



THE HOUR GLASS

The Hour Glass Limited and its Subsidiaries
Company Registration No. 197901972D

Condensed Consolidated Financial Statements and Dividend Announcement
For the Second Half and Full Year Ended 31 March 2026

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For the second half and full year ended 31 March 2026

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A. Condensed consolidated income statement
For the second half and full year ended 31 March 2026

		Group					
		Second Half ended			Full Year ended		
Note	31 Mar 26	31 Mar 25	Change	31 Mar 26	31 Mar 25	Change	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	722,810	622,563	16%	1,338,223	1,162,874	15%	
Other income	7,595	7,361	3%	14,927	15,823	-6%	
Revenue and other income	730,405	629,924	16%	1,353,150	1,178,697	15%	
Cost of goods sold	505,528	428,507	18%	931,461	803,162	16%	
Employee benefits expense	42,611	37,221	14%	79,975	72,969	10%	
Selling and promotion expenses	20,651	21,083	-2%	40,660	40,708	0%	
Depreciation of property, plant and equipment	8,323	8,723	-5%	17,354	15,735	10%	
Depreciation of right-of-use assets	18,764	16,251	15%	35,267	32,327	9%	
Rental expenses	6,363	3,571	78%	11,765	6,419	83%	
Finance costs	5,248	3,572	47%	9,358	7,464	25%	
Foreign exchange loss / (gain)	988	(76)	NM	1,342	2,214	-39%	
Other expenses	14,186	15,348	-8%	27,373	27,938	-2%	
Costs and expenses	622,662	534,200	17%	1,154,555	1,008,936	14%	
Fair value gain/(loss) on investment properties	20,255	(6,454)	NM	20,255	(6,454)	NM	
Share of results of associates	9,921	7,526	32%	15,644	12,125	29%	
Profit before taxation	137,919	96,796	42%	234,494	175,432	34%	
Income tax expense	34,154	22,273	53%	55,032	39,349	40%	
Profit for the period/year	103,765	74,523	39%	179,462	136,083	32%	
Profit attributable to:							
Owners of the Company	103,733	74,390	39%	179,427	135,811	32%	
Non-controlling interests	32	133	-76%	35	272	-87%	
	103,765	74,523	39%	179,462	136,083	32%	
Earnings per share (cents)							
Basic and diluted	16.10	11.48	40%	27.79	20.94	33%	

NM – Not Meaningful

B. Condensed consolidated statement of comprehensive income
For the second half and full year ended 31 March 2026

	Group					
	Second Half ended			Full Year ended		
	31 Mar 26	31 Mar 25	Change	31 Mar 26	31 Mar 25	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Profit for the period/year	103,765	74,523	39%	179,462	136,083	32%
Other comprehensive income:						
<u>Item that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	15,862	(12,345)	NM	14,892	(2,163)	NM
Share of other comprehensive income of associates	122	50	144%	102	15	580%
Other comprehensive income for the period/year, net of tax	15,984	(12,295)	NM	14,994	(2,148)	NM
Total comprehensive income for the period/year	119,749	62,228	92%	194,456	133,935	45%
Total comprehensive income attributable to:						
Owners of the Company	119,874	61,569	95%	195,011	133,635	46%
Non-controlling interests	(125)	659	NM	(555)	300	NM
	119,749	62,228	92%	194,456	133,935	45%

