



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 2023

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**For the second half and full year ended 31 March 2023**

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**A. Condensed consolidated income statement**  
**For the second half and full year ended 31 March 2023**

		<b>Group</b>					
		<b>Second Half ended</b>			<b>Full Year ended</b>		
<b>Note</b>	<b>31 Mar 23</b>	<b>31 Mar 22</b>	<b>Change</b>	<b>31 Mar 23</b>	<b>31 Mar 22</b>	<b>Change</b>	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	567,452	560,997	1%	1,122,941	1,033,404	9%	
Other income	6,504	5,481	19%	13,706	10,522	30%	
<b>Revenue and other income</b>	<b>573,956</b>	<b>566,478</b>	<b>1%</b>	<b>1,136,647</b>	<b>1,043,926</b>	<b>9%</b>	
Cost of goods sold	369,973	361,642	2%	745,519	695,606	7%	
Employee benefits expense	33,759	35,514	-5%	71,529	64,660	11%	
Selling and promotion expenses	16,988	10,728	58%	34,678	23,328	49%	
Depreciation of property, plant and equipment	6,110	5,241	17%	11,728	10,361	13%	
Depreciation of right-of-use assets	14,220	14,178	0%	28,538	28,097	2%	
Rental expenses	3,778	3,755	1%	7,683	6,014	28%	
Finance costs	3,101	1,908	63%	5,893	3,707	59%	
Foreign exchange loss	2,125	208	922%	1,317	30	4290%	
Other expenses	11,700	7,855	49%	21,555	15,227	42%	
<b>Costs and expenses</b>	<b>461,754</b>	<b>441,029</b>	<b>5%</b>	<b>928,440</b>	<b>847,030</b>	<b>10%</b>	
Impairment loss on property, plant and equipment	-	(2,483)	NM	-	(2,483)	NM	
Impairment loss on goodwill	(5,480)	(4,161)	32%	(5,480)	(4,161)	32%	
Fair value loss on investment properties	(4,532)	(1,394)	225%	(4,532)	(1,394)	225%	
Share of results of associates	10,759	9,077	19%	21,413	15,655	37%	
<b>Profit before taxation</b>	<b>112,949</b>	<b>126,488</b>	<b>-11%</b>	<b>219,608</b>	<b>204,513</b>	<b>7%</b>	
Income tax expense	24,273	33,009	-26%	45,393	47,501	-4%	
<b>Profit for the period/year</b>	<b>88,676</b>	<b>93,479</b>	<b>-5%</b>	<b>174,215</b>	<b>157,012</b>	<b>11%</b>	
<b>Profit attributable to:</b>							
Owners of the Company	87,814	92,143	-5%	172,365	154,696	11%	
Non-controlling interests	862	1,336	-35%	1,850	2,316	-20%	
	<b>88,676</b>	<b>93,479</b>	<b>-5%</b>	<b>174,215</b>	<b>157,012</b>	<b>11%</b>	
<b>Earnings per share (cents)</b>							
Basic and diluted	13.33	13.44	-1%	25.91	22.34	16%	

NM – Not Meaningful

**B. Condensed consolidated statement of comprehensive income**  
**For the second half and full year ended 31 March 2023**

	Group					
	Second Half ended			Full Year ended		
	31 Mar 23	31 Mar 22	Change	31 Mar 23	31 Mar 22	Change
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit for the period/year</b>	<b>88,676</b>	<b>93,479</b>	<b>-5%</b>	<b>174,215</b>	<b>157,012</b>	<b>11%</b>
<b>Other comprehensive income:</b>						
<u>Item that will not be reclassified to profit or loss:</u>						
Net surplus on revaluation of freehold premises	145	-	NM	145	-	NM
	145	-	NM	145	-	NM
<u>Item that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation	(15,691)	7,167	NM	(41,582)	(7,337)	467%
	(15,691)	7,167	NM	(41,582)	(7,337)	467%
Other comprehensive income for the period/year, net of tax	(15,546)	7,167	NM	(41,437)	(7,337)	465%
<b>Total comprehensive income for the period/year</b>	<b>73,130</b>	<b>100,646</b>	<b>-27%</b>	<b>132,778</b>	<b>149,675</b>	<b>-11%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	73,300	99,132	-26%	131,231	147,279	-11%
Non-controlling interests	(170)	1,514	NM	1,547	2,396	-35%
	<b>73,130</b>	<b>100,646</b>	<b>-27%</b>	<b>132,778</b>	<b>149,675</b>	<b>-11%</b>

