

# THE HOUR GLASS

## THE HOUR GLASS LIMITED

Co. Registration No: 197901972D

### Unaudited Second Quarter and Half Year Financial Statement For The Period Ended 30 September 2018

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

		Group					
		Second Quarter ended			Half Year ended		
Note		30 Sep 18	30 Sep 17	Change	30 Sep 18	30 Sep 17	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	174,683	173,038	1%	355,410	337,411	5%
	Other income	1,164	869	34%	2,563	2,363	8%
	<b>Total revenue and other income</b>	<b>175,847</b>	<b>173,907</b>	<b>1%</b>	<b>357,973</b>	<b>339,774</b>	<b>5%</b>
	Cost of goods sold	130,282	134,648	-3%	266,978	264,228	1%
	Salaries and employees benefits	12,391	10,957	13%	24,112	20,760	16%
	Depreciation of property, plant and equipment	1,496	1,774	-16%	3,130	3,639	-14%
	Selling and promotion expenses	4,450	3,642	22%	9,251	8,041	15%
	Rental expenses	7,513	7,166	5%	15,139	14,427	5%
	Finance costs	210	347	-39%	496	691	-28%
	Foreign exchange loss/(gain)	79	(96)	NM	(270)	84	NM
	Other operating expenses	2,800	2,658	5%	5,252	6,618	-21%
	<b>Total costs and expenses</b>	<b>159,221</b>	<b>161,096</b>	<b>-1%</b>	<b>324,088</b>	<b>318,488</b>	<b>2%</b>
	Share of results of associates	963	998	-4%	2,253	1,515	49%
	<b>Profit before taxation</b>	<b>17,589</b>	<b>13,809</b>	<b>27%</b>	<b>36,138</b>	<b>22,801</b>	<b>58%</b>
	Taxation	3,872	2,926	32%	7,963	4,802	66%
	<b>Profit for the period</b>	<b>13,717</b>	<b>10,883</b>	<b>26%</b>	<b>28,175</b>	<b>17,999</b>	<b>57%</b>
	<b>Profit attributable to:</b>						
	Owners of the Company	13,480	10,697	26%	27,774	17,674	57%
	Non-controlling interests	237	186	27%	401	325	23%
		<b>13,717</b>	<b>10,883</b>	<b>26%</b>	<b>28,175</b>	<b>17,999</b>	<b>57%</b>

Note:

(i) Other income

		Group					
		Second Quarter ended			Half Year ended		
		30 Sep 18	30 Sep 17	Change	30 Sep 18	30 Sep 17	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Rental income	460	453	2%	918	787	17%
	Interest income	476	210	127%	876	398	120%
	Net gain on disposal of property, plant and equipment	4	-	NM	82	-	NM
	Management fee	208	195	7%	419	363	15%
	Others	16	11	45%	268	815	-67%
		<b>1,164</b>	<b>869</b>	<b>34%</b>	<b>2,563</b>	<b>2,363</b>	<b>8%</b>

NM - Not Meaningful

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

Income Tax  
- Over provision of tax in respect of prior years

Group					
Second Quarter ended			Half Year ended		
30 Sep 18 \$'000	30 Sep 17 \$'000	Change %	30 Sep 18 \$'000	30 Sep 17 \$'000	Change %
-	(12)	NM	(1)	(12)	-92%

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

Profit for the period

Other comprehensive income:

Item that may be reclassified subsequently to profit or loss:

Foreign currency translation

Other comprehensive (loss)/profit for the period, net of tax

Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the Company

Non-controlling interests

Group					
Second Quarter ended			Half Year ended		
30 Sep 18 \$'000	30 Sep 17 \$'000	Change %	30 Sep 18 \$'000	30 Sep 17 \$'000	Change %
13,717	10,883	26%	28,175	17,999	57%
(1,320)	(989)	33%	1,537	(2,312)	NM
(1,320)	(989)	33%	1,537	(2,312)	NM
12,397	9,894	25%	29,712	15,687	89%
12,123	9,953	22%	28,800	15,696	83%
274	(59)	NM	912	(9)	NM
12,397	9,894	25%	29,712	15,687	89%

