



ABN 85 003 622 866  
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## **Clover Corporation Limited**

ASX Appendix 4E  
Preliminary Final Report  
31<sup>st</sup> July 2018

*Lodged with the ASX under Listing Rule 4.3A*

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The reporting period is the financial year ended 31 July 2018 with the corresponding period being the financial year ended 31 July 2017.

## Results for Announcement to the Market

- Total revenue increased 31.5% to \$63.0m;
- Net profit after tax is \$7.6m (2017: profit of \$3.6m);
- For a further explanation of the financial period operating result, please refer to the Review of Operations.

|   |    | % Change | Amount<br>of<br>Change<br>\$'000 |    | \$'000 |
|---|----|----------|----------------------------------|----|--------|
| <b>Revenue</b> from ordinary activities   | Up | 31.5%    | 15,097                           | to | 62,961 |
| <b>Profit/(Loss)</b> from ordinary activities after tax attributable to members | Up | 108.5%   | 3,949                            | to | 7,588  |
| <b>Net profit/(loss)</b> for the period attributable to members                 | Up | 112.0%   | 4,033                            | to | 7,634  |

| Dividends/distributions              | Amount per<br>security | Franked<br>% |
|--------------------------------------|------------------------|--------------|
| <b>This Period</b>                   |                        |              |
| Final dividend                       | 1.25 cent              | 100%         |
| Interim dividend                     | 0.50 cent              | 100%         |
| <b>Previous corresponding period</b> |                        |              |
| Final dividend                       | 0.75 cent              | 100%         |
| Interim dividend                     | 0.25 cent              | 100%         |

**Record date** for determining entitlements to the final dividend: **30 October 2018**

**Payment date** for determining entitlements to the final dividend: **20 November 2018**

**Dividend reinvestment plans**

There is no dividend reinvestment plan as at 31 July 2018.

**Explanation of Operating Results**

For a further explanation of the financial period operating result, please refer to the Review of Operations.

**NTA Backing**

|   | <b>2018</b> | <b>2017</b> |
|---|-------------|-------------|
| Net tangible asset backing per ordinary share after tax | 22.41 cents | 18.21 cents |

**EPS**

|                            | <b>2018</b> | <b>2017</b> |
|----------------------------|-------------|-------------|
| Basic Earnings per Share   | 4.59 cent   | 2.20 cent   |
| Diluted Earnings per Share | 4.59 cent   | 2.20 cent   |

**Explanation of Profit after tax**

For an explanation of the financial year operating results, please refer to the Review of Operations.

**Explanation of Net Profit**

For an explanation of the financial year operating results, please refer to the Review of Operations.

**Explanation of Dividends**

For an explanation of the dividend declared, please refer to the Review of Operations.

**Other information**

This report is based on accounts which are in the process of being audited, and an unqualified audit opinion is expected to be issued.



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# PRELIMINARY FINAL REPORT FOR THE FINANCIAL YEAR ENDED 31 JULY 2018

Clover Corporation Limited  
Financial year ended 31 July 2018

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2018

|   | Notes | 31-Jul-18<br>\$'000 | 31-Jul-17<br>\$'000 |
|---|-------|---------------------|---------------------|
| Sale of goods   | 1     | 62,961              | 47,864              |
| Cost of goods sold                                      |       | (44,714)            | (36,279)            |
| <b>Gross profit</b>                                     |       | <b>18,247</b>       | 11,585              |
| % of revenue  |       | 29.0%               | 24.2%               |
| Other income / (expenses)                               | 1     | 665                 | (476)               |
| Sales and marketing expenses                            |       | (2,594)             | (2,163)             |
| Administration and corporate expenses                   |       | (4,184)             | (2,821)             |
| Research and development expenses                       |       | (1,518)             | (1,113)             |
| Profit before income tax                                |       | 10,616              | 5,012               |
| Income tax credit/(expense)                             |       | (3,028)             | (1,373)             |
| <b>Profit after tax for the period</b>                  |       | <b>7,588</b>        | 3,639               |
| <b>Other comprehensive loss</b>                         |       |                     |                     |
| Foreign currency translation adjustment, net of 30% tax |       | 46                  | (38)                |
| <b>Other comprehensive (loss)/profit for the period</b> |       | <b>46</b>           | (38)                |
| <b>Total comprehensive (loss)/income for the period</b> |       | <b>7,634</b>        | 3,601               |
| <b>Earnings per share (EPS)</b>                         |       |                     |                     |
| Basic earnings per share (cent per share)               |       | 4.59                | 2.20                |
| Diluted earnings per share (cent per share)             |       | 4.59                | 2.20                |

