

**THE HOUR GLASS LIMITED**  
Co. Registration No: 197901972D

**Unaudited Third Quarter and Nine Months Financial Statement For The Period Ended 31 December 2012**

**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					
		Third Quarter ended			Nine Months ended		
Note		31 Dec 12	31 Dec 11	Change	31 Dec 12	31 Dec 11	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	157,883	169,674	-7%	433,647	449,562	-4%
	Other income	1,565	887	76%	3,137	2,901	8%
	<b>Total revenue and other income</b>	<b>159,448</b>	<b>170,561</b>	<b>-7%</b>	<b>436,784</b>	<b>452,463</b>	<b>-3%</b>
	Cost of goods sold	117,988	126,366	-7%	330,343	344,630	-4%
	Salaries and employees benefits	10,218	10,707	-5%	27,600	29,144	-5%
	Depreciation of property, plant and equipment	1,478	1,401	5%	4,255	4,286	-1%
	Selling and promotion expenses	4,245	4,159	2%	12,205	11,165	9%
	Rental expenses	5,346	4,007	33%	13,444	11,031	22%
	Finance costs	160	97	65%	351	232	51%
	Foreign exchange loss/(gain)	163	(180)	NM	314	48	554%
	Other operating expenses	1,775	1,540	15%	5,498	4,736	16%
	<b>Total costs and expenses</b>	<b>141,373</b>	<b>148,097</b>	<b>-5%</b>	<b>394,010</b>	<b>405,272</b>	<b>-3%</b>
	Share of results of associates	266	406	-34%	958	770	24%
	<b>Profit before taxation</b>	<b>18,341</b>	<b>22,870</b>	<b>-20%</b>	<b>43,732</b>	<b>47,961</b>	<b>-9%</b>
	Taxation	3,420	4,449	-23%	8,702	9,485	-8%
	<b>Profit for the period</b>	<b>14,921</b>	<b>18,421</b>	<b>-19%</b>	<b>35,030</b>	<b>38,476</b>	<b>-9%</b>
	<b>Profit attributable to:</b>						
	Owners of the Company	14,596	18,079	-19%	33,980	37,356	-9%
	Non-controlling interests	325	342	-5%	1,050	1,120	-6%
		<b>14,921</b>	<b>18,421</b>	<b>-19%</b>	<b>35,030</b>	<b>38,476</b>	<b>-9%</b>

Note:

(i) Other income

		Group					
		Third Quarter ended			Nine Months ended		
		31 Dec 12	31 Dec 11	Change	31 Dec 12	31 Dec 11	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Rental income	256	263	-3%	800	778	3%
	Interest income	246	207	19%	755	588	28%
	Gain/(loss) on disposal of property, plant and equipment, net	285	(2)	NM	285	94	203%
	Management fee	106	145	-27%	286	414	-31%
	Dividend Income	392	-	NM	392	-	NM
	Others	280	274	2%	619	1,027	-40%
		<b>1,565</b>	<b>887</b>	<b>76%</b>	<b>3,137</b>	<b>2,901</b>	<b>8%</b>

NM – Not Meaningful

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

	Group					
	Third Quarter ended			Nine Months ended		
	31 Dec 12 \$'000	31 Dec 11 \$'000	Change %	31 Dec 12 \$'000	31 Dec 11 \$'000	Change %
<b>Income tax</b>						
- (Over)/under provision of tax in respect of prior years	(51)	37	NM	53	51	4%

