



# THE HOUR GLASS

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

Condensed Interim Consolidated Financial Statements  
For the Half Year Ended 30 September 2021

**Table of Contents**  
**For the half year ended 30 September 2021**

---

	<b>Page</b>
A. Condensed interim consolidated income statement	1
B. Condensed interim consolidated statement of comprehensive income	2
C. Condensed interim statements of financial position	3
D. Condensed interim statements of changes in equity	4
E. Condensed interim consolidated statement of cash flows	6
F. Business review and market outlook	7
G. Notes to the condensed interim consolidated financial statements	8
H. Other information required by Appendix 7.2 of the Listing Manual	19

**A. Condensed interim consolidated income statement**  
**For the half year ended 30 September 2021**

		<b>Group</b>		
		<b>Half Year ended</b>		
	<b>Note</b>	<b>30 Sep 21</b>	<b>30 Sep 20</b>	<b>Change</b>
		\$'000	\$'000	%
Revenue	4	472,407	289,821	63%
Other income	5	5,041	5,049	0%
<b>Revenue and other income</b>		<b>477,448</b>	<b>294,870</b>	<b>62%</b>
Cost of goods sold		333,964	213,989	56%
Salaries and employee benefits		29,146	16,636	75%
Selling and promotion expenses		12,600	6,468	95%
Depreciation of property, plant and equipment		5,120	2,823	81%
Depreciation of right-of-use assets		13,919	13,683	2%
Rental expenses		2,259	(848)	NM
Finance costs	6	1,799	1,694	6%
Foreign exchange (gain)/loss		(178)	462	NM
Other expenses	7	7,372	5,303	39%
<b>Costs and expenses</b>		<b>406,001</b>	<b>260,210</b>	<b>56%</b>
Share of results of associates		6,578	3,372	95%
<b>Profit before taxation</b>		<b>78,025</b>	<b>38,032</b>	<b>105%</b>
Taxation	8	14,492	7,721	88%
<b>Profit for the period</b>		<b>63,533</b>	<b>30,311</b>	<b>110%</b>
<b>Profit attributable to:</b>				
Owners of the Company		62,553	29,719	110%
Non-controlling interests		980	592	66%
		<b>63,533</b>	<b>30,311</b>	<b>110%</b>
<b>Earnings per share (cents)</b>				
Basic and diluted	10	8.95	4.22	112%

*NM – Not Meaningful*

**B. Condensed interim consolidated statement of comprehensive income**  
**For the half year ended 30 September 2021**

---

	<b>Group</b>		
	<b>Half Year ended</b>		
	<b>30 Sep 21</b>	<b>30 Sep 20</b>	<b>Change</b>
	\$'000	\$'000	%
<b>Profit for the period</b>	<b>63,533</b>	<b>30,311</b>	<b>110%</b>
<b>Other comprehensive income:</b>			
<u>Item that may be reclassified subsequently to profit or loss:</u>			
Foreign currency translation	(14,504)	10,966	NM
Other comprehensive (loss)/income for the period, net of tax	(14,504)	10,966	NM
<b>Total comprehensive income for the period</b>	<b>49,029</b>	<b>41,277</b>	<b>19%</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	48,147	41,405	16%
Non-controlling interests	882	(128)	NM
	<b>49,029</b>	<b>41,277</b>	<b>19%</b>