*NM – Not Meaningful*

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

	Group		Company	
	30 Sep 18 \$'000	31 Mar 18 \$'000	30 Sep 18 \$'000	31 Mar 18 \$'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	38,655	34,066	8,765	8,933
Investment properties	66,460	67,202	11,181	11,181
Intangible assets	5,186	5,216	952	936
Investment in subsidiaries	-	-	52,074	52,074
Investment in associates	31,109	28,744	68	68
Other receivables	6,843	6,878	3,639	3,566
Deferred tax assets	439	441	211	211
	148,692	142,547	76,890	76,969
<b>Current assets</b>				
Inventories	277,547	282,479	167,293	164,196
Trade and other receivables	19,096	16,839	8,924	6,707
Prepaid operating expenses	1,741	968	857	469
Amount due from associates	5,545	2,751	5,505	2,720
Amount due from subsidiaries	-	-	4,929	5,610
Cash and cash equivalents	159,757	180,496	62,413	76,120
	463,686	483,533	249,921	255,822
<b>Total assets</b>	<b>612,378</b>	<b>626,080</b>	<b>326,811</b>	<b>332,791</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	25,690	49,655	-	26,000
Trade and other payables	39,353	45,651	18,862	22,716
Amount due to subsidiaries	-	-	5,486	5,327
Provision for taxation	9,396	8,049	4,369	4,603
	74,439	103,355	28,717	58,646
<b>Net current assets</b>	<b>389,247</b>	<b>380,178</b>	<b>221,204</b>	<b>197,176</b>
<b>Non-current liabilities</b>				
Provisions	270	241	-	-
Deferred tax liabilities	1,395	1,413	-	-
Other non-current liabilities	1,565	1,474	1,565	1,474
	3,230	3,128	1,565	1,474
<b>Total liabilities</b>	<b>77,669</b>	<b>106,483</b>	<b>30,282</b>	<b>60,120</b>
<b>Net assets</b>	<b>534,709</b>	<b>519,597</b>	<b>296,529</b>	<b>272,671</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	67,638	67,638	67,638	67,638
Reserves	454,202	439,502	228,891	205,033
	521,840	507,140	296,529	272,671
<b>Non-controlling interests</b>	12,869	12,457	-	-
<b>Total equity</b>	<b>534,709</b>	<b>519,597</b>	<b>296,529</b>	<b>272,671</b>
<b>Total equity and liabilities</b>	<b>612,378</b>	<b>626,080</b>	<b>326,811</b>	<b>332,791</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 30 Sep 18		As at 31 Mar 18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
23,342	2,348	23,655	26,000

**Amount repayable after one year**

As at 30 Sep 18		As at 31 Mar 18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
-	-	-	-

**Details of any collateral**

The unsecured term loans of a subsidiary are covered by corporate guarantees given by the Company.

Loans of \$23,342,000 (31 March 2018: \$23,655,000) are secured on certain properties of a subsidiary and corporate guarantees given by the Company.

**1(c) A statement of cash flow (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			
	Second Quarter ended		Half Year ended	
	30 Sep 18 \$'000	30 Sep 17 \$'000	30 Sep 18 \$'000	30 Sep 17 \$'000
<b>Operating activities</b>				
Profit before taxation	17,589	13,809	36,138	22,801
Adjustments for:				
Finance costs	210	347	496	691
Interest income	(476)	(210)	(876)	(398)
Depreciation of property, plant and equipment	1,496	1,774	3,130	3,639
Amortisation of intangible assets	165	43	305	86
Foreign currency translation adjustment	(65)	115	(168)	7
Net gain on disposal of property, plant and equipment	(4)	-	(82)	-
Share of results of associates	(963)	(998)	(2,253)	(1,515)
<b>Operating cash flows before changes in working capital</b>	<b>17,952</b>	<b>14,880</b>	<b>36,690</b>	<b>25,311</b>
(Increase)/decrease in inventories	(690)	13,672	5,342	4,506
Decrease/(increase) in receivables	3,771	(3,436)	(2,029)	(4,131)
Increase in prepaid operating expenses	(603)	(1,085)	(776)	(1,277)
(Increase)/decrease in amount due from associates	(2,776)	(2)	(2,793)	2
(Decrease)/increase in payables	(1,200)	3,193	(6,045)	(7,869)
<b>Cash flows from operations</b>	<b>16,454</b>	<b>27,222</b>	<b>30,389</b>	<b>16,542</b>
Income taxes paid	(4,074)	(4,345)	(6,576)	(6,006)
Interest paid	(210)	(347)	(496)	(691)
Interest received	476	210	876	398
<b>Net cash flows from operating activities</b>	<b>12,646</b>	<b>22,740</b>	<b>24,193</b>	<b>10,243</b>
<b>Investing activities</b>				
Investment in an associate	-	(68)	-	(68)
Additions to intangible assets	(137)	-	(275)	-
Proceeds from disposal of property, plant and equipment	23	-	114	-
Purchase of property, plant and equipment	(5,180)	(326)	(7,764)	(845)
<b>Net cash flows used in investing activities</b>	<b>(5,294)</b>	<b>(394)</b>	<b>(7,925)</b>	<b>(913)</b>
<b>Financing activities</b>				
Proceeds from loans and borrowings	-	21,632	20,343	28,018
Repayment of loans and borrowings	(21,000)	(21,000)	(44,000)	(26,000)
Dividends paid to non-controlling interests	-	-	(500)	(500)
Dividends paid on ordinary shares	(14,100)	(14,100)	(14,100)	(14,100)
<b>Net cash flows used in financing activities</b>	<b>(35,100)</b>	<b>(13,468)</b>	<b>(38,257)</b>	<b>(12,582)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(27,748)</b>	<b>8,878</b>	<b>(21,989)</b>	<b>(3,252)</b>
Effects of exchange rate changes on cash and cash equivalents	(451)	(665)	1,250	(1,165)
Cash and cash equivalents at beginning of financial period	187,956	112,219	180,496	124,849
<b>Cash and cash equivalents at end of financial period</b>	<b>159,757</b>	<b>120,432</b>	<b>159,757</b>	<b>120,432</b>

