



CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 December 2018

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 31 Dec			GROUP 9 months ended 31 Dec		
	2018 S\$'000	2017 S\$'000	Increase/ (Decrease) %	2018 S\$'000	2017 S\$'000	Increase/ (Decrease) %
Revenue	123,945	122,888	1	339,213	333,372	2
<u>Other items of income</u>						
Interest income	32	21	53	118	61	94
Other gains	171	303	(44)	524	568	(8)
<u>Other items of expenses</u>						
Changes in inventories of finished goods	(1,730)	7,332	N.M	(10,491)	2,916	N.M
Purchase of goods and consumables	(90,643)	(102,154)	(11)	(244,318)	(259,266)	(6)
Employee benefits expense	(7,293)	(6,483)	12	(20,948)	(18,765)	12
Rental expense	(6,996)	(7,370)	(5)	(20,483)	(22,004)	(7)
Depreciation expense	(1,338)	(1,622)	(18)	(4,127)	(4,393)	(6)
Other expenses	(3,251)	(5,141)	(37)	(10,173)	(12,247)	(17)
Finance costs	(292)	(504)	(42)	(933)	(1,548)	(40)
Share of (loss)/profit from equity-accounted associates	(5)	(14)	(62)	(5)	(25)	(79)
Profit before tax from continuing activities	12,600	7,256	74	28,377	18,669	52
Income tax expense	(2,878)	(1,329)	>100	(6,002)	(3,576)	68
Profit from continuing activities, net of tax	9,722	5,927	64	22,375	15,093	48
Profit attributable to :						
Owners of the parent, net of tax	9,222	5,635	64	21,125	14,516	46
Non-controlling interests, net of tax	500	292	71	1,250	577	>100
Profit net of tax	9,722	5,927	64	22,375	15,093	48

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<u>Statement of Comprehensive Income</u>	2018	2017	Increase/ (Decrease)	2018	2017	Increase/ (Decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	%	<u>S\$'000</u>	<u>S\$'000</u>	%
Profit from continuing activities	9,722	5,927	64	22,375	15,093	48
Other Comprehensive Income:						
Exchange difference on translating foreign operations, net of tax	(280)	900	N.M	(446)	737	N.M
Total comprehensive income for the period	<u>9,442</u>	<u>6,827</u>	38	<u>21,929</u>	<u>15,830</u>	39
Total comprehensive income attributable to :						
Owners of the parent	8,970	6,403	40	20,796	15,040	38
Non-controlling interests	472	424	11	1,133	790	43
	<u>9,442</u>	<u>6,827</u>	38	<u>21,929</u>	<u>15,830</u>	39

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

	3 months ended 31 Dec			9 months ended 31 Dec		
	2018 <u>S\$'000</u>	2017 <u>S\$'000</u>	Increase/ (Decrease) %	2018 <u>S\$'000</u>	2017 <u>S\$'000</u>	Increase/ (Decrease) %
Interest expense	(292)	(504)	(42)	(933)	(1,548)	(40)
Depreciation of property, plant and equipment and investment properties	(1,338)	(1,622)	(18)	(4,127)	(4,393)	(6)
Net foreign exchange adjustment gain	196	302	>100	386	536	(28)
Gain/(loss) on disposal of plant and equipment	(25)	1	N.M	138	32	331
Plant and equipment written off	25	-	100	(192)	(80)	>100
Inventories written off	(1)	(98)	(99)	(32)	(356)	>100
(Reversal)/Allowance for inventories	433	(218)	N.M	33	(1,249)	N.M

