

# THE HOUR GLASS

## THE HOUR GLASS LIMITED

Co. Registration No: 197901972D

### Unaudited Full Year Financial Statement and Dividend Announcement For The Year Ended 31 March 2015

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 15       | 31 Mar 14      | Change    |
|   |      | \$'000          | \$'000         | %         |
| Revenue                                       |      | 734,938         | 682,797        | 8%        |
| Other income                                  | (i)  | 5,866           | 6,146          | -5%       |
| <b>Total revenue and other income</b>         |      | <b>740,804</b>  | <b>688,943</b> | <b>8%</b> |
| Cost of goods sold                            |      | 569,011         | 526,051        | 8%        |
| Salaries and employees benefits               |      | 42,365          | 40,260         | 5%        |
| Depreciation of property, plant and equipment |      | 7,646           | 6,601          | 16%       |
| Selling and promotion expenses                |      | 17,698          | 16,271         | 9%        |
| Rental expenses                               |      | 24,930          | 22,174         | 12%       |
| Finance costs                                 |      | 901             | 489            | 84%       |
| Foreign exchange (gain)/loss                  |      | (551)           | 531            | NM        |
| Other operating expenses                      |      | 9,135           | 8,697          | 5%        |
| <b>Total costs and expenses</b>               |      | <b>671,135</b>  | <b>621,074</b> | <b>8%</b> |
| Share of results of associates                |      | 5,735           | 2,959          | 94%       |
| <b>Profit before taxation</b>                 |      | <b>75,404</b>   | <b>70,828</b>  | <b>6%</b> |
| Taxation                                      |      | 15,689          | 14,462         | 8%        |
| <b>Profit for the year</b>                    |      | <b>59,715</b>   | <b>56,366</b>  | <b>6%</b> |
| <b>Profit attributable to:</b>                |      |                 |                |           |
| Owners of the Company                         |      | 57,946          | 54,936         | 5%        |
| Non-controlling interests                     |      | 1,769           | 1,430          | 24%       |
|   |      | <b>59,715</b>   | <b>56,366</b>  | <b>6%</b> |

Note:

(i) Other income

|   |  |              |              |            |
|---|--|--------------|--------------|------------|
| Rental income   |  | 1,459        | 976          | 49%        |
| Interest income                                       |  | 679          | 886          | -23%       |
| Net gain on disposal of property, plant and equipment |  | -            | 88           | NM         |
| Fair value gain on investment properties              |  | 1,394        | 3,068        | -55%       |
| Management fee  |  | 632          | 453          | 40%        |
| Others  |  | 1,702        | 675          | 152%       |
|   |  | <b>5,866</b> | <b>6,146</b> | <b>-5%</b> |

NM – Not Meaningful

|   |  | Group           |              |            |
|---|--|-----------------|--------------|------------|
|   |  | Full Year ended |              |            |
|   |  | 31 Mar 15       | 31 Mar 14    | Change     |
|   |  | \$'000          | \$'000       | %          |
| Rental income   |  | 1,459           | 976          | 49%        |
| Interest income                                       |  | 679             | 886          | -23%       |
| Net gain on disposal of property, plant and equipment |  | -               | 88           | NM         |
| Fair value gain on investment properties              |  | 1,394           | 3,068        | -55%       |
| Management fee  |  | 632             | 453          | 40%        |
| Others  |  | 1,702           | 675          | 152%       |
|   |  | <b>5,866</b>    | <b>6,146</b> | <b>-5%</b> |

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

**Income Tax**

- (Over)/under provision of tax in respect of prior years

*NM – Not Meaningful*

| Group           |           |        |
|-----------------|-----------|--------|
| Full Year ended |           |        |
| 31 Mar 15       | 31 Mar 14 | Change |
| \$'000          | \$'000    | %      |
| (82)            | 40        | NM     |

**1(a)(iii) Statement of comprehensive income**

**Profit for the year**

**Other comprehensive income:**

Items that may be reclassified subsequently to profit or loss:

