



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 2024

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For the second half and full year ended 31 March 2024

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A. Condensed consolidated income statement
For the second half and full year ended 31 March 2024

		Group					
		Second Half ended			Full Year ended		
Note	31 Mar 24	31 Mar 23	Change	31 Mar 24	31 Mar 23	Change	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	4	571,321	567,452	1%	1,129,700	1,122,941	1%
Other income	5	8,814	6,504	36%	16,702	13,706	22%
Revenue and other income		580,135	573,956	1%	1,146,402	1,136,647	1%
Cost of goods sold		380,745	369,973	3%	766,484	745,519	3%
Employee benefits expense		37,472	33,759	11%	72,970	71,529	2%
Selling and promotion expenses		21,179	16,988	25%	38,909	34,678	12%
Depreciation of property, plant and equipment		6,821	6,110	12%	13,345	11,728	14%
Depreciation of right-of-use assets		15,483	14,220	9%	30,566	28,538	7%
Rental expenses		3,498	3,778	-7%	6,655	7,683	-13%
Finance costs	6	3,543	3,101	14%	6,680	5,893	13%
Foreign exchange loss		1,517	2,125	-29%	926	1,317	-30%
Other expenses	7	11,514	11,700	-2%	21,974	21,555	2%
Costs and expenses		481,772	461,754	4%	958,509	928,440	3%
Impairment loss on goodwill	15	-	(5,480)	NM	-	(5,480)	NM
Fair value gain/(loss) investment properties		1,153	(4,532)	NM	1,153	(4,532)	NM
Share of results of associates		6,891	10,759	-36%	15,575	21,413	-27%
Profit before taxation		106,407	112,949	-6%	204,621	219,608	-7%
Income tax expense	8	26,694	24,273	10%	47,037	45,393	4%
Profit for the period/year		79,713	88,676	-10%	157,584	174,215	-10%
Profit attributable to:							
Owners of the Company		79,479	87,814	-9%	156,485	172,365	-9%
Non-controlling interests		234	862	-73%	1,099	1,850	-41%
		79,713	88,676	-10%	157,584	174,215	-10%
Earnings per share (cents)							
Basic and diluted	10	12.17	13.33	-9%	23.87	25.91	-8%

NM – Not Meaningful

B. Condensed consolidated statement of comprehensive income
For the second half and full year ended 31 March 2024

	Group					
	Second Half ended			Full Year ended		
	31 Mar 24 \$'000	31 Mar 23 \$'000	Change %	31 Mar 24 \$'000	31 Mar 23 \$'000	Change %
Profit for the period/year	79,713	88,676	-10%	157,584	174,215	-10%
Other comprehensive income:						
<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	(5,028)	(15,691)	-68%	(14,656)	(41,582)	-65%
Share of other comprehensive income of associates	(37)	-	NM	(37)	-	NM
	(5,065)	(15,691)	-68%	(14,693)	(41,582)	-65%
Other comprehensive income for the period/year, net of tax	(5,065)	(15,546)	-67%	(14,693)	(41,437)	-65%
Total comprehensive income for the period/year	74,648	73,130	2%	142,891	132,778	8%
Total comprehensive income attributable to:						
Owners of the Company	74,662	73,300	2%	141,669	131,231	8%
Non-controlling interests	(14)	(170)	-92%	1,222	1,547	-21%
	74,648	73,130	2%	142,891	132,778	8%

