



**THE HOUR GLASS**

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

Condensed Consolidated Financial Statements and Dividend Announcement  
For the Second Half and Full Year Ended 31 March 2022

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**For the second half and full year ended 31 March 2022**

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**A. Condensed consolidated income statement**  
**For the second half and full year ended 31 March 2022**

		Group					
		Second Half ended			Full Year ended		
Note	31 Mar 22	31 Mar 21	Change	31 Mar 22	31 Mar 21	Change	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	4	560,997	453,110	24%	1,033,404	742,931	39%
Other income	5	5,481	3,809	44%	10,522	8,858	19%
<b>Revenue and other income</b>		<b>566,478</b>	<b>456,919</b>	<b>24%</b>	<b>1,043,926</b>	<b>751,789</b>	<b>39%</b>
Cost of goods sold		361,642	311,650	16%	695,606	525,639	32%
Salaries and employee benefits		35,514	30,380	17%	64,660	47,016	38%
Selling and promotion expenses		10,728	8,832	21%	23,328	15,300	52%
Depreciation of property, plant and equipment		5,241	4,959	6%	10,361	7,782	33%
Depreciation of right-of-use assets		14,178	13,310	7%	28,097	26,993	4%
Rental expenses		3,755	2,357	59%	6,014	1,509	299%
Finance costs	6	1,908	1,711	12%	3,707	3,405	9%
Foreign exchange loss/(gain)		208	(251)	NM	30	211	-86%
Other expenses	7	7,855	8,131	-3%	15,227	13,434	13%
<b>Costs and expenses</b>		<b>441,029</b>	<b>381,079</b>	<b>16%</b>	<b>847,030</b>	<b>641,289</b>	<b>32%</b>
Impairment loss on property, plant and equipment	12	(2,483)	-	NM	(2,483)	-	NM
Impairment loss on goodwill	15	(4,161)	-	NM	(4,161)	-	NM
Fair value loss on investment properties		(1,394)	(9,997)	-86%	(1,394)	(9,997)	-86%
Share of results of associates		9,077	6,016	51%	15,655	9,388	67%
<b>Profit before taxation</b>		<b>126,488</b>	<b>71,859</b>	<b>76%</b>	<b>204,513</b>	<b>109,891</b>	<b>86%</b>
Taxation	8	33,009	17,632	87%	47,501	25,353	87%
<b>Profit for the period/year</b>		<b>93,479</b>	<b>54,227</b>	<b>72%</b>	<b>157,012</b>	<b>84,538</b>	<b>86%</b>
<b>Profit attributable to:</b>							
Owners of the Company		92,143	52,751	75%	154,696	82,470	88%
Non-controlling interests		1,336	1,476	-9%	2,316	2,068	12%
		<b>93,479</b>	<b>54,227</b>	<b>72%</b>	<b>157,012</b>	<b>84,538</b>	<b>86%</b>
<b>Earnings per share (cents)</b>							
Basic and diluted	10	13.44	7.49	79%	22.34	11.71	91%

NM – Not Meaningful

**B. Condensed consolidated statement of comprehensive income**  
**For the second half and full year ended 31 March 2022**

	Group					
	Second Half ended			Full Year ended		
	31 Mar 22	31 Mar 21	Change	31 Mar 22	31 Mar 21	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period/year</b>	<b>93,479</b>	<b>54,227</b>	<b>72%</b>	<b>157,012</b>	<b>84,538</b>	<b>86%</b>
<b>Other comprehensive income:</b>						
<u>Item that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	7,167	5,900	21%	(7,337)	16,866	NM
Other comprehensive income/(loss) for the period/year, net of tax	7,167	5,900	21%	(7,337)	16,866	NM
<b>Total comprehensive income for the period/year</b>	<b>100,646</b>	<b>60,127</b>	<b>67%</b>	<b>149,675</b>	<b>101,404</b>	<b>48%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	99,132	58,953	68%	147,279	100,358	47%
Non-controlling interests	1,514	1,174	29%	2,396	1,046	129%
	<b>100,646</b>	<b>60,127</b>	<b>67%</b>	<b>149,675</b>	<b>101,404</b>	<b>48%</b>