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

	Group					
	Third Quarter ended			Nine Months ended		
	31 Dec 12 \$'000	31 Dec 11 \$'000	Change %	31 Dec 12 \$'000	31 Dec 11 \$'000	Change %
<b>Profit for the period</b>	<b>14,921</b>	<b>18,421</b>	<b>-19%</b>	<b>35,030</b>	<b>38,476</b>	<b>-9%</b>
<b>Other comprehensive income</b>						
Foreign currency translation	(1,176)	1,892	NM	(5,548)	2,628	NM
Net surplus on revaluation of leasehold premises	-	-	NM	-	69	NM
Net change in fair value of investment security	(288)	124	NM	371	(701)	NM
Other comprehensive (loss)/income for the period, net of tax	(1,464)	2,016	NM	(5,177)	1,996	NM
<b>Total comprehensive income for the period</b>	<b>13,457</b>	<b>20,437</b>	<b>-34%</b>	<b>29,853</b>	<b>40,472</b>	<b>-26%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	13,153	20,091	-35%	29,535	39,366	-25%
Non-controlling interests	304	346	-12%	318	1,106	-71%
	<b>13,457</b>	<b>20,437</b>	<b>-34%</b>	<b>29,853</b>	<b>40,472</b>	<b>-26%</b>

**1(b)(i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group			Company		
	31 Dec 12	31 Mar 12 (restated)	1 Apr 11 (restated)	31 Dec 12	31 Mar 12 (restated)	1 Apr 11 (restated)
<b>Assets</b>						
<b>Non-current assets</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	24,258	22,248	25,076	14,637	13,448	14,655
Investment properties	22,157	20,629	18,739	10,920	9,100	8,850
Investment in subsidiaries	-	-	-	20,459	20,459	20,459
Investment in associates	4,749	3,864	2,788	-	-	-
Loan to subsidiaries	-	-	-	8,794	8,000	-
Loan to an associate	2,582	2,023	2,084	-	-	-
Investment security	1,154	783	1,236	1,154	783	1,236
Other receivables	5,602	5,637	5,330	2,236	1,945	1,671
Deferred tax assets	766	786	715	-	-	202
	<b>61,268</b>	<b>55,970</b>	<b>55,968</b>	<b>58,200</b>	<b>53,735</b>	<b>47,073</b>
<b>Current assets</b>						
Stocks	281,593	230,954	190,742	172,090	141,582	117,340
Trade and other receivables	21,829	17,393	15,950	13,801	10,538	9,879
Prepaid operating expenses	646	530	477	256	292	275
Amount due from associates	95	170	866	-	-	-
Amount due from subsidiaries	-	-	-	6,201	5,276	3,946
Cash and cash equivalents	63,203	53,701	50,708	15,254	5,598	13,267
	<b>367,366</b>	<b>302,748</b>	<b>258,743</b>	<b>207,602</b>	<b>163,286</b>	<b>144,707</b>
<b>Total assets</b>	<b>428,634</b>	<b>358,718</b>	<b>314,711</b>	<b>265,802</b>	<b>217,021</b>	<b>191,780</b>
<b>Equity and liabilities</b>						
<b>Current liabilities</b>						
Loans and borrowings	52,329	3,069	14,292	46,000	-	-
Trade and other payables	47,587	41,995	33,068	27,301	26,365	21,087
Amount due to subsidiaries	-	-	-	519	10	16
Provision for taxation	9,081	9,602	8,111	5,729	7,523	5,802
	<b>108,997</b>	<b>54,666</b>	<b>55,471</b>	<b>79,549</b>	<b>33,898</b>	<b>26,905</b>
<b>Net current assets</b>	<b>258,369</b>	<b>248,082</b>	<b>203,272</b>	<b>128,053</b>	<b>129,388</b>	<b>117,802</b>
<b>Non-current liabilities</b>						
Provisions	190	133	145	-	-	-
Deferred income	28	93	152	-	-	-
Deferred tax liabilities	14	14	-	14	14	-
	<b>232</b>	<b>240</b>	<b>297</b>	<b>14</b>	<b>14</b>	<b>-</b>
<b>Total liabilities</b>	<b>109,229</b>	<b>54,906</b>	<b>55,768</b>	<b>79,563</b>	<b>33,912</b>	<b>26,905</b>
<b>Net assets</b>	<b>319,405</b>	<b>303,812</b>	<b>258,943</b>	<b>186,239</b>	<b>183,109</b>	<b>164,875</b>
<b>Equity attributable to owners of the Company</b>						
Share capital	67,638	67,638	66,826	67,638	67,638	66,826
Reserves	242,536	227,101	184,236	118,601	115,471	98,049
	<b>310,174</b>	<b>294,739</b>	<b>251,062</b>	<b>186,239</b>	<b>183,109</b>	<b>164,875</b>
<b>Non-controlling interests</b>	<b>9,231</b>	<b>9,073</b>	<b>7,881</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>319,405</b>	<b>303,812</b>	<b>258,943</b>	<b>186,239</b>	<b>183,109</b>	<b>164,875</b>
<b>Total equity and liabilities</b>	<b>428,634</b>	<b>358,718</b>	<b>314,711</b>	<b>265,802</b>	<b>217,021</b>	<b>191,780</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 Dec 12		As at 31 Mar 12	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	52,329	-	3,069

