

# THE HOUR GLASS

## THE HOUR GLASS LIMITED

Co. Registration No: 197901972D

### Unaudited Third Quarter and Nine Months Financial Statement For The Period Ended 31 December 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					
		Third Quarter ended			Nine Months ended		
Note		31 Dec 18	31 Dec 17	Change	31 Dec 18	31 Dec 17	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Revenue	188,863	182,944	3%	544,273	520,355	5%
	Other income	1,478	1,198	23%	4,041	3,561	13%
	<b>Total revenue and other income</b>	<b>190,341</b>	<b>184,142</b>	<b>3%</b>	<b>548,314</b>	<b>523,916</b>	<b>5%</b>
	Cost of goods sold	138,380	137,984	0%	405,358	402,212	1%
	Salaries and employees benefits	13,004	11,797	10%	37,116	32,557	14%
	Depreciation of property, plant and equipment	1,494	1,765	-15%	4,624	5,404	-14%
	Selling and promotion expenses	5,673	4,868	17%	14,924	12,909	16%
	Rental expenses	7,925	7,711	3%	23,064	22,138	4%
	Finance costs	214	320	-33%	710	1,011	-30%
	Foreign exchange loss/(gain)	306	(66)	NM	36	18	100%
	Other operating expenses	3,306	2,505	32%	8,558	9,123	-6%
	<b>Total costs and expenses</b>	<b>170,302</b>	<b>166,884</b>	<b>2%</b>	<b>494,390</b>	<b>485,372</b>	<b>2%</b>
	Share of results of associates	3,013	447	574%	5,266	1,962	168%
	<b>Profit before taxation</b>	<b>23,052</b>	<b>17,705</b>	<b>30%</b>	<b>59,190</b>	<b>40,506</b>	<b>46%</b>
	Taxation	4,454	3,317	34%	12,417	8,119	53%
	<b>Profit for the period</b>	<b>18,598</b>	<b>14,388</b>	<b>29%</b>	<b>46,773</b>	<b>32,387</b>	<b>44%</b>
	<b>Profit attributable to:</b>						
	Owners of the Company	18,333	14,188	29%	46,107	31,862	45%
	Non-controlling interests	265	200	33%	666	525	27%
		<b>18,598</b>	<b>14,388</b>	<b>29%</b>	<b>46,773</b>	<b>32,387</b>	<b>44%</b>

Note:

(i) Other income

		Group					
		Third Quarter ended			Nine Months ended		
		31 Dec 18	31 Dec 17	Change	31 Dec 18	31 Dec 17	Change
		\$'000	\$'000	%	\$'000	\$'000	%
	Rental income	461	458	1%	1,379	1,245	11%
	Interest income	474	217	118%	1,350	615	120%
	Net (loss)/gain on disposal of property, plant and equipment	(10)	1	NM	72	1	7100%
	Management fee	305	231	32%	724	594	22%
	Others	248	291	-15%	516	1,106	-53%
		<b>1,478</b>	<b>1,198</b>	<b>23%</b>	<b>4,041</b>	<b>3,561</b>	<b>13%</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					
Third Quarter ended			Nine Months ended		
31 Dec 18	31 Dec 17	Change	31 Dec 18	31 Dec 17	Change
\$'000	\$'000	%	\$'000	\$'000	%
(146)	(628)	-77%	(147)	(640)	-77%

**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 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					
Third Quarter ended			Nine Months ended		
31 Dec 18	31 Dec 17	Change	31 Dec 18	31 Dec 17	Change
\$'000	\$'000	%	\$'000	\$'000	%
18,598	14,388	29%	46,773	32,387	44%
(1,944)	(2,586)	-25%	(407)	(4,898)	-92%
(1,944)	(2,586)	-25%	(407)	(4,898)	-92%
16,654	11,802	41%	46,366	27,489	69%
16,321	11,729	39%	45,121	27,425	65%
333	73	356%	1,245	64	1845%
16,654	11,802	41%	46,366	27,489	69%

