

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

UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

### Part 1 - Information required for announcements of half-year and full year results

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

<b>Consolidated Income Statement</b>	<b>Group</b>		
	<b>6 months ended 2020 S\$'000</b>	<b>6 months ended 2019 S\$'000</b>	<b>Change %</b>
Revenue	173,833	257,031	(32)
<b>Other Items of Income</b>			
Interest income	264	353	(25)
Other gains/income	6,655	235	>100
<b>Other Items of Expense</b>			
Change in inventories of finished goods	(9,551)	(9,088)	5
Purchase of goods and consumables	(114,956)	(179,145)	(36)
Employee benefits expense	(14,122)	(16,866)	(16)
Rental expense	(866)	(1,683)	(49)
Depreciation expense	(13,838)	(14,489)	(4)
Other expenses	(6,278)	(9,827)	(36)
Finance costs	(812)	(1,235)	(34)
Share of (loss)/profit of equity-accounted associates	(6)	2	N.M
Profit before tax from continuing activities	20,323	25,288	(20)
Income tax expense	(4,313)	(5,196)	(17)
Profit from continuing activities, net of tax	16,010	20,092	(20)
<b>Profit Attributable to :</b>			
Owners of the parent, Net of Tax	14,569	18,942	(23)
Non-Controlling Interests, Net of Tax	1,441	1,150	25
	16,010	20,092	(20)
<b>Statement of Comprehensive Income</b>			
Profit from continuing activities, Net of Tax	16,010	20,092	(20)
<b>Other Comprehensive Income:</b>			
Exchange differences on translating of foreign operations, net of tax	(822)	522	N.M
Total Comprehensive Income For The Year	15,188	20,614	(26)
<b>The Comprehensive Income Attributable to:</b>			
Owners of the Parent, Net of Tax	13,780	19,916	(31)
Non-Controlling Interests, Net of Tax	1,408	698	>100
	15,188	20,614	(26)

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

Interest income	264	353	(25)
Interest expense	(812)	(1,235)	(34)
Other income from government grants and rental rebate	6,655	-	100
Depreciation expenses	(13,838)	(14,489)	(4)
Foreign exchange adjustment (loss)/gain	(121)	13	N.M
Gain on disposal of plant and equipment	-	222	(100)
Plant and equipment written off	-	(7)	(100)
Inventory written off	(1,220)	(612)	99
Allowance for inventories	(32)	(584)	(94)

Note : N.M - not meaningful

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

UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

<b>Statements of Financial Position</b>	<b>Group</b>		<b>Company</b>	
	<b>As At 30.09.2020 S\$'000</b>	<b>As At 31.03.2020 S\$'000</b>	<b>As At 30.09.2020 S\$'000</b>	<b>As At 31.03.2020 S\$'000</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances	122,285	114,389	3,471	180
Trade and other receivables	20,866	9,184	4,985	9,322
Inventories	133,784	143,335	-	-
Other assets, current	2,409	1,406	17	24
<b>Total Current Assets</b>	<b>279,344</b>	268,314	<b>8,473</b>	9,526
<b>Non-Current Assets</b>				
Investments in associates	2,587	2,593	1,000	1,000
Investments in subsidiaries	-	-	56,792	56,792
Property, plant and equipment	12,095	13,760	583	645
Investment property	4,218	4,262	4,218	4,262
Deferred tax assets	1,299	1,245	-	-
Other assets, non-current	6,493	6,347	-	-
Right-of-use assets	57,467	43,078	-	-
<b>Total Non-Current Assets</b>	<b>84,159</b>	71,285	<b>62,593</b>	62,699
<b>Total Assets</b>	<b>363,503</b>	339,599	<b>71,066</b>	72,225
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	24,248	27,547	5,192	8,748
Income tax payable	7,852	7,482	428	408
Lease liabilities, current	19,236	17,576	98	96
Other liabilities, current	8,697	9,960	-	-
Other finance liabilities, current	14,857	4,961	-	-
<b>Total Current Liabilities</b>	<b>74,890</b>	67,526	<b>5,718</b>	9,252
<b>Non-Current Liabilities</b>				
Provisions, non-current	2,658	2,330	-	-
Lease liabilities, non-current	39,890	27,452	26	75
Other liabilities, non-current	703	700	-	-
<b>Total Non-Current Liabilities</b>	<b>43,251</b>	30,482	<b>26</b>	75
<b>Total Liabilities</b>	<b>118,141</b>	98,008	<b>5,744</b>	9,327
<b>Net Assets</b>	<b>245,362</b>	241,591	<b>65,322</b>	62,898
<b>EQUITY</b>				
<b>Equity Attributable To Owners Of The Parent</b>				
Share capital	35,481	35,481	35,481	35,481
Other reserves	2,915	3,704	-	-
Retained earnings	196,391	192,585	29,841	27,417
<b>Equity attributable to owners of the parent, total</b>	<b>234,787</b>	231,770	<b>65,322</b>	62,898
Non-controlling interests	10,575	9,821	-	-
<b>Total Equity</b>	<b>245,362</b>	241,591	<b>65,322</b>	62,898