Note : N.M - not meaningful

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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 31.12.2018 S\$'000	As At 31.03.2018 S\$'000 (restated)	As At 31.12.2018 S\$'000	As At 31.03.2018 S\$'000
ASSETS				
Current Assets				
Cash and bank balances	40,008	35,491	1,055	504
Trade and other receivables	26,534	12,774	7,672	8,394
Inventories	170,693	181,183	-	-
Other assets, current	2,151	2,860	65	13
Total current assets	239,386	232,308	8,792	8,911
Non-Current Assets				
Investments in associates	2,516	2,521	1,000	1,000
Investments in subsidiaries	-	-	56,065	56,065
Property, plant and equipment	15,547	17,716	579	199
Investment property	4,654	-	4,654	-
Deferred tax assets	983	1,002	-	-
Other assets, non-current	4,707	5,265	-	-
Trade and other receivables, non-current	-	-	-	-
Total non-current assets	28,407	26,504	62,298	57,264
Total Assets	267,793	258,812	71,090	66,175
LIABILITIES				
Current Liabilities				
Trade and other payables	24,057	17,634	4,227	4,839
Income tax payables	3,990	4,100	51	290
Other liabilities, current	8,872	5,223	-	-
Other financial liabilities, current	29,675	40,003	66	-
Total current liabilities	66,594	66,960	4,344	5,129
Non-Current Liabilities				
Other financial liabilities, non-current	362	4,116	123	-
Provisions, non-current	1,748	1,792	-	-
Deferred tax liabilities	37	37	-	-
Total non-current liabilities	2,147	5,945	123	-
Total Liabilities	68,741	72,905	4,467	5,129
Net Assets	199,052	185,907	66,623	61,046
EQUITY				
Equity attributable to owners of parent				
Share capital	35,481	35,481	35,481	35,481
Other reserves	1,043	1,372	-	-
Retained earnings	155,076	141,402	31,142	25,565
Total equity, attributable to owners of the parent	191,600	178,255	66,623	61,046
Non-controlling interests	7,452	7,652	-	-
Total Equity	199,052	185,907	66,623	61,046

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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 31.12.2018		As at 31.03.2018	
Secured	Unsecured	Secured	Unsecured
197,660	29,477,629	226,463	39,776,216

Amount repayable after one year

As at 31.12.2018		As at 31.03.2018	
Secured	Unsecured	Secured	Unsecured
362,308	-	365,722	3,750,000

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.

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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		9 months ended	
	31.12.2018 S\$'000	31.12.2017 S\$'000	31.12.2018 S\$'000	31.12.2017 S\$'000
Cash flows from operating activities				
Profit before tax	12,600	7,256	28,377	18,669
Adjustments for :				
Depreciation expense	1,338	1,622	4,127	4,393
Plant and equipment written off	(24)	1	193	80
Interest income	(33)	(22)	(119)	(62)
Interest expense	292	504	933	1,548
(Gain)/Loss on disposal of plant and equipment	25	(1)	(138)	(32)
Share of loss from equity-accounted associates	5	14	5	25
Operating cash flows before changes in working capital	14,203	9,374	33,378	24,621
Trade and other receivables	(5,720)	(4,158)	(13,635)	(14,141)
Inventories	1,452	(6,510)	9,569	(2,093)
Other assets	1,060	(123)	1,277	(385)
Trade and other payables	(564)	12,102	6,629	14,367
Other liabilities	854	(901)	3,567	2,959
Net cash flows from/(used in) operations	11,285	9,784	40,785	25,328
Income tax paid	(2,845)	(1,431)	(6,116)	(3,151)
Net cash flows from/(used in) operating activities	8,440	8,353	34,669	22,177
Cash flows from investing activities				
Purchase of plant and equipment	(576)	(2,009)	(2,250)	(4,804)
Purchase of investment property	(69)	-	(4,654)	-
Interest received	33	22	119	62
Proceeds from sale of plant and equipment	(25)	-	270	52
Net cash flows used in investing activities	(637)	(1,987)	(6,515)	(4,690)
Cash flows from financing activities				
(Decrease)/Increase in other financial liabilities	(2,078)	(1,533)	(14,049)	(1,273)
Increase/(Decrease) in finance leases	145	(117)	(36)	(182)
Dividend paid to a non-controlling interest of a subsidiary	-	-	(1,332)	-
Interest paid	(292)	(504)	(933)	(1,548)
Dividends paid	-	-	(7,451)	(4,967)
Net cash flows from financing activities	(2,225)	(2,154)	(23,801)	(7,970)
Net increase/(decrease) in cash and cash equivalents	5,578	4,212	4,353	9,517
Cash and cash equivalents, beginning balance	34,531	26,944	35,491	21,761
Effects of foreign exchange rate adjustment	(101)	179	164	57
Cash and cash equivalents, ending balance (Note A)	40,008	31,335	40,008	31,335

Note A:

Cash and bank balances	40,008	31,335
Bank overdrafts	-	-
Cash and cash equivalents at end of the period	<u>40,008</u>	<u>31,335</u>

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UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 December 2018