*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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 18</b>	<b>31 Mar 18</b>	<b>31 Dec 18</b>	<b>31 Mar 18</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	42,546	34,066	9,648	8,933
Investment properties	65,051	67,202	11,181	11,181
Intangible assets	5,276	5,216	1,065	936
Investment in subsidiaries	-	-	52,074	52,074
Investment in associates	34,325	28,744	68	68
Other receivables	7,177	6,878	3,816	3,566
Deferred tax assets	437	441	211	211
	<b>154,812</b>	<b>142,547</b>	<b>78,063</b>	<b>76,969</b>
<b>Current assets</b>				
Inventories	290,356	282,479	175,389	164,196
Trade and other receivables	21,031	16,839	7,520	6,707
Prepaid operating expenses	1,360	968	723	469
Amount due from associates	5,573	2,751	5,501	2,720
Amount due from subsidiaries	-	-	4,965	5,610
Cash and cash equivalents	163,330	180,496	63,309	76,120
	<b>481,650</b>	<b>483,533</b>	<b>257,407</b>	<b>255,822</b>
<b>Total assets</b>	<b>636,462</b>	<b>626,080</b>	<b>335,470</b>	<b>332,791</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Loans and borrowings	28,464	49,655	-	26,000
Trade and other payables	45,898	45,651	22,238	22,716
Amount due to subsidiaries	-	-	5,583	5,327
Provision for taxation	7,983	8,049	3,895	4,603
	<b>82,345</b>	<b>103,355</b>	<b>31,716</b>	<b>58,646</b>
<b>Net current assets</b>	<b>399,305</b>	<b>380,178</b>	<b>225,691</b>	<b>197,176</b>
<b>Non-current liabilities</b>				
Provisions	273	241	-	-
Deferred tax liabilities	1,371	1,413	-	-
Other non-current liabilities	1,610	1,474	1,610	1,474
	<b>3,254</b>	<b>3,128</b>	<b>1,610</b>	<b>1,474</b>
<b>Total liabilities</b>	<b>85,599</b>	<b>106,483</b>	<b>33,326</b>	<b>60,120</b>
<b>Net assets</b>	<b>550,863</b>	<b>519,597</b>	<b>302,144</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	470,523	439,502	234,506	205,033
	<b>538,161</b>	<b>507,140</b>	<b>302,144</b>	<b>272,671</b>
<b>Non-controlling interests</b>	<b>12,702</b>	<b>12,457</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>550,863</b>	<b>519,597</b>	<b>302,144</b>	<b>272,671</b>
<b>Total equity and liabilities</b>	<b>636,462</b>	<b>626,080</b>	<b>335,470</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 31 Dec 18		As at 31 Mar 18	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
22,743	5,721	23,655	26,000

**Amount repayable after one year**

As at 31 Dec 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 \$22,743,000 (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			
	Third Quarter ended		Nine Months ended	
	31 Dec 18 \$'000	31 Dec 17 \$'000	31 Dec 18 \$'000	31 Dec 17 \$'000
<b>Operating activities</b>				
Profit before taxation	23,052	17,705	59,190	40,506
Adjustments for:				
Finance costs	214	320	710	1,011
Interest income	(474)	(217)	(1,350)	(615)
Depreciation of property, plant and equipment	1,494	1,765	4,624	5,404
Amortisation of intangible assets	201	43	506	129
Foreign currency translation adjustment	(50)	(300)	(188)	(36)
Net loss/(gain) on disposal of property, plant and equipment	10	(1)	(72)	(1)
Share of results of associates	(3,013)	(447)	(5,266)	(1,962)
<b>Operating cash flows before changes in working capital</b>	<b>21,434</b>	<b>18,868</b>	<b>58,154</b>	<b>44,436</b>
(Increase)/decrease in inventories	(13,422)	7,933	(8,080)	12,439
Increase in receivables	(2,247)	(1,380)	(4,276)	(5,511)
Decrease/(increase) in prepaid operating expenses	376	559	(400)	(718)
Increase in amount due from associates	(29)	(8)	(2,822)	(6)
Increase/(decrease) in payables	6,592	7,679	547	(190)
<b>Cash flows from operations</b>	<b>12,704</b>	<b>33,651</b>	<b>43,123</b>	<b>50,450</b>
Income taxes paid	(5,853)	(3,283)	(12,429)	(9,289)
Interest paid	(214)	(320)	(710)	(1,011)
Interest received	474	217	1,350	615
<b>Net cash flows from operating activities</b>	<b>7,111</b>	<b>30,265</b>	<b>31,334</b>	<b>40,765</b>
<b>Investing activities</b>				
Additions to intangible assets	(291)	-	(566)	-
Proceeds from disposal of property, plant and equipment	-	1	114	1
Investment in an associate	-	-	-	(68)
Purchase of property, plant and equipment	(5,804)	(2,748)	(13,568)	(3,593)
<b>Net cash flows used in investing activities</b>	<b>(6,095)</b>	<b>(2,747)</b>	<b>(14,020)</b>	<b>(3,660)</b>
<b>Financing activities</b>				
Proceeds from loans and borrowings	3,362	-	23,705	28,018
Repayment of loans and borrowings	-	(613)	(44,000)	(26,613)
Dividends paid to non-controlling interests	(500)	(500)	(1,000)	(1,000)
Dividends paid on ordinary shares	-	-	(14,100)	(14,100)
<b>Net cash flows from/(used) in financing activities</b>	<b>2,862</b>	<b>(1,113)</b>	<b>(35,395)</b>	<b>(13,695)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,878</b>	<b>26,405</b>	<b>(18,081)</b>	<b>23,410</b>
Effects of exchange rate changes on cash and cash equivalents	(305)	(696)	915	(2,118)
Cash and cash equivalents at beginning of financial period	159,757	120,432	180,496	124,849
<b>Cash and cash equivalents at end of financial period</b>	<b>163,330</b>	<b>146,141</b>	<b>163,330</b>	<b>146,141</b>

