18,819	10,159	9,606
Investment properties	17,429	13,715	8,350	8,350
Investment in subsidiaries	-	-	19,959	19,959
Investment in an associate	2,495	2,183	-	-
Loan to an associate	2,170	2,172	-	-
Investment security	1,855	2,267	1,855	2,267
Other receivables	1,628	956	1,628	956
Deferred tax assets	296	297	-	-
	<u>47,176</u>	<u>40,409</u>	<u>41,951</u>	<u>41,138</u>
<b>Current assets</b>				
Stocks	184,438	159,008	104,884	82,319
Trade debtors	13,702	9,340	9,122	4,386
Other debtors	8,904	12,806	3,134	3,256
Prepaid operating expenses	1,101	730	480	259
Amount due from an associate	1,270	2,021	-	-
Amount due from subsidiaries	-	-	5,890	9,440
Cash and cash equivalents	34,106	50,452	9,730	24,451
	<u>243,521</u>	<u>234,357</u>	<u>133,240</u>	<u>124,111</u>
<b>Total assets</b>	<b><u>290,697</u></b>	<b><u>274,766</u></b>	<b><u>175,191</u></b>	<b><u>165,249</u></b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	24,012	14,186	5,000	-
Trade creditors	9,966	10,087	4,113	3,649
Other creditors	19,675	20,096	11,538	13,655
Amount due to subsidiaries	-	-	402	62
Provision for taxation	6,056	5,872	4,244	3,995
	<u>59,709</u>	<u>50,241</u>	<u>25,297</u>	<u>21,361</u>
<b>Net current assets</b>	<b>183,812</b>	<b>184,116</b>	<b>107,943</b>	<b>102,750</b>
<b>Non-current liabilities</b>				
Provisions	236	223	-	-
Deferred income	68	-	-	-
Deferred tax liabilities	981	481	481	481
	<u>1,285</u>	<u>704</u>	<u>481</u>	<u>481</u>
<b>Total liabilities</b>	<b>60,994</b>	<b>50,945</b>	<b>25,778</b>	<b>21,842</b>
<b>Net assets</b>	<b><u>229,703</u></b>	<b><u>223,821</u></b>	<b><u>149,413</u></b>	<b><u>143,407</u></b>
<b>Equity attributable to owners of the parent</b>				
Share capital	66,826	66,514	66,826	66,514
Reserves	155,284	150,029	82,587	76,893
	<u>222,110</u>	<u>216,543</u>	<u>149,413</u>	<u>143,407</u>
<b>Minority interests</b>	7,593	7,278	-	-
<b>Total equity</b>	<b><u>229,703</u></b>	<b><u>223,821</u></b>	<b><u>149,413</u></b>	<b><u>143,407</u></b>
<b>Total equity and liabilities</b>	<b><u>290,697</u></b>	<b><u>274,766</u></b>	<b><u>175,191</u></b>	<b><u>165,249</u></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**

<b>As at 30 Sep '10</b>		<b>As at 31 Mar '10</b>	
<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>
-	24,012	-	14,186

**Amount repayable after one year**

<b>As at 30 Sep '10</b>		<b>As at 31 Mar '10</b>	
<b>Secured \$'000</b>	<b>Unsecured \$'000</b>	<b>Secured \$'000</b>	<b>Unsecured \$'000</b>
-	-	-	-