NM – Not Meaningful

**C. Condensed statements of financial position**  
**As at 31 March 2023**

	Note	Group		Company	
		31 Mar 23 \$'000	31 Mar 22 \$'000	31 Mar 23 \$'000	31 Mar 22 \$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	232,257	143,818	9,973	10,330
Right-of-use assets	13	68,882	99,112	43,736	59,529
Investment properties	14	119,122	178,913	5,192	11,272
Intangible assets	15	4,606	10,673	604	372
Investment in subsidiaries		-	-	166,258	118,396
Investment in associates		73,828	54,575	-	-
Other receivables		9,077	7,233	5,160	4,444
Deferred tax assets		623	962	416	587
		508,395	495,286	231,339	204,930
<b>Current assets</b>					
Inventories		283,538	254,126	181,418	164,480
Trade and other receivables		18,127	19,574	8,231	8,441
Prepaid operating expenses		1,224	810	530	443
Amounts due from associates		112	85	-	-
Amounts due from subsidiaries		-	-	5,764	4,975
Cash and bank balances		244,553	323,360	117,847	162,835
		547,554	597,955	313,790	341,174
<b>Total assets</b>		<b>1,055,949</b>	<b>1,093,241</b>	<b>545,129</b>	<b>546,104</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Loans and borrowings	16	93,814	111,037	-	-
Trade and other payables		71,600	74,446	28,843	33,755
Amounts due to subsidiaries		-	-	4,992	9,534
Lease liabilities		29,236	28,823	19,283	18,326
Income tax payable		22,643	27,831	16,567	14,176
		217,293	242,137	69,685	75,791
<b>Net current assets</b>		<b>330,261</b>	<b>355,818</b>	<b>244,105</b>	<b>265,383</b>
<b>Non-current liabilities</b>					
Lease liabilities		44,858	76,498	27,832	45,035
Deferred tax liabilities		5,748	6,641	-	-
Other non-current liabilities		318	425	-	-
		50,924	83,564	27,832	45,035
<b>Total liabilities</b>		<b>268,217</b>	<b>325,701</b>	<b>97,517</b>	<b>120,826</b>
<b>Net assets</b>		<b>787,732</b>	<b>767,540</b>	<b>447,612</b>	<b>425,278</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)	(89,991)	(34,677)	(89,991)	(34,677)
Reserves		796,386	718,638	469,965	392,317
		774,033	751,599	447,612	425,278
<b>Non-controlling interests</b>		13,699	15,941	-	-
<b>Total equity</b>		<b>787,732</b>	<b>767,540</b>	<b>447,612</b>	<b>425,278</b>
<b>Total equity and liabilities</b>		<b>1,055,949</b>	<b>1,093,241</b>	<b>545,129</b>	<b>546,104</b>

**D. Condensed statements of changes in equity**  
**For the full year ended 31 March 2023**

<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 income	-	-	(7,417)	-	-	-	(7,417)	80	(7,337)
<b>Total comprehensive 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 in their capacity as 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