NM – Not Meaningful

**C. Condensed statements of financial position**  
**As at 31 March 2022**

	Note	Group		Company	
		31 Mar 22 \$'000	31 Mar 21 \$'000	31 Mar 22 \$'000	31 Mar 21 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	143,818	145,509	10,330	10,055
Right-of-use assets	13	99,112	86,834	59,529	51,341
Investment properties	14	178,913	143,739	11,272	11,272
Intangible assets	15	10,673	15,439	372	410
Investment in subsidiaries		-	-	118,396	118,371
Investment in associates		54,575	46,407	-	-
Other receivables		7,233	7,620	4,444	4,308
Deferred tax assets		962	1,686	587	579
		495,286	447,234	204,930	196,336
<b>Current assets</b>					
Inventories		254,126	259,096	164,480	159,741
Trade and other receivables		19,574	15,625	8,441	5,010
Prepaid operating expenses		810	989	443	455
Amounts due from associates		85	109	-	37
Amounts due from subsidiaries		-	-	4,975	6,088
Cash and bank balances		323,360	247,872	162,835	140,675
		597,955	523,691	341,174	312,006
<b>Total assets</b>		<b>1,093,241</b>	<b>970,925</b>	<b>546,104</b>	<b>508,342</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Loans and borrowings	16	111,037	105,121	-	-
Trade and other payables		74,446	60,359	33,755	29,515
Amounts due to associates		-	170	-	170
Amounts due to subsidiaries		-	-	9,534	8,377
Lease liabilities		28,823	22,769	18,326	14,870
Income tax payable		27,831	16,144	14,176	7,891
		242,137	204,563	75,791	60,823
<b>Net current assets</b>		<b>355,818</b>	<b>319,128</b>	<b>265,383</b>	<b>251,183</b>
<b>Non-current liabilities</b>					
Lease liabilities		76,498	69,622	45,035	40,308
Deferred tax liabilities		6,641	1,005	-	-
Other non-current liabilities		425	411	-	-
		83,564	71,038	45,035	40,308
<b>Total liabilities</b>		<b>325,701</b>	<b>275,601</b>	<b>120,826</b>	<b>101,131</b>
<b>Net assets</b>		<b>767,540</b>	<b>695,324</b>	<b>425,278</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)	(34,677)	(590)	(34,677)	(590)
Reserves		718,638	612,903	392,317	340,163
		751,599	679,951	425,278	407,211
<b>Non-controlling interests</b>		15,941	15,373	-	-
<b>Total equity</b>		<b>767,540</b>	<b>695,324</b>	<b>425,278</b>	<b>407,211</b>
<b>Total equity and liabilities</b>		<b>1,093,241</b>	<b>970,925</b>	<b>546,104</b>	<b>508,342</b>

**D. Condensed statements of changes in equity**  
**For the full year ended 31 March 2022**

<u>Group</u>	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>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 year	-	-	-	-	-	82,470	82,470	2,068	84,538
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	17,888	-	-	-	17,888	(1,022)	16,866
Total other comprehensive income/(loss)	-	-	17,888	-	-	-	17,888	(1,022)	16,866
<b>Total comprehensive income</b>	-	-	17,888	-	-	82,470	100,358	1,046	101,404
<b>Contributions by and distributions to owners</b>									
Dividends on ordinary shares	-	-	-	-	-	(28,159)	(28,159)	-	(28,159)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(704)	(704)
<b>Total transactions with owners</b>	-	-	-	-	-	(28,159)	(28,159)	(704)	(28,863)
Transfers	-	-	13	-	(69)	56	-	-	-
<b>Balance at 31 March 2021</b>	67,638	(590)	817	(142)	3,303	608,925	679,951	15,373	695,324