Foreign currency translation

Other comprehensive loss for the year, net of tax

**Total comprehensive income for the year**

**Total comprehensive income attributable to:**

Owners of the Company

Non-controlling interests

| Group           |             |        |
|-----------------|-------------|--------|
| Full Year ended |             |        |
| 31 Mar 2015     | 31 Mar 2014 | Change |
| \$'000          | \$'000      | %      |
| 59,715          | 56,366      | 6%     |
| (96)            | (6,725)     | -99%   |
| (96)            | (6,725)     | -99%   |
| 59,619          | 49,641      | 20%    |
| 56,970          | 48,149      | 18%    |
| 2,649           | 1,492       | 78%    |
| 59,619          | 49,641      | 20%    |

**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.**

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>31 Mar 15</b> | <b>31 Mar 14</b> | <b>31 Mar 15</b> | <b>31 Mar 14</b> |
|   | <b>\$'000</b>    | <b>\$'000</b>    | <b>\$'000</b>    | <b>\$'000</b>    |
| <b>Assets</b>                                       |                  |                  |                  |                  |
| <b>Non-current assets</b>                           |                  |                  |                  |                  |
| Property, plant and equipment                       | 31,504           | 33,072           | 11,986           | 13,536           |
| Investment properties                               | 65,442           | 21,786           | 13,576           | 13,278           |
| Intangible assets                                   | 4,796            | 318              | 237              | 318              |
| Investment in subsidiaries                          | -                | -                | 50,459           | 20,459           |
| Investment in associates                            | 15,110           | 8,354            | -                | -                |
| Loan to subsidiaries                                | -                | -                | 836              | 770              |
| Loan to an associate                                | 2,297            | 2,118            | -                | -                |
| Investment securities                               | -                | 24               | -                | -                |
| Other receivables                                   | 5,486            | 6,009            | 2,846            | 2,299            |
| Deferred tax assets                                 | 1,133            | 1,024            | 274              | -                |
|   | <b>125,768</b>   | <b>72,705</b>    | <b>80,214</b>    | <b>50,660</b>    |
| <b>Current assets</b>                               |                  |                  |                  |                  |
| Stocks  | 297,940          | 263,280          | 175,158          | 155,695          |
| Trade and other receivables                         | 15,718           | 20,220           | 3,800            | 10,081           |
| Prepaid operating expenses                          | 615              | 493              | 198              | 157              |
| Amount due from associates                          | 49               | 33               | -                | -                |
| Amount due from subsidiaries                        | -                | -                | 5,386            | 5,708            |
| Cash and cash equivalents                           | 98,332           | 116,379          | 34,109           | 48,318           |
|   | <b>412,654</b>   | <b>400,405</b>   | <b>218,651</b>   | <b>219,959</b>   |
| <b>Total assets</b>                                 | <b>538,422</b>   | <b>473,110</b>   | <b>298,865</b>   | <b>270,619</b>   |
| <b>Equity and liabilities</b>                       |                  |                  |                  |                  |
| <b>Current liabilities</b>                          |                  |                  |                  |                  |
| Loans and borrowings                                | 36,265           | 39,738           | 31,000           | 38,000           |
| Trade and other payables                            | 44,445           | 47,620           | 22,029           | 23,184           |
| Provision for taxation                              | 9,872            | 8,752            | 5,086            | 5,004            |
|   | <b>90,582</b>    | <b>96,110</b>    | <b>58,115</b>    | <b>66,188</b>    |
| <b>Net current assets</b>                           | <b>322,072</b>   | <b>304,295</b>   | <b>160,536</b>   | <b>153,771</b>   |
| <b>Non-current liabilities</b>                      |                  |                  |                  |                  |
| Loans and borrowings                                | 24,922           | -                | -                | -                |
| Provisions  | 232              | 240              | -                | -                |
| Deferred tax liabilities                            | 730              | 23               | -                | 23               |
|   | <b>25,884</b>    | <b>263</b>       | <b>-</b>         | <b>23</b>        |
| <b>Total liabilities</b>                            | <b>116,466</b>   | <b>96,373</b>    | <b>58,115</b>    | <b>66,211</b>    |
| <b>Net assets</b>                                   | <b>421,956</b>   | <b>376,737</b>   | <b>240,750</b>   | <b>204,408</b>   |
| <b>Equity attributable to owners of the Company</b> |                  |                  |                  |                  |
| Share capital                                       | 67,638           | 67,638           | 67,638           | 67,638           |
| Reserves  | 341,092          | 298,222          | 173,112          | 136,770          |
|   | <b>408,730</b>   | <b>365,860</b>   | <b>240,750</b>   | <b>204,408</b>   |
| <b>Non-controlling interests</b>                    | <b>13,226</b>    | <b>10,877</b>    | <b>-</b>         | <b>-</b>         |
| <b>Total equity</b>                                 | <b>421,956</b>   | <b>376,737</b>   | <b>240,750</b>   | <b>204,408</b>   |
| <b>Total equity and liabilities</b>                 | <b>538,422</b>   | <b>473,110</b>   | <b>298,865</b>   | <b>270,619</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 15   |                     | As at 31 Mar 14   |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| -                 | 36,265              | -                 | 39,738              |