<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 2022</b>	67,638	(34,677)	(6,600)	(142)	3,303	722,077	751,599	15,941	767,540
<b>Total comprehensive income</b>									
Profit for the year	-	-	-	-	-	172,365	172,365	1,850	174,215
<b>Other comprehensive income</b>									
Net surplus on revaluation of freehold premises	-	-	-	-	145	-	145	-	145
Foreign currency translation	-	-	(41,279)	-	-	-	(41,279)	(303)	(41,582)
Total other comprehensive income	-	-	(41,279)	-	145	-	(41,134)	(303)	(41,437)
<b>Total comprehensive income</b>	-	-	(41,279)	-	145	172,365	131,231	1,547	132,778
<b>Contributions by and distributions to owners</b>									
Purchase of treasury shares	-	(55,314)	-	-	-	-	(55,314)	-	(55,314)
Dividends on ordinary shares	-	-	-	-	-	(53,483)	(53,483)	-	(53,483)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(3,668)	(3,668)
Return of capital to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(121)	(121)
<b>Total transactions with owners in their capacity as owners</b>	-	(55,314)	-	-	-	(53,483)	(108,797)	(3,789)	(112,586)
<b>Balance at 31 March 2023</b>	67,638	(89,991)	(47,879)	(142)	3,448	840,959	774,033	13,699	787,732

**D. Condensed statements of changes in equity (cont'd)**  
**For the full year ended 31 March 2023**

	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
<b><u>Company</u></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 in their capacity as 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>
<b>Balance at 1 April 2022</b>	<b>67,638</b>	<b>(34,677)</b>	<b>392,317</b>	<b>425,278</b>
<b>Total comprehensive income</b>				
Profit for the year	-	-	131,131	131,131
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>131,131</b>	<b>131,131</b>
<b>Contributions by and distributions to owners</b>				
Purchase of treasury shares	-	(55,314)	-	(55,314)
Dividends on ordinary shares	-	-	(53,483)	(53,483)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(55,314)</b>	<b>(53,483)</b>	<b>(108,797)</b>
<b>Balance at 31 March 2023</b>	<b>67,638</b>	<b>(89,991)</b>	<b>469,965</b>	<b>447,612</b>

**E. Condensed consolidated statement of cash flows**  
**For the full year ended 31 March 2023**

	<b>Group</b>	
	<b>Full Year ended</b>	
	<b>31 Mar 23</b>	<b>31 Mar 22</b>
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	219,608	204,513
Adjustments for:		
Finance costs	5,893	3,707
Interest income	(2,049)	(451)
Depreciation of property, plant and equipment	11,728	10,361
Depreciation of right-of-use assets	28,538	28,097
Amortisation of intangible assets	365	802
Amortisation of deferred income	(104)	(97)
Foreign currency translation adjustment	(3,038)	(334)
Net loss/(gain) on disposal of property, plant and equipment	106	(34)
Impairment loss on property, plant and equipment	-	2,483
Impairment loss on goodwill	5,480	4,161
Fair value loss on investment properties	4,532	1,394
Share of results of associates	(21,413)	(15,655)
<b>Operating cash flows before changes in working capital</b>	<b>249,646</b>	<b>238,947</b>
(Increase)/decrease in inventories	(35,137)	4,715
Increase in trade and other receivables	(1,035)	(3,508)
(Increase)/decrease in prepaid operating expenses	(449)	169
(Increase)/decrease in amounts due from associates	(30)	19
(Decrease)/increase in trade and other payables	(50)	14,358
Decrease in amounts due to associates	-	(170)
<b>Cash flows from operations</b>	<b>212,945</b>	<b>254,530</b>
Income taxes paid	(48,285)	(29,804)
Interest paid	(5,893)	(3,707)
Interest received	2,049	451
<b>Net cash flows from operating activities</b>	<b>160,816</b>	<b>221,470</b>
<b>Investing activities</b>		
Payments for purchase of property, plant and equipment	(93,536)	(12,804)
Additions to intangible assets	(505)	(286)
Payments for purchase of investment property	-	(36,516)
Proceeds from disposal of property, plant and equipment	28	472
Proceeds from disposal of investment property	6,080	-
Dividend received from an associate	-	4,161
<b>Net cash flows used in investing activities</b>	<b>(87,933)</b>	<b>(44,973)</b>
<b>Financing activities</b>		
Proceeds from loans and borrowings	47,958	19,776
Repayment of loans and borrowings	(48,135)	(13,081)
Payment of principal portion of lease liabilities	(28,584)	(27,348)
Return of capital to non-controlling interests of subsidiary	(121)	-
Dividends paid to non-controlling interests	(3,668)	(1,828)
Dividends paid on ordinary shares	(53,483)	(41,544)
Purchase of treasury shares	(55,314)	(34,087)
<b>Net cash flows used in financing activities</b>	<b>(141,347)</b>	<b>(98,112)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(68,464)</b>	<b>78,385</b>
Effects of exchange rate changes on cash and cash equivalents	(10,343)	(2,897)
Cash and cash equivalents at beginning of financial year	323,360	247,872
<b>Cash and cash equivalents at end of financial year</b>	<b>244,553</b>	<b>323,360</b>