<u>Group</u>	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>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 year	-	-	-	-	-	154,696	154,696	2,316	157,012
<b>Other comprehensive income</b>									
Foreign currency translation	-	-	(7,417)	-	-	-	(7,417)	80	(7,337)
Total other comprehensive (loss)/income	-	-	(7,417)	-	-	-	(7,417)	80	(7,337)
<b>Total comprehensive (loss)/income</b>	-	-	(7,417)	-	-	154,696	147,279	2,396	149,675
<b>Contributions by and distributions to owners</b>									
Purchase of treasury shares	-	(34,087)	-	-	-	-	(34,087)	-	(34,087)
Dividends on ordinary shares	-	-	-	-	-	(41,544)	(41,544)	-	(41,544)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,828)	(1,828)
<b>Total transactions with owners</b>	-	(34,087)	-	-	-	(41,544)	(75,631)	(1,828)	(77,459)
<b>Balance at 31 March 2022</b>	67,638	(34,677)	(6,600)	(142)	3,303	722,077	751,599	15,941	767,540

**D. Condensed statements of changes in equity (cont'd)**  
**For the full year ended 31 March 2022**

	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
<b><u>Company</u></b>				
<b>Balance at 1 April 2020</b>	<b>67,638</b>	<b>(590)</b>	<b>300,171</b>	<b>367,219</b>
<b>Total comprehensive income</b>				
Profit for the year	-	-	68,151	68,151
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>68,151</b>	<b>68,151</b>
<b>Contributions by and distributions to owners</b>				
Dividends on ordinary shares	-	-	(28,159)	(28,159)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(28,159)</b>	<b>(28,159)</b>
<b>Balance at 31 March 2021</b>	<b>67,638</b>	<b>(590)</b>	<b>340,163</b>	<b>407,211</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 year	-	-	93,698	93,698
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>93,698</b>	<b>93,698</b>
<b>Contributions by and distributions to owners</b>				
Purchase of treasury shares	-	(34,087)	-	(34,087)
Dividends on ordinary shares	-	-	(41,544)	(41,544)
<b>Total transactions with owners</b>	<b>-</b>	<b>(34,087)</b>	<b>(41,544)</b>	<b>(75,631)</b>
<b>Balance at 31 March 2022</b>	<b>67,638</b>	<b>(34,677)</b>	<b>392,317</b>	<b>425,278</b>

**E. Condensed consolidated statement of cash flows**  
**For the full year ended 31 March 2022**

	<b>Group</b>	
	<b>Full Year ended</b>	
	<b>31 Mar 22</b>	<b>31 Mar 21</b>
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	204,513	109,891
Adjustments for:		
Finance costs	3,707	3,405
Interest income	(451)	(617)
Depreciation of property, plant and equipment	10,361	7,782
Depreciation of right-of-use assets	28,097	26,993
Amortisation of intangible assets	802	1,168
Amortisation of deferred income	(97)	-
Foreign currency translation adjustment	(334)	(191)
Net (gain)/loss on disposal of property, plant and equipment	(34)	378
Impairment loss on property, plant and equipment	2,483	-
Impairment loss on goodwill	4,161	-
Fair value loss on investment properties	1,394	9,997
Share of results of associates	(15,655)	(9,388)
<b>Operating cash flows before changes in working capital</b>	<b>238,947</b>	<b>149,418</b>
Decrease in inventories	4,715	28,307
(Increase)/decrease in trade and other receivables	(3,508)	4,604
Decrease in prepaid operating expenses	169	308
Decrease in amounts due from associates	19	2,803
Increase in trade and other payables	14,358	11,218
(Decrease)/increase in amounts due to associates	(170)	170
<b>Cash flows from operations</b>	<b>254,530</b>	<b>196,828</b>
Income taxes paid	(29,804)	(19,643)
Interest paid	(3,707)	(3,405)
Interest received	451	617
<b>Net cash flows from operating activities</b>	<b>221,470</b>	<b>174,397</b>
<b>Investing activities</b>		
Additions to intangible assets	(286)	(156)
Dividend received from an associate	4,161	2,268
Proceeds from disposal of property, plant and equipment	472	64
Purchase of investment property	(36,516)	(72,753)
Purchase of property, plant and equipment	(12,804)	(12,505)
<b>Net cash flows used in investing activities</b>	<b>(44,973)</b>	<b>(83,082)</b>
<b>Financing activities</b>		
Proceeds from loans and borrowings	19,776	40,406
Repayment of loans and borrowings	(13,081)	(10,288)
Payment of lease liabilities	(27,348)	(25,471)
Dividends paid to non-controlling interests	(1,828)	(704)
Dividends paid on ordinary shares	(41,544)	(28,159)
Purchase of treasury shares	(34,087)	-
<b>Net cash flows used in financing activities</b>	<b>(98,112)</b>	<b>(24,216)</b>
<b>Net increase in cash and cash equivalents</b>	<b>78,385</b>	<b>67,099</b>
Effects of exchange rate changes on cash and cash equivalents	(2,897)	(2,358)
Cash and cash equivalents at beginning of financial year	247,872	183,131
<b>Cash and cash equivalents at end of financial year</b>	<b>323,360</b>	<b>247,872</b>