NM – Not Meaningful

C. Condensed statements of financial position
As at 31 March 2026

	Note	Group		Company	
		31 Mar 26 \$'000	31 Mar 25 \$'000	31 Mar 26 \$'000	31 Mar 25 \$'000
Assets					
Non-current assets					
Property, plant and equipment	12	247,389	205,649	13,613	12,254
Right-of-use assets	13	198,274	90,732	44,793	51,790
Investment properties	14	225,230	217,029	72,957	73,009
Intangible assets	15	99,887	6,895	2,024	3,090
Investment in subsidiaries		-	-	241,456	185,201
Investment in associates		107,139	97,737	-	-
Other receivables		9,712	10,588	4,284	4,850
Deferred tax assets		1,802	1,060	143	-
		889,433	629,690	379,270	330,194
Current assets					
Inventories		362,189	328,305	214,609	209,795
Trade and other receivables		28,871	31,815	14,938	15,962
Prepaid operating expenses		3,512	3,212	764	759
Amounts due from associates		503	484	395	349
Amounts due from subsidiaries		-	-	10,245	9,238
Cash and bank balances		157,526	178,689	28,326	50,018
		552,601	542,505	269,277	286,121
Asset held for sale		-	6,998	-	-
		552,601	549,503	269,277	286,121
Total assets		1,442,034	1,179,193	648,547	616,315
Equity and liabilities					
Current liabilities					
Loans and borrowings	16	-	54,811	-	-
Trade and other payables		88,230	58,916	27,114	24,868
Amounts due to subsidiaries		-	-	3,191	3,396
Lease liabilities		30,987	27,787	15,803	16,881
Income tax payable		25,116	16,131	12,314	11,323
		144,333	157,645	58,422	56,468
Net current assets		408,268	391,858	210,855	229,653
Non-current liabilities					
Lease liabilities		178,361	69,217	31,319	37,098
Deferred tax liabilities		35,430	10,692	-	162
Other payables		778	814	82	154
		214,569	80,723	31,401	37,414
Total liabilities		358,902	238,368	89,823	93,882
Net assets		1,083,132	940,825	558,724	522,433
Equity attributable to owners of the Company					
Share capital	17(a)	67,638	67,638	67,638	67,638
Treasury shares	17(b)	(9,086)	(108,216)	(9,086)	(108,216)
Reserves		1,011,166	967,254	500,172	563,011
		1,069,718	926,676	558,724	522,433
Non-controlling interests		13,414	14,149	-	-
Total equity		1,083,132	940,825	558,724	522,433
Total equity and liabilities		1,442,034	1,179,193	648,547	616,315

D. Condensed statements of changes in equity
For the full year ended 31 March 2026

	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group									
Balance at 1 April 2024	67,638	(104,701)	(62,695)	(142)	3,448	944,856	848,404	14,029	862,433
Total comprehensive income									
Profit for the year	-	-	-	-	-	135,811	135,811	272	136,083
Other comprehensive income									
Foreign currency translation	-	-	(2,191)	-	-	-	(2,191)	28	(2,163)
Share of other comprehensive income of associates	-	-	15	-	-	-	15	-	15
Total other comprehensive income	-	-	(2,176)	-	-	-	(2,176)	28	(2,148)
Total comprehensive income	-	-	(2,176)	-	-	135,811	133,635	300	133,935
Contributions by and distributions to owners									
Purchase of treasury shares	-	(3,515)	-	-	-	-	(3,515)	-	(3,515)
Dividends on ordinary shares	-	-	-	-	-	(51,848)	(51,848)	-	(51,848)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(180)	(180)
Total transactions with owners in their capacity as owners	-	(3,515)	-	-	-	(51,848)	(55,363)	(180)	(55,543)
Balance at 31 March 2025	67,638	(108,216)	(64,871)	(142)	3,448	1,028,819	926,676	14,149	940,825

	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Revenue reserve \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Group									
Balance at 1 April 2025	67,638	(108,216)	(64,871)	(142)	3,448	1,028,819	926,676	14,149	940,825
Total comprehensive income									
Profit for the year	-	-	-	-	-	179,427	179,427	35	179,462
Other comprehensive income									
Foreign currency translation	-	-	15,482	-	-	-	15,482	(590)	14,892
Share of other comprehensive income of associates	-	-	102	-	-	-	102	-	102
Total other comprehensive income	-	-	15,584	-	-	-	15,584	(590)	14,994
Total comprehensive income	-	-	15,584	-	-	179,427	195,011	(555)	194,456
Contributions by and distributions to owners									
Purchase of treasury shares	-	(13,189)	-	-	-	-	(13,189)	-	(13,189)
Cancellation of treasury shares	-	112,319	-	-	-	(112,319)	-	-	-
Dividends on ordinary shares	-	-	-	-	-	(38,780)	(38,780)	-	(38,780)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(180)	(180)
Total transactions with owners in their capacity as owners	-	99,130	-	-	-	(151,099)	(51,969)	(180)	(52,149)
Balance at 31 March 2026	67,638	(9,086)	(49,287)	(142)	3,448	1,057,147	1,069,718	13,414	1,083,132

D. Condensed statements of changes in equity (cont'd)
For the full year ended 31 March 2026

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 April 2024	67,638	(104,701)	519,878	482,815
Total comprehensive income				
Profit for the year	-	-	94,981	94,981
Total comprehensive income	-	-	94,981	94,981
Contributions by and distributions to owners				
Purchase of treasury shares	-	(3,515)	-	(3,515)
Dividends on ordinary shares	-	-	(51,848)	(51,848)
Total transactions with owners in their capacity as owners	-	(3,515)	(51,848)	(55,363)
Balance at 31 March 2025	67,638	(108,216)	563,011	522,433
Balance at 1 April 2025	67,638	(108,216)	563,011	522,433
Total comprehensive income				
Profit for the year	-	-	88,260	88,260
Total comprehensive income	-	-	88,260	88,260
Contributions by and distributions to owners				
Purchase of treasury shares	-	(13,189)	-	(13,189)
Cancellation of treasury shares	-	112,319	(112,319)	-
Dividends on ordinary shares	-	-	(38,780)	(38,780)
Total transactions with owners in their capacity as owners	-	99,130	(151,099)	(51,969)
Balance at 31 March 2026	67,638	(9,086)	500,172	558,724