*NM – Not Meaningful*

**C. Condensed interim statements of financial position**  
**As at 30 September 2021**

	Note	Group		Company	
		30 Sep 21 \$'000	31 Mar 21 \$'000	30 Sep 21 \$'000	31 Mar 21 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	139,521	145,509	9,864	10,055
Right-of-use assets	13	99,745	86,834	58,517	51,341
Investment properties	14	174,419	143,739	11,272	11,272
Intangible assets	15	15,083	15,439	367	410
Investment in subsidiaries		-	-	118,396	118,371
Investment in associates		44,720	46,407	-	-
Other receivables		7,708	7,620	4,397	4,308
Deferred tax assets		1,835	1,686	770	579
		483,031	447,234	203,583	196,336
<b>Current assets</b>					
Inventories		256,186	259,096	154,134	159,741
Trade and other receivables		21,690	15,625	10,213	5,010
Prepaid operating expenses		1,665	989	804	455
Amounts due from associates		76	109	7	37
Amounts due from subsidiaries		-	-	11,770	6,088
Cash and bank balances		246,776	247,872	123,730	140,675
		526,393	523,691	300,658	312,006
<b>Total assets</b>		<b>1,009,424</b>	<b>970,925</b>	<b>504,241</b>	<b>508,342</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Loans and borrowings	16	120,221	105,121	-	-
Trade and other payables		70,246	60,359	31,358	29,515
Amounts due to associates		27	170	27	170
Amounts due to subsidiaries		-	-	8,560	8,377
Lease liabilities		27,529	22,769	17,586	14,870
Income tax payable		18,138	16,144	8,819	7,891
		236,161	204,563	66,350	60,823
<b>Net current assets</b>		<b>290,232</b>	<b>319,128</b>	<b>234,308</b>	<b>251,183</b>
<b>Non-current liabilities</b>					
Provisions		335	411	-	-
Lease liabilities		78,130	69,622	44,889	40,308
Deferred tax liabilities		931	1,005	-	-
		79,396	71,038	44,889	40,308
<b>Total liabilities</b>		<b>315,557</b>	<b>275,601</b>	<b>111,239</b>	<b>101,131</b>
<b>Net assets</b>		<b>693,867</b>	<b>695,324</b>	<b>393,002</b>	<b>407,211</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	17(a)	67,638	67,638	67,638	67,638
Treasury shares	17(b)	(22,650)	(590)	(22,650)	(590)
Reserves		633,252	612,903	348,014	340,163
		678,240	679,951	393,002	407,211
<b>Non-controlling interests</b>		15,627	15,373	-	-
<b>Total equity</b>		<b>693,867</b>	<b>695,324</b>	<b>393,002</b>	<b>407,211</b>
<b>Total equity and liabilities</b>		<b>1,009,424</b>	<b>970,925</b>	<b>504,241</b>	<b>508,342</b>

**D. Condensed interim statements of changes in equity**  
**For the half year ended 30 September 2021**

	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
<b>Group</b>									
<b>Balance at 1 April 2020</b>	67,638	(590)	(17,084)	(142)	3,372	554,558	607,752	15,031	622,783
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	-	29,719	29,719	592	30,311
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	11,686	-	-	-	11,686	(720)	10,966
Total other comprehensive income/(loss)	-	-	11,686	-	-	-	11,686	(720)	10,966
<b>Total comprehensive income/(loss)</b>	-	-	11,686	-	-	29,719	41,405	(128)	41,277
<b>Contributions by and distributions to owners</b>									
Dividends on ordinary shares	-	-	-	-	-	(14,080)	(14,080)	-	(14,080)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(152)	(152)
<b>Total transactions with owners</b>	-	-	-	-	-	(14,080)	(14,080)	(152)	(14,232)
<b>Balance at 30 September 2020</b>	67,638	(590)	(5,398)	(142)	3,372	570,197	635,077	14,751	649,828

	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
<b>Group</b>									
<b>Balance at 1 April 2021</b>	67,638	(590)	817	(142)	3,303	608,925	679,951	15,373	695,324
<b>Total comprehensive income</b>									
Profit for the period	-	-	-	-	-	62,553	62,553	980	63,533
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	(14,406)	-	-	-	(14,406)	(98)	(14,504)
Total other comprehensive loss	-	-	(14,406)	-	-	-	(14,406)	(98)	(14,504)
<b>Total comprehensive (loss)/income</b>	-	-	(14,406)	-	-	62,553	48,147	882	49,029
<b>Contributions by and distributions to owners</b>									
Purchase of treasury shares	-	(22,060)	-	-	-	-	(22,060)	-	(22,060)
Dividends on ordinary shares	-	-	-	-	-	(27,798)	(27,798)	-	(27,798)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(628)	(628)
<b>Total transactions with owners</b>	-	(22,060)	-	-	-	(27,798)	(49,858)	(628)	(50,486)
<b>Balance at 30 September 2021</b>	67,638	(22,650)	(13,589)	(142)	3,303	643,680	678,240	15,627	693,867