**Amount repayable after one year**

As at 31 Dec 12		As at 31 Mar 12	
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.

	Group		Group	
	Third Quarter ended		Nine Months ended	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit before taxation	18,341	22,870	43,732	47,961
Adjustments for:				
Finance costs	160	97	351	232
Interest income	(246)	(207)	(755)	(588)
Dividend income	(392)	-	(392)	-
Depreciation of property, plant and equipment	1,478	1,401	4,255	4,286
Foreign currency translation adjustment	(8)	15	(314)	525
(Gain)/loss on disposal of property, plant and equipment, net	(285)	2	(285)	(94)
Share of results of associates	(266)	(406)	(958)	(770)
<b>Operating cash flows before changes in working capital</b>	<b>18,782</b>	<b>23,772</b>	<b>45,634</b>	<b>51,552</b>
Increase in stocks	(8,037)	(13,246)	(53,068)	(41,440)
Increase in receivables	(516)	(3,699)	(4,785)	(6,387)
Decrease/(increase) in prepaid operating expenses	436	67	(128)	(643)
(Increase)/decrease in amount due from associates	(838)	(63)	(524)	230
Increase in payables	6,709	7,798	6,099	11,373
<b>Cash flows from/(used in) operations</b>	<b>16,536</b>	<b>14,629</b>	<b>(6,772)</b>	<b>14,685</b>
Income taxes paid	(3,604)	(2,909)	(9,104)	(7,908)
Interest paid	(160)	(97)	(351)	(232)
Interest received	246	207	755	588
<b>Net cash flows from/(used in) operating activities</b>	<b>13,018</b>	<b>11,830</b>	<b>(15,472)</b>	<b>7,133</b>
<b>Investing activities</b>				
Dividend Income	392	-	392	-
Proceeds from disposal of property, plant and equipment	451	1	451	110
Purchase of investment property	(1,820)	-	(1,820)	-
Purchase of property, plant and equipment	(6,238)	(235)	(7,984)	(1,514)
<b>Net cash flows used in investing activities</b>	<b>(7,215)</b>	<b>(234)</b>	<b>(8,961)</b>	<b>(1,404)</b>
<b>Financing activities</b>				
Proceeds from loans and borrowings	5,219	2,434	50,905	26,933
Repayment of loans and borrowings	-	(34)	(1,423)	(8,913)
Proceeds from issue of shares pursuant to scrip dividend scheme	-	-	-	812
Dividends paid to non-controlling interests	(72)	(72)	(160)	(152)
Dividends paid on ordinary shares	-	-	(14,100)	(11,717)
<b>Net cash flows from financing activities</b>	<b>5,147</b>	<b>2,328</b>	<b>35,222</b>	<b>6,963</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,950</b>	<b>13,924</b>	<b>10,789</b>	<b>12,692</b>
Effects of exchange rate changes	(372)	459	(1,287)	1,331
Cash and cash equivalents at beginning of financial period	52,625	50,348	53,701	50,708
<b>Cash and cash equivalents at end of financial period</b>	<b>63,203</b>	<b>64,731</b>	<b>63,203</b>	<b>64,731</b>