**Amount repayable after one year**

| As at 31 Mar 15   |                     | As at 31 Mar 14   |                     |
|-------------------|---------------------|-------------------|---------------------|
| Secured<br>\$'000 | Unsecured<br>\$'000 | Secured<br>\$'000 | Unsecured<br>\$'000 |
| 24,922            | -                   | -                 | -                   |

**Details of any collateral**

The unsecured term loans of subsidiaries are covered by corporate guarantees given by the Company. Loans of \$24,921,750 are secured on certain properties of a subsidiary.

**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 15</b>       | <b>31 Mar 14</b> |
|   | \$'000                 | \$'000           |
| <b>Operating activities</b>                                   |                        |                  |
| Profit before taxation  | 75,404                 | 70,828           |
| Adjustments for:  |                        |                  |
| Finance costs   | 901                    | 489              |
| Interest income   | (679)                  | (886)            |
| Depreciation of property, plant and equipment                 | 7,646                  | 6,601            |
| Amortisation of intangible assets                             | 116                    | 81               |
| Foreign currency translation adjustment                       | (2,304)                | (62)             |
| Net gain on disposal of property, plant and equipment         | -                      | (88)             |
| Fair value gain on investment properties                      | (1,394)                | (3,068)          |
| Gain on disposal of investment in quoted shares               | (168)                  | -                |
| Share of results of associates                                | (5,735)                | (2,959)          |
| <b>Operating cash flows before changes in working capital</b> | <b>73,787</b>          | <b>70,936</b>    |
| Increase in stocks  | (23,726)               | (1,300)          |
| Decrease/(increase) in receivables                            | 5,679                  | (380)            |
| Increase in prepaid operating expenses                        | (137)                  | (7)              |
| (Increase)/decrease in amount due from associates             | (13)                   | 411              |
| (Decrease)/increase in payables                               | (3,478)                | 7,953            |
| <b>Cash flows from operations</b>                             | <b>52,112</b>          | <b>77,613</b>    |
| Income taxes paid   | (14,745)               | (13,673)         |
| Interest paid   | (901)                  | (489)            |
| Interest received   | 679                    | 886              |
| <b>Net cash flows from operating activities</b>               | <b>37,145</b>          | <b>64,337</b>    |
| <b>Investing activities</b>                                   |                        |                  |
| Acquisition of subsidiary, net of cash                        | (12,828)               | -                |
| Additions to intangible assets                                | -                      | (399)            |
| Proceeds from disposal of property, plant and equipment       | 95                     | 136              |
| Purchase of investment properties                             | (43,567)               | -                |
| Proceeds on disposal of investment of quoted shares           | 192                    | -                |
| Purchase of property, plant and equipment                     | (6,604)                | (11,271)         |
| <b>Net cash flows used in investing activities</b>            | <b>(62,712)</b>        | <b>(11,534)</b>  |
| <b>Financing activities</b>                                   |                        |                  |
| Proceeds from loans and borrowings                            | 55,787                 | 22,350           |
| Repayment of loans and borrowings                             | (35,762)               | (23,702)         |
| Dividends paid to non-controlling interests                   | (300)                  | (254)            |
| Dividends paid on ordinary shares                             | (14,100)               | (12,925)         |
| <b>Net cash flows from/(used in) financing activities</b>     | <b>5,625</b>           | <b>(14,531)</b>  |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(19,942)</b>        | <b>38,272</b>    |
| Effects of exchange rate changes on cash and cash equivalents | 1,895                  | (1,429)          |
| Cash and cash equivalents at beginning of financial year      | 116,379                | 79,536           |
| <b>Cash and cash equivalents at end of financial year</b>     | <b>98,332</b>          | <b>116,379</b>   |

