

## KODA LTD

### Quarterly and Half-Year 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 and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period

#### Consolidated Profit and Loss Statements for 4Q16 and 12 months ended 30 June 2016

	3 months ended 30/06/16 ("4Q16") US\$'000	3 months ended 30/06/15 ("4Q15") US\$'000	Change %	12 months ended 30/06/16 US\$'000	12 months ended 30/06/15 US\$'000	Change %
<b>Revenue</b>	<b>10,360</b>	<b>10,816</b>	<b>(4.2)</b>	<b>37,110</b>	<b>47,324</b>	<b>(21.6)</b>
Cost of sales	(7,034)	(8,381)	(16.1)	(26,835)	(36,036)	(25.5)
<b>Gross profit</b>	<b>3,326</b>	<b>2,435</b>	<b>36.6</b>	<b>10,275</b>	<b>11,288</b>	<b>(9.0)</b>
Other income	126	1,621	(92.2)	1,657	2,235	(25.9)
Selling and distribution costs	(606)	(874)	(30.7)	(3,278)	(4,341)	(24.5)
Administrative expenses	(1,574)	(1,735)	(9.3)	(5,770)	(6,834)	(15.6)
Other expenses	(573)	(1,603)	(64)	(472)	(2,442)	(81)
Finance costs	(10)	(29)	(64.9)	(59)	(175)	(66.3)
Share of profit of associate	(15)	(5)	233.3	1	5	(80.0)
<b>Profit (Loss) before income tax</b>	<b>674</b>	<b>(190)</b>	<b>N/A</b>	<b>2,354</b>	<b>(264)</b>	<b>N/A</b>
Income tax expense	(374)	(281)	33.1	(771)	(783)	(1.5)
<b>Profit (Loss) after income tax</b>	<b>300</b>	<b>(471)</b>	<b>N/A</b>	<b>1,583</b>	<b>(1,047)</b>	<b>N/A</b>
Attributable to:-						
<b>Owners of the Company</b>	<b>300</b>	<b>402</b>	<b>(25.4)</b>	<b>1,640</b>	<b>406</b>	<b>303.9</b>
Non-controlling interests	-	(873)	N/A	(57)	(1,453)	(96.1)
	<b>300</b>	<b>(471)</b>	<b>N/A</b>	<b>1,583</b>	<b>(1,047)</b>	<b>N/A</b>

N/A - not applicable

## Notes to Consolidated Profit and Loss Statements

	3 months ended 30/06/16 ("4Q16") <u>US\$'000</u>	3 months ended 30/06/15 ("4Q15") <u>US\$'000</u>	12 months ended 30/06/16 <u>US\$'000</u>	12 months ended 30/06/15 <u>US\$'000</u>
<b><u>Other income</u></b>				
Rental income	43	44	173	184
Interest income	12	86	52	92
Exchange gain	-	33	342	188
Gain on disposal of assets held for sale	-	-	676	-
Gain on disposal of property, plant & equipment	-	1,283	50	1,299
Reversal of allowance for doubtful trade receivables	-	-	4	-
Others	71	175	360	472
	<b>126</b>	<b>1,621</b>	<b>1,657</b>	<b>2,235</b>

	3 months ended 30/06/16 ("4Q16") <u>US\$'000</u>	3 months ended 30/06/15 ("4Q15") <u>US\$'000</u>	12 months ended 30/06/16 <u>US\$'000</u>	12 months ended 30/06/15 <u>US\$'000</u>
<b><u>Other expenses</u></b>				
Allowance for inventories	-	(368)	-	(969)
Allowance for doubtful trade receivables	-	(15)	-	(15)
Allowance for doubtful other receivables	(98)	-	(98)	-
Bad debts written off	(11)	(52)	(11)	(52)
Exchange loss	(177)	-	-	-
Fair value loss on investment properties	-	(10)	-	(10)
Impairment loss on asset held for sale	(286)	(57)	(286)	(56)
Impairment loss on available-for-sale investments	-	-	(6)	-
Impairment loss on property, plant and equipment	-	(346)	-	(345)
Impairment of intangible assets	-	-	-	(205)
Inventories written off	(1)	-	(1)	-
Loss on disposal of subsidiary	-	(528)	-	(527)
Others	-	(227)	(70)	(263)
	<b>(573)</b>	<b>(1,603)</b>	<b>(472)</b>	<b>(2,442)</b>