E. Condensed consolidated statement of cash flows
For the full year ended 31 March 2026

		Group	
		Full Year ended	
Note		31 Mar 26	31 Mar 25
		\$'000	\$'000
Operating activities			
	Profit before taxation	234,494	175,432
	Adjustments for:		
	Finance costs	9,358	7,464
	Interest income	(1,666)	(3,631)
	Depreciation of property, plant and equipment	17,354	15,735
	Depreciation of right-of-use assets	35,267	32,327
	Amortisation of intangible assets	1,700	1,348
	Amortisation of deferred income	(246)	(255)
	Foreign currency translation adjustment	3,370	(295)
	Net loss on disposal of property, plant and equipment	357	1,010
	Fair value (gain)/loss on investment properties	(20,255)	6,454
	Gain on disposal of asset held for sale	(510)	-
	Gain on disposal of investment security	(500)	-
	Share of results of associates	(15,644)	(12,125)
Operating cash flows before changes in working capital		263,079	223,464
	Increase in inventories	(30,318)	(13,366)
	Decrease/(increase) in trade and other receivables	4,479	(852)
	Increase in prepaid operating expenses	(182)	(1,409)
	Increase in amounts due from associates	(19)	(289)
	Increase/(decrease) in trade and other payables	27,583	(3,573)
	Decrease in amounts due to associates	-	(105)
Cash flows from operations		264,622	203,870
	Income taxes paid	(43,726)	(42,256)
	Interest paid	(2,663)	(3,910)
	Interest received	1,666	3,631
Net cash flows from operating activities		219,899	161,335
Investing activities			
	Acquisition of a subsidiary, net of cash acquired	(75,331)	-
	Payments for purchase of property, plant and equipment	(31,245)	(26,372)
	Additions to intangible assets	(542)	(1,518)
	Additions to/payments for purchase of investment properties	(43)	(80,312)
	Proceeds from disposal of asset held for sale	7,508	-
	Proceeds from disposal of investment security	500	-
	Proceeds from disposal of property, plant and equipment	104	369
	Dividend received from an associate	5,132	2,952
	Increase in fixed deposits with maturity of more than 3 months	(9,903)	(108)
Net cash flows used in investing activities		(103,820)	(104,989)
Financing activities			
	Proceeds from loans and borrowings	40,000	10,000
	Repayment of loans and borrowings	(96,666)	(36,677)
	Payment of lease liabilities (including interest paid)	(36,609)	(33,854)
	Dividends paid to non-controlling interests	(180)	(180)
	Dividends paid on ordinary shares	(38,780)	(51,848)
	Purchase of treasury shares	(13,189)	(3,515)
Net cash flows used in financing activities		(145,424)	(116,074)
Net decrease in cash and cash equivalents		(29,345)	(59,728)
	Effects of exchange rate changes on cash and cash equivalents	(2,333)	190
	Cash and cash equivalents at beginning of financial year	169,404	228,942
Cash and cash equivalents at end of financial year		137,726	169,404

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

		Group	
		31 Mar 26	31 Mar 25
		\$'000	\$'000
	Cash at bank and on hand	97,906	125,085
	Fixed deposits with banks	59,620	53,604
Cash and bank balances		157,526	178,689
	Less: fixed deposits with maturity of more than 3 months	(19,800)	(9,285)
Cash and cash equivalents		137,726	169,404

F. Business review and market outlook
For the second half and full year ended 31 March 2026

- F1. 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.**

(a) Group performance review

2H FY2026 vs 2H FY2025

Revenue for the 6 months ended 31 March 2026 ("2H FY2026") increased by 16% to \$722.8 million (2H FY2025: \$622.6 million). Gross margin was 30.1% in 2H FY2026 versus 31.2% in 2H FY2025.

Higher depreciation of right-of-use assets and interest on lease liabilities were incurred in 2H FY2026 compared to same period last year.

Profit after tax was 39% higher at \$103.8 million (2H FY2025: \$74.5 million). The Group recorded a fair value gain on investment properties of \$20.3 million in 2H FY2026 (2H FY2025: loss of \$6.5 million).