**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. (Cont'd)**

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

|                           | <b>Group</b>     |                  |
|---------------------------|------------------|------------------|
|                           | <b>31 Mar 15</b> | <b>31 Mar 14</b> |
|                           | \$'000           | \$'000           |
| Cash and bank balances    | 62,569           | 76,088           |
| Fixed Deposits with banks | 35,763           | 40,291           |
|                           | <b>98,332</b>    | <b>116,379</b>   |

**Cash flow on acquisition of Watches of Switzerland Pte Ltd, net of cash acquired**

|  | <b>Group</b>  |
|--|---------------|
|  | \$'000        |
| <b>a. Effect on cash flows of the Group</b>                    |               |
| Cash paid  | 13,338        |
| Less: Cash and cash equivalents in subsidiary acquired         | (510)         |
| Net Cash outflow on acquisition                                | <b>12,828</b> |
| <b>b. Identifiable assets acquired and liabilities assumed</b> |               |
| Intangible assets (brand)                                      | 4,594         |
| Property, plant and equipment                                  | 167           |
| Stocks   | 11,241        |
| Trade and other receivables                                    | 281           |
| Cash and cash equivalents                                      | 510           |
| Total assets   | <b>16,793</b> |
| Loans and borrowings   | 1,500         |
| Trade and other payables                                       | 1,054         |
| Provision for taxation   | 87            |
| Deferred tax liabilities                                       | 814           |
| Total liabilities  | <b>3,455</b>  |
| <b>Net identifiable assets</b>                                 | <b>13,338</b> |
| <b>Consideration transferred for the business</b>              | <b>13,338</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.**

|   | Share capital<br>\$'000 | Foreign currency translation reserve<br>\$'000 | Asset revaluation reserve<br>\$'000 | Revenue reserve<br>\$'000 | Total attributable to owners of the Company<br>\$'000 | Non-controlling interests<br>\$'000 | Total equity<br>\$'000 |
|---|-------------------------|--|-------------------------------------|---------------------------|---|-------------------------------------|------------------------|
| <b>Group</b>  |                         |  |                                     |                           |   |                                     |                        |
| <b>Balance at 1 April 2013</b>                      | 67,638                  | (308)  | 3,101                               | 260,205                   | 330,636   | 9,639                               | 340,275                |
| <b>Total comprehensive income</b>                   |                         |  |                                     |                           |   |                                     |                        |
| Profit for the year                                 | -                       | -  | -                                   | 54,936                    | 54,936  | 1,430                               | 56,366                 |
| <b>Other comprehensive income</b>                   |                         |  |                                     |                           |   |                                     |                        |
| Foreign currency translation                        | -                       | (6,787)  | -                                   | -                         | (6,787)   | 62                                  | (6,725)                |
| <b>Total other comprehensive income</b>             | -                       | (6,787)  | -                                   | -                         | (6,787)   | 62                                  | (6,725)                |
| <b>Total comprehensive income</b>                   | -                       | (6,787)  | -                                   | 54,936                    | 48,149  | 1,492                               | 49,641                 |
| <b>Contributions by and distributions to owners</b> |                         |  |                                     |                           |   |                                     |                        |
| Dividends on ordinary shares                        | -                       | -  | -                                   | (12,925)                  | (12,925)  | -                                   | (12,925)               |
| Dividends paid to non-controlling interests         | -                       | -  | -                                   | -                         | -   | (254)                               | (254)                  |
| <b>Total transactions with owners</b>               | -                       | -  | -                                   | (12,925)                  | (12,925)  | (254)                               | (13,179)               |
| <b>Balance at 31 March 2014</b>                     | 67,638                  | (7,095)  | 3,101                               | 302,216                   | 365,860   | 10,877                              | 376,737                |