## Statement of Comprehensive Income

	3 months ended 30/06/16 ("4Q16") <u>US\$'000</u>	3 months ended 30/06/15 ("4Q15") <u>US\$'000</u>	12 months ended 30/06/16 <u>US\$'000</u>	12 months ended 30/06/15 <u>US\$'000</u>
Profit (Loss) after Income Tax	300	(471)	1,583	(1,047)
Other comprehensive (loss) income for the year, net of tax	(420)	52	(424)	(1,145)
<b>Total comprehensive income</b>	<b>(120)</b>	<b>(419)</b>	<b>1,159</b>	<b>(2,192)</b>
Attributable to :-				
<b>Owners of the Company</b>	<b>148</b>	<b>447</b>	<b>1,211</b>	<b>(767)</b>
Non-controlling interests	(268)	(866)	(52)	(1,425)
	<b>(120)</b>	<b>(419)</b>	<b>1,159</b>	<b>(2,192)</b>

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

As at	Group		Company	
	30/06/16 US\$'000	30/06/15 US\$'000	30/06/16 US\$'000	30/06/15 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	4,607	3,133	764	1,099
Trade receivables	3,528	3,571	4,664	6,936
Other receivables and prepayments	2,573	2,757	4,365	5,910
Inventories	6,883	7,348	46	-
Assets classified as held for sale	2,448	2,510	-	-
<b>Total current assets</b>	<b>20,039</b>	<b>19,319</b>	<b>9,839</b>	<b>13,945</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	8,135	8,135
Investment in associate	11	10	-	-
Available-for-sale investments	-	6	-	6
Club memberships	208	209	192	192
Property, plant and equipment	12,085	11,599	726	788
Investment Properties	-	934	-	-
Deferred tax asset	24	21	3	3
<b>Total non-current assets</b>	<b>12,328</b>	<b>12,779</b>	<b>9,056</b>	<b>9,124</b>
<b>Total assets</b>	<b>32,367</b>	<b>32,098</b>	<b>18,895</b>	<b>23,069</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bills payable	522	2,326	-	1,663
Trade payables	2,858	2,384	5,530	7,655
Other payables	4,124	2,635	1,473	957
Current portion of obligations under finance leases	96	93	65	72
Current portion of bank loans and overdrafts	405	604	405	604
Income tax payable	296	212	-	-
Liabilities associated with assets held for sale	-	1,261	-	-
<b>Total current liabilities</b>	<b>8,301</b>	<b>9,515</b>	<b>7,473</b>	<b>10,951</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	609	449	-	-
Non-current portions of bank loans	425	306	425	306
Obligations under finance leases	122	140	59	74
<b>Total non-current liabilities</b>	<b>1,156</b>	<b>895</b>	<b>484</b>	<b>380</b>
<b>Capital and reserves</b>				
Share capital	4,312	4,312	4,312	4,312
Treasury shares	(10)	-	(10)	-
Capital reserves	5,419	5,373	58	58
Currency translation reserve	(1,597)	(1,121)	-	-
Retained earnings	14,786	13,340	6,578	7,368
<b>Equity attributable to owners of the Company</b>	<b>22,910</b>	<b>21,904</b>	<b>10,938</b>	<b>11,738</b>
Non-controlling interests	-	(216)	-	-
<b>Total equity</b>	<b>22,910</b>	<b>21,688</b>	<b>10,938</b>	<b>11,738</b>
<b>Total Liabilities and Equity</b>	<b>32,367</b>	<b>32,098</b>	<b>18,895</b>	<b>23,069</b>

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

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

As at 30/06/16 (US\$'000)		As at 30/6/15 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
96	927	93	2,930

**Amount repayable after one year**

As at 30/06/16 (US\$'000)		As at 30/6/15 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
122	425	140	306

**Borrowings and gearing ratio**

Total borrowings of US\$1.6 million as at 30 June 2016 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings fell by US\$1.9 million compared to 30 June 2015 due to loans repayment.