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

	<b>Group</b>	
	<b>31 Mar 22</b>	<b>31 Mar 21</b>
	\$'000	\$'000
Cash at bank and on hand	265,998	228,164
Fixed deposits with banks	57,362	19,708
	<b>323,360</b>	<b>247,872</b>



**F. Business review and market outlook**  
**For the second half and full year ended 31 March 2022**

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- F1. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

(a) Group performance review

2H FY2022 vs 2H FY2021

Revenue for the second half ended 31 March 2022 ("2H FY2022") increased by 24% to \$561.0 million (2H FY2021: \$453.1 million). Gross margin was 35.5% in 2H FY2022 versus 31.2% in 2H FY2021.

Profit after tax rose 72% to \$93.5 million (2H FY2021: \$54.2 million).

Higher operating expenses were due to increased staff costs, rental expenses and advertising and promotion activities.

FY2022 vs FY2021

Revenue for the full year ended 31 March 2022 ("FY2022") was \$1,033.4 million, 39% higher than \$742.9 million recorded for FY2021. Gross margin was 32.7% in FY2022 compared to 29.2% in FY2021.

Profit after tax rose 86% to \$157.0 million (FY2021: \$84.5 million).

Higher staff costs, rental expenses and advertising and promotion activities contributed to the increase in operating expenses for FY2022 compared to FY2021. 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 31 March 2022, group inventories were \$254.1 million (31 March 2021: \$259.1 million). Cash and bank balances stood at \$323.4 million (31 March 2021: \$247.9 million).

The Company bought back \$34.1 million of its own shares during the financial year.

The Group purchased the retail unit at 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 \$3.9 million and \$14.1 million respectively.

Consolidated net assets were \$751.6 million or \$1.10 per share, as at 31 March 2022.

- 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 the next financial year.

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

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**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.

With effect from 22 April 2022, the Company's immediate and ultimate holding company is TYC Investment Pte Ltd, a company incorporated in Singapore.

**2. Basis of preparation**

The condensed consolidated financial statements for the second half and full year ended 31 March 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim consolidated financial statements for the period ended 30 September 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 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 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/year.

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

**4. Revenue**

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

Disaggregation of revenue from contracts with customers

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

**5. Other income**

	Group			
	Second Half ended		Full Year ended	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
	\$'000	\$'000	\$'000	\$'000
Rental income	3,996	2,748	7,743	5,207
Interest income from cash and bank balances	226	288	451	617
Management fee income from associates	920	693	1,712	1,255
Government grants	23	235	23	1,425
Net (loss)/gain on disposal of property, plant and equipment	(106)	–	34	–
Others	422	(155)	559	354
	5,481	3,809	10,522	8,858
	5,481	3,809	10,522	8,858

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**

	Group			
	Second Half ended		Full Year ended	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
	\$'000	\$'000	\$'000	\$'000
Interest on loans and borrowings	787	629	1,477	1,128
Interest on lease liabilities	1,121	1,082	2,230	2,277
	1,908	1,711	3,707	3,405
	1,908	1,711	3,707	3,405

