



**CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)**

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 September 2019**

Part 1 - Information required for announcements of quarterly (Q1, Q2 & Q3), half-year and full year results

1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**Consolidated Statement of Comprehensive Income**

	GROUP 3 months ended 30 Sep			GROUP 6 months ended 30 Sep		
	2019 S\$'000	2018 S\$'000	Increase/ (Decrease) %	2019 S\$'000	2018 S\$'000	Increase/ (Decrease) %
<b>Revenue</b>	<b>131,565</b>	110,818	19	<b>257,031</b>	215,268	19
<u>Other items of income</u>						
Interest income	166	44	>100	353	86	>100
Other gains	235	228	3	235	353	(34)
<u>Other items of expenses</u>						
Changes in inventories of finished goods	(3,360)	(746)	>100	(9,088)	(8,761)	4
Purchase of goods and consumables	(92,772)	(82,788)	12	(179,145)	(153,675)	17
Employee benefit expense	(8,615)	(6,992)	23	(16,866)	(13,655)	24
Rental expense	(670)	(6,535)	(90)	(1,683)	(13,487)	(88)
Depreciation expense (Note 1)	(7,316)	(1,361)	>100	(14,489)	(2,789)	>100
Other expenses	(5,204)	(3,553)	46	(9,827)	(6,922)	42
Finance costs (Note 1)	(593)	(308)	93	(1,235)	(641)	93
Share of loss from equity-accounted associates	(4)	-	(100)	2	-	100
<b>Profit before tax from continuing activities</b>	<b>13,432</b>	8,807	53	<b>25,288</b>	15,777	60
Income tax expense	(2,873)	(1,784)	61	(5,196)	(3,124)	66
<b>Profit from continuing activities, net of tax</b>	<b>10,559</b>	7,023	50	<b>20,092</b>	12,653	59
Profit attributable to :						
Owners of the parent, net of tax	10,026	6,619	51	18,942	11,903	59
Non-controlling interests, net of tax	533	404	32	1,150	750	53
<b>Profit net of tax</b>	<b>10,559</b>	7,023	50	<b>20,092</b>	12,653	59
<u>Statement of Comprehensive Income</u>						
Profit from continuing activities	10,559	7,023	50	20,092	12,653	59
<b>Other Comprehensive Income:</b>						
Exchange difference on translating foreign operations, net of tax	673	(568)	N.M	522	(166)	N.M
Total comprehensive income for the period	11,232	6,455	74	20,614	12,487	65
<b>Total comprehensive income attributable to :</b>						
Owners of the parent	11,228	6,067	85	19,916	11,826	68
Non-controlling interests	4	388	(99)	698	661	6
	11,232	6,455	74	20,614	12,487	65

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Profit before tax after (charging) / crediting the following :

	3 months ended 30 Sep			6 months ended 30 Sep		
	2019 S\$'000	2018 S\$'000	Increase/ (Decrease) %	2019 S\$'000	2018 S\$'000	Increase/ (Decrease) %
Interest expense	(593)	(308)	93	(1,235)	(641)	93
Depreciation of property, plant and equipment and investment properties	(7,316)	(1,361)	>100	(14,489)	(2,789)	>100
Net foreign exchange adjustment gain	105	110	(5)	13	190	-
Gain/(Loss) on disposal of plant and equipment	224	118	90	222	163	36
Plant and equipment written off	(7)	(55)	(87)	(7)	(217)	(97)
Inventories written off	(71)	-	100	(612)	(31)	>100
(Allowance)/reversal for inventories	385	53	N.M.	(584)	400	N.M.

Note : N.M - not meaningful

Note 1

With the adoption of SFRS (I) 16, operating rental expenses previously recognised in Statement of Comprehensive Income will be replaced with depreciation expense for right-of-use asset and finance costs for lease liabilities as follows:

	S\$'000
Depreciation expense	11,724
Finance costs	744
	<u>12,468</u>

## CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)

### UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 September 2019

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As At 30.09.2019 S\$'000	As At 31.03.2019 S\$'000	As At 30.09.2019 S\$'000	As At 31.03.2019 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances	79,929	81,288	387	2,426
Trade and other receivables	20,480	10,263	2,842	9,228
Inventories	153,676	162,764	-	-
Other assets, current	1,945	1,727	22	67
<b>Total current assets</b>	<b>256,030</b>	<b>256,042</b>	<b>3,251</b>	<b>11,721</b>
<b>Non-Current Assets</b>				
Investments in associates	2,530	2,530	1,000	1,000
Investments in subsidiaries	-	-	56,492	56,492
Property, plant and equipment	14,574	15,345	709	557
Investment property	4,306	4,350	4,306	4,350
Deferred tax assets	978	981	-	-
Other assets, non-current	5,769	5,040	-	-
Rights-of-use assets (Note 2)	52,673	-	-	-
<b>Total non-current assets</b>	<b>80,830</b>	<b>28,246</b>	<b>62,507</b>	<b>62,399</b>
<b>Total Assets</b>	<b>336,860</b>	<b>284,288</b>	<b>65,758</b>	<b>74,120</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	27,022	31,375	5,255	6,577
Income tax payables	6,529	5,701	276	315
Lease liabilities, current (Note 2)	19,085	-	-	-
Other liabilities, current	11,964	13,179	-	-
Other financial liabilities, current	15,703	23,492	94	67
<b>Total current liabilities</b>	<b>80,303</b>	<b>73,747</b>	<b>5,625</b>	<b>6,959</b>
<b>Non-Current Liabilities</b>				
Other financial liabilities, non-current	806	491	124	106
Provisions, non-current	2,033	1,948	-	-
Other liabilities, non-current	663	655	-	-
Lease liabilities, non-current (Note 2)	34,101	-	-	-
<b>Total non-current liabilities</b>	<b>37,603</b>	<b>3,094</b>	<b>124</b>	<b>106</b>
<b>Total Liabilities</b>	<b>117,906</b>	<b>76,841</b>	<b>5,749</b>	<b>7,065</b>
<b>Net Assets</b>	<b>218,954</b>	<b>207,447</b>	<b>60,009</b>	<b>67,055</b>
<b>EQUITY</b>				
<b>Equity attributable to owners of parent</b>				
Share capital	35,481	35,481	35,481	35,481
Other reserves	1,953	980	-	-
Retained earnings	172,752	162,917	24,528	31,574
<b>Total equity, attributable to owners of the parent</b>	<b>210,186</b>	<b>199,378</b>	<b>60,009</b>	<b>67,055</b>
Non-controlling interests	8,768	8,069	-	-
<b>Total Equity</b>	<b>218,954</b>	<b>207,447</b>	<b>60,009</b>	<b>67,055</b>

Note 2 - The Group has adopted SFRS (I)16 with effect from 1 April 2019 based on modified retrospective approach. Please refer to Paragraph 5 for further information.

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1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.09.2019		As at 31.03.2019	
Secured	Unsecured	Secured	Unsecured
<b>322,695</b>	<b>15,379,877</b>	228,859	23,262,998

Amount repayable after one year

As at 30.09.2019		As at 31.03.2019	
Secured	Unsecured	Secured	Unsecured
<b>806,407</b>	<b>0</b>	491,208	0

The finance lease liabilities are secured as the rights to the plant and equipment of the Group revert to the lessor in the event of default by the Group.

## CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 September 2019

1(c)(i) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	3 months ended		6 months ended	
	30.09.2019 S\$'000	30.09.2018 S\$'000	30.09.2019 S\$'000	30.09.2018 S\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	13,432	8,807	25,288	15,777
Adjustments for :				
Depreciation expenses	7,316	1,361	14,489	2,789
Plant and equipment written off	5	55	7	217
Interest income	(166)	(44)	(353)	(86)
Interest expense	593	308	1,235	641
Gain on disposal of plant and equipment	(222)	(118)	(222)	(163)
Share of loss from equity-accounted associates	4	-	(2)	-
Operating cash flows before changes in working capital	20,962	10,369	40,442	19,175
Trade and other receivables	(848)	(3,144)	(10,113)	(7,915)
Inventories	4,496	494	10,206	8,117
Other assets	164	428	(863)	217
Trade and other payables	(727)	1,982	(3,885)	7,193
Other liabilities	(725)	831	(2,171)	2,713
Net cash flows from operations	23,322	10,960	33,616	29,500
Income tax paid	(3,613)	(2,552)	(4,232)	(3,271)
<b>Net cash flows from operating activities</b>	<b>19,709</b>	<b>8,408</b>	<b>29,384</b>	<b>26,229</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(826)	(540)	(1,161)	(1,438)
Purchase of Investment property	-	(4,585)	-	(4,585)
Interest received	167	43	354	86
Proceeds from sale of plant and equipment	246	250	246	295
<b>Net cash flows used in investing activities</b>	<b>(413)</b>	<b>(4,832)</b>	<b>(561)</b>	<b>(5,642)</b>
<b>Cash flows from financing activities</b>				
Principal element of lease payments	(5,691)	-	(11,212)	-
Interest element of lease payments	(353)	-	(744)	-
Decrease in other financial liabilities	(9,015)	(3,568)	(8,414)	(11,971)
Decrease in finance leases	(125)	(357)	(213)	(417)
Dividend paid to non-controlling interests of a subsidiary	(673)	(1,340)	(673)	(1,340)
Interest paid	(241)	(308)	(491)	(641)
Dividends paid	(9,107)	(7,451)	(9,107)	(7,451)
<b>Net cash flows used in financing activities</b>	<b>(25,205)</b>	<b>(13,024)</b>	<b>(30,854)</b>	<b>(21,820)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,909)</b>	<b>(9,448)</b>	<b>(2,031)</b>	<b>(1,233)</b>
Cash and cash equivalents, beginning balance	85,223	44,047	81,288	35,491
Effects of foreign exchange rate adjustment	615	(68)	672	273
<b>Cash and cash equivalents, ending balance (Note A)</b>	<b>79,929</b>	<b>34,531</b>	<b>79,929</b>	<b>34,531</b>
<b>Note A:</b>				
Cash and bank balances			79,929	34,531
Bank overdrafts			-	-
Cash and cash equivalents at end of the period			<b>79,929</b>	<b>34,531</b>

## CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 September 2019

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalising issues and distributions to shareholders, together with a comparative statement for the correspond period of the immediately preceding financial year

	Total equity	Attributable to Parent			Non-controlling interests	
	S\$'000	Sub-total S\$'000	Share capital S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	S\$'000
<b>The Group</b>						
<b>Balance at 1 April 2019</b>	<b>207,447</b>	<b>199,378</b>	<b>35,481</b>	<b>980</b>	<b>162,917</b>	<b>8,069</b>
<u>Movements in equity:</u>						
<b>Total comprehensive income for the period</b>	<b>20,614</b>	<b>19,915</b>	<b>-</b>	<b>973</b>	<b>18,942</b>	<b>698</b>
Dividends paid	(9,107)	(9,107)	-	-	(9,107)	-
<b>Balance at 30 September 2019</b>	<b>218,954</b>	<b>210,186</b>	<b>35,481</b>	<b>1,953</b>	<b>172,752</b>	<b>8,768</b>
Balance at 1 April 2018	185,907	178,255	35,481	(7,460)	150,234	7,652
Reclassification on adoption of SFRS (I) 1	-	-	-	8,832	(8,832)	-
Balance at 1 April 2018 (restated)	185,907	178,255	35,481	1,372	141,402	7,652
<u>Movements in equity:</u>						
Total comprehensive income for the period	12,487	11,826	-	(77)	11,903	661
Dividends paid	(8,791)	(7,451)	-	-	(7,451)	(1,340)
Balance at 30 September 2018 (restated)	189,603	182,630	35,481	1,295	145,854	6,973

### The Company

Balance at 1 April 2019

Movements in equity:

Total comprehensive income for the period

Dividends paid

Balance at 30 September 2019

Balance at 1 April 2018

Movements in equity:

Total comprehensive income for the period

Dividends paid

Balance at 30 September 2018 (restated)

	Total S\$'000	Share capital S\$'000	Retained earnings S\$'000
Balance at 1 April 2019	<b>67,055</b>	<b>35,481</b>	<b>31,574</b>
Total comprehensive income for the period	<b>2,061</b>	<b>-</b>	<b>2,061</b>
Dividends paid	<b>(9,107)</b>	<b>-</b>	<b>(9,107)</b>
<b>Balance at 30 September 2019</b>	<b>60,009</b>	<b>35,481</b>	<b>24,528</b>
Balance at 1 April 2018	61,046	35,481	25,565
Total comprehensive income for the period	12,750	-	12,750
Dividends paid	(7,451)	-	(7,451)
Balance at 30 September 2018 (restated)	66,345	35,481	30,864

## CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 September 2019

**1(d)(ii) Details of any changes in the company's share capital arising from the right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There have been no changes in the issued and paid up share capital of the Company since 31 March 2019.

The Company does not have outstanding convertibles or treasury shares as at 30 September 2019 and 30 September 2018.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	Number of Ordinary Shares	S\$
Balance as at 30 September 2019 and 31 March 2019 (excluding treasury shares)	165,578,415	35,481,180

The Company does not have treasury shares as at 30 September 2019 and 31 March 2019.

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period, which are consistent with those described in the Audited Financial Statements for the year ended 31 March 2019, except for the adoption of all applicable new and revised Singapore Financial Reporting Standards (International), ("SFRS (I)") and Interpretation of SFRS (I) ("INT SFRS (I)"), which becomes effective from annual periods beginning on or after 1 January 2019.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

On 1 April 2019, the Group adopted the new and revised Singapore Financial Accounting Standards (International) (SFRS(I)) and the related interpretations to SFRS(I)s ("SFRS (I) INT") that are relevant to its operations and mandatory for application from that date. Changes to the Group accounting policies have been made as required, in accordance with the relevant transitional provisions in respect of SFRS(I) and SFRS (I) INT.