NM – Not Meaningful

C. Condensed statements of financial position
As at 31 March 2024

	Note	Group		Company	
		31 Mar 24 \$'000	31 Mar 23 \$'000	31 Mar 24 \$'000	31 Mar 23 \$'000
Assets					
Non-current assets					
Property, plant and equipment	12	203,121	232,257	11,452	9,973
Right-of-use assets	13	87,473	68,882	44,262	43,736
Investment properties	14	156,266	119,122	5,192	5,192
Intangible assets	15	6,734	4,606	2,828	604
Investment in subsidiaries		-	-	184,261	166,258
Investment in associates		82,713	73,828	-	-
Other receivables		8,064	9,077	3,788	5,160
Deferred tax assets		497	623	141	416
		544,868	508,395	251,924	231,339
Current assets					
Inventories		314,085	283,538	196,884	181,418
Trade and other receivables		33,804	18,127	16,588	8,231
Prepaid operating expenses		1,828	1,224	871	530
Amounts due from associates		187	112	91	-
Amounts due from subsidiaries		-	-	6,709	5,764
Cash and bank balances		237,573	244,553	100,115	117,847
		587,477	547,554	321,258	313,790
Total assets		1,132,345	1,055,949	573,182	545,129
Equity and liabilities					
Current liabilities					
Loans and borrowings	16	83,868	93,814	-	-
Trade and other payables		63,335	71,600	26,211	28,843
Amounts due to subsidiaries		-	-	3,587	4,992
Amounts due to associates		105	-	104	-
Lease liabilities		29,916	29,236	18,603	19,283
Income tax payable		18,217	22,643	13,943	16,567
		195,441	217,293	62,448	69,685
Net current assets		392,036	330,261	258,810	244,105
Non-current liabilities					
Lease liabilities		62,056	44,858	27,919	27,832
Deferred tax liabilities		11,981	5,748	-	-
Other non-current liabilities		434	318	-	-
		74,471	50,924	27,919	27,832
Total liabilities		269,912	268,217	90,367	97,517
Net assets		862,433	787,732	482,815	447,612
Equity attributable to owners of the Company					
Share capital	17(a)	67,638	67,638	67,638	67,638
Treasury shares	17(b)	(104,701)	(89,991)	(104,701)	(89,991)
Reserves		885,467	796,386	519,878	469,965
		848,404	774,033	482,815	447,612
Non-controlling interests		14,029	13,699	-	-
Total equity		862,433	787,732	482,815	447,612
Total equity and liabilities		1,132,345	1,055,949	573,182	545,129

D. Condensed statements of changes in equity
For the full year ended 31 March 2024

<u>Group</u>	Share capital	Treasury shares	Foreign currency translation reserve	Capital reserve	Asset revaluation reserve	Revenue reserve	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2022	67,638	(34,677)	(6,600)	(142)	3,303	722,077	751,599	15,941	767,540
Total comprehensive income									
Profit for the year	-	-	-	-	-	172,365	172,365	1,850	174,215
Other comprehensive income									
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)
Total comprehensive income	-	-	(41,279)	-	145	172,365	131,231	1,547	132,778
Contributions by and distributions to owners									
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 subsidiary	-	-	-	-	-	-	-	(121)	(121)
Total transactions with owners in their capacity as owners	-	(55,314)	-	-	-	(53,483)	(108,797)	(3,789)	(112,586)
Balance at 31 March 2023	67,638	(89,991)	(47,879)	(142)	3,448	840,959	774,033	13,699	787,732

<u>Group</u>	Share capital	Treasury shares	Foreign currency translation reserve	Capital reserve	Asset revaluation reserve	Revenue reserve	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2023	67,638	(89,991)	(47,879)	(142)	3,448	840,959	774,033	13,699	787,732
Total comprehensive income									
Profit for the year	-	-	-	-	-	156,485	156,485	1,099	157,584
Other comprehensive income									
Foreign currency translation	-	-	(14,779)	-	-	-	(14,779)	123	(14,656)
Share of other comprehensive income of associates	-	-	(37)	-	-	-	(37)	-	(37)
Total other comprehensive income	-	-	(14,816)	-	-	-	(14,816)	123	(14,693)
Total comprehensive income	-	-	(14,816)	-	-	156,485	141,669	1,222	142,891
Contributions by and distributions to owners									
Purchase of treasury shares	-	(14,710)	-	-	-	-	(14,710)	-	(14,710)
Dividends on ordinary shares	-	-	-	-	-	(52,588)	(52,588)	-	(52,588)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(892)	(892)
Total transactions with owners in their capacity as owners	-	(14,710)	-	-	-	(52,588)	(67,298)	(892)	(68,190)
Balance at 31 March 2024	67,638	(104,701)	(62,695)	(142)	3,448	944,856	848,404	14,029	862,433