**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.

	Group			
	Second Quarter ended		Half Year ended	
	30 Sep '10	30 Sep '09	30 Sep '10	30 Sep '09
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities:</b>				
Profit before taxation	13,261	8,405	20,165	14,668
Adjustments for:				
Finance costs	129	101	235	213
Interest income	(62)	(38)	(130)	(117)
Depreciation of property, plant and equipment	981	759	1,936	1,448
Foreign currency translation adjustment	358	477	(706)	743
Loss/(gain) on disposal of property, plant and equipment	-	35	(63)	39
Fair value gain on investment property	(3,093)	-	(3,093)	-
Share of results of an associate	(293)	(287)	(313)	(350)
<b>Operating cash flow before changes in working capital</b>	<b>11,281</b>	<b>9,452</b>	<b>18,031</b>	<b>16,644</b>
Increase in stocks	(5,938)	(14,497)	(25,430)	(17,339)
(Increase)/decrease in debtors	(674)	(1,223)	291	(3,365)
Decrease/(increase) in prepaid operating expenses	182	(396)	(371)	(613)
Decrease/(increase) in long term receivables	215	-	(672)	-
(Decrease)/increase in creditors	(9,174)	419	(461)	10,145
<b>Cash flow (used in)/from operations</b>	<b>(4,108)</b>	<b>(6,245)</b>	<b>(8,612)</b>	<b>5,472</b>
Income taxes paid	(2,675)	(2,453)	(3,463)	(3,036)
Interest paid	(129)	(101)	(235)	(213)
Interest received	62	38	130	117
<b>Net cash flow (used in)/from operating activities</b>	<b>(6,850)</b>	<b>(8,761)</b>	<b>(12,180)</b>	<b>2,340</b>
<b>Investing activities:</b>				
Proceeds from disposal of property, plant and equipment	64	-	310	8
Purchase of property, plant and equipment	(3,126)	(2,015)	(5,530)	(2,448)
Investment in an associate	-	-	-	(1,370)
<b>Net cash flow used in investing activities</b>	<b>(3,062)</b>	<b>(2,015)</b>	<b>(5,220)</b>	<b>(3,810)</b>
<b>Financing activities:</b>				
Proceeds from loans and borrowings	9,015	923	9,857	-
Repayment of loans and borrowings	-	(18)	(31)	(1,945)
Proceeds from issue of shares pursuant to scrip dividend scheme	312	1,308	312	1,308
Dividend paid to minority shareholders of a subsidiary	(64)	(56)	(64)	(56)
Dividend paid on ordinary shares	(8,188)	(5,798)	(8,188)	(5,798)
<b>Net cash flow from/(used in) financing activities</b>	<b>1,075</b>	<b>(3,641)</b>	<b>1,886</b>	<b>(6,491)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(8,837)</b>	<b>(14,417)</b>	<b>(15,514)</b>	<b>(7,961)</b>
Effects of exchange rate changes	(386)	112	(832)	554
Cash and cash equivalents at beginning of period	43,329	49,015	50,452	42,117
<b>Cash and cash equivalents at end of period</b>	<b>34,106</b>	<b>34,710</b>	<b>34,106</b>	<b>34,710</b>

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

	30 Sep '10	30 Sep '09
	\$'000	\$'000
Cash and bank balances	29,487	21,121
Fixed deposits with banks	4,619	13,589
	<b>34,106</b>	<b>34,710</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**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Fair value adjustment reserve \$'000</b>	<b>Revenue reserve \$'000</b>	<b>Total attributable to owners of the parent \$'000</b>	<b>Minority interests \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 April 2009</b>	65,206	2,080	(412)	116,028	<b>182,902</b>	<b>6,800</b>	<b>189,702</b>
Total comprehensive income for the period	-	1,680	2,267	4,748	<b>8,695</b>	<b>97</b>	<b>8,792</b>
<b>Balance at 30 June 2009</b>	65,206	3,760	1,855	120,776	<b>191,597</b>	<b>6,897</b>	<b>198,494</b>
<b>Balance as at 1 July 2009</b>	65,206	3,760	1,855	120,776	<b>191,597</b>	<b>6,897</b>	<b>198,494</b>
Issuance of new shares pursuant to scrip dividend scheme	1,308	-	-	-	<b>1,308</b>	-	<b>1,308</b>
Dividends on ordinary shares	-	-	-	(5,798)	<b>(5,798)</b>	-	<b>(5,798)</b>
Payment of dividend by a subsidiary	-	-	-	-	-	<b>(56)</b>	<b>(56)</b>
Total comprehensive income for the period	-	1,227	412	6,593	<b>8,232</b>	<b>178</b>	<b>8,410</b>
<b>Balance at 30 September 2009</b>	66,514	4,987	2,267	121,571	<b>195,339</b>	<b>7,019</b>	<b>202,358</b>
<b>Balance at 1 April 2010</b>	66,514	6,157	825	143,047	<b>216,543</b>	<b>7,278</b>	<b>223,821</b>
Total comprehensive income for the period	-	(2,278)	(206)	5,235	<b>2,751</b>	<b>153</b>	<b>2,904</b>
<b>Balance at 30 June 2010</b>	66,514	3,879	619	148,282	<b>219,294</b>	<b>7,431</b>	<b>226,725</b>
<b>Balance at 1 July 2010</b>	66,514	3,879	619	148,282	<b>219,294</b>	<b>7,431</b>	<b>226,725</b>
Issuance of new shares pursuant to scrip dividend scheme	312	-	-	-	<b>312</b>	-	<b>312</b>
Dividends on ordinary shares	-	-	-	(8,188)	<b>(8,188)</b>	-	<b>(8,188)</b>
Payment of dividend by a subsidiary	-	-	-	-	-	<b>(64)</b>	<b>(64)</b>
Total comprehensive income for the period	-	520	(207)	10,379	<b>10,692</b>	<b>226</b>	<b>10,918</b>
<b>Balance at 30 September 2010</b>	66,826	4,399	412	150,473	<b>222,110</b>	<b>7,593</b>	<b>229,703</b>