|   |        |         |       |          |          |        |          |
|---|--------|---------|-------|----------|----------|--------|----------|
| <b>Balance at 1 April 2014</b>                      | 67,638 | (7,095) | 3,101 | 302,216  | 365,860  | 10,877 | 376,737  |
| <b>Total comprehensive income</b>                   |        |         |       |          |          |        |          |
| Profit for the year                                 | -      | -       | -     | 57,946   | 57,946   | 1,769  | 59,715   |
| <b>Other comprehensive income</b>                   |        |         |       |          |          |        |          |
| Foreign currency translation                        | -      | (976)   | -     | -        | (976)    | 880    | (96)     |
| <b>Total other comprehensive income</b>             | -      | (976)   | -     | -        | (976)    | 880    | (96)     |
| <b>Total comprehensive income</b>                   | -      | (976)   | -     | 57,946   | 56,970   | 2,649  | 59,619   |
| <b>Contributions by and distributions to owners</b> |        |         |       |          |          |        |          |
| Dividends on ordinary shares                        | -      | -       | -     | (14,100) | (14,100) | -      | (14,100) |
| Dividends paid to non-controlling interests         | -      | -       | -     | -        | -        | (300)  | (300)    |
| <b>Total transactions with owners</b>               | -      | -       | -     | (14,100) | (14,100) | (300)  | (14,400) |
| <b>Balance at 31 March 2015</b>                     | 67,638 | (8,071) | 3,101 | 346,062  | 408,730  | 13,226 | 421,956  |

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

| <u>Company</u>                                      | Share capital<br>\$'000 | Revenue reserve<br>\$'000 | Total equity<br>\$'000 |
|---|-------------------------|---------------------------|------------------------|
| <b>Balance at 1 April 2013</b>                      | 67,638                  | 127,463                   | 195,101                |
| <b>Total comprehensive income</b>                   |                         |                           |                        |
| Profit for the year                                 | -                       | 22,232                    | 22,232                 |
| <b>Total comprehensive income for the year</b>      | -                       | <b>22,232</b>             | <b>22,232</b>          |
| <b>Contributions by and distributions to owners</b> |                         |                           |                        |
| Dividends on ordinary shares                        | -                       | (12,925)                  | (12,925)               |
| Total transactions with owners                      | -                       | (12,925)                  | (12,925)               |
| <b>Balance at 31 March 2014</b>                     | <b>67,638</b>           | <b>136,770</b>            | <b>204,408</b>         |

|   |               |                |                |
|---|---------------|----------------|----------------|
| <b>Balance at 1 April 2014</b>                      | 67,638        | 136,770        | 204,408        |
| <b>Total comprehensive income</b>                   |               |                |                |
| Profit for the year                                 | -             | 50,442         | 50,442         |
| <b>Total comprehensive income for the year</b>      | -             | <b>50,442</b>  | <b>50,442</b>  |
| <b>Contributions by and distributions to owners</b> |               |                |                |
| Dividends on ordinary shares                        | -             | (14,100)       | (14,100)       |
| Total transactions with owners                      | -             | (14,100)       | (14,100)       |
| <b>Balance at 31 March 2015</b>                     | <b>67,638</b> | <b>173,112</b> | <b>240,750</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 Company, 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 28 November 2014, the number of ordinary shares in the Company increased from 235,003,960 to 705,011,880 as a result of the sub-division of each ordinary share in the capital of the Company into three ordinary shares. The new shares rank pari passu in all respects with the shares of the Company prior to the sub-division.