**D. Condensed interim statements of changes in equity (cont'd)**  
**For the half year ended 30 September 2021**

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Balance at 1 April 2020</b>	67,638	(590)	300,171	367,219
<b>Total comprehensive income</b>				
Profit for the period	-	-	24,584	24,584
<b>Total comprehensive income</b>	-	-	<b>24,584</b>	<b>24,584</b>
<b>Contributions by and distributions to owners</b>				
Dividends on ordinary shares	-	-	(14,080)	(14,080)
<b>Total transactions with owners</b>	-	-	<b>(14,080)</b>	<b>(14,080)</b>
<b>Balance at 30 September 2020</b>	<b>67,638</b>	<b>(590)</b>	<b>310,675</b>	<b>377,723</b>
<b>Balance at 1 April 2021</b>	<b>67,638</b>	<b>(590)</b>	<b>340,163</b>	<b>407,211</b>
<b>Total comprehensive income</b>				
Profit for the period	-	-	35,649	35,649
<b>Total comprehensive income</b>	-	-	<b>35,649</b>	<b>35,649</b>
<b>Contributions by and distributions to owners</b>				
Purchase of treasury shares	-	(22,060)	-	(22,060)
Dividends on ordinary shares	-	-	(27,798)	(27,798)
<b>Total transactions with owners</b>	-	<b>(22,060)</b>	<b>(27,798)</b>	<b>(49,858)</b>
<b>Balance at 30 September 2021</b>	<b>67,638</b>	<b>(22,650)</b>	<b>348,014</b>	<b>393,002</b>

**E. Condensed interim consolidated statement of cash flows**  
**For the half year ended 30 September 2021**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	78,025	38,032
Adjustments for:		
Finance costs	1,799	1,694
Interest income	(225)	(329)
Depreciation of property, plant and equipment	5,120	2,823
Depreciation of right-of-use assets	13,919	13,683
Amortisation of intangible assets	466	652
Foreign currency translation adjustment	(543)	(1,177)
Net (gain)/loss on disposal of property, plant and equipment	(140)	36
Gain on de-recognition of right-of-use assets	-	(221)
Share of results of associates	(6,578)	(3,372)
<b>Operating cash flows before changes in working capital</b>	<b>91,843</b>	<b>51,821</b>
Decrease in inventories	1,547	4,666
(Increase)/decrease in trade and other receivables	(6,245)	2,169
Increase in prepaid operating expenses	(696)	(204)
Decrease in amounts due from associates	27	2,840
Increase in trade and other payables	10,727	6,123
(Decrease)/increase in amounts due to associates	(143)	161
<b>Cash flows from operations</b>	<b>97,060</b>	<b>67,576</b>
Income taxes paid	(12,505)	(7,537)
Interest paid	(1,799)	(1,694)
Interest received	225	329
<b>Net cash flows from operating activities</b>	<b>82,981</b>	<b>58,674</b>
<b>Investing activities</b>		
Additions to intangible assets	(146)	(111)
Dividend received from an associate	4,161	-
Proceeds from disposal of property, plant and equipment	140	64
Purchase of investment property	(36,516)	-
Purchase of property, plant and equipment	(4,211)	(7,447)
<b>Net cash flows used in investing activities</b>	<b>(36,572)</b>	<b>(7,494)</b>
<b>Financing activities</b>		
Proceeds from loans and borrowings	19,776	-
Repayment of loans and borrowings	(990)	-
Payment of lease liabilities	(13,456)	(12,485)
Dividends paid to non-controlling interests	(628)	(152)
Dividends paid on ordinary shares	(27,798)	(14,080)
Purchase of treasury shares	(22,060)	-
<b>Net cash flows used in financing activities</b>	<b>(45,156)</b>	<b>(26,717)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,253</b>	<b>24,463</b>
Effects of exchange rate changes on cash and cash equivalents	(2,349)	(657)
Cash and cash equivalents at beginning of financial period	247,872	183,131
<b>Cash and cash equivalents at end of financial period</b>	<b>246,776</b>	<b>206,937</b>

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

	<b>Group</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
	\$'000	\$'000
Cash at bank and on hand	236,512	189,508
Fixed deposits with banks	10,264	17,429
	<b>246,776</b>	<b>206,937</b>



**F. Business review and market outlook**  
**For the half year ended 30 September 2021**

---

- 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 for the half year ended 30 September 2021

Revenue for the half year ended 30 September 2021 ("1H FY2022") increased by 63% to \$472.4 million (1H FY2021: \$289.8 million). Gross margin was 29.3% in 1H FY2022 versus 26.2% in 1H FY2021.