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

	Group	
	31 Dec 18 \$'000	31 Dec 17 \$'000
Cash and bank balances	111,503	110,738
Fixed deposits with banks	51,827	35,403
	<b>163,330</b>	<b>146,141</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
<b>Group</b>								
<b>Balance at 1 April 2017</b>								
- 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
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	6,977	6,977	139	7,116
<b>Other comprehensive income</b>								
Foreign currency translation	-	(1,234)	-	-	-	(1,234)	(89)	(1,323)
Total other comprehensive loss	-	(1,234)	-	-	-	(1,234)	(89)	(1,323)
<b>Total comprehensive (loss)/income</b>	-	(1,234)	-	-	6,977	5,743	50	5,793
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(500)	(500)
<b>Balance at 30 June 2017</b>	67,638	(1,234)	(142)	3,372	414,586	484,220	12,871	497,091
<b>Balance at 1 July 2017</b>	67,638	(1,234)	(142)	3,372	414,586	484,220	12,871	497,091
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	10,697	10,697	186	10,883
<b>Other comprehensive income</b>								
Foreign currency translation	-	(744)	-	-	-	(744)	(245)	(989)
Total other comprehensive loss	-	(744)	-	-	-	(744)	(245)	(989)
<b>Total comprehensive (loss)/income</b>	-	(744)	-	-	10,697	9,953	(59)	9,894
<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)
<b>Balance at 30 September 2017</b>	67,638	(1,978)	(142)	3,372	411,183	480,073	12,812	492,885
<b>Balance at 1 October 2017</b>	67,638	(1,978)	(142)	3,372	411,183	480,073	12,812	492,885
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	14,188	14,188	200	14,388
<b>Other comprehensive income</b>								
Foreign currency translation	-	(2,459)	-	-	-	(2,459)	(127)	(2,586)
Total other comprehensive loss	-	(2,459)	-	-	-	(2,459)	(127)	(2,586)
<b>Total comprehensive (loss)/income</b>	-	(2,459)	-	-	14,188	11,729	73	11,802
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(500)	(500)
<b>Balance at 31 December 2017</b>	67,638	(4,437)	(142)	3,372	425,371	491,802	12,385	504,187

**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
<b>Balance at 1 April 2018</b>								
- 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
Total other comprehensive income	-	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)
<b>Balance at 30 June 2018</b>	67,638	(4,671)	(142)	3,372	457,620	523,817	12,595	536,412
<b>Balance at 1 July 2018</b>	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)
Total other comprehensive (loss)/income	-	(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)
<b>Balance at 30 September 2018</b>	67,638	(6,028)	(142)	3,372	457,000	521,840	12,869	534,709
<b>Balance at 1 October 2018</b>	67,638	(6,028)	(142)	3,372	457,000	521,840	12,869	534,709
<b>Total comprehensive income</b>								
Profit for the period	-	-	-	-	18,333	18,333	265	18,598
<b>Other comprehensive income</b>								
Foreign currency translation	-	(2,012)	-	-	-	(2,012)	68	(1,944)
Total other comprehensive (loss)/income	-	(2,012)	-	-	-	(2,012)	68	(1,944)
<b>Total comprehensive (loss)/income</b>	-	(2,012)	-	-	18,333	16,321	333	16,654
<b>Contributions by and distributions to owners</b>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(500)	(500)
<b>Total transactions with owners</b>	-	-	-	-	-	-	(500)	(500)
<b>Balance at 31 December 2018</b>	67,638	(8,040)	(142)	3,372	475,333	538,161	12,702	550,863