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

UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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

### Amount repayable in one year or less, or on demand

As at 30.9.2020		As at 31.3.2020	
Secured	Unsecured	Secured	Unsecured
<b>367,064</b>	<b>14,857,187</b>	371,342	4,960,416

### Amount repayable after one year

As at 30.9.2020		As at 31.3.2020	
Secured	Unsecured	Secured	Unsecured
<b>574,824</b>	-	757,116	-

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 HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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	
	6 months ended 2020 S\$'000	6 months ended 2019 S\$'000
<u>Cash flows from operating activities:</u>		
Profit before tax	20,323	25,288
Adjustments for:		
Depreciation of property, plant and equipment and investment property	2,382	2,764
Depreciation of right-of-use assets	11,456	11,725
Interest income	(264)	(353)
Interest expense	812	1,235
Share of the loss/(profit) from equity-accounted associates	6	(2)
Gains on disposal of plant and equipment	-	(222)
Property, plant and equipment written off	-	7
Operating profit before changes in working capital	34,715	40,442
Trade and other receivables	(11,655)	(10,113)
Inventories	9,220	10,206
Other assets	(1,145)	(863)
Trade and other payables	(3,868)	(3,885)
Other liabilities	(568)	(2,171)
Net cash flows from Operations	26,699	33,616
Income taxes paid	(4,008)	(4,232)
Net cash flows generated from operating activities	22,691	29,384
<u>Cash flows from investing activities:</u>		
Purchase of plant and equipment	(486)	(1,161)
Interest received	266	354
Disposal of property, plant and equipment	-	246
Net cash flows used in investing activities	(220)	(561)
<u>Cash flows from financing activities:</u>		
Principal element of lease payments	(11,485)	(11,212)
Interest element of lease payments	(421)	(744)
Increase/(Decrease) in other financial liabilities	9,912	(8,414)
Decrease in finance leases	(187)	(213)
Dividends paid to a non-controlling interest of a subsidiary	(664)	(673)
Interest paid	(391)	(491)
Dividends paid	(10,763)	(9,107)
Net cash flows used in financing activities	(13,999)	(30,854)
Increase/(decrease) in cash and cash equivalents	8,472	(2,031)
Cash and cash equivalents, Statement of Cash Flows, at beginning of year	114,390	81,288
Effect of foreign exchange rate adjustments	(577)	672
Cash and cash equivalents, Statement of Cash Flows, at end of year (Note A)	122,285	79,929
<u>Note A</u>		
Cash & cash equivalents	122,285	79,929
Bank overdrafts	-	-
	<u>122,285</u>	<u>79,929</u>

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

UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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 corresponding period of the immediately preceding financial year

	Total equity S\$'000	Attributable to the Parent			Non-controlling Interests S\$'000	
		Sub-total S\$'000	Share Capital S\$'000	Other reserves S\$'000		Retained earnings S\$'000
<b>The Group</b>						
<b>Balance at 1 April 2020</b>	<b>241,591</b>	<b>231,770</b>	<b>35,481</b>	<b>3,704</b>	<b>192,585</b>	<b>9,821</b>
<b><u>Movements in equity:</u></b>						
Total comprehensive income for the period	15,188	13,780	-	(789)	14,569	1,408
Dividends paid	(11,417)	(10,763)	-	-	(10,763)	(654)
<b>Balance at 30 September 2020</b>	<b>245,362</b>	<b>234,787</b>	<b>35,481</b>	<b>2,915</b>	<b>196,391</b>	<b>10,575</b>
<b>Balance at 1 April 2019</b>	207,447	199,378	35,481	980	162,917	8,069
<b><u>Movements in equity:</u></b>						
Total comprehensive income for the period	20,614	19,915	-	973	18,942	699
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>

