

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

Third-quarter Financial Statement and Dividend Announcement

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), 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 period

Consolidated Profit and Loss Statement – 2Q09 and 1H09

	3 months ended 31/12/2008 ("2Q09") US\$'000	3 months ended 31/12/2007 ("2Q08") US\$'000	Change %	6 months ended 31/12/2008 ("1H09") US\$'000	6 months ended 31/12/2007 ("1H08") US\$'000	Change %
Revenue	11,787	17,912	(34.2)	23,290	34,966	(33.4)
Cost of sales	(8,700)	(12,419)	(29.9)	(17,268)	(24,784)	(30.3)
Gross profit	3,087	5,493	(43.8)	6,022	10,182	(40.9)
Other operating income	141	108	30.6	401	310	29.4
Selling and distribution costs	(966)	(1,114)	(13.3)	(1,869)	(2,123)	(12.0)
Administrative expenses	(1,790)	(1,725)	3.8	(3,506)	(3,435)	2.1
Other operating expense	(24)	(156)	(84.6)	(103)	(179)	(42.5)
Finance costs	(41)	(44)	(6.8)	(83)	(90)	(7.8)
Profit before income tax	407	2,562	(84.1)	862	4,665	(81.5)
Income tax expense	(42)	(129)	(67.4)	(87)	(264)	(67.0)
Profit after income tax	365	2,433	(85.0)	775	4,401	(82.4)
Attributable to:						
Equity holders of the parent	334	2,317	(85.6)	745	4,179	(82.2)
Minority interest	31	116	(73.3)	30	222	(86.5)
	365	2,433	(85.0)	775	4,401	(82.4)

Notes to Profit and Loss account

	3 months ended 31/12/2008 ("2Q09") US\$'000	3 months ended 31/12/2007 ("2Q08") US\$'000	6 months ended 31/12/2008 ("1H09") US\$'000	6 months ended 31/12/2007 ("1H08") US\$'000
<u>Other operating income</u>				
Rental income	44	42	90	83
Interest income	19	48	70	100
Exchange gain	74	-	226	-
Gain on disposal of unquoted investments	-	-	-	108
Other	4	18	15	19
	141	108	401	310

<u>Other operating expenses</u>				
Foreign exchange loss	-	48	-	71
Provision for slow-moving stocks	14	-	14	-
Provision for doubtful debts	-	-	73	-
Provision for impairment on investments	-	92	-	92
Loss on disposal of fixed assets	-	16	-	16
Other	10	-	16	-
	<u>24</u>	<u>156</u>	<u>103</u>	<u>179</u>

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period

Consolidated Balance Sheet

As at	Group		Company	
	31/12/2008 US\$' 000	30/6/2008 US\$' 000	31/12/2008 US\$' 000	30/6/2008 US\$' 000
ASSETS				
Current assets				
Cash and Fixed Deposits	4,739	5,105	1,243	1,847
Trade receivables	4,116	4,255	4,581	5,019
Other receivables and prepayments	3,868	4,315	6,263	5,345
Inventories	8,228	8,574	956	982
Total current assets	20,951	22,249	13,043	13,193
Non-current assets				
Investment in subsidiaries	-	-	11,668	11,518
Property, plant and equipment	13,534	13,528	693	770
Intangible assets	340	461	-	-
Available-for-sale investment and other assets	782	767	700	699
Goodwill on consolidation	728	728	-	-
Total non-current assets	15,384	15,484	13,061	12,987
Total assets	36,335	37,733	26,104	26,180
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and bills payable	441	103	441	33
Trade payables	2,766	3,207	6,951	12,386
Other payables and accruals	2,302	2,390	989	1,224
Income tax payable	141	619	78	105
Finance lease obligations: current portion	203	387	24	31
Long-term bank loans: current portion	380	380	380	380
Total current liabilities	6,233	7,086	8,863	14,159
Non-current liabilities				
Finance lease obligations	953	977	57	79
Long-term bank loans	284	475	285	475
Deferred tax liabilities	-	-	-	-
Total non-current liabilities	1,237	1,452	342	554
Capital and reserves				
Issued capital	4,040	4,040	4,040	4,040
Capital reserves	229	229	38	38
Currency translation reserve	315	886	-	-
Retained earnings	23,224	22,931	12,821	7,389
Equity attributable to shareholders	27,808	28,086	16,899	11,467
Minority interests	1,057	1,109	-	-
Total equity	28,865	29,195	16,899	11,467
Total Liabilities and Equity	36,335	37,733	26,104	26,180

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

Amount repayable in one year or less, or on demand

As at 31/12/2008 (US\$'000)		As at 30/6/2008 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
1,024	-	870	-

Amount repayable after one year

As at 31/12/2008 (US\$'000)		As at 30/6/2008 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
1,237	-	1,452	-

Borrowings and gearing ratio

Total borrowings of US\$2.3 million as at December 31, 2008 consist of short-term borrowings, term loans and finance lease obligations. Total borrowings remained relatively constant compared to June 30, 2008.