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

	<b>Group</b>	
	<b>31 Mar 23</b>	<b>31 Mar 22</b>
	\$'000	\$'000
Cash at bank and on hand	179,361	265,998
Fixed deposits with banks	65,192	57,362
	<b>244,553</b>	<b>323,360</b>

**F. Business review and market outlook**  
**For the second half and full year ended 31 March 2023**

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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 FY2023 vs 2H FY2022

Revenue for the 6 months ended 31 March 2023 ("2H FY2023") increased by 1% to \$567.5 million (2H FY2022: \$561.0 million). Gross margin was 34.8% in 2H FY2023 versus 35.5% in 2H FY2022.

Profit after tax was 5% lower at \$88.7 million (2H FY2022: \$93.5 million).

Higher operating expenses were due to increased advertising and promotion activities. The Group wrote off in full the balance of \$5.5 million of goodwill arising from its acquisition of the New Zealand business unit.

FY2023 vs FY2022

Revenue for the full year ended 31 March 2023 ("FY2023") was \$1,122.9 million, 9% higher than \$1,033.4 million recorded for FY2022. Gross margin was 33.6% in FY2023 compared to 32.7% in FY2022.

Profit after tax rose 11% to \$174.2 million (FY2022: \$157.0 million).

Higher staff costs, rental expenses and advertising and promotion activities contributed to the increase in operating expenses for FY2023 compared to FY2022.

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

As at 31 March 2023, group inventories were \$283.5 million (31 March 2022: \$254.1 million). Cash and bank balances stood at \$244.6 million (31 March 2022: \$323.4 million).

The Company bought back \$55.3 million of its own shares and distributed \$53.5 million of dividends to shareholders during the financial year.

Trade and other receivables and trade and other payables decreased by \$1.4 million and \$2.9 million respectively.

Consolidated net assets were \$774.0 million or \$1.18 per share, as at 31 March 2023.

- 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 global uncertainties and negative economic outlook is expected to dampen consumer sentiment. 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 2023**

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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 Company's immediate and ultimate holding company is TYC Investment Pte Ltd, a company incorporated in Singapore.

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 consolidated financial statements for the second half and full year ended 31 March 2023 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 2022.

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 2022. 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 2022.

**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 2023**

**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 23	31 Mar 22	31 Mar 23	31 Mar 22
	\$'000	\$'000	\$'000	\$'000
Rental income	4,041	3,996	7,953	7,743
Interest income from cash and bank balances	1,314	226	2,049	451
Management fee income from associates	1,088	920	2,125	1,712
Net (loss)/gain on disposal of property, plant and equipment	–	(106)	–	34
Others	61	445	1,579	582
	6,504	5,481	13,706	10,522

**6. Finance costs**

	Group			
	Second Half ended		Full Year ended	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
	\$'000	\$'000	\$'000	\$'000
Interest on loans and borrowings	2,170	787	3,907	1,477
Interest on lease liabilities	931	1,121	1,986	2,230
	3,101	1,908	5,893	3,707

