



CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2017

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 June		
	2017 <u>S\$'000</u>	2016 <u>S\$'000</u>	Increase/ (Decrease) %
Revenue	93,501	93,403	-
<u>Other items of income</u>			
Interest income	18	11	59
Other gains	121	111	9
<u>Other items of expenses</u>			
Changes in inventories of finished goods	(1,465)	(5,591)	-74
Purchase of goods and consumables	(70,468)	(66,153)	7
Employee benefit expense	(5,765)	(4,915)	17
Rental expense	(7,206)	(7,242)	-0
Depreciation expense	(1,328)	(1,218)	9
Other expenses	(3,185)	(3,521)	-10
Finance costs	(520)	(563)	-8
Share of profit/(loss) from equity-accounted associates	13	(9)	N.M
Profit before tax from continuing activities	3,716	4,313	-14
Income tax expense	(678)	(896)	-24
Profit from continuing activities, Net of tax	3,038	3,417	-11
Profit attributable to :			
Owners of the parent, net of tax	2,990	3,292	-9
Non-controlling interests, net of tax	48	125	-62
Profit net of tax	3,038	3,417	-11
<u>Statement of Comprehensive (Loss)/Income</u>			
Profit from continuing activities	3,038	3,417	-11
Other Comprehensive Income/(Loss):			
Exchange difference on translating foreign operations, net of tax	39	(1,158)	N.M
Total comprehensive income/(loss) for the period	3,077	2,259	36
Total comprehensive income/(loss) attributable to :			
Owners of the parent	2,972	2,245	32
Non-controlling interests	105	14	N.M
	3,077	2,259	36

CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2017****Profit before tax after (charging) / crediting the following :**

	3 months ended 30 June		
	2017	2016	Increase/ (Decrease)
	<u>S\$'000</u>	<u>S\$'000</u>	%
Interest expenses	(520)	(563)	-8
Depreciation of property, plant and equipment and investment properties	(1,328)	(1,218)	9
Net foreign exchange gains/(losses)	87	90	-3
Gain/(Loss) on disposal of plant and equipment	34	21	62
Plant and equipment written off	(80)	(2)	>100
Inventories written off	-	(9)	-100
Allowance for inventories	(362)	(521)	-31

Note : N.M - not meaningful

CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2017**

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 30.06.2017 S\$'000	As At 31.03.2017 S\$'000	As At 30.06.2017 S\$'000	As At 31.03.2017 S\$'000
ASSETS				
Current Assets				
Cash and bank balances	24,710	21,775	495	375
Trade and other receivables, current	13,245	9,031	3,047	2,844
Inventories	202,424	203,889	-	-
Other assets, current	2,952	2,449	12	13
Total current assets	243,331	237,144	3,554	3,232
Non-Current Assets				
Investments in associates	2,557	2,544	1,000	1,000
Investments in subsidiaries	-	-	54,554	54,554
Property, plant and equipment	16,041	17,080	204	205
Deferred tax assets	780	773	-	-
Other assets, non-current	5,252	5,018	-	-
Trade and other receivables, non-current	-	-	3,876	3,469
Total non-current assets	24,630	25,415	59,634	59,228
Total Assets	267,961	262,559	63,188	62,460
LIABILITIES				
Current Liabilities				
Trade and other payables, current	15,637	17,103	23,061	22,714
Income tax payables	3,165	2,709	215	197
Other liabilities, current	3,052	3,074	-	-
Other financial liabilities, current	67,779	63,123	-	-
Total current liabilities	89,633	86,009	23,276	22,911
Non-Current Liabilities				
Other financial liabilities, non-current	7,788	9,087	-	-
Provisions, non-current	1,410	1,408	-	-
Deferred tax liabilities	49	51	-	-
Total non-current liabilities	9,247	10,546	-	-
Total Liabilities	98,880	96,555	23,276	22,911
Net Assets	169,081	166,004	39,912	39,549
EQUITY				
Equity attributable to owners of parent				
Share capital	35,481	35,481	35,481	35,481
Other reserves	(8,850)	(8,832)	-	-
Retained earnings	135,844	132,854	4,431	4,068
Total equity, attributable to owners of parent	162,475	159,503	39,912	39,549
Non-controlling interests	6,606	6,501	-	-
Total Equity	169,081	166,004	39,912	39,549

CORTINA HOLDINGS LIMITED (Company Registration No. 197201771W)**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2017****1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 30.06.2017		As at 31.03.2017	
Secured	Unsecured	Secured	Unsecured
206,505	67,572,205	215,429	62,907,084

Amount repayable after one year

As at 30.06.2017		As at 31.03.2017	
Secured	Unsecured	Secured	Unsecured
287,621	7,500,000	337,344	8,750,000

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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UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2017

1(c)(i) A cash flow statement (for the group), together with a comparative statement for the corresponding