**7. Other expenses**

	Group			
	Second Half ended		Full Year ended	
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
	\$'000	\$'000	\$'000	\$'000
Net loss on disposal of property, plant and equipment	–	342	–	378
Facility costs	3,278	4,123	6,726	6,249
Professional fees	1,542	1,407	3,062	2,553
General and administrative expenses	3,035	2,259	5,439	4,254
	7,855	8,131	15,227	13,434
	7,855	8,131	15,227	13,434

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

**8. Taxation**

Major components of income tax expense

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

	<b>Group</b>			
	<b>Second Half ended</b>		<b>Full Year ended</b>	
	<b>31 Mar 22</b>	<b>31 Mar 21</b>	<b>31 Mar 22</b>	<b>31 Mar 21</b>
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated income statement:</b>				
Current income tax				
- Current income taxation	27,198	16,926	43,021	24,660
- Over provision in respect of previous years	(658)	(76)	(1,726)	(18)
	<u>26,540</u>	<u>16,850</u>	<u>41,295</u>	<u>24,642</u>
Deferred income tax				
- Origination and reversal of temporary differences	1,539	232	1,276	161
- Under provision in respect of previous years	4,930	550	4,930	550
	<u>6,469</u>	<u>782</u>	<u>6,206</u>	<u>711</u>
Income tax expense recognised in profit or loss	<u>33,009</u>	<u>17,632</u>	<u>47,501</u>	<u>25,353</u>

**9. Dividends**

**Group and Company**  
**Full Year ended**  
**31 Mar 22    31 Mar 21**  
**\$'000        \$'000**

***Declared and paid during the financial year***

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
- Interim exempt (one-tier) dividend in respect of the year ended 31 March 2022: 2.00 cents (2021: 2.00 cents)	<u>13,746</u>	<u>14,079</u>
	<u>41,544</u>	<u>28,159</u>

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

**10. Earnings per share**

	<b>Group</b>			
	<b>Second Half ended</b>	<b>31 Mar 21</b>	<b>Full Year ended</b>	<b>31 Mar 21</b>
	<b>31 Mar 22</b>	<b>31 Mar 21</b>	<b>31 Mar 22</b>	<b>31 Mar 21</b>
Profit for the period/year attributable to owners of the Company (\$'000)	92,143	52,751	154,696	82,470
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share ('000)	685,671	703,982	692,388	703,982
Basic and diluted earnings per share (cents)	13.44	7.49	22.34	11.71

EPS is calculated by dividing the Group's profit attributable to owners of the Company with the weighted average number of ordinary shares during the period/year. The weighted average number of ordinary shares outstanding during the period/year is the number of ordinary shares outstanding at the beginning of the period/year, adjusted by the number of ordinary shares issued or bought back during the period/year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period/year.

There is no dilutive effect for EPS as the Company does not have any outstanding share convertibles as at 31 March 2022.

**11. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>31 Mar 22</b>	<b>31 Mar 21</b>	<b>31 Mar 22</b>	<b>31 Mar 21</b>
Number of issued shares ('000)	682,579	703,982	682,579	703,982
Net asset value per ordinary share (in \$)	1.10	0.97	0.62	0.58

**12. Property, plant and equipment**

During the financial year ended 31 March 2022, the Group acquired assets amounting to \$12,804,000 (2021: \$12,505,000) and disposed of assets with cost and carrying value amounting to \$2,538,000 and \$438,000 (2021: \$3,492,000 and \$438,000) respectively.

The Group recognised an impairment loss of \$2,483,000 (2021: \$Nil) in respect of a property in New Zealand as the net carrying value of the property exceeds the recoverable amount. The recoverable amount was determined based on the valuation performed by an independent valuer using a combination of the income capitalisation and discounted cash flow methods.

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

During the financial year ended 31 March 2022, the Group recognised \$41,177,000 (2021: \$10,065,000) of additions and lease modifications based on new leases and changes in lease terms upon renewal.