Profit after tax rose 110% to \$63.5 million (1H FY2021: \$30.3 million).

Higher operating expenses were due to increased staff costs, rental expenses and advertising and promotion activities. Lower rental rebates and reduced government wage support also contributed to overall increase in expenses.

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

As at 30 September 2021, group inventories were \$256.2 million (31 March 2021: \$259.1 million). Cash and bank balances stood at \$246.8 million (31 March 2021: \$247.9 million).

The Group purchased 181 Collins Street, Melbourne, which contributed to the increase in the Group's investment properties portfolio. This acquisition was funded by cash and bank borrowings.

Trade and other receivables and trade and other payables increased by \$6.1 million and \$9.9 million respectively.

Consolidated net assets were \$678.2 million or \$0.98 per share, as at 30 September 2021.

- 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.**

The COVID-19 pandemic continues to cause periodic disruptions to social and business activities. However, consumer sentiment within the watch industry remains positive. With the present momentum, the Group expects to continue to be profitable in 2H FY2022, and for the full financial year.

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

---

**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 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 interim consolidated financial statements for the half year ended 30 September 2021 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 interim 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 annual consolidated financial statements for the year ended 31 March 2021.

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 interim 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 2021. 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 interim 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 2021.

**3. Seasonal operations**

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

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

**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**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
	\$'000	\$'000
Rental income	3,747	2,459
Interest income from cash and bank balances	225	329
Management fee income from associates	792	562
Government grants	–	1,190
Net gain on disposal of property, plant and equipment	140	–
Others	137	509
	5,041	5,049
	5,041	5,049

Government grants relate mainly to property tax rebates and cash grants received from the Singapore Government to help businesses deal with the impact from COVID-19.

**6. Finance costs**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
	\$'000	\$'000
Interest on loans and borrowings	690	499
Interest on lease liabilities	1,109	1,195
	1,799	1,694
	1,799	1,694

**7. Other expenses**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
	\$'000	\$'000
Net loss on disposal of property, plant and equipment	–	36
Facility costs	3,448	2,126
Professional fees	1,520	1,146
General and administrative expenses	2,404	1,995
	7,372	5,303
	7,372	5,303

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

---

**8. Taxation**

Major components of income tax expense

The major components of income tax expense for the half years ended 30 September 2021 and 2020 are:

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
	\$'000	\$'000
<b>Consolidated income statement:</b>		
Current income tax		
- Current income taxation	15,823	7,734
- (Over)/under provision in respect of previous years	(1,068)	58
	<hr/>	<hr/>
	14,755	7,792
Deferred income tax		
- Origination and reversal of temporary differences	(263)	(71)
	<hr/>	<hr/>
	(263)	(71)
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	14,492	7,721
	<hr/>	<hr/>

**9. Dividends**

	<b>Group and Company</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
	\$'000	\$'000
<b><i>Declared and paid during the financial period</i></b>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend in respect of the year ended 31 March 2021: 4.00 cents (2020: 2.00 cents)	27,798	14,080
	<hr/>	<hr/>

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

---

**10. Earnings per share**

	<b>Group</b>	
	<b>Half Year ended</b>	
	<b>30 Sep 21</b>	<b>30 Sep 20</b>
Profit for the period attributable to owners of the Company (\$'000)	62,553	29,719
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share ('000)	699,068	703,982
Basic and diluted earnings per share (cents)	8.95	4.22

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 or bought back 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 2021.

