



**Cortina watch**

**CORTINA HOLDINGS LIMITED  
AND ITS SUBSIDIARIES**

**Company Registration No. 197201771W**

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

## Table of Contents

A	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
B	Condensed Statements of Financial Position	2
C	Condensed Consolidated Statement of Cash Flows	3
D	Condensed Statements of Changes in Equity	5
E	Notes to the Condensed Consolidated Financial Statements	6
F	Other Information Required by Listing Rule Appendix 7.2	14

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

**(A) Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	The Group					
	6 mths ended 31 Mar 22	6 mths ended 31 Mar 21 (Restated)*	Change	12 mths ended 31 Mar 22	12 mths ended 31 Mar 21 (Restated)*	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	392,286	262,882	49%	716,866	436,715	64%
<b><u>Other Items of Income</u></b>						
Interest income	121	155	-22%	211	419	-50%
Other income & gains (Note 6)	3,272	2,683	22%	6,319	9,338	-32%
<b><u>Other Items of Expense</u></b>						
Changes in inventories of finished goods	(2,198)	80,655	NM	(3,240)	71,104	NM
Purchase of goods and consumables	(252,467)	(265,779)	-5%	(478,009)	(380,735)	26%
Employee benefits expense	(36,076)	(18,946)	90%	(60,881)	(33,068)	84%
Rental expense	(3,965)	(1,728)	>100%	(6,791)	(2,594)	>100%
Depreciation expense	(3,993)	(2,356)	69%	(7,146)	(4,738)	51%
Depreciation of right-of-use-assets	(16,413)	(11,530)	42%	(32,807)	(22,986)	43%
Other expenses	(21,776)	(10,886)	>100%	(38,455)	(17,164)	>100%
Finance costs	(1,790)	(902)	98%	(3,501)	(1,714)	>100%
Share of profit / (loss) of equity-accounted associates	28	(48)	NM	67	(54)	NM
Profit before tax (Note 6)	57,029	34,200	67%	92,633	54,523	70%
Income tax expense (Note 7)	(10,604)	(7,213)	47%	(18,818)	(11,526)	63%
Profit, net of tax	46,425	26,987	72%	73,815	42,997	72%
<b><u>Profit Attributable to:</u></b>						
Owners of the parent, Net of Tax	43,344	25,163	72%	68,763	39,732	73%
Non-Controlling Interests, Net of Tax	3,081	1,824	69%	5,052	3,265	55%
	46,425	26,987	72%	73,815	42,997	72%
<b><u>Statement of Comprehensive Income</u></b>						
Profit, net of Tax	46,425	26,987	72%	73,815	42,997	72%
<b><u>Other Comprehensive Income:</u></b>						
Exchange differences on translating of foreign operations, net of tax	(717)	(1,471)	-51%	(2,534)	(2,293)	11%
Total Comprehensive Income For The Year	45,708	25,516	79%	71,281	40,704	75%
<b><u>The Comprehensive Income Attributable to:</u></b>						
Owners of the Parent, Net of Tax	42,607	23,843	79%	66,665	37,623	77%
Non-Controlling Interests, Net of Tax	3,101	1,673	85%	4,616	3,081	50%
	45,708	25,516	79%	71,281	40,704	75%

Note: NM denotes not meaningful.