FY2026 vs FY2025

Revenue for the full year ended 31 March 2026 ("FY2026") was \$1.34 billion, 15% higher than the \$1.16 billion recorded for FY2025. Gross margin was 30.4% in FY2026 compared to 30.9% in FY2025.

Higher depreciation of right-of-use assets and interest on lease liabilities were incurred in FY2026 compared to same period last year.

The fair value gain on investment properties for FY2026 was \$20.3 million (FY2025: loss of \$6.5 million).

Profit after tax was 32% higher at \$179.5 million (FY2025: \$136.1 million).

(b) Cash flow, working capital, assets or liabilities of the Group

As at 31 March 2026, Group inventories were \$362.2 million (31 March 2025: \$328.3 million). Cash and bank balances stood at \$157.5 million (31 March 2025: \$178.7 million). The Group repaid in full all of its bank borrowings during the financial year.

The Company cancelled 59,416,400 of its own shares, valued at \$112.3 million, and distributed \$38.8 million of dividends to shareholders during the financial year. The Company bought back \$13.2 million of its own shares in FY2026.

Consolidated net assets attributable to owners of the Company were \$1.07 billion or \$1.67 per share, as at 31 March 2026.

- F2. 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.**

Geopolitical instabilities and macroeconomic uncertainties will continue to dampen luxury consumer sentiment. The Group's strategic partnerships with leading watch brands provide a resilient foundation for sustained performance.

The Group expects to remain profitable in the next financial year.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

1. Corporate information

The Hour Glass Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's immediate and ultimate holding company is TYC Investment Pte Ltd, a company incorporated in Singapore.

The registered office and principal place of business of the Company is located at 302 Orchard Road, #11-01 Tong Building, Singapore 238862.

The principal activities of the Company and its subsidiaries (collectively, the "Group") are those of retailing and distribution of watches, jewellery and other luxury products, investment in properties and investment holding.

2. Basis of preparation

The condensed consolidated financial statements for the second half and full year ended 31 March 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim consolidated financial statements for the period ended 30 September 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed consolidated financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group has adopted all applicable SFRS(I) that are mandatory for financial years beginning on or after 1 April 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.2 Use of judgements and estimates

In preparing the condensed consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2025.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

4. Revenue

Revenue represents sale of goods after deducting allowances for goods returned and trade discounts.

Disaggregation of revenue from contracts with customers

The Group derives revenue from contracts with customers through the transfer of goods at a point in time. The Group has determined that disaggregation of revenue using existing segments and geographical markets meet the disclosure objective in SFRS(I) 15.114. Information regarding operating segments is disclosed in Note 20.

5. Other income

	Group			
	Second Half ended		Full Year ended	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	\$'000	\$'000	\$'000	\$'000
Rental income	4,435	4,683	8,811	9,087
Interest income from cash and bank balances	781	1,131	1,666	3,631
Management fee income from associates	1,479	1,266	2,769	2,451
Gain on disposal of asset held for sale	–	–	510	–
Gain on disposal of investment security	500	–	500	–
Others	400	281	671	654
	7,595	7,361	14,927	15,823

6. Finance costs

	Group			
	Second Half ended		Full Year ended	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	\$'000	\$'000	\$'000	\$'000
Interest on loans and borrowings	902	1,770	2,663	3,910
Interest on lease liabilities	4,346	1,802	6,695	3,554
	5,248	3,572	9,358	7,464

7. Other expenses

	Group			
	Second Half ended		Full Year ended	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	\$'000	\$'000	\$'000	\$'000
Net loss on disposal of property, plant and equipment	357	26	357	1,010
Facility costs	5,717	5,719	11,295	10,317
Professional fees	1,963	2,135	4,627	4,274
General and administrative expenses	6,149	7,468	11,094	12,337
	14,186	15,348	27,373	27,938

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

8. Income tax expense

Major components of income tax expense

The major components of income tax expense in the condensed consolidated income statement are:

	Group			
	Second Half ended	31 Mar 25	Full Year ended	31 Mar 25
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	\$'000	\$'000	\$'000	\$'000
Consolidated income statement:				
Current income tax				
- Current income taxation	29,672	23,981	51,977	40,547
- Under provision in respect of previous years	276	147	152	122
	<hr/>	<hr/>	<hr/>	<hr/>
	29,948	24,128	52,129	40,669
Deferred income tax				
- Origination and reversal of temporary differences	4,206	(1,855)	2,903	(1,320)
	<hr/>	<hr/>	<hr/>	<hr/>
	4,206	(1,855)	2,903	(1,320)
Income tax expense recognised in profit or loss	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	34,154	22,273	55,032	39,349

International Tax Reform – Pillar Two

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation and has applied the temporary relief from deferred tax accounting for the impacts of this top-up tax.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the country-by-country reporting and financial information for the constituent entities in the Group. As at 31 March 2026, the Group did not have subsidiaries in countries where statutory tax rate is less than 15%. Hence any top-up tax is not expected to have material impact to the Group. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, balance sheets and cash flows.

