

THE HOUR GLASS

(Incorporated in the Republic of Singapore)

(Company Registration No: 197901972D)

The Hour Glass Group 1H FY2018 Delivers Revenue & Net Profit Gains on Improved Consumer Sentiment

Unaudited First Half Results For the Period ended:	Group			
	30 Sep '17 \$'000		30 Sep '16 \$'000	Change %
Revenue	337,411		311,298	8%
Profit Before Taxation	22,801		21,734	5%
Profit After Taxation	17,999		16,885	7%
Earnings per Share (cents)	2.51		2.34	7%

Highlights of 1H FY2018 Financial Performance

- 1H revenue rose 8% on the back of improved sentiment and more dynamic marketing activities
- Gross margins are at 21.7% (22.1% - 1H FY2017)
- Cash and equivalent stood at \$120.4 million

SINGAPORE, 7 November 2017: The Hour Glass Group, Asia's leading specialist luxury watch retailer, recorded 8% growth in revenue and 7% in profit after taxation for the six months ended 30 September 2017 ("1H FY2018").

Improved consumer sentiment in selective markets in the region and the pickup in overall economic activity in key markets contributed to the Group's gains, suggesting that luxury brands still have room for growth despite current challenging business conditions.

1H FY2018 Results

1. The Group's profit after taxation edged 7% higher to \$18.0 million, rising on the back of an 8% growth in revenue to \$337.4 million in 1H FY2018. The Group remained focused on running the business efficiently while simultaneously undertaking an internal organisational transformation to meet the future demands of the sector.

2. Gross margins was 21.7% for 1H FY2018, compared to 22.1% for the same period a year ago.

3. Mr Michael Tay, Co-Group Managing Director of The Hour Glass said: "The underlying economic mood turned positive in the past few months and this contributed to improved performance for the Group. While it is hard to predict sustainable trends in a market that can be prone to swift changes, we continue to remain agile and vigilant in ensuring that we stand ready to meet the new demands of our business."

4. The Group's balance sheet remains robust with consolidated net assets of \$480.1 million with cash and cash equivalents of \$120.4 million.

Outlook

5. Looking ahead, The Hour Glass is mindful that the global watch sector continues to remain challenging. It will continue operating its 40 boutiques in nine key cities throughout the Asia Pacific region while improving its retail network and merchandising portfolio. The Group also continues to identify opportunities in the region for the longer term.

6. Barring any unforeseen circumstances, the Group expects to remain profitable in FY2018.

ISSUED BY

THE HOUR GLASS LIMITED

7 November 2017

About The Hour Glass

The Hour Glass is a leading specialty luxury watch retail group with 40 boutiques in nine key cities throughout the Asia Pacific region. Since 1979, The Hour Glass has focused on pioneering the promotion and appreciation of contemporary horological culture, priding itself as one of the world's foremost cultural retail enterprises. Recognised by international publications such as Monocle, Wallpaper and Vanity Fair as one of the most influential speciality retailers in the world, The Hour Glass has been accorded 'Best Watch Retail' honours by Tatler.

The Hour Glass has achieved international acclaim for its approach towards redefining speciality watch retail, which includes the creation of thematic salons and placing an emphasis on developing consumer-oriented cultural engagement platforms to promote the values of authentic luxury. Two of its marquee retail projects are L'Atelier, a boutique dedicated to expressing the patrimony of traditional watchmaking, and Malmaison, one of the first multi-category luxury emporiums in its field to merchandise a highly selective collection of watches, sartorial tailoring, fragrances and leather goods.

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