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

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

**(B) Condensed Statements of Financial Position as at 31 March 2022**

	The Group		The Company	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 (Restated)* S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	226,520	130,026	525	13,523
Trade and other receivables	12,351	15,221	14,304	6,912
Inventories	211,199	214,439	-	-
Other assets	4,233	5,605	663	23
<b>Total Current Assets</b>	<b>454,303</b>	<b>365,291</b>	<b>15,492</b>	<b>20,458</b>
<b>Non-Current Assets</b>				
Investments in associates	3,494	3,474	1,000	1,000
Investments in subsidiaries	-	-	141,487	141,487
Property, plant and equipment (Note 11)	24,429	14,647	394	520
Investment properties	6,548	4,174	9,011	4,174
Intangible assets	919	1,363	-	-
Deferred tax assets	2,689	3,425	-	-
Other assets	9,567	7,921	-	-
Rights-of-use assets	95,000	96,408	-	-
<b>Total Non-Current Assets</b>	<b>142,646</b>	<b>131,412</b>	<b>151,892</b>	<b>147,181</b>
<b>Total Assets</b>	<b>596,949</b>	<b>496,703</b>	<b>167,384</b>	<b>167,639</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	83,646	61,607	98,447	91,569
Income tax payable	12,718	9,124	220	348
Financial liabilities - lease liabilities	27,194	27,843	12	64
Other liabilities	16,411	11,828	-	-
Other financial liabilities	21,484	37,934	-	-
<b>Total Current Liabilities</b>	<b>161,453</b>	<b>148,336</b>	<b>98,679</b>	<b>91,981</b>
<b>Non-Current Liabilities</b>				
Other finance liabilities, non-current	25,500	-	-	-
Provisions	4,925	5,579	-	-
Financial liabilities - lease liabilities	70,390	70,452	-	12
Other liabilities	5,357	2,213	-	-
Deferred tax liabilities	156	231	-	-
<b>Total Non-Current Liabilities</b>	<b>106,328</b>	<b>78,475</b>	<b>-</b>	<b>12</b>
<b>Total Liabilities</b>	<b>267,781</b>	<b>226,811</b>	<b>98,679</b>	<b>91,993</b>
<b>Net Assets</b>	<b>329,168</b>	<b>269,892</b>	<b>68,705</b>	<b>75,646</b>
<b>Equity</b>				
<b>Equity Attributable To Owners Of The Parent</b>				
Share capital (Note 13)	35,481	35,481	35,481	35,481
Other reserve	356	2,440	-	-
Retained earnings	278,695	220,709	33,224	40,165
<b>Equity attributable to owners of the parent, total</b>	<b>314,532</b>	<b>258,630</b>	<b>68,705</b>	<b>75,646</b>
Non-controlling interests	14,636	11,262	-	-
<b>Total Equity</b>	<b>329,168</b>	<b>269,892</b>	<b>68,705</b>	<b>75,646</b>

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

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

**(C) Condensed Consolidated Statement of Cash Flows**

	<b>The Group</b>			
	<b>6 mths ended 31 Mar 22</b>	<b>6 mths ended 31 Mar 21 (Restated)*</b>	<b>12 mths ended 31 Mar 22</b>	<b>12 mths ended 31 Mar 21 (Restated)*</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities:</b>				
Profit before tax	57,029	34,200	92,633	54,523
Adjustments for:				
Depreciation of property, plant and equipment and investment properties	3,550	2,356	6,703	4,738
Depreciation of right-of-use assets	16,413	11,530	32,807	22,986
Amortisation of intangible assets	443	-	443	-
Interest income	(121)	(155)	(211)	(419)
Interest expense	1,790	902	3,501	1,714
Share of the (profit) / loss from equity-accounted associates	(28)	48	(67)	54
Gains / (loss) on disposal of plant and equipment	13	(113)	(43)	(113)
Gains / (loss) on disposal of right-of-use assets	20	(31)	-	(31)
Property, plant and equipment written off	222	1,131	222	1,131
Negative goodwill	-	(179)	-	(179)
Provisions, non-current	-	131	-	131
Operating profit before changes in working capital	79,331	49,820	135,988	84,535
Trade and other receivables	18,307	8,914	2,882	(2,741)
Inventories	1,513	13,722	2,475	22,942
Other assets	2,189	(372)	(352)	(1,517)
Trade and other payables	21,633	6,262	41,193	2,394
Other liabilities	1,346	3,731	(5,883)	3,163
Net cash flows from Operations	124,319	82,077	176,303	108,776
Income taxes paid	(7,880)	(6,193)	(15,830)	(10,201)
Net cash flows generated from operating activities	116,439	75,884	160,473	98,575
<b>Cash flows from investing activities:</b>				
Purchase of plant and equipment	(12,833)	(2,311)	(16,774)	(2,797)
Purchase of investment properties	(2,467)	-	(2,467)	-
Acquisition of subsidiaries (Note 1)	(1,475)	(54,310)	(4,386)	(54,310)
Interest received	121	153	211	419
Disposal of property, plant and equipment	-	191	-	191
Net cash flows used in investing activities	(16,654)	(56,277)	(23,416)	(56,497)
<b>Cash flows from financing activities:</b>				
Principal element of lease payments	(17,189)	(10,974)	(32,263)	(22,459)
Interest element of lease payments	(1,248)	(1,021)	(2,694)	(1,442)
Dividends paid to a non-controlling interest of a subsidiary	(1,242)	(976)	(1,242)	(1,640)
Increase in new borrowings	-	-	50,000	-
(Decrease) / increase in other financial liabilities	(12,733)	2,162	(40,951)	12,074
Decrease in finance leases	(144)	(267)	(320)	(454)
Interest paid	(542)	119	(807)	(272)
Dividends paid	-	-	(10,763)	(10,763)
Cash restricted in use	(30,130)	-	(30,130)	-
Net cash flows used in financing activities	(63,228)	(10,957)	(69,170)	(24,956)