D. Condensed statements of changes in equity (cont'd)
For the full year ended 31 March 2024

<u>Company</u>	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1 April 2022	67,638	(34,677)	392,317	425,278
Total comprehensive income				
Profit for the year	-	-	131,131	131,131
Total comprehensive income	-	-	131,131	131,131
Contributions by and distributions to owners				
Purchase of treasury shares	-	(55,314)	-	(55,314)
Dividends on ordinary shares	-	-	(53,483)	(53,483)
Total transactions with owners in their capacity as owners	-	(55,314)	(53,483)	(108,797)
Balance at 31 March 2023	67,638	(89,991)	469,965	447,612
Balance at 1 April 2023	67,638	(89,991)	469,965	447,612
Total comprehensive income				
Profit for the year	-	-	102,501	102,501
Total comprehensive income	-	-	102,501	102,501
Contributions by and distributions to owners				
Purchase of treasury shares	-	(14,710)	-	(14,710)
Dividends on ordinary shares	-	-	(52,588)	(52,588)
Total transactions with owners in their capacity as owners	-	(14,710)	(52,588)	(67,298)
Balance at 31 March 2024	67,638	(104,701)	519,878	482,815

E. Condensed consolidated statement of cash flows
For the full year ended 31 March 2024

	Group	
	Full Year ended	
	31 Mar 24	31 Mar 23
	\$'000	\$'000
Operating activities		
Profit before taxation	204,621	219,608
Adjustments for:		
Finance costs	6,680	5,893
Interest income	(4,649)	(2,049)
Depreciation of property, plant and equipment	13,345	11,728
Depreciation of right-of-use assets	30,566	28,538
Amortisation of intangible assets	527	365
Amortisation of deferred income	(96)	(104)
Foreign currency translation adjustment	(1,801)	(3,038)
Net loss on disposal of property, plant and equipment	78	106
Loss on revaluation of property, plant and equipment	529	-
Impairment loss on goodwill	-	5,480
Fair value (gain)/loss on investment properties	(1,153)	4,532
Share of results of associates	(15,575)	(21,413)
Operating cash flows before changes in working capital	233,072	249,646
Increase in inventories	(32,681)	(35,137)
Increase in trade and other receivables	(14,078)	(1,035)
Increase in prepaid operating expenses	(614)	(449)
Increase in amounts due from associates	(79)	(30)
Decrease in trade and other payables	(6,818)	(50)
Increase in amounts due to associates	105	-
Cash flows from operations	178,907	212,945
Income taxes paid	(45,246)	(48,285)
Interest paid	(6,680)	(5,893)
Interest received	4,649	2,049
Net cash flows from operating activities	131,630	160,816
Investing activities		
Payments for purchase of property, plant and equipment	(16,731)	(93,536)
Additions to intangible assets	(2,659)	(505)
Payments for purchase of investment property	(9,765)	-
Proceeds from disposal of property, plant and equipment	518	28
Proceeds from disposal of investment property	-	6,080
Dividend received from an associate	2,819	-
Net cash flows used in investing activities	(25,818)	(87,933)
Financing activities		
Proceeds from loans and borrowings	-	47,958
Repayment of loans and borrowings	(8,810)	(48,135)
Payment of principal portion of lease liabilities	(31,079)	(28,584)
Return of capital to non-controlling interests of subsidiary	-	(121)
Dividends paid to non-controlling interests	(892)	(3,668)
Dividends paid on ordinary shares	(52,588)	(53,483)
Purchase of treasury shares	(14,710)	(55,314)
Net cash flows used in financing activities	(108,079)	(141,347)
Net decrease in cash and cash equivalents	(2,267)	(68,464)
Effects of exchange rate changes on cash and cash equivalents	(4,713)	(10,343)
Cash and cash equivalents at beginning of financial year	244,553	323,360
Cash and cash equivalents at end of financial year	237,573	244,553