The Group's gearing ratio remained low at approximately 0.08 times as at 31 December 2008.

Details of any collateral

The bank facilities of the Company are secured by a legal mortgage on the Company's leasehold building and a negative pledge on the Company's assets.

The bank facilities of subsidiaries are secured by a legal mortgage on the subsidiary's leasehold land and buildings and guaranteed by the Holding Company.

The Group's finance lease obligations are secured by the lessors' charge over the leased assets.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flows Statement

	3 months ended 31/12/2008 (2Q09*) US\$'000	3 months ended 31/12/2007 ("2Q08") US\$'000	6months ended 31/12/2008 ("1H09") US\$'000	6 months ended 31/12/2007 ("1H08") US\$'000
Cash flows from operating activities				
Profit before income tax	407	2,562	862	4,665
Adjustments for:				
Depreciation expense	233	222	457	422
Amortization expense	62	-	62	
Interest income	(19)	(47)	(70)	(100)
Interest expense	40	45	82	91
Loss on disposal of fixed assets	-	16	-	16
(Gain) on disposal of quoted investments	-	(108)	-	(108)
Provision for slow-moving stocks	14	-	14	-
Provision for impairment on unquoted investments	-	92	-	92
	<u>737</u>	<u>2,782</u>	<u>1,407</u>	<u>5,078</u>
Operating profit before working capital changes				
Trade receivables	(79)	1,284	139	(403)
Other receivables and prepayments	898	(323)	445	(952)
Inventories	114	(358)	331	228
Trade payables	(299)	215	(441)	136
Other payables and accruals	(140)	(381)	(88)	18
	<u>1,231</u>	<u>3,219</u>	<u>1,793</u>	<u>4,105</u>
Cash generated from operations				
Interest received	19	47	70	100
Interest paid	(40)	(45)	(82)	(91)
Dividend paid	(452)	(513)	(452)	(725)
Dividend paid to minority interest	(46)	(129)	(46)	(23)
Income tax paid	(320)	(236)	(576)	(310)
	<u>392</u>	<u>2,342</u>	<u>707</u>	<u>3,056</u>
Net cash from operating activities				
Cash flows from investing activities				
(Purchase) of property, plant & equipment	(317)	(1,551)	(463)	(1,861)
Proceeds from disposal of available-for-sale investments	-	285	61	313
Translation of foreign subsidiaries	(240)	69	(612)	212
	<u>(557)</u>	<u>(1,197)</u>	<u>(1,014)</u>	<u>(1,336)</u>
Net cash (used in) from investing activities				
Cash flows from financing activities				
Repayments of long-term borrowings	(100)	(73)	(214)	(136)
Proceeds from (Repayments) of short-term borrowings	283	(94)	155	(224)
	<u>183</u>	<u>(167)</u>	<u>(59)</u>	<u>(360)</u>
Net cash used in financing activities				
Net (decrease) increase in cash and cash equivalents	<u>18</u>	<u>979</u>	<u>(366)</u>	<u>1,360</u>
Cash and cash equivalents at beginning of period	4,721	6,218	5,105	5,837
Cash and cash equivalents at end of period	<u>4,739</u>	<u>7,197</u>	<u>4,739</u>	<u>7,197</u>
Represented by:				
Cash and bank balances (inclusive of Fixed Deposit)	4,739	7,246	4,739	7,246
Bank Overdraft	-	(49)	-	(49)
	<u>4,739</u>	<u>7,197</u>	<u>4,739</u>	<u>7,197</u>