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

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

**(C) Condensed Consolidated Statement of Cash Flows (cont'd)**

	The Group			
	6 mths ended 31 Mar 22 S\$'000	6 mths ended 31 Mar 21 S\$'000	12 mths ended 31 Mar 22 S\$'000	12 mths ended 31 Mar 21 S\$'000
	Net increase in cash and cash equivalents	36,557	8,650	67,887
Cash and cash equivalents, Statement of Cash Flows, at beginning of year	160,224	122,285	130,026	114,390
Effect of foreign exchange rate adjustments	(391)	(909)	(1,523)	(1,486)
Cash and cash equivalents, Statement of Cash Flows, at end of year (Note 2)	196,390	130,026	196,390	130,026

<b>Note 1: Analysis of acquisition of subsidiaries</b>			
Net assets acquired:			
Non-current assets		38,963	-
Current assets		104,223	-
Non-current liabilities		(22,618)	-
Current liabilities		(61,693)	-
Cash and bank balances		25,999	-
		84,874	-
Negative goodwill (Note 6.1)		(179)	-
Consideration paid		84,695	-
Cash and bank balances acquired		(25,999)	-
Net cash outflow on acquisition of subsidiaries		58,696	-

<b>Note 2</b>			
Cash & cash equivalents		196,390	130,026
Restricted in use		30,130	-
		226,520	130,026

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

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

**(D) Condensed Statements of Changes in Equity Year Ended 31 March 2022**

	Total equity S\$'000	Attributable to the Parent				Non-controlling interest 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 2021</b>	269,892	258,630	35,481	2,440	220,709	11,262
<u>Movements in equity:</u>						
Total comprehensive income for the year	71,281	66,665	-	(2,098)	68,763	4,616
Transferred (from)/to retained earnings	-	-	-	14	(14)	-
Dividends paid	(12,005)	(10,763)	-	-	(10,763)	(1,242)
<b>Balance at 31 March 2022</b>	<b>329,168</b>	<b>314,532</b>	<b>35,481</b>	<b>356</b>	<b>278,695</b>	<b>14,636</b>
<b>Balance at 1 April 2020</b>	241,591	231,770	35,481	3,704	192,585	9,821
<u>Movements in equity:</u>						
Total comprehensive income for the year	40,704	37,623	-	(2,109)	39,732	3,081
Transferred (from)/to retained earnings	-	-	-	845	(845)	-
Dividends paid	(12,403)	(10,763)	-	-	(10,763)	(1,640)
<b>Balance at 31 March 2021 (Restated)*</b>	<b>269,892</b>	<b>258,630</b>	<b>35,481</b>	<b>2,440</b>	<b>220,709</b>	<b>11,262</b>

	Total equity S\$'000	Share capital S\$'000	Retained earnings S\$'000
<b>The Company</b>			
<b>Balance at 1 April 2021</b>	75,646	35,481	40,165
<u>Movements in equity:</u>			
Total comprehensive income for the year	3,822	-	3,822
Dividends paid	(10,763)	-	(10,763)
<b>Balance at 31 March 2022</b>	<b>68,705</b>	<b>35,481</b>	<b>33,224</b>
<b>Balance at 1 April 2020</b>	62,898	35,481	27,417
<u>Movements in equity:</u>			
Total comprehensive income for the year	23,511	-	23,511
Dividends paid	(10,763)	-	(10,763)
<b>Balance at 31 March 2021</b>	<b>75,646</b>	<b>35,481</b>	<b>40,165</b>

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

**(E) Notes to the Condensed Interim Consolidated Financial Statements**

**1. Corporate information**

The company is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed consolidated financial statements as at and for the six months and full year ended 31 March 2022 cover the company (referred to as "parent") and the subsidiaries (the "group").