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

	Group	
	31 Mar 24	31 Mar 23
	\$'000	\$'000
Cash at bank and on hand	99,287	179,361
Fixed deposits with banks	138,286	65,192
	237,573	244,553

F. Business review and market outlook
For the second half and full year ended 31 March 2024

- 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 FY2024 vs 2H FY2023

Revenue for the 6 months ended 31 March 2024 ("2H FY2024") increased by 1% to \$571.3 million (2H FY2023: \$567.5 million). Gross margin was 33.4% in 2H FY2024 versus 34.8% in 2H FY2023.

Higher operating expenses were mainly due to increased advertising and promotion activities.

Profit after tax was 10% lower at \$79.7 million (2H FY2023: \$88.7 million). A stronger Singapore dollar against regional currencies affected the Group's profit.

The Group also accounted for an additional deferred tax charge of \$4.7 million due to a legislative change in New Zealand's government policy regarding tax allowances on buildings that was enacted on 28 March 2024.

FY2024 vs FY2023

Revenue for the full year ended 31 March 2024 ("FY2024") was \$1,129.7 million, 1% higher than the \$1,122.9 million recorded for FY2023. Gross margin was 32.2% in FY2024 compared to 33.6% in FY2023.

Higher advertising and promotion expenses and depreciation expenses contributed to the increase in operating expenses for FY2024 compared to FY2023.

Profit after tax was 10% lower at \$157.6 million (FY2023: \$174.2 million). A stronger Singapore dollar against regional currencies affected the Group's profit.

The Group also accounted for an additional deferred tax charge of \$4.7 million as explained above.

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

As at 31 March 2024, Group inventories were \$314.1 million (31 March 2023: \$283.5 million). Cash and bank balances stood at \$237.6 million (31 March 2023: \$244.6 million).

The Company bought back \$14.7 million of its own shares and distributed \$52.6 million of dividends to shareholders during the financial year.

Trade and other receivables increased by \$14.7 million while trade and other payables decreased by \$8.3 million.

Consolidated net assets attributable to owners of the Company were \$848.4 million or \$1.31 per share, as at 31 March 2024.

- 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.**

Ongoing geopolitical tensions and conflicts and a high interest rate environment are expected to continue impacting consumer sentiment in the specialty watch industry. An industry-wide slowdown is anticipated.

The Group expects to remain profitable in the next financial year.

G. Notes to the condensed consolidated financial statements For the second half and full year ended 31 March 2024

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 2024 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 2023.

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 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

International Tax Reform – Pillar Two

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules and has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to SFRS(I) 1-12 issued in May 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference in Global Anti-Base Erosion effective tax rate for each jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect, but the Group does not expect the impact to be material.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

2. Basis of preparation (cont'd)

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 2023.

3. Seasonal operations

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

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 24	31 Mar 23	31 Mar 24	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
Rental income	4,330	4,041	8,474	7,953
Interest income from cash and bank balances	2,392	1,314	4,649	2,049
Management fee income from associates	1,067	1,088	2,185	2,125
Others	1,025	61	1,394	1,579
	8,814	6,504	16,702	13,706

6. Finance costs

	Group			
	Second Half ended		Full Year ended	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
Interest on loans and borrowings	2,223	2,170	4,366	3,907
Interest on lease liabilities	1,320	931	2,314	1,986
	3,543	3,101	6,680	5,893

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

7. Other expenses

	Group			
	Second Half ended		Full Year ended	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
Net loss on disposal of property, plant and equipment	19	–	78	106
Loss on revaluation of property, plant and equipment	529	–	529	–
Facility costs	4,815	5,289	9,208	9,153
Professional fees	1,692	1,851	3,430	3,514
General and administrative expenses	4,459	4,560	8,729	8,782
	<u>11,514</u>	<u>11,700</u>	<u>21,974</u>	<u>21,555</u>