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

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**14. Investment properties**

	<b>Group</b>		<b>Company</b>	
	<b>31 Mar 22</b>	<b>31 Mar 21</b>	<b>31 Mar 22</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 year	36,516	72,753	–	–
Fair value adjustments	(1,394)	(9,997)	–	(15)
Transferred to property, plant and equipment	–	(29,561)	–	–
Translation adjustment	52	14,033	–	–
At 31 March	<u>178,913</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 2022. 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.

**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. The pre-tax discount rate applied to cash flow projections is 16.9% (2021: 15.5%) and cash flows beyond the five-year period are extrapolated using a terminal growth rate of 2% (2021: 1.5%). It was concluded that the carrying value of the CGU exceed its recoverable amount. As a result of this analysis, the Group has recognised impairment on goodwill of \$4,161,000 (2021: \$Nil) in the consolidated income statement.

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

**16. Loans and borrowings**

	<b>Group</b>	
	<b>31 Mar 22</b>	<b>31 Mar 21</b>
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured loans	98,834	92,891
Unsecured loan	12,203	12,230
	111,037	105,121
	111,037	105,121
Amount repayable after one year		
Secured loans	–	–
Unsecured loan	–	–
	–	–
	–	–

The unsecured loan of \$12,203,000 (31 March 2021: \$12,230,000) of a subsidiary is secured by a corporate guarantee given by the Company. The secured loans of \$98,834,000 (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>31 Mar 22</b>		<b>31 Mar 21</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares:				
Balance at beginning of the year and end of the year	705,012	67,638	705,012	67,638
	705,012	67,638	705,012	67,638

As at 31 March 2022, the Company's total issued shares is 682,578,880 ordinary shares (31 March 2021: 703,981,880) excluding 22,433,000 shares held as treasury shares (31 March 2021: 1,030,000).

(b) **Treasury shares**

	<b>Group and Company</b>			
	<b>31 Mar 22</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 year	(21,403)	(34,087)	–	–
At 31 March	(22,433)	(34,677)	(1,030)	(590)
	(22,433)	(34,677)	(1,030)	(590)

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

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

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

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

As at 31 March 2022, the Company held 22,433,000 treasury shares (31 March 2021: 1,030,000) which represents 3.287% (31 March 2021: 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 year under review.

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

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

**18. Related party transactions**

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

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

	<b>Sale of goods</b>	<b>Purchase of goods</b>	<b>Services rendered</b>	<b>Rental expenses</b>	<b>Rental income</b>	<b>Commission received</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Full Year ended 31 Mar 22</b>						
Associates	48	415	–	–	–	31
Directors and close family members of directors of the Company	949	–	600	–	–	–
Directors-related companies	–	–	–	393	28	–
Key management personnel	360	–	–	120	–	–
<b>Full Year ended 31 Mar 21</b>						
Associates	3	385	–	–	–	31
Directors and close family members of directors of the Company	2,515	13	600	–	–	–
Directors-related companies	–	2	–	345	29	–
Key management personnel	219	–	–	120	–	–



**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

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**19. Commitments**

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

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Capital expenditure in respect of property, plant and equipment and intangible assets:	1,499	508	33	391