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

<u>Company</u>	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Balance at 1 April 2017</b>	<b>67,638</b>	<b>199,445</b>	<b>267,083</b>
<b>Total comprehensive income</b>			
Profit for the period	-	3,393	3,393
<b>Total comprehensive income</b>	<b>-</b>	<b>3,393</b>	<b>3,393</b>
<b>Balance at 30 June 2017</b>	<b>67,638</b>	<b>202,838</b>	<b>270,476</b>
<b>Balance at 1 July 2017</b>	<b>67,638</b>	<b>202,838</b>	<b>270,476</b>
<b>Total comprehensive income</b>			
Profit for the period	-	2,654	2,654
<b>Total comprehensive income</b>	<b>-</b>	<b>2,654</b>	<b>2,654</b>
<b>Contributions by and distributions to owners</b>			
Dividends on ordinary shares	-	(14,100)	(14,100)
<b>Total transactions with owners</b>	<b>-</b>	<b>(14,100)</b>	<b>(14,100)</b>
<b>Balance at 30 September 2017</b>	<b>67,638</b>	<b>191,392</b>	<b>259,030</b>
<b>Balance at 1 October 2017</b>	<b>67,638</b>	<b>191,392</b>	<b>259,030</b>
<b>Total comprehensive income</b>			
Profit for the period	-	5,427	5,427
<b>Total comprehensive income</b>	<b>-</b>	<b>5,427</b>	<b>5,427</b>
<b>Balance at 31 December 2017</b>	<b>67,638</b>	<b>196,819</b>	<b>264,457</b>
<b>Balance at 1 April 2018</b>	<b>67,638</b>	<b>205,033</b>	<b>272,671</b>
<b>Total comprehensive income</b>			
Profit for the period	-	5,421	5,421
<b>Total comprehensive income</b>	<b>-</b>	<b>5,421</b>	<b>5,421</b>
<b>Balance at 30 June 2018</b>	<b>67,638</b>	<b>210,454</b>	<b>278,092</b>
<b>Balance at 1 July 2018</b>	<b>67,638</b>	<b>210,454</b>	<b>278,092</b>
<b>Total comprehensive income</b>			
Profit for the period	-	32,537	32,537
<b>Total comprehensive income</b>	<b>-</b>	<b>32,537</b>	<b>32,537</b>
<b>Contributions by and distributions to owners</b>			
Dividends on ordinary shares	-	(14,100)	(14,100)
<b>Total transactions with owners</b>	<b>-</b>	<b>(14,100)</b>	<b>(14,100)</b>
<b>Balance at 30 September 2018</b>	<b>67,638</b>	<b>228,891</b>	<b>296,529</b>
<b>Balance at 1 October 2018</b>	<b>67,638</b>	<b>228,891</b>	<b>296,529</b>
<b>Total comprehensive income</b>			
Profit for the period	-	5,615	5,615
<b>Total comprehensive income</b>	<b>-</b>	<b>5,615</b>	<b>5,615</b>
<b>Balance at 31 December 2018</b>	<b>67,638</b>	<b>234,506</b>	<b>302,144</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 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**

31 Dec 18	31 Mar 18
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			
		Third Quarter ended		Nine Months ended	
		31 Dec 18	31 Dec 17	31 Dec 18	31 Dec 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)	2.60	2.01	6.54	4.52

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 December 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	
	31 Dec 18	31 Mar 18	31 Dec 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 \$)	0.76	0.72	0.43	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**

**3Q FY2019 vs 3Q FY2018**

Revenue for the quarter ended 31 December 2018 ("3Q FY2019") was at \$188.9 million compared to \$182.9 million achieved in the same period last year ("3Q FY2018"), an increase of 3%.

Gross margin was higher at 26.7% (3Q FY2018: 24.6%). Profit after tax was \$18.6 million, 29% higher compared to \$14.4 million achieved in 3Q FY2018.

**9M FY2019 vs 9M FY2018**

For the 9 months ended 31 December 2018 ("9M FY2019"), Group revenue increased by 5% to \$544.3 million (9M FY2018: \$520.4 million) with gross margin at 25.5% (9M FY2018: 22.7%).

Share of results of associates improved with higher contributions from Thailand. Group profit after tax increased by 44% to \$46.8 million (9M FY2018: \$32.4 million).

As at 31 December 2018, Group inventory was \$290.4 million (31 March 2018: \$282.5 million). Cash and cash equivalents was \$163.3 million (31 March 2018: \$180.5 million), after a net repayment of loans amounting to \$20.3 million. Consolidated net assets were \$538.2 million or \$0.76 per share.

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

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

Global economic shifts continue to impair consumer sentiment. 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 and the reason(s) for the decision.**

No dividend is declared or recommended in respect of the current financial period reported on. However, as in past years, the Directors will consider the recommendation of a full-year (final) dividend.

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

The Company does not have an IPT mandate.

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 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  
14 February 2019

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company (comprising the statements of financial position, statements of changes in equity, consolidated income statement, consolidated statement of comprehensive income, and consolidated statement of cash flow together with their accompanying notes) for the nine months ended 31 December 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  
14 February 2019