8. Income tax expense

Major components of income tax expense

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

	Group			
	Second Half ended		Full Year ended	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
Consolidated income statement:				
Current income tax				
- Current income taxation	21,416	23,899	40,535	45,056
- (Over)/under provision in respect of previous years	(38)	139	(10)	139
	<u>21,378</u>	<u>24,038</u>	<u>40,525</u>	<u>45,195</u>
Deferred income tax				
- Origination and reversal of temporary differences	5,514	129	6,710	92
- (Over)/under provision in respect of previous years	(198)	106	(198)	106
	<u>5,316</u>	<u>235</u>	<u>6,512</u>	<u>198</u>
Income tax expense recognised in profit or loss	<u>26,694</u>	<u>24,273</u>	<u>47,037</u>	<u>45,393</u>

9. Dividends

	Group and Company	
	Full Year ended	
	31 Mar 24	31 Mar 23
	\$'000	\$'000
<i>Declared and paid during the financial year</i>		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend in respect of the year ended 31 March 2023: 6.00 cents (2022: 6.00 cents)	39,484	40,312
- Interim exempt (one-tier) dividend in respect of the year ended 31 March 2024: 2.00 cents (2023: 2.00 cents)	13,104	13,171
	<u>52,588</u>	<u>53,483</u>

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

10. Earnings per share

	Group			
	Second Half ended 31 Mar 24	31 Mar 23	Full Year ended 31 Mar 24	31 Mar 23
Profit for the period/year attributable to owners of the Company (\$'000)	79,479	87,814	156,485	172,365
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share ('000)	653,045	658,527	655,438	665,295
Basic and diluted earnings per share (cents)	12.17	13.33	23.87	25.91

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 2024.

11. Net asset value

	Group		Company	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
Number of issued shares ('000)	649,929	658,527	649,929	658,527
Net asset value per ordinary share (in \$)	1.31	1.18	0.74	0.68

12. Property, plant and equipment

During the financial year ended 31 March 2024, the Group acquired assets amounting to \$16,731,000 (31 March 2023: \$93,536,000) and disposed of assets with cost and carrying amount amounting to \$6,056,000 and \$596,000 (31 March 2023: \$988,000 and \$134,000) respectively.

The Group has reclassified the entire shop and office unit at 190 Edward Street, Brisbane to investment properties, due to change in use of the premises.

13. Right-of-use assets

During the financial year ended 31 March 2024, the Group recognised \$50,390,000 (31 March 2023: \$4,799,000) 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 2024

14. Investment properties

	Group		Company	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
At 1 April	119,122	178,913	5,192	11,272
Additions	9,765	–	–	–
Disposals	–	(6,080)	–	(6,080)
Transferred from property, plant and equipment	28,102	776	–	–
Transferred to property, plant and equipment	–	(31,273)	–	–
Gain/(loss) from fair value adjustments recognised in profit or loss	1,153	(4,532)	–	–
Foreign currency translation adjustment	(1,876)	(18,682)	–	–
At 31 March	<u>156,266</u>	<u>119,122</u>	<u>5,192</u>	<u>5,192</u>

Investment properties are stated at fair value, which has been determined based on latest valuations performed as at 31 March 2024. 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 costs capitalised.

Brands relate to various brand names that were acquired in business combinations. Included in the carrying amount of brands is an amount of \$178,000 (31 March 2023: \$182,000) with indefinite useful life. The remaining balance of \$3,728,000 (31 March 2023: \$3,820,000) has a remaining amortisation period of 40 (31 March 2023: 41) years.

Software has a carrying amount of \$2,828,000 (31 March 2023: \$604,000) and an average remaining amortisation period of 2 (31 March 2023: 2) years.

As at 31 March 2024, the carrying values of goodwill and customer relationships were nil.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

16. Loans and borrowings

	Group	
	31 Mar 24	31 Mar 23
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured loans	83,868	93,814
Unsecured loan	–	–
	<u>83,868</u>	<u>93,814</u>
Amount repayable after one year		
Secured loans	–	–
Unsecured loan	–	–
	<u>–</u>	<u>–</u>

The secured loans of \$83,868,000 (31 March 2023: \$93,814,000) are secured by certain properties held by subsidiaries and corporate guarantees given by the Company.