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

	31 Dec 12	31 Dec 11
	\$'000	\$'000
Cash and bank balances	35,723	33,146
Fixed Deposits with banks	27,480	31,585
	<b>63,203</b>	<b>64,731</b>

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

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 Company \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 April 2011, as previously reported</b>	66,826	3,194	(206)	2,532	177,234	249,580	7,881	257,461
Effects of adopting Amendments to FRS 12	-	(25)	-	500	1,007	1,482	-	1,482
<b>Balance at 1 April 2011, as restated</b>	66,826	3,169	(206)	3,032	178,241	251,062	7,881	258,943
Profit for the period	-	-	-	-	8,614	8,614	498	9,112
Other comprehensive income	-	(1,049)	(618)	-	-	(1,667)	(18)	(1,685)
Total comprehensive income for the period	-	(1,049)	(618)	-	8,614	6,947	480	7,427
Dividends paid to non-controlling interests	-	-	-	-	-	-	(80)	(80)
<b>Balance at 30 June 2011</b>	66,826	2,120	(824)	3,032	186,855	258,009	8,281	266,290
<b>Balance at 1 July 2011</b>	66,826	2,120	(824)	3,032	186,855	258,009	8,281	266,290
Profit for the period	-	-	-	-	10,663	10,663	280	10,943
Other comprehensive income	-	1,802	(206)	69	-	1,665	-	1,665
Total comprehensive income for the period	-	1,802	(206)	69	10,663	12,328	280	12,608
Issuance of new shares pursuant to scrip dividend scheme	812	-	-	-	-	812	-	812
Dividends on ordinary shares	-	-	-	-	(11,717)	(11,717)	-	(11,717)
<b>Balance at 30 September 2011</b>	67,638	3,922	(1,030)	3,101	185,801	259,432	8,561	267,993
<b>Balance at 1 October 2011</b>	67,638	3,922	(1,030)	3,101	185,801	259,432	8,561	267,993
Profit for the period	-	-	-	-	18,079	18,079	342	18,421
Other comprehensive income	-	1,887	124	-	-	2,011	5	2,016
Total comprehensive income for the period	-	1,887	124	-	18,079	20,090	347	20,437
Dividends paid to non-controlling interests	-	-	-	-	-	-	(72)	(72)
<b>Balance at 31 December 2011</b>	67,638	5,809	(906)	3,101	203,880	279,522	8,836	288,358

## 1(d)(i) Statement of Changes in equity (Cont'd)

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 Company \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 April 2012, as previously reported</b>	67,638	2,561	-	2,601	220,415	293,215	9,073	302,288
Effects of adopting Amendments to FRS 12	-	(25)	-	500	1,049	1,524	-	1,524
<b>Balance at 1 April 2012, as restated</b>	67,638	2,536	-	3,101	221,464	294,739	9,073	303,812
Profit for the period	-	-	-	-	9,345	9,345	466	9,811
Other comprehensive income	-	(876)	41	-	-	(835)	(388)	(1,223)
Total comprehensive income for the period	-	(876)	41	-	9,345	8,510	78	8,588
Dividends paid to non-controlling interests	-	-	-	-	-	-	(88)	(88)
<b>Balance at 30 June 2012</b>	67,638	1,660	41	3,101	230,809	303,249	9,063	312,312
<b>Balance at 1 July 2012</b>	67,638	1,660	41	3,101	230,809	303,249	9,063	312,312
Profit for the period	-	-	-	-	10,039	10,039	259	10,298
Other comprehensive income	-	(2,785)	618	-	-	(2,167)	(323)	(2,490)
Total comprehensive income for the period	-	(2,785)	618	-	10,039	7,872	(64)	7,808
Dividends on ordinary shares	-	-	-	-	(14,100)	(14,100)	-	(14,100)
<b>Balance at 30 September 2012</b>	67,638	(1,125)	659	3,101	226,748	297,021	8,999	306,020
<b>Balance at 1 October 2012</b>	67,638	(1,125)	659	3,101	226,748	297,021	8,999	306,020
Profit for the period	-	-	-	-	14,596	14,596	325	14,921
Other comprehensive income	-	(1,155)	(288)	-	-	(1,443)	(21)	(1,464)
Total comprehensive income for the period	-	(1,155)	(288)	-	14,596	13,153	304	13,457
Dividends paid to non-controlling interests	-	-	-	-	-	-	(72)	(72)
<b>Balance at 31 December 2012</b>	67,638	(2,280)	371	3,101	241,344	310,174	9,231	319,405