The company is an investment holding company and provides management services to its subsidiaries and associates.

The registered office and the principal place of business of the company is located at 391B Orchard Road, #18-01 Ngee Ann City Tower B, Singapore 238874. The company is situated in Singapore.

**2. Basis of preparation**

The condensed interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim 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 annual financial statements for the year ended 31 March 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

**2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2.2. Use of judgements and estimates**

In preparing the condensed 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 expense. Actual results may differ from these estimates.

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 2021.



## **2.2. Use of judgements and estimates (cont'd)**

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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Net realisable value of inventories - realisable value of inventories represents the best value of recoverable amount and is based on acceptable evidence available at the end of reporting year and inherently involves estimates regarding the future expected realisable value.
- Business combination - there are judgement and estimates used in determining the allocation of the purchase price to the fair value of the identifiable assets (including intangible assets) acquired and liabilities assumed as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations.
- Lease term – For leases with extension or renewal options, management applied judgement in determining whether such extension or renewal options should be reflected in measuring the lease liabilities.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Income tax amount - Note 7
- Useful lives of property, plant and equipment and right-of-use assets: The estimates for the useful lives and related depreciation charges for property, plant and equipment and right-of-use assets are based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions.
- Expected credit loss allowance on trade receivables - In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic).

## **3. Seasonal operations**

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

## **4. Segment and revenue information**

The Group is organised into the following main business segments:

- Wholesale: The wholesale segment is involved in wholesale of timepiece and luxury branded accessories.
- Retail: The retail segment is involved in retailing of timepiece, branded pens and accessories.
- Unallocated: Others operations include provision of other support services.

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

### 4. Segment and revenue information (cont'd)

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, investment property, right-of-use assets, inventories, trade and other receivables, other assets and cash and cash equivalents.

Segment liabilities comprise trade and other payables, other financial liabilities, provisions and other liabilities. Unallocated items comprise mainly investment in associates, deferred tax assets, deferred and current tax liabilities.

These operating segments are reported in a manner consistent with internal reporting provided to the Management who are responsible for allocating resources and assessing the performance of the operating segments.

#### 4.1 Reportable segments

Continuing Operations 12 months ended 2022	Wholesale S\$'000	Retail S\$'000	Unallocated S\$'000	Elimination S\$'000	Group S\$'000
Revenue by Segment					
Total revenue by segment	62,133	654,469	264	-	716,866
Inter-segment sales	93,589	13,744	3,676	(111,009)	-
Total revenue	155,722	668,213	3,940	(111,009)	716,866
Recurring EBITDA	17,789	114,900	5,557	(2,226)	136,020
Finance costs	(222)	(3,276)	(3)	-	(3,501)
Depreciation	(1,220)	(38,198)	(228)	(307)	(39,953)
ORBT	16,347	73,426	5,326	(2,533)	92,566
Share of profit or loss of associates	-	84	(17)	-	67
Profit before tax					92,633
Income tax expense					(18,818)
Profit, net of tax					73,815

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Wholesale S\$'000	Retail S\$'000	Unallocated S\$'000	Elimination S\$'000	Group S\$'000
<b>Assets and Reconciliations 12 months ended 2022</b>					
Segment assets	93,536	491,598	11,756	(6,124)	590,766
Unallocated assets:					
Deferred tax assets					2,689
Investment in associates					3,494
Total group assets					596,949
<b>Liabilities and Reconciliations 12 months ended 2022</b>					
Segment liabilities	49,676	189,412	16,113	(294)	254,907
Unallocated liabilities:					
Deferred and current tax liabilities					12,874
Total group liabilities					267,781

	Wholesale (Restated)* S\$'000	Retail S\$'000	Unallocated S\$'000	Elimination S\$'000	Group S\$'000
<b>Continuing Operations 12 months ended 2021</b>					
Revenue by Segment					
Total revenue by segment	32,452	403,800	463	-	436,715
Inter-segment sales	28,630	266	2,385	(31,281)	-
Total revenue	61,082	404,066	2,848	(31,281)	436,715
Recurring EBITDA	4,734	63,162	26,171	(10,053)	84,014
Finance costs	(85)	(1,647)	(6)	24	(1,714)
Depreciation	(566)	(26,944)	(213)	-	(27,723)
ORBT	4,083	34,571	25,952	(10,029)	54,577
Share of profit or loss of associates	-	-	(54)	-	(54)
Profit before tax					54,523
Income tax expense					(11,526)
Profit, net of tax					42,997