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

Cash and bank balances  
Fixed deposits with banks

Group	
30 Sep 18 \$'000	30 Sep 17 \$'000
99,157	100,519
60,600	19,913
<b>159,757</b>	<b>120,432</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 \$'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
<u>Group</u>								
Balance at 1 April 2017								
- As previously reported	67,638	(9,865)	(142)	3,372	417,474	478,477	13,321	491,798
- Effects of adopting SFRS (I) 1	-	9,865	-	-	(9,865)	-	-	-
- Restated opening balance	67,638	-	(142)	3,372	407,609	478,477	13,321	491,798
Total comprehensive income								
Profit for the period	-	-	-	-	6,977	6,977	139	7,116
Other comprehensive income								
Foreign currency translation	-	(1,234)	-	-	-	(1,234)	(89)	(1,323)
Total other comprehensive loss	-	(1,234)	-	-	-	(1,234)	(89)	(1,323)
Total comprehensive (loss)/income	-	(1,234)	-	-	6,977	5,743	50	5,793
Contributions by and distributions to owners								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
Total transactions with owners	-	-	-	-	-	-	(500)	(500)
Balance at 30 June 2017	67,638	(1,234)	(142)	3,372	414,586	484,220	12,871	497,091
Balance at 1 July 2017	67,638	(1,234)	(142)	3,372	414,586	484,220	12,871	497,091
Total comprehensive income								
Profit for the period	-	-	-	-	10,697	10,697	186	10,883
Other comprehensive income								
Foreign currency translation	-	(744)	-	-	-	(744)	(245)	(989)
Total other comprehensive loss	-	(744)	-	-	-	(744)	(245)	(989)
Total comprehensive (loss)/income	-	(744)	-	-	10,697	9,953	(59)	9,894
Contributions by and distributions to owners								
Dividends on ordinary shares	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Total transactions with owners	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Balance at 30 September 2017	67,638	(1,978)	(142)	3,372	411,183	480,073	12,812	492,885

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

<u>Group</u>	Share capital \$'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
Balance at 1 April 2018								
- As previously reported	67,638	(16,919)	(142)	3,372	453,191	507,140	12,457	519,597
- Effects of adopting SFRS (I) 1	-	9,865	-	-	(9,865)	-	-	-
- Restated opening balance	67,638	(7,054)	(142)	3,372	443,326	507,140	12,457	519,597
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	14,294	14,294	164	14,458
<b>Other comprehensive income</b>								
Foreign currency translation	-	2,383	-	-	-	2,383	474	2,857
<b>Total other comprehensive income</b>	-	2,383	-	-	-	2,383	474	2,857
<b>Total comprehensive income</b>	-	2,383	-	-	14,294	16,677	638	17,315
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(500)	(500)
Balance at 30 June 2018	67,638	(4,671)	(142)	3,372	457,620	523,817	12,595	536,412
Balance at 1 July 2018	67,638	(4,671)	(142)	3,372	457,620	523,817	12,595	536,412
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	13,480	13,480	237	13,717
<b>Other comprehensive income</b>								
Foreign currency translation	-	(1,357)	-	-	-	(1,357)	37	(1,320)
<b>Total other comprehensive (loss)/income</b>	-	(1,357)	-	-	-	(1,357)	37	(1,320)
<b>Total comprehensive (loss)/income</b>	-	(1,357)	-	-	13,480	12,123	274	12,397
<b>Contributions by and distributions to owners</b>								
Dividends on ordinary shares	-	-	-	-	(14,100)	(14,100)	-	(14,100)
<b>Total transactions with owners</b>	-	-	-	-	(14,100)	(14,100)	-	(14,100)
Balance at 30 September 2018	67,638	(6,028)	(142)	3,372	457,000	521,840	12,869	534,709