The adoption of the new and revised SFRS (I) has no material effect on the financial statements, except for the adoption of SFRS(I) 16 - Leases. Under the new financial reporting standard, for the lessee, almost all leases, (except for leases less than 12 months and leases of low-value assets) will be brought onto the Statement of Financial Position by recognising right-of-use and a corresponding liability. For the lessor, the accounting remain largely unchanged.

The Group recognises its existing operating lease arrangements (except for leases less than 12 months and leases of low-value assets) where the Group is a lessee as right-of-use assets equal to its lease liabilities as at 1 April 2019 in accordance with SFRS (I) 16.

The nature of expenses in relation to leases will correspondingly change. Operating rental expenses previously recognised in the Statement of Comprehensive Income will be replaced with depreciation charge for right-of-use asset and finance costs for lease liabilities.

## CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)

### UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 September 2019

#### 6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	3 months ended	6 months ended	3 months ended	6 months ended
Earning per ordinary share (cents)				
- Based on weighted average number of ordinary shares in issue	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- On fully diluted basis (detailing any adjustments made to the earnings)	6.1	4.0	11.4	7.2
	6.1	4.0	11.4	7.2
Weighted average number of ordinary shares in issue	165,578,415	165,578,415	165,578,415	165,578,415

Diluted earnings per share is the same as basic earnings per share as the Company has not issued any options and / or warrants which would have a dilutive effect on earnings per share when exercised.

#### 7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :- (a) current financial period reported on, and (b) immediately preceding financial year

	30.09.2019	31.03.2019
Net asset value per ordinary share based on the total number of issued shares - group (cents)	126.9	120.4
Net asset value per ordinary share based on the total number of issued shares - company (cents)	36.2	40.5

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

The Group recorded a profit net of tax of S\$10.6 million in the second quarter of FY2020, an increase of \$3.5 million or 50.3% as compared to last corresponding quarter. For the six months ended 30 September 2019, the Group achieved \$20.1 million, an increase of 58.8% as compared with S\$12.7 million in the last corresponding quarter.

For the current quarter, revenue increased by 18.7% to S\$131.6 million, compared to the last corresponding quarter. The revenue for the current six months was at S\$257.0 million, or 19.4% higher than last year.

Sales margin was 26.9% for the current quarter, as compared to 24.6% in the last corresponding quarter.

Operating expenses, comprising staff cost, rental expense, depreciation and other expenses, increased by S\$3.4 million or 18.2% over the last corresponding quarter. For the 6 months, the operating expense increased marginally by 16.3% to S\$42.9 million.

Finance cost of S\$593,000 for the current quarter was 92.5% higher than the last corresponding quarter. For the 6 months, total finance cost was S\$1.2 million which is 92.7% higher than the last corresponding quarter due to interest element of lease liabilities as a result of adoption of SFRS (I) 16.

The Group's equity attributable to owners of the parent company was S\$210.2 million, an increase of S\$10.8 million from the last year end. Cash and cash equivalents were at S\$80.0 million, represented mainly by short term cash balances. Inventories were S\$9.1 million lower than last year end as a result of tighter inventory control and management. Trade and other receivables increased by S\$10.2 million and short term financial liabilities decreased by S\$7.8 million.

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

Not applicable.



## **CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)**

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 September 2019**

**10. A commentary at the date of the 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**

Market conditions will remain competitive in all the markets that the Group operates in. The Group will continue to engage regional customers whose purchasing power and affluence have been on the rise in recent years. The Group also plans to open new outlets in Taiwan.

Barring unforeseen circumstances, the Group expects to remain profitable.

### **11. Dividend**

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

Any dividend recommended for the current financial period reported on.

No dividend has been declared or recommended.

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

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

No dividend was declared or recommended.

#### **(c) Date payable**

Not applicable.

#### **(d) Books closure date**

Not applicable.

### **12. If no dividend has been declared / recommended, a statement to that effect**

No interim dividend has been declared or recommended for the six months period ended 30 September 2019 as it is not the practice of the Company to declare interim dividend.

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

The Company does not have an IPT mandate.

### **14. Negative Assurance Confirmation on interim financial results pursuant to Rule 705 (5) of the Listing manual**

We, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial results for the six months ended 30 September 2019 to be false or misleading in any material respect.

### **15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company has procured the undertakings from all its directors and executive officers under Rule 720(1) of the SGX-ST Listing Manual.

On behalf of the Board of Directors

**Lim Keen Ban**

Chairman & CEO

**Yu Chuen Tek**

Senior Executive Director

### **BY ORDER OF THE BOARD**

Lim Keen Ban  
Chairman & CEO  
8 November 2019