## 1(d)(i) Statement of Changes in equity (Cont'd)

Company	Share capital \$'000	Fair value adjustment reserve \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Balance at 1 April 2011, as previously reported</b>	66,826	(206)	97,351	163,971
Effects of adopting Amendments to FRS 12	-	-	904	904
<b>Balance at 1 April 2011, as restated</b>	66,826	(206)	98,255	164,875
Profit for the period	-	-	3,404	3,404
Other comprehensive income	-	(618)	-	(618)
Total comprehensive income for the period	-	(618)	3,404	2,786
<b>Balance at 30 June 2011</b>	66,826	(824)	101,659	167,661
<b>Balance at 1 July 2011</b>	66,826	(824)	101,659	167,661
Profit for the period	-	-	5,172	5,172
Other comprehensive income	-	(206)	-	(206)
Total comprehensive income for the period	-	(206)	5,172	4,966
Issuance of new shares pursuant to scrip dividend scheme	812	-	-	812
Dividends on ordinary shares	-	-	(11,717)	(11,717)
<b>Balance at 30 September 2011</b>	67,638	(1,030)	95,114	161,722
<b>Balance at 1 October 2011</b>	67,638	(1,030)	95,114	161,722
Profit for the period	-	-	10,101	10,101
Other comprehensive income	-	124	-	124
Total comprehensive income for the period	-	124	10,101	10,225
<b>Balance at 31 December 2011</b>	67,638	(906)	105,215	171,947
<b>Balance at 1 April 2012, as previously reported</b>	67,638	-	114,524	182,162
Effects of adopting Amendments to FRS12	-	-	947	947
<b>Balance at 1 April 2012, as restated</b>	67,638	-	115,471	183,109
Profit for the period	-	-	4,151	4,151
Other comprehensive income	-	41	-	41
Total comprehensive income for the period	-	41	4,151	4,192
<b>Balance at 30 June 2012</b>	67,638	41	119,622	187,301
<b>Balance at 1 July 2012</b>	67,638	41	119,622	187,301
Profit for the period	-	-	4,331	4,331
Other comprehensive income	-	618	-	618
Total comprehensive income for the period	-	618	4,331	4,949
Dividends on ordinary shares	-	-	(14,100)	(14,100)
<b>Balance at 30 September 2012</b>	67,638	659	109,853	178,150
<b>Balance at 1 October 2012</b>	67,638	659	109,853	178,150
Profit for the period	-	-	8,377	8,377
Other comprehensive income	-	(288)	-	(288)
Total comprehensive income for the period	-	(288)	8,377	8,089
<b>Balance at 31 December 2012</b>	67,638	371	118,230	186,239



**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**

<b>31 Dec 12</b>	<b>31 Mar 12</b>
235,003,960	235,003,960

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

Not applicable.

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

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

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

Not applicable.

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

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 March 2012, except as disclosed in paragraph 5 below.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and effect of, the change**

The Group has adopted the revised and amendments to Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") which became effective 1 January 2012, including Amendment to FRS 12 *Deferred Tax: Recovery of Underlying Assets*. The adoption of these FRSs and INT FRSs do not have any significant impact on the financial statements of the Group except for the following:

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 (cont'd)**

*Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets*

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 Investment Property. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group previously provided for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of the Amendments to FRS 12, there is a presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties located in certain countries as there is no capital gains tax in those countries.