**Statement of Changes in Equity**

<b>Company</b>	Share capital \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	<b>Total equity \$'000</b>
<b>Balance at 1 April 2009</b>	65,206	(412)	66,989	<b>131,783</b>
Total comprehensive income for the period	-	2,267	1,317	<b>3,584</b>
<b>Balance at 30 June 2009</b>	<b>65,206</b>	<b>1,855</b>	<b>68,306</b>	<b>135,367</b>
<b>Balance at 1 July 2009</b>	65,206	1,855	68,306	<b>135,367</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>
Total comprehensive income for the period	-	412	3,335	<b>3,747</b>
<b>Balance at 30 September 2009</b>	<b>66,514</b>	<b>2,267</b>	<b>65,843</b>	<b>134,624</b>
<b>Balance at 1 April 2010</b>	66,514	825	76,068	<b>143,407</b>
Total comprehensive income for the period	-	(206)	10,537	<b>10,331</b>
<b>Balance at 30 June 2010</b>	<b>66,514</b>	<b>619</b>	<b>86,605</b>	<b>153,738</b>
<b>Balance at 1 July 2010</b>	66,514	619	86,605	<b>153,738</b>
Issuance of new shares pursuant to scrip dividend scheme	312	-	-	<b>312</b>
Dividends on ordinary shares	-	-	(8,188)	<b>(8,188)</b>
Total comprehensive income for the period	-	(207)	3,758	<b>3,551</b>
<b>Balance at 30 September 2010</b>	<b>66,826</b>	<b>412</b>	<b>82,175</b>	<b>149,413</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**

On 17 September 2010, 376,988 ordinary shares in the Company (“New Shares”) were allotted and issued to the eligible shareholders of the Company who elected to participate in The Hour Glass Limited Scrip Dividend Scheme (the “Scheme”) in respect of the final dividend of 3.50 cents per ordinary share (one-tier) for the financial year ended 31 March 2010. The issue price of S\$0.8275 for each New Share was determined in accordance with the Scheme. The New Shares rank pari passu in all respects with the existing Shares.

	<b>No. of Ordinary Shares</b>
As at 1 April 2010	233,954,723
Issued pursuant to The Hour Glass Scrip Dividend Scheme	376,988
As at 30 September 2010	<u>234,331,711</u>

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.**

<b>30 Sep '10</b>	<b>31 Mar '10</b>
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**

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**

	Group			
	Second Quarter ended		Half Year ended	
	30 Sep '10	30 Sep '09	30 Sep '10	30 Sep '09
(a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	234,007,993	233,206,595	233,981,504	232,063,547
(b) Basic and diluted earnings per share (cents)	4.44	2.84	6.67	4.89

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 September 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 Sep '10	31 Mar '10	30 Sep '10	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)	94.78	92.56	63.76	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**

For the second quarter ended 30 September 2010, the Group achieved revenue of \$127.6 million compared to \$119.7 million in the corresponding quarter last year. Higher revenue was attributable to the opening of new boutiques in Singapore over the last 12 months. Net profit after tax was \$10.6 million, 57% higher than the same period last financial year, mainly due to improved gross margins and a net fair valuation gain of \$2.6 million arising from change of use of a property in Hong Kong.

The Group achieved revenue of \$232.9 million for the half year ended 30 September 2010. Gross margins improved to 20.5% from 18.4% in the last corresponding period. The expanded retail network and improved contributions from key brands were main factors resulting in higher margins. Profit after tax increased 38% to \$16.0 million from \$11.6 million.

As at 30 September 2010, consolidated net assets were \$222.1 million or 94.78 cents per ordinary share. Cash and cash equivalents was \$34.1 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 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**

The Group continues its effort to enhance its premium retail network, while making adjustments to its portfolio of business units in the Group.

In Australia, the Group ceased its distribution and franchise arrangements with Montblanc in October 2010. This cessation has no material impact on the Group.

The Hour Glass has developed a new multi-brand, multi-category 7,600 square feet luxury concept store which will open in January 2011 at Knightsbridge in Singapore. This new retail format will present a highly differentiated product range which will also include many new-to-market brands.

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/recommendeded, 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 statement of cash flow and statements of changes in equity, together with their accompanying notes) as at 30 September 2010 and the results of the business, changes in equity and cash flows of the Group for the six 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  
11 November 2010



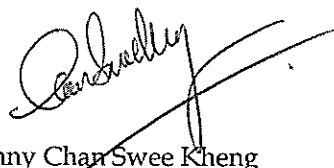
**Statement Pursuant to Rule 705(5) of the Listing Manual**

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 September 2010 and the results of the business, changes in equity and cash flows of the Group for the six 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  
11 November 2010