**20. Segment information**

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

***Reporting format***

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

***Geographical segments***

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

***Business segment***

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

***Allocation basis and transfer pricing***

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

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

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

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

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
<b>Second Half ended 31 Mar 22</b>					
<b>Segment revenue:</b>					
Sales to external customers	503,729	57,268	560,997	-	560,997
Inter-segment sales	6,169	2	6,171	(6,171)	-
Interest income	225	1	226	-	226
Other income	21,776	(272)	21,504	(16,249)	5,255
Revenue and other income	531,899	56,999	588,898	(22,420)	566,478
<b>Segment results:</b>					
Segment results	129,509	10,942	140,451	(13,094)	127,357
Finance costs <sup>(1)</sup>					(1,908)
Impairment loss on property, plant and equipment					(2,483)
Impairment loss on goodwill					(4,161)
Fair value loss on investment properties					(1,394)
Share of results of associates					9,077
Profit before taxation					126,488
Taxation					(33,009)
Profit for the period					93,479
<b>Other segment information:</b>					
Capital expenditure for the period	8,004	729	8,733	-	8,733
Depreciation and amortisation <sup>(2)</sup>	16,166	3,589	19,755	-	19,755
<b>Second Half ended 31 Mar 21</b>					
<b>Segment revenue:</b>					
Sales to external customers	401,130	51,980	453,110	-	453,110
Inter-segment sales	2,466	24	2,490	(2,490)	-
Interest income	287	1	288	-	288
Other income	22,956	(60)	22,896	(19,375)	3,521
Revenue and other income	426,839	51,945	478,784	(21,865)	456,919
<b>Segment results:</b>					
Segment results	87,310	7,563	94,873	(17,322)	77,551
Finance costs <sup>(1)</sup>					(1,711)
Fair value loss on investment properties					(9,997)
Share of results of associates					6,016
Profit before taxation					71,859
Taxation					(17,632)
Profit for the period					54,227
<b>Other segment information:</b>					
Capital expenditure for the period	77,811	45	77,856	-	77,856
Depreciation and amortisation <sup>(2)</sup>	15,356	3,429	18,785	-	18,785

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

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

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

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

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
<b>Full Year ended 31 Mar 22</b>					
<b>Segment revenue:</b>					
Sales to external customers	921,043	112,361	1,033,404	-	1,033,404
Inter-segment sales	16,432	19	16,451	(16,451)	-
Interest income	449	2	451	-	451
Other income	43,504	(244)	43,260	(33,189)	10,071
Revenue and other income	981,428	112,138	1,093,566	(49,640)	1,043,926
<b>Segment results:</b>					
Segment results	208,049	19,460	227,509	(26,906)	200,603
Finance costs <sup>(1)</sup>					(3,707)
Impairment loss on property, plant and equipment					(2,483)
Impairment loss on goodwill					(4,161)
Fair value loss on investment properties					(1,394)
Share of results of associates					15,655
Profit before taxation					204,513
Taxation					(47,501)
Profit for the year					157,012
<b>Other segment information:</b>					
Capital expenditure for the year	10,059	3,031	13,090	-	13,090
Depreciation and amortisation <sup>(2)</sup>	32,339	6,921	39,260	-	39,260
<b>Full Year ended 31 Mar 21</b>					
<b>Segment revenue:</b>					
Sales to external customers	646,846	96,085	742,931	-	742,931
Inter-segment sales	2,940	316	3,256	(3,256)	-
Interest income	609	8	617	-	617
Other income	45,374	222	45,596	(37,355)	8,241
Revenue and other income	695,769	96,631	792,400	(40,611)	751,789
<b>Segment results:</b>					
Segment results	132,805	13,263	146,068	(32,163)	113,905
Finance costs <sup>(1)</sup>					(3,405)
Fair value loss on investment properties					(9,997)
Share of results of associates					9,388
Profit before taxation					109,891
Taxation					(25,353)
Profit for the year					84,538
<b>Other segment information:</b>					
Capital expenditure for the year	84,953	461	85,414	-	85,414
Depreciation and amortisation <sup>(2)</sup>	28,708	7,235	35,943	-	35,943

<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>31 Mar 22</b>					
Segment assets	927,370	111,296	1,038,666	-	1,038,666
Investment in associates	54,575	-	54,575	-	54,575
					1,093,241
Segment liabilities	291,748	33,953	325,701	-	325,701
<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 consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

**21. Financial assets and financial liabilities**

The table below summarises the financial assets and financial liabilities of the Group and Company as at 31 March 2022 and 31 March 2021.