	Wholesale (Restated)* S\$'000	Retail S\$'000	Unallocated S\$'000	Elimination S\$'000	Group S\$'000
<b>Assets and Reconciliations 12 months ended 2021</b>					
Segment assets	103,287	380,986	20,276	(13,810)	490,739
Unallocated assets:					
Deferred tax assets					3,425
Investment in associates					2,539
Total group assets					496,703
<b>Liabilities and Reconciliations 12 months ended 2021</b>					
Segment liabilities	29,231	183,267	14,610	(9,652)	217,456
Unallocated liabilities:					
Deferred and current tax liabilities					9,355
Total group liabilities					226,811

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

**4. Segment and revenue information (cont'd)**

**4.2 Disaggregation of Revenue**

	The Group	
	12 mths ended	12 mths ended
	31 Mar 22	31 Mar 21
	S\$'000	S\$'000
Sale of goods	713,079	434,539
Other income	3,787	2,176
<b>Total revenue</b>	<b>716,866</b>	<b>436,715</b>

**4.3 Geographical information**

	The Group	
	12 mths ended	12 mths ended
	31 Mar 22	31 Mar 21
	S\$'000	S\$'000
<b>Revenue</b>		
Singapore	330,235	206,317
South East Asia (exclude Singapore)	301,329	175,456
North East Asia	83,092	54,931
Other countries	2,210	11
	<b>716,866</b>	<b>436,715</b>

	The Group	
	12 mths ended	12 mths ended
	31 Mar 22	31 Mar 21
	S\$'000	(Restated)* S\$'000
<b>Total assets</b>		
Singapore	369,686	307,325
South East Asia (exclude Singapore)	164,171	136,987
North East Asia	55,257	48,534
Other countries	5,148	343
Unallocated	2,687	3,514
	<b>596,949</b>	<b>496,703</b>

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

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

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2022 and 31 March 2021:

	The Group		The Company	
	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000	As at 31 Mar 22 S\$'000	As at 31 Mar 21 S\$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	238,871	145,247	14,829	20,435
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	227,946	197,836	98,459	91,644

**6. Profit before tax**

**6.1 Profit before tax has been arrived after (charging) / crediting:**

	The Group			
	6 mths ended 31 Mar 22 S\$'000	6 mths ended 31 Mar 21 (Restated)* S\$'000	12 mths ended 31 Mar 22 S\$'000	12 mths ended 31 Mar 21 (Restated)* S\$'000
Interest income	121	155	211	419
Interest expense	(1,790)	(902)	(3,501)	(1,714)
Other income from government grants and rental rebate	2,364	2,012	5,335	8,667
Negative goodwill	-	179	-	179
Depreciation expenses	(3,993)	(2,356)	(7,146)	(4,738)
Depreciation of right-of-use-assets	(16,413)	(11,530)	(32,807)	(22,986)
Foreign exchange adjustment gain	1,549	467	941	346
(Loss) / gains on disposal of plant and equipment & right-of-use assets	(33)	144	43	144
Plant and equipment written off	(222)	(1,131)	(222)	(1,131)
Inventory written off	(1,158)	-	(2,176)	(760)
(Allowance) / reversal on allowance for inventories	(3,388)	2,618	(2,238)	2,650

**6.2 Related party transactions**

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

\* Restated upon the finalisation of the purchase price allocation in relation to our investment in subsidiaries.