This change in accounting policy has been applied retrospectively. Accordingly, the comparatives have been restated. However, there is no impact on the comparative consolidated income statement for 9M FY2012, as deferred taxes on investment properties were accounted only in 4Q FY2012. The effects on the comparatives arising from the adoption of the Amendments to FRS 12 are as follows:

<b><u>Consolidated income statement</u></b>	<b>Group Full year 2012 (restated) S\$'000</b>			
Decrease in taxation		(43)		
Increase in profit for the year		43		
Increase in profit attributable to owners of the Company		43		
Increase in earnings per share (cents) – Basic and diluted		0.02		
<b><u>Statements of financial position</u></b>	<b>Group</b>		<b>Company</b>	
	<b>31 Mar 12 (restated) S\$'000</b>	<b>1 Apr 11 (restated) S\$'000</b>	<b>31 Mar 12 (restated) S\$'000</b>	<b>1 Apr 11 (restated) S\$'000</b>
Increase in deferred tax assets	-	202	-	202
Decrease in deferred tax liabilities	(1,524)	(1,280)	(947)	(702)
Decrease in foreign currency translation reserve	(25)	(25)	-	-
Increase in asset revaluation reserve	500	500	-	-
Increase in revenue reserve	1,049	1,007	947	904

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			
	Third Quarter ended		Nine Months ended	
	31 Dec 12	31 Dec 11	31 Dec 12	31 Dec 11
(a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	235,003,960	235,003,960	235,003,960	234,593,277
(b) Basic and diluted earnings per share (cents)	6.21	7.69	14.46	15.92

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 December 2012.

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

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

	Group		Company	
	31 Dec 12	31 Mar 12 (restated)	31 Dec 12	31 Mar 12 (restated)
Number of issued shares	235,003,960	235,003,960	235,003,960	235,003,960
Net asset value per ordinary share (in S\$)	1.32	1.25	0.79	0.78

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**

**3Q FY2013 vs 3Q FY2012**

Revenue for the quarter ended 31 December 2012 ("3Q FY2013") was \$157.9 million, 7% lower than the corresponding quarter last year. Consumer sentiment continues to remain weak.

Gross margin was comparable at 25.3% (3Q FY2012: 25.5%). Operating expenses, which includes rental and selling expenses, were higher due to new store openings. Profit after tax was 19% lower at \$14.9 million compared to \$18.4 million.

## **9M FY2013 vs 9M FY2012**

For the 9 months ended 31 December 2012 ("9M FY2013"), revenue was \$433.6 million, 4% lower than 9M FY2012.

Gross margin was 23.8% compared to 23.3% in 9M FY2012. Operating expenses were higher due to the Group's increased retail network with the opening of three new boutiques, one each in Singapore, Hong Kong and Australia. Profit after tax was lower at \$35.0 million (9M FY2012: \$38.5 million).

Inventory rose by \$50.6 million due to the expansion of The Hour Glass' retail network, primarily financed by bank borrowings.

As at 31 December 2012, consolidated net assets were \$310.2 million or \$1.32 per share.

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

The Group's performance for the period under review is in line with the statement in the results announcement for the period ended 30 September 2012.

### **10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

Continued global economic uncertainty is expected to affect consumer sentiment and the demand for hard luxury goods. Barring any unforeseen circumstances, the Group is cautiously optimistic of its outlook for the remainder of the financial year.

The Company has been appointed the exclusive licensee in Singapore for Ladureé. Retail sales through two outlets located in Takashimaya Shopping Centre, Ngee Ann City in Singapore will commence from April 2013. This exclusive appointment extends the role of The Hour Glass as the leading purveyor of luxury goods and sets new benchmarks on its cultural retail offerings in this sector.

### **11. Dividend**

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

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

None.

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None.

#### **(c) Date Payable**

Not applicable.

#### **(d) Books Closure Date**

Not applicable.

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

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

**13. If the Company has obtained a general mandate from shareholders for interested person transactions (“IPT mandate”), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have an IPT mandate.

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 2012 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  
7 February 2013

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 2012 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  
7 February 2013