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

<u>Company</u>	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 April 2017	67,638	199,445	267,083
Total comprehensive income			
Profit for the period	-	3,393	3,393
Total comprehensive income	-	3,393	3,393
Balance at 30 June 2017	67,638	202,838	270,476
Balance at 1 July 2017	67,638	202,838	270,476
Total comprehensive income			
Profit for the period	-	2,654	2,654
Total comprehensive income	-	2,654	2,654
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(14,100)	(14,100)
Total transactions with owners	-	(14,100)	(14,100)
Balance at 30 September 2017	67,638	191,392	259,030

Balance at 1 April 2018	67,638	205,033	272,671
Total comprehensive income			
Profit for the period	-	5,421	5,421
Total comprehensive income	-	5,421	5,421
Balance at 30 June 2018	67,638	210,454	278,092
Balance at 1 July 2018	67,638	210,454	278,092
Total comprehensive income			
Profit for the period	-	32,537	32,537
Total comprehensive income	-	32,537	32,537
Contributions by and distributions to owners			
Dividends on ordinary shares	-	(14,100)	(14,100)
Total transactions with owners	-	(14,100)	(14,100)
Balance at 30 September 2018	67,638	228,891	296,529



**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There has been no change in the number of issued shares in the capital of the Company since the end of the previous period reported on.

The Company does not have any outstanding share convertibles and treasury shares at the end of the period under review.

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

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

<b>30 Sep 18</b>	<b>31 Mar 18</b>
705,011,880	705,011,880

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

Not applicable.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2018, except as disclosed in paragraph 5 below.

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

The Group's financial statements for the financial period beginning 1 April 2018 is prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)).

In adopting the new SFRS(I) framework from 1 April 2018, the Group is required to apply the specific transaction requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

Adoption of SFRS(I) 1

The Group has elected the option to reset its cumulative translation differences for foreign operations to nil as at 1 April 2017, the date of transition. As a result, cumulative translation losses of \$9,865,000 were reclassified from foreign currency translation reserve to revenue reserve as at 1 April 2017.

Adoption of SFRS(I)s

The Group has adopted all the new SFRS(I)s, amendments and interpretations of SFR(I)s that are relevant to its operations and effective during the current financial year.

Except for SFRS(I) 1 as disclosed above, the adoption of these SFRS(I)s and interpretation of SFRS(I)s did not have any significant impact to the financial statements of the Group.

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

	Group			
	Second Quarter ended		Half Year ended	
	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17
(a) Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	705,011,880	705,011,880	705,011,880	705,011,880
(b) Basic and diluted earnings per share (cents)	1.91	1.52	3.94	2.51

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 30 September 2018.

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	
	30 Sep 18	31 Mar 18	30 Sep 18	31 Mar 18
Number of issued shares	705,011,880	705,011,880	705,011,880	705,011,880
Net asset value per ordinary share (in \$)	0.74	0.72	0.42	0.39

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**

#### **2Q FY2019 vs 2Q FY2018**

Revenue for the quarter ended 30 September 2018 ("2Q FY2019") increased by 1% to \$174.7 million compared to \$173.0 million achieved in the same period last year ("2Q FY2018").

Gross margin improved to 25.4% (2Q FY2018: 22.2%) and resulted in higher profit after tax of \$13.7 million, a 26% increase compared to \$10.9 million for 2Q FY2018.

#### **1H FY2019 vs 1H FY2018**

For the 6 months ended 30 September 2018 ("1H FY2019"), revenue was 5% higher at \$355.4 million (1H FY2018: \$337.4 million). Gross margin was at 24.9% (1H FY2018: 21.7%).

Operating expenses, including selling expenses, were higher than the same period last year. However, profit after tax increased to \$28.2 million (1H FY2018: \$18.0 million).

As at 30 September 2018, group inventory decreased to \$277.5 million (31 March 2018: \$282.5 million). Cash and cash equivalents stood at \$159.8 million (31 March 2018: \$180.5 million), after a net repayment of loans amounting to \$23.7 million. Consolidated net assets were \$521.8 million or \$0.74 per share.

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

The Group's performance for the period under review is in line with the statement in the results announcement for the period ended 30 June 2018.

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 watch sector continues to remain challenging in the midst of global economic uncertainties.

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

**11. Dividend**

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

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

None.

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

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

None.

**(c) Date Payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.

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

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

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

The Company does not have an IPT mandate.

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the six months ended 30 September 2018 to be false or misleading in any material respect.

Signed by Dr Kenny Chan Swee Kheng and Mr Michael Tay Wee Jin on behalf of the Board of Directors.

**15. 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.

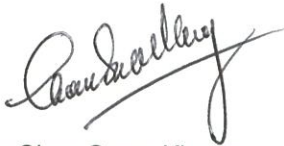
**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
13 November 2018

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the six months ended 30 September 2018 to be false or misleading in any material respect.

On behalf of the Board of Directors



Kenny Chan Swee Kheng  
Group Managing Director



Michael Tay Wee Jin  
Group Managing Director

Singapore  
13 November 2018