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 15   | 31 Mar 14   |
|-------------|-------------|
| 705,011,880 | 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 year consistent with those of the audited financial statements for the year ended 31 March 2014, 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 year, 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 1 April 2014. The adoption of these new/revised "FRSs" and "INT FRSs" does not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

**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           |             |
|-----------------|-------------|
| Full Year ended |             |
| 31 Mar 15       | 31 Mar 14   |
| 705,011,880     | 705,011,880 |
| 8.22            | 7.79        |

For the purpose of comparison, earnings per share ("EPS") for prior corresponding periods are adjusted retrospectively pursuant to the sub-division of every one existing ordinary share into three ordinary shares on 28 November 2014.

EPS is calculated by dividing the Group's profit attributable to owners of the Company with the weighted average number of ordinary shares during the period. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued 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 2015.

**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 Mar 15   | 31 Mar 14   | 31 Mar 15   | 31 Mar 14   |
| Number of issued shares                    | 705,011,880 | 235,003,960 | 705,011,880 | 235,003,960 |
| Net asset value per ordinary share (in \$) | 0.58        | 1.56        | 0.34        | 0.87        |

As at 31 March 2015, net asset value (“NAV”) per ordinary share for the Group and the Company were 0.58 cents and 0.34 cents respectively. The lower NAV per ordinary share was mainly due to the enlarged number of issued shares resulting from the sub-division of every one existing ordinary share into three ordinary shares during the current financial year.

For the purpose of comparison, assuming the sub-division of every one existing ordinary share into three ordinary shares was effected in the previous year, the NAV per ordinary share would be as follows: -

|  | Group       |             | Company     |             |
|--|-------------|-------------|-------------|-------------|
|  | 31 Mar 15   | 31 Mar 14   | 31 Mar 15   | 31 Mar 14   |
| Number of issued shares                    | 705,011,880 | 705,011,880 | 705,011,880 | 705,011,880 |
| Net asset value per ordinary share (in \$) | 0.58        | 0.52        | 0.34        | 0.29        |

**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**

Revenue for the full year ended 31 March 2015 (“FY2015”) was 8% higher at \$734.9 million, compared to \$682.8 million in FY2014.

Gross margin dipped marginally to 22.6% (FY2014: 23.0%). Operating expenses were higher due to increased rental and salary expenses. Share of results of associates improved significantly due to improved business volume and favourable market conditions. The Group’s profit after tax grew by 6% to \$59.7 million (FY2014: \$56.4 million).

The Company acquired 100% of the issued and paid-up share capital of Watches of Switzerland Pte. Ltd (“WOS”) on 28 October 2014 for an aggregate consideration of \$13.3 million, on a willing-buyer, willing-seller basis, after taking into account, among other factors, the net asset value of WOS as at 30 September 2014 of approximately \$8.8 million. The Company also increased the issued and paid-up share capital of its wholly owned subsidiary in Australia, The Hour Glass (Australia) Pty Ltd, by investing A\$15.0 million (approximately S\$16.7 million) during the period. These new investments contributed to the increase in the Company’s investment in subsidiaries.

The Group completed its acquisition of the freehold property located at 192 Pitt Street, Sydney, Australia (the “Property”) in December 2014. The purchase consideration of A\$32.8 million (approximately S\$37.2 million) was funded by internal resources and bank borrowings. The Property is classified as an investment property in the Group’s balance sheet.

As at 31 March 2015, the Group's inventory was \$297.9 million due to the expanded retail network. Cash and cash equivalents were \$98.3 million. Consolidated net assets were \$408.7 million or \$0.58 per share, based on an enlarged share capital of 705,011,880 issued shares pursuant to a sub-division of every one existing ordinary share into three ordinary shares on 28 November 2014.

**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 year under review is in line with the prospect statement in the results announcement for the period ended 31 December 2014.

**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 continuing global economic and political uncertainty is expected to impact consumer sentiment and the demand for watches and luxury goods.

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

| Name of Dividend                   | Proposed First and Final Dividend |
|------------------------------------|-----------------------------------|
| Dividend Type                      | Cash                              |
| Dividend amount per Ordinary Share | 2.20 cents                        |
| Tax Rate                           | (one-tier)                        |

No scrip alternative will be offered for this year's first and final dividend.