9. Dividends

	Group and Company	
	Full Year ended	
	31 Mar 26	31 Mar 25
	\$'000	\$'000
<i>Declared and paid during the financial year</i>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend in respect of the year ended 31 March 2025: 4.00 cents (2024: 6.00 cents)	25,875	38,886
- Interim exempt (one-tier) dividend in respect of the year ended 31 March 2026: 2.00 cents (2025: 2.00 cents)	12,905	12,962
	<hr/>	<hr/>
	38,780	51,848

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

10. Earnings per share

	Group			
	Second Half ended		Full Year ended	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
Profit for the period/year attributable to owners of the Company (\$'000)	103,733	74,390	179,427	135,811
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share ('000)	644,364	647,909	645,683	648,516
Basic and diluted earnings per share (cents)	16.10	11.48	27.79	20.94

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/year. The weighted average number of ordinary shares outstanding during the period/year is the number of ordinary shares outstanding at the beginning of the period/year, adjusted by the number of ordinary shares issued or bought back during the period/year 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/year.

There is no dilutive effect for EPS as the Company does not have any outstanding share convertibles as at 31 March 2026.

11. Net asset value

	Group		Company	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
Number of issued shares ('000)	641,565	647,682	641,565	647,682
Net asset value per ordinary share (in \$)	1.67	1.43	0.87	0.81

12. Property, plant and equipment

During the financial year ended 31 March 2026, the Group acquired assets amounting to \$31,245,000 (31 March 2025: \$26,372,000), and separately acquired assets through the acquisition of a subsidiary amounting to \$4,211,000 (31 March 2025: \$Nil) and disposed of assets with cost and carrying amount amounting to \$5,270,000 and \$461,000 (31 March 2025: \$12,321,000 and \$1,379,000) respectively.

The Group has reclassified the entire office unit at Hong Kong Diamond Exchange, 8-10 Duddell Street, Hong Kong and the entire shop and office unit at 101 Queen Street, Auckland, New Zealand from investment properties, due to a change of use of the premises.

13. Right-of-use assets

During the financial year ended 31 March 2026, the Group recognised \$133,072,000 (31 March 2025: \$35,353,000) of additions and lease modifications based on new leases and changes in lease terms upon renewal, and \$7,439,000 arising from the acquisition of a subsidiary.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

14. Investment properties

	Group		Company	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	\$'000	\$'000	\$'000	\$'000
At 1 April	217,029	156,266	73,009	5,192
Additions	43	80,312	–	71,899
Transferred to property, plant and equipment	(16,794)	–	–	–
Transferred to asset held for sale	–	(6,998)	–	–
Gain/(loss) from fair value adjustments recognised in profit or loss	20,255	(6,454)	(52)	(4,082)
Foreign currency translation adjustment	4,697	(6,097)	–	–
At 31 March	<u>225,230</u>	<u>217,029</u>	<u>72,957</u>	<u>73,009</u>

Investment properties are stated at fair value, which has been determined based on latest valuations performed as at 31 March 2026. The valuations were performed by accredited independent valuers with recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

During the financial year ended 31 March 2026, the Group disposed of the entire shop and office unit at 201 Elizabeth Street, Brisbane (the "Property"). The Property was classified as an asset held for sale as at 31 March 2025 in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

15. Intangible assets

Intangible assets comprise goodwill, distribution rights, brands and software cost capitalised.

Goodwill acquired in business combinations are allocated at acquisition to the cash-generating units that are expected to benefit from the businesses. The carrying amount of goodwill of \$23,614,000 (31 March 2025: \$Nil) is allocated to the watch business unit of THGRAU Pty Ltd, a subsidiary, which was acquired during the year (note 23).

Distribution rights acquired in a business combination has a carrying amount of \$70,541,000 (31 March 2025: \$Nil) and an indefinite useful life.

Brands relate to various brand names that were acquired in business combinations. Included in the carrying amount of brands is an amount of \$163,000 (31 March 2025: \$169,000) with indefinite useful life. The remaining balance of \$3,545,000 (31 March 2025: \$3,636,000) has a remaining amortisation period of 38 (31 March 2025: 39) years.