**11. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 21</b>	<b>31 Mar 21</b>	<b>30 Sep 21</b>	<b>31 Mar 21</b>
Number of issued shares ('000)	688,946	703,982	688,946	703,982
Net asset value per ordinary share (in \$)	0.98	0.97	0.57	0.58

**12. Property, plant and equipment**

During the half year ended 30 September 2021, the Group acquired assets amounting to \$4,211,000 (30 Sep 20: \$7,447,000) and disposed of assets with cost and carrying value amounting to \$428,000 and \$Nil (30 Sep 20: \$1,507,000 and \$100,000) respectively.

**13. Right-of-use assets**

During the half year ended 30 September 2021, the Group recognised \$27,484,000 (30 Sep 20: \$12,404,000) of additions and lease modifications based on new leases and changes in lease terms upon renewal.

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

**14. Investment properties**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 21</b>	<b>31 Mar 21</b>	<b>30 Sep 21</b>	<b>31 Mar 21</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 April	143,739	96,511	11,272	11,287
Additions during the half year / full year	36,516	72,753	–	–
Fair value adjustments	–	(9,997)	–	(15)
Transferred to property, plant and equipment	–	(29,561)	–	–
Translation adjustment	(5,836)	14,033	–	–
At 30 September / 31 March	<u>174,419</u>	<u>143,739</u>	<u>11,272</u>	<u>11,272</u>

Investment properties are stated at fair value, which has been determined based on latest valuations performed as at 31 March 2021. 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 half year ended 30 September 2021, the Group did not engage independent valuers to determine the fair value of the properties. However, management had taken into considerations those underlying factors that would have impacts to the fair value of the investment properties since the last valuations completed in March 2021. There are no major aspects that could affect the fair value of the investment properties as at 30 September 2021.

**15. Intangible assets**

Intangible assets comprise goodwill, brands, customer relationships and software.

Goodwill and impairment testing of goodwill

Goodwill acquired in a business combination is allocated to the cash generating unit (“CGU”), which is the watch and jewellery business of The Hour Glass (NZ) Limited.

The recoverable amount of the CGU has been determined based on value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

As at 30 September 2021, the Group reviewed the key assumptions used in the value-in-use calculation as at 31 March 2021 impairment test and noted that the assumptions remained reasonable. No impairment loss was recognised as at 30 September 2021.

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

**16. Loans and borrowings**

	<b>Group</b>	
	<b>30 Sep 21</b>	<b>31 Mar 21</b>
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured loans	108,030	92,891
Unsecured loan	12,191	12,230
	120,221	105,121
	120,221	105,121
Amount repayable after one year		
Secured loans	–	–
Unsecured loan	–	–
	–	–
	–	–

The unsecured loan of \$12,191,000 (31 March 2021: \$12,230,000) of a subsidiary is secured by a corporate guarantee given by the Company. The secured loans of \$108,030,000 (31 March 2021: \$92,891,000) are secured by certain properties held by subsidiaries and corporate guarantees given by the Company.

**17. Share capital and treasury shares**

(a) **Share capital**

	<b>Group and Company</b>			
	<b>30 Sep 21</b>		<b>31 Mar 21</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
Balance at 1 April and 30 September / 31 March	705,012	67,638	705,012	67,638
	705,012	67,638	705,012	67,638

As at 30 September 2021, the Company's total issued shares is 688,945,880 ordinary shares (31 March 2021: 703,981,880) excluding 16,066,000 shares held as treasury shares (31 March 2021: 1,030,000).

(b) **Treasury shares**

	<b>Group and Company</b>			
	<b>30 Sep 21</b>		<b>31 Mar 21</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 April	(1,030)	(590)	(1,030)	(590)
Acquired during the financial period	(15,036)	(22,060)	–	–
At 30 September / 31 March	(16,066)	(22,650)	(1,030)	(590)
	(16,066)	(22,650)	(1,030)	(590)

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

---

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

**(b) Treasury shares (cont'd)**

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

As at 30 September 2021, the Company held 16,066,000 treasury shares (30 September 2020: 1,030,000) which represents 2.332% (30 September 2020: 0.146%) of the total number of issued shares (excluding treasury shares).

The Company does not have any outstanding share convertibles 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.