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

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

Yes

| Name of Dividend   | First and Final Dividend |
|--|--------------------------|
| Dividend Type  | Cash                     |
| Dividend amount per Ordinary Share   | 6.00 cents               |
| Dividend amount per Ordinary Share based on enlarged share capital per sub-division on 28 Nov 2014 | 2.00 cents               |
| Tax Rate   | (one-tier)               |

**11. Dividend (Cont'd)**

**(c) Date Payable**

The Directors have recommended a first and final dividend of 2.20 cents per ordinary share (one-tier) ("FY2015 Dividend") amounting to approximately \$15,510,261. This is subject to the approval of the shareholders of the Company at the Annual General Meeting to be held on 15 July 2015.

**(d) Books Closure Date**

The books closure and payment dates in respect of the FY2015 Dividend will be announced on a later date.

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

Not applicable

**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**

Not applicable for full year results announcement.

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

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

| <b>FY2015</b>                            | <b>South East Asia<br/>&amp; Australia<br/>S\$'000</b> | <b>North East<br/>Asia<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> | <b>Eliminations<br/>S\$'000</b> | <b>Group<br/>S\$'000</b> |
|--|--|--|--------------------------|---------------------------------|--------------------------|
| <b>Segment Revenue:</b>                  |  |  |                          |                                 |                          |
| Sales to external customers              | 633,930  | 101,008                                | 734,938                  | -                               | 734,938                  |
| Inter-segment sales                      | 103  | 7,523                                  | 7,626                    | (7,626)                         | -                        |
| Interest income                          | 503  | 176                                    | 679                      | -                               | 679                      |
| Other income                             | 32,992   | 28                                     | 33,020                   | (27,833)                        | 5,187                    |
| Total revenue and other income           | 667,528  | 108,735                                | 776,263                  | (35,459)                        | 740,804                  |
| <b>Segment results:</b>                  |  |  |                          |                                 |                          |
| Segment results                          | 81,362   | 15,631                                 | 96,993                   | (27,817)                        | 69,176                   |
| Finance costs                            |  |  |                          |                                 | (901)                    |
| Fair value gain on investment properties |  |  |                          |                                 | 1,394                    |
| Share of results of associates           |  |  |                          |                                 | 5,735                    |
| Profit before taxation                   |  |  |                          |                                 | 75,404                   |
| Taxation                                 |  |  |                          |                                 | (15,689)                 |
| Profit for the year                      |  |  |                          |                                 | 59,715                   |
| <b>Other segment information:</b>        |  |  |                          |                                 |                          |
| Segment assets                           | 447,838  | 74,341                                 | 522,179                  | -                               | 522,179                  |
| Investment in associates                 | 15,110   | -                                      | 15,110                   | -                               | 15,110                   |
| Unallocated corporate assets             |  |  |                          |                                 | 1,133                    |
|  |  |  |                          |                                 | 538,422                  |
| Segment liabilities                      | 98,186   | 7,678                                  | 105,864                  | -                               | 105,864                  |
| Unallocated corporate liabilities        |  |  |                          |                                 | 10,602                   |
|  |  |  |                          |                                 | 116,466                  |
| Capital expenditure for the year         | 50,155   | 16                                     | 50,171                   | -                               | 50,171                   |
| Depreciation and amortisation            | 7,190  | 572                                    | 7,762                    | -                               | 7,762                    |