Weighted average number of shares used in calculating basic and diluted earnings per share is 165,181,696.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2018**

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|  | 31-Jul-18<br>\$'000 | 31-Jul-17<br>\$'000 |
|--|---------------------|---------------------|
| <b>Current Assets</b>                    |                     |                     |
| Cash and cash equivalents                | 7,894               | 5,916               |
| Trade and other receivables              | 15,257              | 12,125              |
| Inventories                              | 19,768              | 18,811              |
| Other current assets - prepayments       | 656                 | 763                 |
|  | <b>43,575</b>       | <b>37,615</b>       |
| <b>Non-Current Assets</b>                |                     |                     |
| Available for sale financial assets      | 4                   | 5                   |
| Property, plant and equipment            | 6,062               | 2,262               |
| Deferred tax assets                      | 502                 | 852                 |
| Intangible assets                        | 1,907               | 1,907               |
|  | <b>8,475</b>        | <b>5,026</b>        |
| <b>Total Assets</b>                      | <b>52,050</b>       | <b>42,641</b>       |
| <b>Current Liabilities</b>               |                     |                     |
| Trade and other payables                 | 7,821               | 9,243               |
| Interest bearing liabilities             | 450                 | -                   |
| Current tax liabilities                  | 1,278               | 148                 |
| Short-term provisions                    | 599                 | 526                 |
|  | <b>10,148</b>       | <b>9,917</b>        |
| <b>Non-Current Liabilities</b>           |                     |                     |
| Interest bearing liabilities             | 3,737               | -                   |
| Deferred tax liabilities                 | -                   | 120                 |
| Long-term provisions                     | 20                  | 28                  |
|  | <b>3,757</b>        | <b>148</b>          |
| <b>Total Liabilities</b>                 | <b>13,905</b>       | <b>10,065</b>       |
| <b>Net Assets</b>                        | <b>38,145</b>       | <b>32,576</b>       |
| <b>Equity</b>                            |                     |                     |
| Issued capital                           | 32,920              | 32,920              |
| Foreign currency translation reserve     | (158)               | (204)               |
| Retained earnings / (Accumulated losses) | 5,383               | (140)               |
| <b>Total Equity</b>                      | <b>38,145</b>       | <b>32,576</b>       |

The Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2018**

| Consolidated                         | Issued<br>Capital<br>\$'000 | Retained<br>earnings /<br>(Accumulated<br>Losses)<br>\$'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>\$'000 | Total<br>\$'000 |
|--------------------------------------|-----------------------------|---|---|-----------------|
| <b>Balance at 1 August 2016</b>      | <b>32,920</b>               | <b>(2,540)</b>  | <b>(166)</b>  | <b>30,214</b>   |
| Profit for the period                | -                           | 3,639   | -   | 3,639           |
| Dividend paid                        | -                           | (1,239)   | -   | (1,239)         |
| Foreign currency translation reserve | -                           | -   | (38)  | (38)            |
| <b>Balance at 31 July 2017</b>       | <b>32,920</b>               | <b>(140)</b>  | <b>(204)</b>  | <b>32,576</b>   |
| <b>Balance at 1 August 2017</b>      | <b>32,920</b>               | <b>(140)</b>  | <b>(204)</b>  | <b>32,576</b>   |
| Profit for the period                | -                           | 7,588   | -   | 7,588           |
| Dividend paid                        | -                           | (2,065)   | -   | (2,065)         |
| Foreign currency translation reserve | -                           | -   | 46  | 46              |
| <b>Balance at 31 July 2018</b>       | <b>32,920</b>               | <b>5,383</b>  | <b>(158)</b>  | <b>38,145</b>   |