**7. Other expenses**

	Group			
	Second Half ended		Full Year ended	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
	\$'000	\$'000	\$'000	\$'000
Net loss on disposal of property, plant and equipment	–	–	106	–
Facility costs	5,289	3,278	9,153	6,726
Professional fees	1,851	1,542	3,514	3,062
General and administrative expenses	4,560	3,035	8,782	5,439
	11,700	7,855	21,555	15,227

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2023**

**8. Income tax expense**

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>31 Mar 22</b>	<b>Full Year ended</b>	<b>31 Mar 22</b>
	<b>31 Mar 23</b>	<b>31 Mar 22</b>	<b>31 Mar 23</b>	<b>31 Mar 22</b>
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated income statement:</b>				
Current income tax				
- Current income taxation	23,899	27,198	45,056	43,021
- Under/(over) provision in respect of previous years	139	(658)	139	(1,726)
	<u>24,038</u>	<u>26,540</u>	<u>45,195</u>	<u>41,295</u>
Deferred income tax				
- Origination and reversal of temporary differences	129	1,539	92	1,276
- Under provision in respect of previous years	106	4,930	106	4,930
	<u>235</u>	<u>6,469</u>	<u>198</u>	<u>6,206</u>
Income tax expense recognised in profit or loss	<u><u>24,273</u></u>	<u><u>33,009</u></u>	<u><u>45,393</u></u>	<u><u>47,501</u></u>

**9. Dividends**

**Group and Company**  
**Full Year ended**  
**31 Mar 23**    **31 Mar 22**  
**\$'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 2022: 6.00 cents (2021: 4.00 cents)	40,312	27,798
- Interim exempt (one-tier) dividend in respect of the year ended 31 March 2023: 2.00 cents (2022: 2.00 cents)	13,171	13,746
	<u>53,483</u>	<u>41,544</u>

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2023**

**10. Earnings per share**

	Group			
	Second Half ended 31 Mar 23	31 Mar 22	Full Year ended 31 Mar 23	31 Mar 22
Profit for the period/year attributable to owners of the Company (\$'000)	87,814	92,143	172,365	154,696
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share ('000)	658,527	685,677	665,295	692,391
Basic and diluted earnings per share (cents)	13.33	13.44	25.91	22.34

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 2023.

**11. Net asset value**

	Group		Company	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
Number of issued shares ('000)	658,527	682,579	658,527	682,579
Net asset value per ordinary share (in \$)	1.18	1.10	0.68	0.62

**12. Property, plant and equipment**

During the financial year ended 31 March 2023, the Group acquired assets amounting to \$93,536,000 (2022: \$12,804,000) and disposed of assets with cost and carrying amount amounting to \$988,000 and \$134,000 (2022: \$2,538,000 and \$438,000) respectively.

During the financial year ended 31 March 2023, the Group reclassified the entire shop and office unit at 190 Edward Street, Brisbane from investment properties and a portion of the office units at Wisma UOA II in Kuala Lumpur to investment properties due to the change of use of the premises.

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

During the financial year ended 31 March 2023, the Group recognised \$4,779,000 (2022: \$41,177,000) 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 2023**

**14. Investment properties**

	Group		Company	
	31 Mar 23	31 Mar 22	31 Mar 23	31 Mar 22
	\$'000	\$'000	\$'000	\$'000
At 1 April	178,913	143,739	11,272	11,272
Additions	–	36,516	–	–
Disposals	(6,080)	–	(6,080)	–
Transferred from property, plant and equipment	776	–	–	–
Transferred to property, plant and equipment	(31,273)	–	–	–
Loss from fair value adjustments recognised in profit or loss	(4,532)	(1,394)	–	–
Foreign currency translation adjustment	(18,682)	52	–	–
At 31 March	119,122	178,913	5,192	11,272

Investment properties are stated at fair value, which has been determined based on latest valuations performed as at 31 March 2023. 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% (2022: 16.9%) and cash flows beyond the five-year period are extrapolated using a terminal growth rate of 2.0% (2022: 2.0%). It was concluded that the carrying amount of the CGU far exceed its recoverable amount. As a result of this analysis, the Group has recognised an impairment loss on goodwill of \$5,480,000 (2022: \$4,161,000) in the consolidated income statement.