| <b>FY2014</b>                            | <b>South East Asia<br/>&amp; Australia<br/>S\$'000</b> | <b>North East<br/>Asia<br/>S\$'000</b> | <b>Total<br/>S\$'000</b> | <b>Eliminations<br/>S\$'000</b> | <b>Group<br/>S\$'000</b> |
|--|--|--|--------------------------|---------------------------------|--------------------------|
| <b>Segment Revenue:</b>                  |  |  |                          |                                 |                          |
| Sales to external customers              | 570,547  | 112,250                                | 682,797                  | -                               | 682,797                  |
| Inter-segment sales                      | 418  | 10,131                                 | 10,549                   | (10,549)                        | -                        |
| Interest income                          | 682  | 204                                    | 886                      | -                               | 886                      |
| Other income                             | 5,923  | -                                      | 5,923                    | (663)                           | 5,260                    |
| Total revenue and other income           | 577,570  | 122,585                                | 700,155                  | (11,212)                        | 688,943                  |
| <b>Segment results:</b>                  |  |  |                          |                                 |                          |
| Segment results                          | 47,185   | 18,202                                 | 65,387                   | (97)                            | 65,290                   |
| Finance costs                            |  |  |                          |                                 | (489)                    |
| Fair value gain on investment properties |  |  |                          |                                 | 3,068                    |
| Share of results of associates           |  |  |                          |                                 | 2,959                    |
| Profit before taxation                   |  |  |                          |                                 | 70,828                   |
| Taxation                                 |  |  |                          |                                 | (14,462)                 |
| Profit for the year                      |  |  |                          |                                 | 56,366                   |
| <b>Other segment information:</b>        |  |  |                          |                                 |                          |
| Segment assets                           | 379,010  | 84,722                                 | 463,732                  | -                               | 463,732                  |
| Investment in associates                 | 8,354  | -                                      | 8,354                    | -                               | 8,354                    |
| Unallocated corporate assets             |  |  |                          |                                 | 1,024                    |
|  |  |  |                          |                                 | 473,110                  |
| Segment liabilities                      | 80,139   | 7,459                                  | 87,598                   | -                               | 87,598                   |
| Unallocated corporate liabilities        |  |  |                          |                                 | 8,775                    |
|  |  |  |                          |                                 | 96,373                   |
| Capital expenditure for the year         | 10,854   | 417                                    | 11,271                   | -                               | 11,271                   |
| Depreciation and amortisation            | 6,116  | 566                                    | 6,682                    | -                               | 6,682                    |

16. 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.

17. A breakdown of sales as follows:

|                                       | Group           |                 |             |
|---------------------------------------|-----------------|-----------------|-------------|
|                                       | 2015<br>S\$'000 | 2014<br>S\$'000 | Change<br>% |
| Revenue for first half year           | 321,842         | 315,057         | 2.2         |
| Profit after tax for first half year  | 21,227          | 18,926          | 12.2        |
| Revenue for second half year          | 413,096         | 367,740         | 12.3        |
| Profit after tax for second half year | 38,488          | 37,440          | 2.8         |

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

Total Annual Dividend

|            | Latest Full Year<br>S\$'000 | Previous Full Year<br>S\$'000 |
|------------|-----------------------------|-------------------------------|
| Ordinary   | 15,510                      | 14,100                        |
| Preference | -                           | -                             |
| Total      | <u>15,510</u>               | <u>14,100</u>                 |

**19. Disclosure of persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).**

| Name                | Age | Family relationship with any director and/or substantial shareholder                                  | Current position and duties, and the year the position was held  | Details of changes in duties and position held, if any, during the year |
|---------------------|-----|---|--|---|
| Mrs Choy Siew Sen   | 64  | Sister of Dato' Dr Jannie Chan Siew Lee and Dr Kenny Chan Swee Kheng. Aunt of Mr Michael Tay Wee Jin. | Manager (since 1997) - Melbourne Boutique (The Hour Glass Australia Pty Ltd). Responsible for operations of the retail outlet in Melbourne, Australia.                   | Nil.  |
| Mr Chen Choong Hian | 64  | Brother-in-law of Dr Henry Tay Yun Chwan.   | Assistant General Manager (since 2012) - (The Hour Glass Australia Pty Ltd). Responsible for operations in Australia including managing the retail boutique in Brisbane. | Nil.  |

Note:

Dr Henry Tay Yun Chwan is the Executive Chairman and a substantial shareholder of The Hour Glass Limited. Dato' Dr Jannie Chan Siew Lee is the Executive Vice Chairman and a substantial shareholder of The Hour Glass Limited.

Dr Kenny Chan Swee Kheng is the Group Managing Director of The Hour Glass Limited. He is the brother of Dato' Dr Jannie Chan Siew Lee.

Mr Michael Tay Wee Jin is the Co-Group Managing Director of The Hour Glass Limited. He is the son of Dr Henry Tay Yun Chwan and Dato' Dr Jannie Chan Siew Lee.

**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
27 May 2015