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

	Issued capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Minority interests	Total
US\$'000							
Group							
Balance as at 1/7/2008	4,040	229	886	22,931	28,086	1,109	29,195
Currency translation differences	-	-	(359)	-	(359)	(13)	(372)
Net profit for 1Q2009	-	-	-	411	411	(1)	410
Dividend paid	-	-	-	-	-	-	-
Balance as at 30/9/2008	4,040	229	527	23,342	28,138	1,095	29,233
Currency translation differences	-	-	(212)	-	(212)	(23)	(235)
Net profit for 2Q2009	-	-	-	334	334	31	365
Dividend paid	-	-	-	(452)	(452)	(46)	(498)
Balance as at 31/12/2008	4,040	229	315	23,224	27,808	1,057	28,865
Company							
Balance as at 1/7/2008	4,040	38	-	7,389	11,467	-	11,467
Net profit for 1Q2009	-	-	-	3,155	3,155	-	3,155
Dividend paid	-	-	-	-	-	-	-
Balance as at 30/9/2008	4,040	38	-	10,544	14,622	-	14,622
Net profit for 2Q2009	-	-	-	2,729	2,729	-	2,729
Dividend paid	-	-	-	(452)	(452)	-	(452)
Balance as at 31/12/2008	4,040	38	-	12,821	16,899	-	16,899

	Issued capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Minority interests	Total
US\$'000							
Group							
Balance as at 1/7/2007	4,040	187	482	19,953	24,662	1,120	25,782
Currency translation differences	-	-	89	-	89	9	98
Net profit for 1Q2008	-	-	-	1,862	1,862	106	1,968
Dividend paid	-	-	-	-	-	(105)	(105)
Balance as at 30/9/2007	4,040	187	571	21,815	26,613	1,130	27,743
Currency translation differences	-	-	241	-	241	3	244
Net profit for 2Q2008	-	-	-	2,317	2,317	116	2,433
Dividend paid	-	-	-	(750)	(750)	(22)	(772)
Balance as at 31/12/2007	4,040	187	812	23,382	28,421	1,227	29,648
Company							
Balance as at 1/7/2007	4,040	187	-	4,641	8,868	-	8,868
Net profit for 1Q2008	-	-	-	1,666	1,666	-	1,666
Dividend paid	-	-	-	-	-	-	-
Balance as at 30/9/2007	4,040	58	-	6,307	10,534	-	10,534
Net profit for 2Q2008	-	-	-	716	716	-	716
Dividend paid	-	-	-	(750)	(750)	-	(750)
Balance as at 31/12/2007	4,040	187	-	6,273	10,500	-	10,500

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for 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 shares 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**

There were no changes in the Company's share capital during the period under review.

- (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.**

As at	31/12/2008	30/6/2008
Total number of issued shares (excluding treasury shares)	133,689,597	133,689,597

- (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.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 Company has applied the same accounting policies and methods of computations as in the Company's latest audited financial statements for the period ended 30 June 2008.

- 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

	3 months ended 31/12/2008	3 months ended 31/12/2007	6 months ended 31/12/2008	6 months ended 31/12/2007
Earnings per ordinary share (US cents)	0.25	1.73	0.56	3.13

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 period reported on and (b) immediately preceding financial year

	Group		Company	
	31/12/2008	30/6/2008	31/12/2008	30/6/2008
Net asset value per ordinary share (US cents)	20.80	21.01	12.64	8.58

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Revenue and Net Profit attributable to equity holders of the parent ("Net Profit")

As expected, market conditions have remained weak as a result of the global economic slowdown. Household spending in the USA and the UK/Europe have continued to decline as job losses mount, home prices fall and the banks limit their lending. Inevitably, demand for furniture has paralleled this decline.

As a result and during the 6 months under review, Revenue fell by 33.4% or US\$11.7 million to US\$23.3 million in 1H09 as compared to 1H08. We recorded strong retail sales in Vietnam. However, our traditional markets of the US and UK were weak. Our strong retail presence and brand name underwrote our sales in Vietnam. Our reluctance to sell on open-account exacerbated the weak sales to the US and UK.

During the 6 months under review our Net Profit for 1H09 fell by 82.2% or US\$3.4 million to US\$0.75 million compared to 1H08. The reasons for the fall include:

- A decline in Gross Profit margin in 1H09 from 29.1% to 25.9%, a fall of 3.2 percentage points, as compared to 1H08 as a result of:
 - Higher raw materials cost
 - Higher unit factory costs (fixed production overhead) as a result of lower capacity utilization of our factories; and
 - pre-operating expenses absorbed by our new factories in Vietnam during the trial production runs.

- Selling and Distribution costs fell slower than that of Revenue. It fell by 12% or US\$0.25 million to US\$1.9 million. This is partly due to a strategic decision. Selling and Distribution costs include the cost of attending and outfitting fairs. Marketing is important at any time and especially in a down turn. Thus whilst we are making efforts to reduce any excess, we do not believe it would be wise to slash Marketing costs dramatically.
- Administrative expenses were mostly fixed cost and it remained relatively constant at about US\$3.5 million. However, there was less Revenue for fixed administrative expenses on which to be absorbed.