17. Share capital and treasury shares

(a) *Share capital*

	Group and Company			
	31 Mar 24		31 Mar 23	
	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

As at 31 March 2024, the Company's total issued shares is 649,928,980 ordinary shares (31 March 2023: 658,526,880) excluding 55,082,900 shares held as treasury shares (31 March 2023: 46,485,000).

(b) *Treasury shares*

	Group and Company			
	31 Mar 24		31 Mar 23	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 April	(46,485)	(89,991)	(22,433)	(34,677)
Acquired during the financial year	(8,598)	(14,710)	(24,052)	(55,314)
At 31 March	<u>(55,083)</u>	<u>(104,701)</u>	<u>(46,485)</u>	<u>(89,991)</u>

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

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 2024, the Company held 55,082,900 treasury shares (31 March 2023: 46,485,000) which represents 8.475% (31 March 2023: 7.059%) 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:

	Sale of goods	Purchase of goods	Service fee expense	Rental expenses	Rental income	Commission expense	Royalties income
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Full Year ended 31 Mar 24							
Associates	222	(65)	(104)	–	–	–	11
Directors and close family members of directors of the Company	834	–	(600)	–	–	–	–
Directors-related companies	–	–	(32)	(421)	28	–	–
Key management personnel	131	–	–	(120)	–	–	–
Full Year ended 31 Mar 23							
Associates	7	(58)	–	–	–	(3)	–
Directors and close family members of directors of the Company	688	–	(600)	–	–	–	–
Directors-related companies	–	–	(131)	(402)	28	–	–
Key management personnel	79	–	–	(120)	–	–	–

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

19. Commitments

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

	Group		Company	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital expenditure in respect of property, plant and equipment and intangible assets	7,580	2,069	1,212	1,291

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 2024

20. Segment information (cont'd)

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
Second Half ended 31 Mar 24					
Segment revenue:					
Sales to external customers	498,163	73,158	571,321	-	571,321
Inter-segment sales	2,072	-	2,072	(2,072)	-
Interest income	1,768	624	2,392	-	2,392
Other income	29,452	3	29,455	(23,033)	6,422
Revenue and other income	531,455	73,785	605,240	(25,105)	580,135
Segment results:					
Segment results	105,208	13,935	119,143	(17,237)	101,906
Finance costs ⁽¹⁾					(3,543)
Fair value gain on investment properties					1,153
Share of results of associates					6,891
Profit before taxation					106,407
Income tax expense					(26,694)
Profit for the period					79,713
Other segment information:					
Capital expenditure for the period	11,256	19	11,275	-	11,275
Depreciation and amortisation ⁽²⁾	19,115	3,498	22,613	-	22,613
Second Half ended 31 Mar 23					
Segment revenue:					
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	527,515	68,492	596,007	(22,051)	573,956
Segment results:					
Segment results	117,405	14,784	132,189	(16,886)	115,303
Finance costs ⁽¹⁾					(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					10,759
Profit before taxation					112,949
Income tax expense					(24,273)
Profit for the period					88,676
Other segment information:					
Capital expenditure for the period	3,086	202	3,288	-	3,288
Depreciation and amortisation ⁽²⁾	17,101	3,408	20,509	-	20,509