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

The Group	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
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	21,929	20,796	-	(329)	21,125	1,133
Dividends paid	(8,784)	(7,451)	-	-	(7,451)	(1,333)
Balance at 31 December 2018	199,052	191,600	35,481	1,043	155,076	7,452
Balance at 1 April 2017	166,004	159,503	35,481	(8,832)	132,854	6,501
Reclassification on adoption of SFRS (I) 1	-	-	-	8,832	(8,832)	-
Balance at 1 April 2017 (restated)	166,004	159,503	35,481	-	124,022	6,501
<u>Movements in equity:</u>						
Total comprehensive income for the period	15,830	15,040	-	524	14,516	790
Dividends paid	(4,967)	(4,967)	-	-	(4,967)	-
Balance at 31 December 2017 (restated)	176,867	169,576	35,481	524	133,571	7,291

The Company

Balance at 1 April 2018

Movements in equity:

Total comprehensive income for the period

Dividends paid

Balance at 31 December 2018

Balance at 1 April 2017

Movements in equity:

Total comprehensive income for the period

Dividends paid

Balance at 31 December 2017 (restated)

Total S\$'000	Share capital S\$'000	Retained earnings S\$'000
61,046	35,481	25,565
13,028	-	13,028
(7,451)	-	(7,451)
66,623	35,481	31,142
39,549	35,481	4,068
1,228	-	1,228
(4,967)	-	(4,967)
35,810	35,481	329

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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 2018.

The Company does not have outstanding convertibles or treasury shares as at 31 December 2018 and 31 December 2017.

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 31 December 2018 and 31 March 2018 (excluding treasury shares)	<u>165,578,415</u>	<u>35,481,180</u>

The Company does not have treasury shares as at 31 December 2018 and 31 March 2018.

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 2018, 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 2018.

The Group has elected for the optional exemption under SFRS (I)1 to reset its foreign currency translation differences for all foreign operation to nil at the date of transition on 1 April 2017. As a result, a cumulative translation loss of S\$8.8 million was reclassified from foreign currency translation reserve to accumulated profit as at 1 April 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before date of transition.

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

Not applicable.

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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		9 months ended	
Earning per ordinary share (cents)	31.12.2018	31.12.2017	31.12.2018	31.12.2017
- Based on weighted average number of ordinary shares in issue	5.6	3.4	12.8	8.8
- On fully diluted basis (detailing any adjustments made to the earnings)	5.6	3.4	12.8	8.8
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

	31.12.2018	31.03.2018
Net asset value per ordinary share based on the total number of issued shares - group (cents)	115.7	107.7
Net asset value per ordinary share based on the total number of issued shares - company (cents)	40.2	36.9

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\$9.7 million in the third quarter of FY2019, an increase of \$3.8 million or 64.0% as compared to last corresponding quarter. For the nine months, the Group achieved \$22.4 million as compared with S\$15.1 million in the last corresponding period.

For the current quarter, revenue increased marginally by 1% to S\$123.9 million, compared to the prior year quarter. The revenue for the current nine months was at S\$339.4 million, or 2% higher than last year corresponding period.

Sales margin was 25.5% for the current quarter, as compared to 22.8% in the last corresponding quarter. For the 9 months ended, sales margin were at 24.9% as compared to 23.1% previously.

Operating expenses, comprising staff cost, rental expense, depreciation and other expenses, decreased marginally by S\$1.7 million or 8.4% over last corresponding quarter. For the nine months, the operating expense decreased marginally by 2.9% to S\$55.7 million.

Finance cost of S\$292,000 for the current quarter was 42.1% lower than the last corresponding quarter. For the nine months, total finance cost was at S\$933,000, 39.7% lower than the last corresponding period.

The Group's equity attributable to owners of the parent company was S\$191.6 million, an increase of S\$13.3 million from the last year end. Cash and cash equivalents were at S\$40.0 million, represented mainly by short term cash balances. Inventories were S\$10.5 million lower than last year end, resulting from tight inventory control. Trade and other receivables increased by S\$13.7 million and short term financial liabilities decreased by S\$10.3 million.

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

Not applicable.

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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

The market conditions will remain competitive in all the markets that the Group operates in. The Group plans to revamp its current stores in the region to enhance customer experience. The state of the global economy will continue to have a bearing on the Group's performance.

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 nine months period ended 31 December 2018.

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.

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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 nine months ended 31 December 2018 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

13 February 2019