	<b>Group</b>		<b>Company</b>	
	<b>31 Mar 22</b>	<b>31 Mar 21</b>	<b>31 Mar 22</b>	<b>31 Mar 21</b>
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at amortised cost</b>				
Trade and other receivables	26,615	23,058	12,885	9,318
Amounts due from associates	85	109	–	37
Amounts due from subsidiaries	–	–	4,975	6,088
Cash and bank balances	323,360	247,872	162,835	140,675
Total financial assets at amortised cost	<u>350,060</u>	<u>271,039</u>	<u>180,695</u>	<u>156,118</u>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	70,747	55,730	31,630	26,500
Loans and borrowings	111,037	105,121	–	–
Amounts due to associates	–	170	–	170
Amounts due to subsidiaries	–	–	9,534	8,377
Lease liabilities	105,321	92,391	63,361	55,178
Total financial liabilities at amortised cost	<u>287,105</u>	<u>253,412</u>	<u>104,525</u>	<u>90,225</u>

**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 financial year ended 31 March 2022 and 2021.

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2022**

**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>31 Mar 22</b>			
	\$'000			
	<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	–	–	178,913	178,913
<b>Total non-financial assets</b>	–	–	178,913	178,913

	<b>Group</b>			
	<b>31 Mar 21</b>			
	\$'000			
	<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

**H. Other information required by Appendix 7.2 of the Listing Manual  
For the second half and full year ended 31 March 2022**

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

The condensed statements of financial position of The Hour Glass Limited and its subsidiaries as at 31 March 2022 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the second half and full year then ended and accompanying explanatory notes have not been audited nor reviewed.

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

Not applicable.

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

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

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

Not applicable.

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

No forecast was previously provided for FY2022.

**3. Dividend**

**(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 (paid)</b>	<b>Proposed Final Dividend</b>
Dividend Type	Cash	Cash
Dividend amount per Ordinary Share	2.00 cents	6.00 cents
Tax Rate	(one-tier) tax exempt	(one-tier) tax exempt

The Board of Directors has recommended a final dividend of 6.00 cents per ordinary share for the full year ended 31 March 2022 (2021: 4.00 cents), amounting to approximately \$40,766,000 (2021: \$27,798,000). This is subject to the approval of the shareholders of the Company at the Annual General Meeting to be held on 29 July 2022.

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

**H. Other information required by Appendix 7.2 of the Listing Manual  
For the second half and full year ended 31 March 2022**

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

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

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

Yes.

<b>Name of Dividend</b>	<b>Interim Dividend</b>	<b>Final Dividend</b>
Dividend Type	Cash	Cash
Dividend amount per Ordinary Share	2.00 cents	4.00 cents
Tax Rate	(one-tier) tax exempt	(one-tier) tax exempt

**(c) Date Payable**

To be announced on a later date.

**(d) Record Date**

To be announced on a later date.

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

Not applicable.

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

The Company does not have an IPT mandate.

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

Not applicable for full year results announcement.

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

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

**8. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Refer to Paragraph F1.

**H. Other information required by Appendix 7.2 of the Listing Manual  
For the second half and full year ended 31 March 2022**

**9. A breakdown of sales as follows:**

	<b>Group</b>		
	<b>Full Year ended</b>		
	<b>31 Mar 22</b> \$'000	<b>31 Mar 21</b> \$'000	<b>Change</b> %
Revenue for first half year	472,407	289,821	63%
Profit after tax for first half year	63,533	30,311	110%
Revenue for second half year	560,997	453,110	24%
Profit after tax for second half year	93,479	54,227	72%

**10. A breakdown of the total annual dividend (in dollar value) for the Company's latest full year and its previous full year as follows: -**

Total Annual Dividend

	Latest Full Year \$'000	Previous Full Year \$'000
Ordinary		
- Interim Dividend	13,746	14,079
- Final Dividend	40,766	27,798
Preference	-	-
	<u>54,512</u>	<u>41,877</u>

**11. Disclosure of persons occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mrs Choy Siew Sen	71	Sister of Dr Kenny Chan Swee Kheng (Director) and Dato' Dr Jannie Chan Siew Lee (Substantial Shareholder). Aunt of Mr Michael Tay Wee Jin (Director).	Manager (since 1997) - Melbourne Boutique (The Hour Glass Australia Pty Ltd). This position was re-designated to Senior Retail Manager from 1 April 2016 and Senior Boutique Manager from 1 April 2021. Responsible for operations of the retail outlet in Melbourne, Australia till 31 March 2022. Mrs Choy Siew Sen was appointed as Senior Consultant from 1 April 2022 onwards.	Nil.

**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
26 May 2022