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2023**

**16. Loans and borrowings**

	<b>Group</b>	
	<b>31 Mar 23</b>	<b>31 Mar 22</b>
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured loans	93,814	98,834
Unsecured loan	–	12,203
	93,814	111,037
Amount repayable after one year		
Secured loans	–	–
Unsecured loan	–	–
	–	–
	–	–

The unsecured loan of \$12,203,000 of a subsidiary as at 31 March 2022 is supported by a corporate guarantee given by the Company. The secured loans of \$93,814,000 (31 March 2022: \$98,834,000) 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 23</b>		<b>31 Mar 22</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 2023, the Company's total issued shares is 658,526,880 ordinary shares (31 March 2022: 682,578,880) excluding 46,485,000 shares held as treasury shares (31 March 2022: 22,433,000).

(b) **Treasury shares**

	<b>Group and Company</b>			
	<b>31 Mar 23</b>		<b>31 Mar 22</b>	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 April	(22,433)	(34,677)	(1,030)	(590)
Acquired during the financial year	(24,052)	(55,314)	(21,403)	(34,087)
At 31 March	(46,485)	(89,991)	(22,433)	(34,677)
	(46,485)	(89,991)	(22,433)	(34,677)

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2023**

**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 2023, the Company held 46,485,000 treasury shares (31 March 2022: 22,433,000) which represents 7.059% (31 March 2022: 3.287%) 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 year:

	<b>Sale of goods</b>	<b>Purchase of goods</b>	<b>Service fee expense</b>	<b>Rental expenses</b>	<b>Rental income</b>	<b>Commission (expense)/ income</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Full Year ended 31 Mar 23</b>						
Associates	7	(58)	–	–	–	(3)
Directors and close family members of directors of the Company	688	–	(600)	–	–	–
Directors-related companies	–	–	–	(402)	28	–
Key management personnel	79	–	–	(120)	–	–
<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)	–	–

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2023**

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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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</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:	2,069	1,499	1,291	33

**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 2023**

**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 23</b>					
<b>Segment revenue:</b>					
Sales to external customers	499,159	68,293	567,452	-	567,452
Inter-segment sales	1,109	-	1,109	(1,109)	-
Interest income	1,152	162	1,314	-	1,314
Other income	26,095	37	26,132	(20,942)	5,190
Revenue and other income	<u>527,515</u>	<u>68,492</u>	<u>596,007</u>	<u>(22,051)</u>	<u>573,956</u>
<b>Segment results:</b>					
Segment results	117,405	14,784	132,189	(16,886)	115,303
Finance costs <sup>(1)</sup>					(3,101)
Impairment loss on goodwill	(5,480)	-	(5,480)	-	(5,480)
Fair value loss on investment properties					(4,532)
Share of results of associates					<u>10,759</u>
Profit before taxation					112,949
Income tax expense					<u>(24,273)</u>
Profit for the period					<u>88,676</u>
<b>Other segment information:</b>					
Capital expenditure for the period	3,086	202	3,288	-	3,288
Depreciation and amortisation <sup>(2)</sup>	17,101	3,408	20,509	-	20,509
<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	<u>531,899</u>	<u>56,999</u>	<u>588,898</u>	<u>(22,420)</u>	<u>566,478</u>
<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)	-	(2,483)	-	(2,483)
Impairment loss on goodwill	(4,161)	-	(4,161)	-	(4,161)
Fair value loss on investment properties					(1,394)
Share of results of associates					<u>9,077</u>
Profit before taxation					126,488
Income tax expense					<u>(33,009)</u>
Profit for the period					<u>93,479</u>
<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