## The Company

**Balance at 1 April 2020**

### **Movements in equity:**

Total comprehensive income for the year

Dividends paid

**Balance at 30 September 2020**

**Balance at 1 April 2019**

### **Movements in equity:**

Total comprehensive income for the year

Dividends paid

**Balance at 30 September 2019**

Total equity S\$'000	Share Capital S\$'000	Retained earnings S\$'000
<b>62,898</b>	<b>35,481</b>	<b>27,417</b>
<b>13,187</b>	-	<b>13,187</b>
<b>(10,763)</b>	-	<b>(10,763)</b>
<b>65,322</b>	<b>35,481</b>	<b>29,841</b>
67,055	35,481	31,574
2,061	-	2,061
(9,107)	-	(9,107)
<b>60,009</b>	<b>35,481</b>	<b>24,528</b>

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

## UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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 or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of share that may be issued on conversion of all the outstanding convertibles 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.

As at 30 September 2020, the Company's share capital was S\$35,481,180 comprising 165,578,415 (31 March 2020: 165,578,415) ordinary shares.

There has been no change in the Company's share capital in the year under review.

The Company does not have outstanding convertible securities as at 30 September 2020 and 30 September 2019.

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

	No of ordinary shares	S\$
Balance as at 30 September 2020 and 31 March 2020 (excluding treasury shares)	165,578,415	35,481,180

The Company does not have treasury shares as at 30 September 2020 and 31 March 2020.

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

Not applicable.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and / or use of subsidiary holdings 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.

3A. Whether the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion:-

(a) Update 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.

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 has applied the same accounting policies and methods of computation in these financial statements for the current reporting period, which are consistent with those described in the Audited Financial Statements for the year ended 31 March 2020.

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.

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

	6 months ended 2020	6 months ended 2019
Profit per share (cents)		
- Based on weighted average number of ordinary shares in issue	8.8	11.4
- On fully diluted basis (detailing and adjustments made to the earnings)	8.8	11.4
Weighted average number of ordinary shares in issue	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.

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

## UNAUDITED HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

**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**

	30.09.2020	31.03.2020
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares - group (cents)	141.8	140.0
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares - company (cents)	39.5	38.0

**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 lower profit after tax of S\$16.0 million for the first 6 months of FY2021 as compared with S\$20.1 million in the corresponding period last year, a decrease of S\$4.1 million. The business was impacted by Covid-19 in the first half of FY2021.

Revenue for the 6 months was S\$173.8 million, a decrease of 32.4% compared with the corresponding period last year.

Sales margin increased to 28.4% in the first 6 months, as compared to 26.8% in the previous quarter.

Other gains/income of S\$6.9 million consist mainly of grants from government support scheme and rent concession from landlords in respect of the Covid-19 pandemic.

Operating expenses comprised staff cost, advertising expense, depreciation and other expenses. The operating expenses decreased by 18.1% compared with the last corresponding period.

Finance cost of S\$812,000 for the half year and was 34.3% lower than the last corresponding period.

The Group maintained a healthy balance sheet, with a total equity of S\$234.8 million as compared with S\$231.8 million as at the last year end. Cash and bank balances were at S\$122.3 million, compared with \$114.4 million at the last year end. Inventories at S\$133.8 million was \$9.5 million lower than last year. Trade and other receivables were higher by S\$11.7 million. Short term bank borrowings increased by S\$9.9 million.

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

Not applicable.

**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 month**

Due to the Covid-19 pandemic, the global economy remains volatile and continues to pose challenges to the Group's performance. With the travel restrictions still in place regionally and globally, the prospect of future growth will be affected. The Group will continue to review and fine tune its strategies, adapt to the changes and emerging trends in the industry and in the markets that it operates in.

**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 has been 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 2020 as it is not the usual practice of the Company to declare interim dividend.

**13. If the group has obtained general mandate from shareholders for IPTs, 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 interested person transactions 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 2020 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**

**Yu Chuen Tek**

Chairman & CEO

Senior Executive Director

**BY ORDER OF THE BOARD**

LIM KEEN BAN

DIRECTOR

Date: 13 Nov 2020