⁽¹⁾ Includes interest on lease liabilities

⁽²⁾ 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 2024

20. Segment information (cont'd)

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
Full Year ended 31 Mar 24					
Segment revenue:					
Sales to external customers	990,999	138,701	1,129,700	-	1,129,700
Inter-segment sales	7,884	-	7,884	(7,884)	-
Interest income	3,772	877	4,649	-	4,649
Other income	59,453	22	59,475	(47,422)	12,053
Revenue and other income	1,062,108	139,600	1,201,708	(55,306)	1,146,402
Segment results:					
Segment results	205,946	26,235	232,181	(37,608)	194,573
Finance costs ⁽¹⁾					(6,680)
Fair value gain on investment properties					1,153
Share of results of associates					15,575
Profit before taxation					204,621
Income tax expense					(47,037)
Profit for the year					157,584
Other segment information:					
Capital expenditure for the year	19,368	22	19,390	-	19,390
Depreciation and amortisation ⁽²⁾	37,583	6,855	44,438	-	44,438
Full Year ended 31 Mar 23					
Segment revenue:					
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
Segment results:					
Segment results	245,809	22,521	268,330	(54,230)	214,100
Finance costs ⁽¹⁾					(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
Other segment information:					
Capital expenditure for the year	93,795	246	94,041	-	94,041
Depreciation and amortisation ⁽²⁾	33,769	6,862	40,631	-	40,631

⁽¹⁾ Includes interest on lease liabilities

⁽²⁾ Includes depreciation of right-of-use assets

	South East Asia & Oceania \$'000	North East Asia \$'000	Total \$'000	Eliminations \$'000	Group \$'000
31 Mar 24					
Segment assets	938,360	111,272	1,049,632	-	1,049,632
Investment in associates	82,713	-	82,713	-	82,713
					1,132,345
Segment liabilities	232,795	37,117	269,912	-	269,912
31 Mar 23					
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

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

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 2024 and 31 March 2023.

	Group		Company	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
	\$'000	\$'000	\$'000	\$'000
Financial assets at amortised cost				
Trade and other receivables	40,595	26,715	20,376	13,391
Amounts due from associates	187	112	91	–
Amounts due from subsidiaries	–	–	6,709	5,764
Cash and bank balances	237,573	244,553	100,115	117,847
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets at amortised cost	278,355	271,380	127,291	137,002
Financial liabilities at amortised cost				
Trade and other payables	58,258	68,319	22,908	26,640
Loans and borrowings	83,868	93,814	–	–
Amounts due to associates	105	–	104	–
Amounts due to subsidiaries	–	–	3,587	4,992
Lease liabilities	91,972	74,094	46,522	47,115
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities at amortised cost	234,203	236,227	73,121	78,747

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 2024 and 2023.

G. Notes to the condensed consolidated financial statements
For the second half and full year ended 31 March 2024

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:

	Group			
	31 Mar 24			
	\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Non-financial assets:				
Investment properties	–	–	156,266	156,266
Total non-financial assets	–	–	156,266	156,266

	Group			
	31 Mar 23			
	\$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Recurring fair value measurements				
Assets				
Non-financial assets:				
Investment properties	–	–	119,122	119,122
Total non-financial assets	–	–	119,122	119,122

(c) Fair value of financial instruments whose carrying amounts approximate their fair values

Management has determined that the carrying amounts of cash and bank balances, trade and other receivables, amounts due from/(to) subsidiaries, amounts due from/(to) associates, trade and other payables and loans and borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

**H. Other information required by Appendix 7.2 of the Listing Manual
For the second half and full year ended 31 March 2024**

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 2024 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 FY2024.

3. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Interim Dividend (paid)	Proposed Final Dividend
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 2024 (2023: 6.00 cents), amounting to approximately \$38,996,000 (2023: \$39,484,000). This is subject to the approval of the shareholders of the Company at the Annual General Meeting to be held on 29 July 2024.

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 2024**

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.

Name of Dividend	Interim Dividend	Final Dividend
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 2024**

9. A breakdown of sales as follows:

	Group		
	Full Year ended		
	31 Mar 24 \$'000	31 Mar 23 \$'000	Change %
Revenue for first half year	558,379	555,489	1%
Profit after tax for first half year	77,871	85,539	-9%
Revenue for second half year	571,321	567,452	1%
Profit after tax for second half year	79,713	88,676	-10%

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	13,104	13,171
- Final Dividend	38,996	39,484
Preference	-	-
	52,100	52,655

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
28 May 2024