Software has a carrying amount of \$2,024,000 (31 March 2025: \$3,090,000) and an average remaining amortisation period of 2 (31 March 2025: 2) years.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

16. Loans and borrowings

	Group	
	31 Mar 26	31 Mar 25
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured loans	–	54,811
Unsecured loan	–	–
	<u>–</u>	<u>54,811</u>
Amount repayable after one year		
Secured loans	–	–
Unsecured loan	–	–
	<u>–</u>	<u>–</u>

The secured loans of \$54,811,000 as at 31 March 2025 were secured by certain properties held by subsidiaries and corporate guarantees given by the Company and were repaid during the financial year.

17. Share capital and treasury shares

(a) **Share capital**

	Group and Company			
	31 Mar 26		31 Mar 25	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
Balance at beginning of the year	705,012	67,638	705,012	67,638
Cancellation of treasury shares	(59,416)	–	–	–
Balance at the end of the year	<u>645,596</u>	<u>67,638</u>	<u>705,012</u>	<u>67,638</u>

As at 31 March 2026, the Company's total issued shares is 641,565,280 ordinary shares (31 March 2025: 647,681,580) excluding 4,030,200 shares held as treasury shares (31 March 2025: 57,330,300).

(b) **Treasury shares**

	Group and Company			
	31 Mar 26		31 Mar 25	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 April	(57,330)	(108,216)	(55,083)	(104,701)
Acquired during the year	(6,116)	(13,189)	(2,247)	(3,515)
Cancelled during the year	59,416	112,319	–	–
At 31 March	<u>(4,030)</u>	<u>(9,086)</u>	<u>(57,330)</u>	<u>(108,216)</u>

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

17. Share capital and treasury shares (cont'd)

(b) Treasury shares (cont'd)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

As at 31 March 2026, the Company held 4,030,200 treasury shares (31 March 2025: 57,330,300) which represents 0.628% (31 March 2025: 8.852%) of the total number of issued shares (excluding treasury shares).

The Company does not have any outstanding share convertibles at the end of the year under review.

None of the Company's subsidiaries hold any shares in the Company at the end of the year under review.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the year under review.

During the financial year ended 31 March 2026, 59,416,400 treasury shares were permanently cancelled against revenue reserve. The cancellation has no impact on the amount (in dollar terms) of issued and paid-up capital of the Company as the treasury shares were purchased out of profits of the Company.

18. Related party transactions

Sale and purchase of goods and services

In addition to those related party information disclosed elsewhere in the condensed consolidated financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place at terms agreed between the parties during the year:

	Sale of goods \$'000	Purchase of goods \$'000	Service fee expense \$'000	Rental expense \$'000	Rental income \$'000	Royalty income \$'000
Full Year ended 31 Mar 26						
Associates	87	(71)	–	–	–	8
Directors and their close family members	995	–	(600)	–	–	–
Directors-related companies	–	–	(29)	(471)	30	–
Key management personnel and their close family members	39	(31)	–	(10)	–	–
Full Year ended 31 Mar 25						
Associates	730	(94)	–	–	–	12
Directors and their close family members	2,599	–	(600)	–	–	–
Directors-related companies	–	–	(8)	(478)	28	–
Key management personnel and their close family members	71	–	–	(120)	–	–

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

19. Commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group		Company	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Capital expenditure in respect of property, plant and equipment and intangible assets	7,299	6,596	2,065	486

20. Segment information

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

Reporting format

The primary segment reporting format is determined to be geographical segments as the operating businesses are organised and managed separately according to the location of the Group assets, with each segment representing a strategic business unit to serve that market.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the country of operation.

Business segment

The Group comprises only one business segment which is the retailing and distribution of watches and jewellery and other luxury products. All relevant information regarding the business segment has been disclosed elsewhere in the financial statements.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between geographical segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between geographical segments. These transfers are eliminated on consolidation.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