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

**18. Related party transactions**

***Sale and purchase of goods and services***

In addition to those related party information disclosed elsewhere in the condensed interim 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 period:

	<b>Sale of goods</b> \$'000	<b>Purchase of goods</b> \$'000	<b>Services rendered</b> \$'000	<b>Rental expenses</b> \$'000	<b>Rental income</b> \$'000	<b>Commission received</b> \$'000
<b>Half Year ended 30 Sep 21</b>						
Associates	22	213	–	–	–	13
Directors and close family members of directors of the Company	126	–	300	–	–	–
Directors-related companies	–	–	–	192	14	–
Key management personnel	55	–	–	60	–	–
<b>Half Year ended 30 Sep 20</b>						
Associates	–	165	–	–	–	–
Directors and close family members of directors of the Company	1,889	–	300	–	–	–
Directors-related companies	–	–	–	167	15	–
Key management personnel	22	–	–	60	–	–



**19. Commitments**

The capital commitments of the Group as at 30 September 2021 are not significantly different from its capital commitments as at 31 March 2021.

**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 interim consolidated financial statements**  
**For the half year ended 30 September 2021**

**20. Segment information (cont'd)**

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
<b>Half Year ended 30 Sep 21</b>					
<b>Segment revenue:</b>					
Sales to external customers	417,314	55,093	472,407	-	472,407
Inter-segment sales	10,263	17	10,280	(10,280)	-
Interest income	224	1	225	-	225
Other income	21,728	28	21,756	(16,940)	4,816
Revenue and other income	449,529	55,139	504,668	(27,220)	477,448
<b>Segment results:</b>					
Segment results	78,540	8,518	87,058	(13,812)	73,246
Finance costs <sup>(1)</sup>					(1,799)
Share of results of associates					6,578
Profit before taxation					78,025
Taxation					(14,492)
Profit for the period					63,533
<b>Other segment information:</b>					
Capital expenditure for the period	2,055	2,302	4,357	-	4,357
Depreciation and amortisation <sup>(2)</sup>	16,173	3,332	19,505	-	19,505
<b>Half Year ended 30 Sep 20</b>					
<b>Segment revenue:</b>					
Sales to external customers	245,716	44,105	289,821	-	289,821
Inter-segment sales	474	292	766	(766)	-
Interest income	322	7	329	-	329
Other income	22,418	282	22,700	(17,980)	4,720
Revenue and other income	268,930	44,686	313,616	(18,746)	294,870
<b>Segment results:</b>					
Segment results	45,495	5,700	51,195	(14,841)	36,354
Finance costs <sup>(1)</sup>					(1,694)
Share of results of associates					3,372
Profit before taxation					38,032
Taxation					(7,721)
Profit for the period					30,311
<b>Other segment information:</b>					
Capital expenditure for the period	7,142	416	7,558	-	7,558
Depreciation and amortisation <sup>(2)</sup>	13,352	3,806	17,158	-	17,158

<sup>(1)</sup> Includes interest on lease liabilities

<sup>(2)</sup> Includes depreciation of right-of-use assets

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
<b>30 Sep 21</b>					
Segment assets	859,830	104,874	964,704	-	964,704
Investment in associates	44,720	-	44,720	-	44,720
					1,009,424
Segment liabilities	280,700	34,857	315,557	-	315,557
<b>31 Mar 21</b>					
Segment assets	835,149	89,369	924,518	-	924,518
Investment in associates	46,407	-	46,407	-	46,407
					970,925
Segment liabilities	251,958	23,643	275,601	-	275,601

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

**21. Financial assets and financial liabilities**

The table below summarises the financial assets and financial liabilities of the Group and Company as at 30 September 2021 and 31 March 2021.