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

**7. Taxation**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	<b>The Group</b>			
	<b>6 mths ended 31 Mar 22 S\$'000</b>	<b>6 mths ended 31 Mar 21 S\$'000</b>	<b>12 mths ended 31 Mar 22 S\$'000</b>	<b>12 mths ended 31 Mar 21 S\$'000</b>
Current tax	9,593	6,562	17,636	10,628
Current withholding tax	105	829	328	1,076
Deferred tax	(457)	(134)	(510)	(134)
Over/under adjustments in respect of prior years:				
Current tax	343	(72)	344	(72)
Deferred tax	1,020	28	1,020	28
<b>Total income tax expense</b>	<b>10,604</b>	<b>7,213</b>	<b>18,818</b>	<b>11,526</b>

**8. Dividends**

	<b>The Group</b>			
	<b>6 mths ended 31 Mar 22 S\$'000</b>	<b>6 mths ended 31 Mar 21 S\$'000</b>	<b>12 mths ended 31 Mar 22 S\$'000</b>	<b>12 mths ended 31 Mar 21 S\$'000</b>
Ordinary dividend paid:				
Final dividend	-	10,763	10,763	10,763

**9. Earnings per ordinary share**

	<b>The Group</b>	
	<b>12 mths ended 31 Mar 22 S\$</b>	<b>12 mths ended 31 Mar 21 S\$</b>
Profit per share (cents)		
- Based on weighted average number of ordinary shares in issue	41.5	24.0
- On fully diluted basis (detailing and adjustments made to the earnings)	41.5	24.0
Weighted average number of ordinary shares in issue	165,578,415	165,578,415

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

**10. Net assets value**

	The Group		The Company	
	12 mths ended	12 mths ended	12 mths ended	12 mths ended
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
	S\$	S\$	S\$	S\$
Net asset value per ordinary share (cents)	190.0	156.2	41.5	45.7

**11. Property, plant and equipment**

During the year ended 31 March 2022, the Group acquired assets amounting to \$17.0mil (31 March 2021: \$3.9mil) and disposed of assets amounting to \$3.9mil (31 March 2021: \$5.7mil).

**12. Borrowings**

	The Group		The Company	
	12 mths ended	12 mths ended	12 mths ended	12 mths ended
	31 Mar 22	31 Mar 21	31 Mar 22	31 Mar 21
	S\$000	S\$000	S\$000	S\$000
<u>Amount repayable within one year or on demand</u>				
Secured	20,028	17,093	-	-
Unsecured	1,708	21,128	12	64
<u>Amount repayable after one year</u>				
Secured	25,500	388	-	-
Unsecured	336	-	-	12
Total loans and borrowings	47,572	38,609	12	76

**13. Share capital**

	The Group and the Company			
	31 Mar 22		31 Mar 21	
	No. of shares	Amount S\$000	No. of shares	Amount S\$000
At 31 March 2022 and 31 March 2021	165,578,415	35,481	165,578,415	35,481

The Company did not hold any treasury shares as at 31 March 2022.

**14. Subsequent events**

There are no major subsequent events which led to adjustments to this set of financial statements.

**(F) Other information required by Listing Rule Appendix 7.2**

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

The condensed consolidated statement of financial position of Cortina Holdings Limited and its subsidiaries as at 31 March 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

**2) 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 year reported on**

The Group recorded a higher profit after tax of S\$46.4 million for the second half year of FY2022 as compared with S\$27.0 million in the corresponding period last year, an increase of S\$19.4 million or 72.0%. The full year profit after tax increased 71.7% to S\$73.8 million from S\$43.0 million a year ago. The good performance was largely attributable to a better sales mix and stock allocation due to the recovery of supply chain disruption in the second half of the year, as compared with a year ago.

Revenue for the current half year was S\$392.2 million, an increase of 49.2% compared with the corresponding period last year. The revenue for the full year increased 64.5% to S\$716.9 million. This was largely due to the easing of restrictions, particularly in South East Asia and the additional revenue from the acquisition of the Sincere Watch Limited Group in March 2021 which was absent in the last financial year.

Sales margin improved to 35.1% in the second half year, as compared to 29.6% in the previous corresponding period. This is mainly due to management effort in pursuing a new strategic direction with vendors to reduce slow-moving stocks. Full year sales margin was at 32.9% as compared to 29.1% a year ago.

Other income and gains included government grants and rent concession due to the covid-19 pandemic, particularly the Job Support Scheme for the retail industry and rent concession amounted to S\$5.3m, down from S\$8.7m last year.

Operating expenses comprised staff costs, rental expenses, depreciation, and other expenses. The operating expenses for the current half year increased by 80.9% from the last corresponding period to S\$82.2 million in the current period. The increase was largely due to additional expenses of the newly acquired Sincere Watch Limited Group, higher sales related expenses such as salesman commission and credit card commission, and higher marketing expenses for brand development. For the full year, the expenses increased 77.5% to S\$146.1 million.