20. Segment information (cont'd)

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
Second Half ended 31 Mar 26					
Segment revenue:					
Sales to external customers	638,082	84,728	722,810	-	722,810
Inter-segment sales	2,852	11	2,863	(2,863)	-
Interest income	1,469	236	1,705	(924)	781
Other income	29,115	41	29,156	(22,342)	6,814
Revenue and other income	671,518	85,016	756,534	(26,129)	730,405
Segment results:					
Segment results	116,964	13,860	130,824	(17,833)	112,991
Finance costs ⁽¹⁾					(5,248)
Fair value gain on investment properties					20,255
Share of results of associates					9,921
Profit before taxation					137,919
Income tax expense					(34,154)
Profit for the period					103,765
Other segment information:					
Capital expenditure for the period	18,030	3,181	21,211	-	21,211
Depreciation and amortisation ⁽²⁾	22,603	5,344	27,947	-	27,947
Second Half ended 31 Mar 25					
Segment revenue:					
Sales to external customers	524,823	97,740	622,563	-	622,563
Inter-segment sales	2,259	-	2,259	(2,259)	-
Interest income	1,670	208	1,878	(747)	1,131
Other income	49,212	107	49,319	(43,089)	6,230
Revenue and other income	577,964	98,055	676,019	(46,095)	629,924
Segment results:					
Segment results	118,926	18,829	137,755	(38,459)	99,296
Finance costs ⁽¹⁾					(3,572)
Fair value loss on investment properties					(6,454)
Share of results of associates					7,526
Profit before taxation					96,796
Income tax expense					(22,273)
Profit for the period					74,523
Other segment information:					
Capital expenditure for the period	7,042	6,448	13,490	-	13,490
Depreciation and amortisation ⁽²⁾	21,677	4,099	25,776	-	25,776

⁽¹⁾ Includes interest on lease liabilities

⁽²⁾ Includes depreciation of right-of-use assets

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

20. Segment information (cont'd)

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
Full Year ended 31 Mar 26					
Segment revenue:					
Sales to external customers	1,164,680	173,543	1,338,223	-	1,338,223
Inter-segment sales	4,266	11	4,277	(4,277)	-
Interest income	2,789	446	3,235	(1,569)	1,666
Other income	59,380	154	59,534	(46,273)	13,261
Revenue and other income	1,231,115	174,154	1,405,269	(52,119)	1,353,150
Segment results:					
Segment results	214,120	30,715	244,835	(36,882)	207,953
Finance costs ⁽¹⁾					(9,358)
Fair value gain on investment properties					20,255
Share of results of associates					15,644
Profit before taxation					234,494
Income tax expense					(55,032)
Profit for the year					179,462
Other segment information:					
Capital expenditure for the year	27,443	4,344	31,787	-	31,787
Depreciation and amortisation ⁽²⁾	44,415	9,906	54,321	-	54,321
Full Year ended 31 Mar 25					
Segment revenue:					
Sales to external customers	998,442	164,432	1,162,874	-	1,162,874
Inter-segment sales	4,798	-	4,798	(4,798)	-
Interest income	4,558	614	5,172	(1,541)	3,631
Other income	69,601	107	69,708	(57,516)	12,192
Revenue and other income	1,077,399	165,153	1,242,552	(63,855)	1,178,697
Segment results:					
Segment results	196,149	29,931	226,080	(48,855)	177,225
Finance costs ⁽¹⁾					(7,464)
Fair value loss on investment properties					(6,454)
Share of results of associates					12,125
Profit before taxation					175,432
Income tax expense					(39,349)
Profit for the year					136,083
Other segment information:					
Capital expenditure for the year	21,064	6,826	27,890	-	27,890
Depreciation and amortisation ⁽²⁾	41,739	7,671	49,410	-	49,410

⁽¹⁾ Includes interest on lease liabilities

⁽²⁾ Includes depreciation of right-of-use assets

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
31 Mar 26					
Segment assets	1,168,228	166,667	1,334,895	-	1,334,895
Investment in associates	107,139	-	107,139	-	107,139
					1,442,034
Segment liabilities	278,798	80,104	358,902	-	358,902
31 Mar 25					
Segment assets	963,675	117,781	1,081,456	-	1,081,456
Investment in associates	97,737	-	97,737	-	97,737
					1,179,193
Segment liabilities	208,107	30,261	238,368	-	238,368

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

21. Financial assets and financial liabilities

The table below summarises the financial assets and financial liabilities of the Group and Company as at 31 March 2026 and 31 March 2025.