	April to June 2017 S\$'000	April to June 2016 S\$'000
Cash flows from operating activities		
Profit before tax	3,716	4,313
Adjustments for :		
Depreciation expenses	1,328	1,218
Interest income	(18)	(11)
Interest expense	520	563
Share of the (profit)/loss from equity-accounted associates	(13)	9
(Gain)/Loss on disposal of plant and equipment	(34)	(21)
Plant and equipment written off	80	2
Net effect of exchange rate changes in consolidating foreign operations	90	(944)
Operating cash flows before changes in working capital	5,669	5,129
Trade and other receivables	(4,214)	(3,679)
Inventories	1,465	5,591
Other assets	(737)	(495)
Trade and other payables	(1,466)	(299)
Other liabilities	(22)	2,831
Net cash flows from/(used in) operations	695	9,078
Income tax paid	(221)	(191)
Net cash flows from/(used in) operating activities	474	8,887
Cash flows from investing activities		
Purchase of plant and equipment	(349)	(1,277)
Interest received	18	11
Proceeds from sale of plant and equipment	34	22
Net cash flows (used in)/from investing activities	(297)	(1,244)
Cash flows from financing activities		
(Decrease)/Increase in other financial liabilities	3,403	(4,931)
Decrease in finance leases	(59)	(19)
Interest paid	(520)	(563)
Net cash flows used in financing activities	2,824	(5,513)
Net increase/(decrease) in cash and cash equivalents	3,001	2,130
Cash and cash equivalents, Statement of cash flows, beginning balance	21,761	17,236
Effects of foreign exchange rate adjustment	(78)	(116)
Cash and cash equivalents, statement of cash flows, ending balance (Note A)	24,684	19,250
Note A:		
Cash and bank balances	24,710	19,269
Bank overdrafts	(26)	(19)
Cash and cash equivalents for statement of cashflow purposes at end of the period	24,684	19,250

There were acquisitions of certain assets under property, plant and equipment with a total cost of S\$NIL (2016: \$NIL) acquired by means of finance lease.

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UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2017

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
The Group						
Balance at 1 April 2017	166,004	159,503	35,481	(8,832)	132,854	6,501
<u>Movements in equity:</u>						
Total comprehensive income for the period	3,077	2,972	-	(18)	2,990	105
Balance at 30 June 2017	169,081	162,475	35,481	(8,850)	135,844	6,606
Balance at 1 April 2016	161,473	153,677	35,481	(5,969)	124,165	7,796
<u>Movements in equity:</u>						
Total comprehensive income for the period	2,259	2,245	-	(1,047)	3,292	14
Acquisition of Non-Controlling Interests without a Change in Control	-	(240)	-	(1,125)	885	240
Balance at 30 June 2016	163,732	155,682	35,481	(8,141)	128,342	8,050

The Company

Balance at 1 April 2017

Movements in equity:

Total comprehensive income for the period

Balance at 30 June 2017

Balance at 1 April 2016

Movements in equity:

Total comprehensive income for the period

Balance at 30 June 2016

Total S\$'000	Share capital S\$'000	earnings S\$'000
39,549	35,481	4,068
363	-	363
39,912	35,481	4,431
41,664	35,481	6,183
310	-	310
41,974	35,481	6,493

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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 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 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 has been no change in the issued and paid up share capital of the Company since 31 March 2017.

The Company does not have outstanding convertible and treasury shares as at 30 June 2017 and 30 June 2016.

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 June 2017 and 31 March 2017 (excluding treasury shares)	<u>165,578,415</u>	<u>35,481,180</u>

The Company does not have treasury shares as at 30 June 2017 and 31 March 2017.

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 2017, except for the adoption of the new and revised Financial Reporting Standards ("FRS"), including its consequential amendment and interpretations which became effective for financial years beginning on or after 1 April 2017.

The adoption of the new and revised FRS does not have any material impact to the financial statements for the Group and Company for the three months period ended 30 June 2017.

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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

Earning per ordinary share (cents)

- Based on weighted average number of ordinary shares in issue
- On fully diluted basis (detailing any adjustments made to the earnings)

Group	
30.06.2017	30.06.2016
1.8	2.0
1.8	2.0

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.

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

Net asset value per ordinary share based on the total number of issued shares - group (cents)

Net asset value per ordinary share based on the total number of issued shares - company (cents)

30.06.2017	31.03.2017
98.1	96.3
24.1	23.9

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\$3.0 million in the first quarter FY2018, a decrease of S\$0.4 million or 11% as compared to last year same period.

For the current quarter, revenue was S\$93.5 million, an increase of S\$0.1 million as compared to the prior year quarter. Sales margin remained relatively stable at 23.1% for both quarters.

Operating expenses comprising staff costs, rental expenses, depreciation and other expenses, increased by S\$0.6 million. The higher operating expenses resulted from general wage increment and higher staff costs due to opening of new outlets in Singapore and Malaysia.

Finance costs of S\$520,000 was S\$43,000 lower than the prior year quarter due to lower average borrowings.

The Group's equity attributable to owners of the parent company was S\$162.5 million, an increase of S\$3.0 million from the last year end. Cash and cash equivalents were at S\$24.6 million, represented mainly by short term cash balances. Inventories were S\$1.5 million lower than last year end due to management effort in controlling inventories. Trade and other receivables increased by S\$4.2 million while short term financial liabilities increased by S\$4.7 million mainly due to working capital requirement.

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 months

Market conditions will remain competitive in all the markets that the Group operates in. The regional economy appears relatively stable. However, any uncertainty in political development in certain countries may impact our business.

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

Not applicable.

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 a shareholders' mandate for interested party transactions.

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 three months ended 30 June 2017 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).

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
11 August 2017