Financial Position

Assets

Current Assets fell by US\$1.3 million to US\$21.0 million as compared to the previous financial year ended 30 June 2008. Significant movements in Current Assets during the period under review included:

- Cash at bank (inclusive of fixed deposits) fell by US\$0.4 million to US\$4.7 million due mainly to dividend payments during the period under review.
- Other receivables and prepayments fell by US\$0.45 million due mainly to a significant reduction in VAT receivables of US\$0.8 million from the Vietnamese tax office and despite an increase of some US\$0.35 million in prepaid exhibition rental, prepaid insurance premium for our new factories in Vietnam and showroom deposits; and
- Inventories fell by US\$0.35 million as a result of lower raw material purchases and less work-in-progress on the back of lower revenue during the period under review.

Non-Current Assets fell by US\$0.1 million due mainly to amortization.

Total Liabilities

Current Liabilities fell by US\$0.9 million to US\$6.2 million. Trade payables fell by US\$0.4 million on the back of shorter credit term in favour of cash discounts from suppliers and sub-contractors. Income tax payable fell by US\$0.5 million due mainly to lower earnings.

Non-Current Liabilities fell by US\$0.2 million to US\$1.2 million as a result of long-term loans and finance lease repayments.

Shareholders' equity

Net asset or Equity attributable to shareholders fell by US\$0.3 million to US\$27.8 million as at 31 December 2008. Whilst we made a Net Profit and this caused Equity to rise, the rise was offset by a currency translation deficit and more especially by dividends paid to shareholders during the period under review.

Minority interests

Minority interests remained relatively constant at US\$1.1 million, reflecting the cumulative share of net asset (net of current period dividend received by minority shareholder) by Rossano's other shareholder, who owns 30% of Rossano.

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

During the full year earnings announcement, on 27 August 2008, the Board of Directors noted that it would be misleading to provide investors with a view of the Company's prospects given the uncertain challenges due to the current global economic condition. The Board, however, during the 1Q2009 announcement, took the view that barring any unforeseen circumstances, the Company would remain profitable and financially sound in FY2009.

The Group reported US\$0.75 million in Net Profit for the 6 months ended 31 December 2008 and US\$0.33 million in Net Profit for the 3 months ended 31 December 2008. The Group had US\$4.7 million cash at bank and was able to maintain a low gearing position of 0.08 times as at 31 December 2008.

10. A commentary at the date of the announcement of the 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

For us the outlook of the global furniture market remains uncertain:

- demand from the US and the UK/Europe will likely remain weak and even the most design intensive buyers have become cost conscious. However, Vietnam as a manufacturing base has become more competitive than China, as evidenced by the massive factory shut down in China.
- our sales in Vietnam are sustainable and the number of enquiries during the period under review has increased. However, with the appreciation of the US dollar, our Vietnam costs remain uncertain.

As a result and due to 3Q09 having two shorter months for production, it is difficult to forecast whether the business will remain profitable or slip into a small loss in 3Q09. What is more certain is that with important comparative advantages and better controls in place, if a loss occurs it is unlikely to be large in 3Q09.

It is important to note that the Group has and expects to continue to maintain a very sound balance sheet with a strong cash position and low gearing level. The strong net cash position enables the Group to capitalise on any strategic M&A opportunities if and when they arise. Accordingly, the Board has not recommended an interim dividend and will review market condition at the financial year end.

Accordingly the Board remains of the view that the Company will remain financially sound in FY2009.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(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>Interim Dividend</u>
Dividend Type	Cash
Dividend Rate	
- per share (in US\$: cents)	0.33 cent per ordinary share
- per share (in S\$: cents)	0.5 cent per ordinary share

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

Not applicable

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable

15. A breakdown of sales

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable

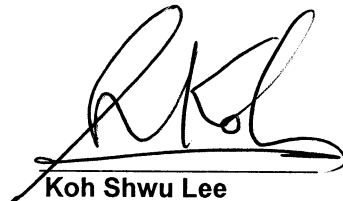
CONFIRMATION BY THE BOARD

We, James Koh Jyh Gang and Koh Shwu Lee, being two directors of Koda Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the un-audited financial results for the 6 months ended 31 December 2008 to be materially false or misleading.

On behalf of the Board



James Koh Jyh Gang
Managing Director



Koh Shwu Lee
Executive Director