	Group		Company	
	31 Mar 26	31 Mar 25	31 Mar 26	31 Mar 25
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Trade and other receivables	37,789	41,248	19,222	20,812
Amounts due from associates	503	484	395	349
Amounts due from subsidiaries	–	–	10,245	9,238
Cash and bank balances	157,526	178,689	28,326	50,018
Total financial assets	195,818	220,421	58,188	80,417
Financial liabilities				
Trade and other payables	83,306	55,147	24,992	21,998
Loans and borrowings	–	54,811	–	–
Amounts due to subsidiaries	–	–	3,191	3,396
Lease liabilities	209,348	97,004	47,122	53,979
Total financial liabilities	292,654	206,962	75,305	79,373

22. Fair value of assets and liabilities

(a) **Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There was no transfer between the different levels of fair value hierarchy during the financial year ended 31 March 2026 and 31 March 2025.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

22. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting year:

	Group			
	31 Mar 26			
	\$'000			
	Fair value measurements at the end of the reporting year using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value:				
Investment properties	–	–	225,230	225,230
	–	–	225,230	225,230

	Group			
	31 Mar 25			
	\$'000			
	Fair value measurements at the end of the reporting year using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value:				
Investment properties	–	–	217,029	217,029
Asset held for sale	–	–	6,998	6,998
	–	–	224,027	224,027

(c) Fair value of financial instruments whose carrying amounts approximate their fair values

Management has determined that the carrying amounts of cash and bank balances, trade and other receivables, amounts due from/(to) subsidiaries, amounts due from associates, trade and other payables and loans and borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2026

23. Acquisition of a subsidiary

On 26 May 2025, the Group's wholly owned subsidiary, The Hour Glass Australia Pty Ltd ("THGA") completed the acquisition of 100% of the issued and paid-up share capital of THGRAU Pty Ltd ("THGRAU" and previously known as A.C.N. 685 541 851 Pty Ltd).

The acquisition is in line with the Group's strategy to continue expanding its presence in Australia and strengthen the Group's retail footprint. The acquisition is expected to provide both an enlarged client base and operating synergies to THGA's business.

The following table summarises the fair values of the identifiable assets acquired and liabilities assumed at the acquisition date and the effects of the acquisition on the Group's cash flows.

	\$'000
Identifiable assets acquired and liabilities assumed	
Distribution rights	66,545
Property, plant and equipment	4,211
Right-of-use assets	7,439
Inventories	2,455
Trade and other receivables	962
	<hr/>
Total assets	81,612
	<hr/>
Lease liabilities	7,439
Trade and other payables	1,155
Deferred tax liabilities	19,963
	<hr/>
Total liabilities	28,557
	<hr/>
Net identifiable assets	53,055
Goodwill on acquisition	22,276
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Purchase consideration transferred and net cash outflow on acquisition	75,331
	<hr/> <hr/>

**H. Other information required by Appendix 7.2 of the Listing Manual
For the second half and full year ended 31 March 2026**

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

The condensed statements of financial position of The Hour Glass Limited and its subsidiaries as at 31 March 2026 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the second half and full year then ended and accompanying explanatory notes have not been audited nor reviewed.

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

Not applicable.

Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

No forecast was previously provided for FY2026.

3. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim Dividend (paid)	Proposed Final Dividend
Dividend Type	Cash	Cash
Dividend amount per Ordinary Share	2.00 cents	4.00 cents
Tax Rate	(one-tier) tax exempt	(one-tier) tax exempt

The Board of Directors has recommended a final dividend of 4.00 cents per ordinary share for the full year ended 31 March 2026 (2025: 4.00 cents), amounting to approximately \$25,615,000 (2025: \$25,875,000). This is subject to the approval of the shareholders of the Company at the Annual General Meeting to be held on 21 July 2026.

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

**H. Other information required by Appendix 7.2 of the Listing Manual
For the second half and full year ended 31 March 2026**

3. Dividend (cont'd)

(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	Interim Dividend	Final Dividend
Dividend Type	Cash	Cash
Dividend amount per Ordinary Share	2.00 cents	4.00 cents
Tax Rate	(one-tier) tax exempt	(one-tier) tax exempt

(c) Date Payable

To be announced on a later date.

(d) Record Date

To be announced on a later date.

4. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

5. 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.

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

Not applicable for full year results announcement.

7. Confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Hour Glass Limited confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX-ST Listing Manual.

8. 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 F1.

**H. Other information required by Appendix 7.2 of the Listing Manual
For the second half and full year ended 31 March 2026**

9. A breakdown of sales as follows:

	Group		
	Full Year ended		
	31 Mar 26 \$'000	31 Mar 25 \$'000	Change %
Revenue for first half year	615,413	540,311	14%
Profit after tax for first half year	75,697	61,560	23%
Revenue for second half year	722,810	622,563	16%
Profit after tax for second half year	103,765	74,523	39%

10. 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 \$'000	Previous Full Year \$'000
Ordinary		
- Interim Dividend	12,905	12,962
- Final Dividend	25,615	25,875
Preference	-	-
	38,520	38,837

11. 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).

None.

BY ORDER OF THE BOARD

Christine Chan
Company Secretary
22 May 2026