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2018**

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|  | 31-Jul-18      | 31-Jul-17      |
|--|----------------|----------------|
|  | \$ '000        | \$ '000        |
| <b>Cash flows from operating activities</b>                  |                |                |
| Receipts from customers                                      | 60,413         | 46,081         |
| Payments to suppliers and employees                          | (54,475)       | (46,270)       |
| Interest (paid) / received                                   | (189)          | 47             |
| Income tax paid  | (1,668)        | (453)          |
| <b>Net cash inflow / (outflow) from operating activities</b> | <b>4,081</b>   | <b>(595)</b>   |
| <b>Cash flows from investing activities</b>                  |                |                |
| Purchases of plant and equipment                             | (4,226)        | (480)          |
| <b>Net cash outflow from investing activities</b>            | <b>(4,226)</b> | <b>(480)</b>   |
| <b>Cash flows from financing activities</b>                  |                |                |
| Dividends paid   | (2,065)        | (1,239)        |
| Repayment of interest bearing liabilities                    | (312)          | -              |
| Issue of interest bearing liabilities                        | 4,500          | -              |
| <b>Net cash outflow from financing activities</b>            | <b>2,123</b>   | <b>(1,239)</b> |
| <b>Net increase / (decrease) in cash held</b>                | <b>1,978</b>   | <b>(2,314)</b> |
| Cash at the beginning of the year                            | 5,916          | 8,230          |
| <b>Cash at the end of the year</b>                           | <b>7,894</b>   | <b>5,916</b>   |

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2018**

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|  | 31-Jul-18<br>\$'000 | 31-Jul-17<br>\$'000 |
|--|---------------------|---------------------|
| <b>1. Operating Result</b>   |                     |                     |
| Profit before income tax includes the following items of income and expense which, together with other disclosures in this report are relevant in explaining the financial performance for the year: |                     |                     |
| <b>Revenue</b>   |                     |                     |
| Sale of goods  | 62,961              | 47,864              |
| Net exchange gains / (losses)  | 645                 | (523)               |
| Interest revenue   | 20                  | 47                  |
| <b>Total Revenue</b>   | <b>63,626</b>       | <b>47,388</b>       |
| <b>Depreciation and Amortisation expenses</b>  | <b>(701)</b>        | <b>(568)</b>        |
| <b>Interest Expense</b>  | <b>(209)</b>        | <b>-</b>            |
| <b>Loss on asset disposal</b>  | <b>(60)</b>         | <b>-</b>            |

|  |              |  |
|--|--------------|--|
| <b>2. Dividends</b>  |              | <b>Amount<br/>per security<br/>CPS</b> |
| <b>Final dividend</b>  |              |  |
| Final dividend not recognised in accumulated profits expected to be paid on 20 November 2018 | \$2,064,772  | 1.25c                                  |
| Final dividend for previous corresponding year paid on 21 November 2017                      | \$ 1,238,863 | 0.75c                                  |
| <b>Interim dividend</b>  |              |  |
| Interim dividend paid on 2 May 18  | \$ 825,910   | 0.50c                                  |
| Interim dividend for previous corresponding year paid on 2 May 17                            | \$412,955    | 0.25c                                  |

**Dividend declared after balance date**

The Directors have declared a final dividend for the financial year ended 31 July 2018 of 1.25 cent per share (2017: final 0.75 cent per share) fully franked at 30%, payable on 20 November 2018, but not recognised as a liability at the end of the financial period. The record date for this dividend will be 30 October 2018.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2018 (continued)**

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**3. Segment information**

**Identification of reportable segments**

The consolidated entity operates in the industry of processing tuna oil and manufacturing encapsulated products in Australia. Financial information about the business as a whole is reported to and reviewed by the Chief Executive Officer and Board of Directors on a monthly basis, in order to assess performance and determine the allocation of resources.

**Geographical information**

Revenues from external customers by domestic and export location of operations and information about its non-current assets by location of assets is shown in the following table.

|                         | <b>Revenue from<br/>external<br/>customers</b> |                | <b>Non-current<br/>assets</b> |                |
|-------------------------|--|----------------|-------------------------------|----------------|
|                         | <b>2018<br/>\$'000</b>                         | 2017<br>\$'000 | <b>2018<br/>\$'000</b>        | 2017<br>\$'000 |
| Australia / New Zealand | <b>37,650</b>                                  | 24,032         | <b>7,970</b>                  | 4,169          |
| Asia                    | <b>18,485</b>                                  | 18,260         | -                             | -              |
| Europe                  | <b>4,111</b>                                   | 3,195          | -                             | -              |
| Americas                | <b>2,715</b>                                   | 2,377          | -                             | -              |
| <br>Total               | <br><b>62,961</b>                              | <br>47,864     | <br><b>7,970</b>              | <br>4,169      |

**4. Audit**

This report is based on financial statements that have been audited by Company auditors PKF, who have issued an unqualified audit report.