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 21</b>	<b>31 Mar 21</b>	<b>30 Sep 21</b>	<b>31 Mar 21</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets at amortised cost</b>				
Trade and other receivables	28,709	23,058	14,610	9,318
Amounts due from associates	76	109	7	37
Amounts due from subsidiaries	–	–	11,770	6,088
Cash and bank balances	246,776	247,872	123,730	140,675
<b>Total financial assets at amortised cost</b>	<b>275,561</b>	<b>271,039</b>	<b>150,117</b>	<b>156,118</b>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	65,827	55,730	28,294	26,500
Loans and borrowings	120,221	105,121	–	–
Amounts due to associates	27	170	27	170
Amounts due to subsidiaries	–	–	8,560	8,377
Lease liabilities	105,659	92,391	62,475	55,178
<b>Total financial liabilities at amortised cost</b>	<b>291,734</b>	<b>253,412</b>	<b>99,356</b>	<b>90,225</b>

**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 from Level 1 and Level 2 to Level 3 during the period under review.

**G. Notes to the condensed interim consolidated financial statements**  
**For the half year ended 30 September 2021**

**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 period:

	<b>Group</b>			
	<b>30 Sep 21</b>			
	<b>\$'000</b>			
	<b>Fair value measurements at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical instruments</b>	<b>Significant observable inputs other than quoted prices</b>	<b>Significant unobservable inputs</b>	<b>Total</b>
	(Level 1)	(Level 2)	(Level 3)	
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
<b>Non-financial assets:</b>				
Investment properties	–	–	174,419	174,419
<b>Total non-financial assets</b>	–	–	174,419	174,419

	<b>Group</b>			
	<b>31 Mar 21</b>			
	<b>\$'000</b>			
	<b>Fair value measurements at the end of the reporting period using</b>			
	<b>Quoted prices in active markets for identical instruments</b>	<b>Significant observable inputs other than quoted prices</b>	<b>Significant unobservable inputs</b>	<b>Total</b>
	(Level 1)	(Level 2)	(Level 3)	
<b>Recurring fair value measurements</b>				
<b>Assets</b>				
<b>Non-financial assets:</b>				
Investment properties	–	–	143,739	143,739
<b>Total non-financial assets</b>	–	–	143,739	143,739

Information about the valuation techniques and significant unobservable inputs used in Level 3 fair value measurements were disclosed in the annual consolidated financial statements for the year ended 31 March 2021.

**H. Other information required by Appendix 7.2 of the Listing Manual  
For the half year ended 30 September 2021**

---

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

The condensed interim statements of financial position of The Hour Glass Limited and its subsidiaries as at 30 September 2021 and the related condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the half 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 the half year ended 30 September 2021.

**3. Dividend**

The Board of Directors has approved an interim dividend of 2.00 cents per ordinary share (2020: 2.00 cents) for the half year ended 30 September 2021, amounting to approximately \$13,750,000 (2020: \$14,080,000).

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

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

Yes.

<b>Name of Dividend</b>	<b>Interim Dividend</b>
Dividend Type	Cash
Dividend amount per Ordinary Share	2.00 cents
Tax Rate	(one-tier) tax exempt

No scrip alternative will be offered for this interim dividend.

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

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

Yes.

<b>Name of Dividend</b>	<b>Interim Dividend</b>
Dividend Type	Cash
Dividend amount per Ordinary Share	2.00 cents
Tax Rate	(one-tier) tax exempt

**H. Other information required by Appendix 7.2 of the Listing Manual  
For the half year ended 30 September 2021**

---

**3. Dividend (cont'd)**

**(c) Date Payable**

3 December 2021

**(d) Record Date**

5.00 p.m. on 24 November 2021

Please refer to the Company's announcement on Notice of Record Date for Interim Dividend dated 12 November 2021 for details on the books closure for the interim dividend.

**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**

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 condensed interim consolidated financial statements of the Group and the Company (comprising the condensed interim statements of financial position, condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows together with their accompanying notes) for the half year ended 30 September 2021 to be false or misleading in any material respect.

Signed by Dr Henry Tay Yun Chwan and Mr Michael Tay Wee Jin on behalf of the Board of Directors.

**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.

**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
12 November 2021

**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 condensed interim consolidated financial statements of the Group and the Company (comprising the condensed interim statements of financial position, condensed interim consolidated income statement, condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows together with their accompanying notes) for the half year ended 30 September 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors



Henry Tay Yun Chwan  
Executive Chairman



Michael Tay Wee Jin  
Group Managing Director

Singapore  
12 November 2021