The Group maintained a healthy balance sheet, with total equity of S\$314.5 million as compared with S\$258.6 million in the last financial year. Cash and bank balances were at S\$226.5 million, compared with S\$130.0 million at the last year end. Inventories decreased slightly to S\$211.1 million as compared to S\$214.4 million in the last corresponding year. Trade and other receivables were lower at S\$12.4 million. Non-current bank borrowings increased by S\$25.5 million, whilst current bank borrowings decreased by S\$16.5 million to S\$21.5million. Other liabilities increased by S\$9.6 million to S\$21.5 million due to the increase in advance deposits from customers.

The Group generated a positive operating cash inflow of S\$116.4 million in the second half of the current financial year. The Group cash and cash equivalent as at year end stood at S\$226.5 million.



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

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

Not applicable.

**4) 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**

The global economy remains volatile and may continue to pose challenges to the Group's performance in the years ahead. On the other hand, the purchasing power of the regional consumers is rising continually. Customer demand for luxury timepieces remain positive. 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.

Barring unforeseen circumstances, the Group will remain profitable.

### 5) Dividend

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

Any dividend recommended for the current financial period reported on? Yes

<u>Name of Dividend</u>	<u>Final</u>	<u>Special</u>	<u>Special</u>	<u>50th</u>
			<u>Anniversary</u>	
Dividend Type	Cash	Cash	Cash	
Dividend Rate	2.0 cents per ordinary share	5.0 cents per ordinary share	5.0 cents per ordinary share	
Tax Rate	Tax exempt (1-tier)	Tax exempt (1-tier)	Tax exempt (1-tier)	

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

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

<u>Name of Dividend</u>	<u>Final</u>	<u>Special</u>		<u>NA</u>
Dividend Type	Cash	Cash	-	
Dividend Rate	2.0 cents per ordinary share	4.5 cents per ordinary share	-	
Tax Rate	Tax exempt (1-tier)	Tax exempt (1-tier)	-	

#### (c) Date payable

The proposed dividend, if approved by the shareholders of the Company at the Annual General Meeting to be held on 29 July 2022, will be paid on a date to be announced later.

#### (d) Books closure date

Book closure date will be announced on a later date.

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

Not applicable.

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

**7) 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 a shareholders' mandate for interested person transactions.

**8) Confirmation pursuant to Rule 720 (1) of the Listing Manual**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**9) Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Chia Nyok Song@Cheah Yoke Heng	83	Wife of Lim Keen Ban, Mother of Mr Lim Jit Ming, Lim Yin Chian and Lim Jit Yaw	Senior Manager, 1972	No change
Lim Yin Chian	57	Daughter of Lim Keen Ban and Chia Nyok Song@Cheah Yoke Heng, Sister of Lim Jit Ming and Lim Jit Yaw	(i) Director of Cortina Watch Pte Ltd, 2011 (ii) Executive Director of Pacific Time Pte Ltd, 2004 (iii) Managing Director of Pacific Time Pte Ltd, 2021 (iv) CEO of Franck Muller Pte Ltd, 2021	No change
Cheah Yoke Kian	66	Sister-in-law of Lim Keen Ban, Aunty of Lim Jit Ming, Lim Yin Chian and Lim Jit Yaw	Director of Cortina Watch HK Ltd, 1993	No change
Cheah Kok Chong	73	Brother-in-law of Lim Keen Ban, Uncle of Lim Jit Ming, Lim Yin Chian and Lim Jit Yaw	Senior Boutique Manager, 2004	No change
Tshai Kin Chon	72	Brother-in-law of Lim Keen Ban, Uncle of Lim Jit Ming, Lim Yin Chian and Lim Jit Yaw	Director of Cortina Watch Sdn Bhd, 1982	No change
Lim Hui Ying	34	Daughter of Mr. Lim Jit Ming	General Manager of Sincere Watch Ltd, 2021	No change
Lim Jun Shen	31	Son of Mr. Lim Jit Ming	Operations Manager of Cortina Watch Pte Ltd, 2021	No change

**BY ORDER OF THE BOARD**

**Mr Lim Jit Ming**  
Director

Date: 27 May 2022