<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 2023**

**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 23</b>					
<b>Segment revenue:</b>					
Sales to external customers	1,002,437	120,504	1,122,941	-	1,122,941
Inter-segment sales	5,139	81	5,220	(5,220)	-
Interest income	1,886	163	2,049	-	2,049
Other income	73,013	37	73,050	(61,393)	11,657
Revenue and other income	1,082,475	120,785	1,203,260	(66,613)	1,136,647
<b>Segment results:</b>					
Segment results	245,809	22,521	268,330	(54,230)	214,100
Finance costs <sup>(1)</sup>					(5,893)
Impairment loss on goodwill	(5,480)	-	(5,480)	-	(5,480)
Fair value loss on investment properties					(4,532)
Share of results of associates					21,413
Profit before taxation					219,608
Income tax expense					(45,393)
Profit for the year					174,215
<b>Other segment information:</b>					
Capital expenditure for the year	93,795	246	94,041	-	94,041
Depreciation and amortisation <sup>(2)</sup>	33,769	6,862	40,631	-	40,631
<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)	-	(2,483)	-	(2,483)
Impairment loss on goodwill	(4,161)	-	(4,161)	-	(4,161)
Fair value loss on investment properties					(1,394)
Share of results of associates					15,655
Profit before taxation					204,513
Income tax expense					(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

<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 23</b>					
Segment assets	881,304	100,817	982,121	-	982,121
Investment in associates	73,828	-	73,828	-	73,828
					1,055,949
Segment liabilities	240,074	28,143	268,217	-	268,217
<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

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2023**

**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 2023 and 31 March 2022.

	<b>Group</b>		<b>Company</b>	
	<b>31 Mar 23</b>	<b>31 Mar 22</b>	<b>31 Mar 23</b>	<b>31 Mar 22</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets at amortised cost</b>				
Trade and other receivables	26,715	26,615	13,391	12,885
Amounts due from associates	112	85	–	–
Amounts due from subsidiaries	–	–	5,764	4,975
Cash and bank balances	244,553	323,360	117,847	162,835
<b>Total financial assets at amortised cost</b>	<b>271,380</b>	<b>350,060</b>	<b>137,002</b>	<b>180,695</b>
<b>Financial liabilities at amortised cost</b>				
Trade and other payables	68,319	70,747	26,640	31,630
Loans and borrowings	93,814	111,037	–	–
Amounts due to subsidiaries	–	–	4,992	9,534
Lease liabilities	74,094	105,321	47,115	63,361
<b>Total financial liabilities at amortised cost</b>	<b>236,227</b>	<b>287,105</b>	<b>78,747</b>	<b>104,525</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 financial year ended 31 March 2023 and 2022.

**G. Notes to the condensed consolidated financial statements**  
**For the second half and full year ended 31 March 2023**

**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 year:

	<b>Group</b>			
	<b>31 Mar 23</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	–	–	119,122	119,122
<b>Total non-financial assets</b>	–	–	119,122	119,122

	<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

**H. Other information required by Appendix 7.2 of the Listing Manual  
For the second half and full year ended 31 March 2023**

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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 2023 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 FY2023.

**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 2023 (2022: 6.00 cents), amounting to approximately \$39,512,000 (2022: \$40,312,000). This is subject to the approval of the shareholders of the Company at the Annual General Meeting to be held on 25 July 2023.

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 2023**

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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	6.00 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 2023**

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

	<b>Group</b>		
	<b>Full Year ended</b>		
	<b>31 Mar 23</b> \$'000	<b>31 Mar 22</b> \$'000	<b>Change</b> %
Revenue for first half year	555,489	472,407	18%
Profit after tax for first half year	85,539	63,533	35%
Revenue for second half year	567,452	560,997	1%
Profit after tax for second half year	88,676	93,479	-5%

**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	13,171	13,746
- Final Dividend	39,512	40,312
Preference	-	-
	<u>52,683</u>	<u>54,058</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).**

None.

**BY ORDER OF THE BOARD**

Christine Chan  
Company Secretary  
25 May 2023