The Group's gearing ratio was 0.07 times as at 30 June 2016 compared to 0.16 times as at 30 June 2015.

**Details of any collateral**

The banking facilities of the Group are secured by a negative pledge on the Group's assets.

The banking facilities of subsidiaries are guaranteed by the Group.

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

**1(c) A statement of cash flows (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 30/06/16 ("4Q16") <u>US\$'000</u>	3 months ended 30/06/15 ("4Q15") <u>US\$'000</u>	12 months ended 30/06/16 <u>US\$'000</u>	12 months ended 30/06/15 <u>US\$'000</u>
<b>Cash flows from operating activities</b>				
Profit (Loss) before income tax	674	(190)	2,354	(264)
Adjustments for:				
Allow ance for inventories	-	368	-	969
Allow ance for doubtful debts trade receivables	-	15	-	15
Allow ance for doubtful debts other receivables	98	-	98	-
Amortisation of intangible assets	-	-	-	29
Bad debts w ritten off	11	52	11	52
Depreciation of property, plant and equipment	250	308	1,024	1,246
Gain on disposal of assets held for sale	-	-	(676)	-
Gain on disposal of property, plant and equipment	-	(1,283)	(50)	(1,299)
Fair value loss on investment properties	-	10	-	10
Loss on disposal of subsidiary	-	527	-	527
Share of profit of associate	15	4	(1)	(5)
Impairment loss of assets held for sale	286	-	286	-
Impairment loss on available-for-sale investments	-	56	6	56
Impairment of intangible assets	-	-	-	205
Impairment loss on property, plant and equipment	-	345	-	345
Interest income	(13)	(86)	(52)	(92)
Interest expense	10	29	59	175
Inventories w ritten off	1	738	1	738
Property, plant and equipment w ritten off	12	154	12	154
Reversal of allow ance for trade receivables	-	-	(4)	-
<b>Operating profit before working capital changes</b>	<b>1,344</b>	<b>1,047</b>	<b>3,068</b>	<b>2,861</b>
Trade receivables	(955)	(830)	36	(153)
Other receivables and prepayments	519	(757)	86	(1,028)
Inventories	(638)	1,202	464	4,133
Assets held for sale	(51)	-	(51)	-
Trade payables	618	1,427	474	546
Other payables	476	(1,334)	1,489	668
<b>Net cash generated from operations</b>	<b>1,313</b>	<b>755</b>	<b>5,566</b>	<b>7,027</b>
Dividend paid	-	-	(195)	-
Interest receivd	13	86	52	92
Interest paid	(10)	(29)	(59)	(175)
Income tax paid	(285)	(223)	(496)	(588)
<b>Net cash generated from operations</b>	<b>1,031</b>	<b>589</b>	<b>4,868</b>	<b>6,356</b>
<b>Cash flows from investing activities</b>				
Acquisition of an associate	-	-	-	(6)
Disposal of subsidiary	(10)	(437)	(10)	(437)
Purchase of property, plant and equipment	(913)	(394)	(1,744)	(1,260)
Proceeds from disposal of property, plant and equipment	-	1,814	128	1,884
<b>Net cash (used in) generated from investing activities</b>	<b>(923)</b>	<b>983</b>	<b>(1,626)</b>	<b>181</b>

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

**Consolidated Cash Flows Statement (continued)**

	3 months ended 30/06/16 ("4Q16") US\$'000	3 months ended 30/06/15 ("4Q15") US\$'000	12 months ended 30/06/16 US\$'000	12 months ended 30/06/15 US\$'000
<b>Cash flows from financing activities</b>				
Decrease in bills payables	(60)	(1,705)	(1,804)	(4,598)
Proceeds from bank loan	524	-	524	-
Purchase of treasury shares	(10)	-	(10)	-
Repayment of bank loans	(83)	(165)	(333)	(333)
Repayment of finance leases	(31)	(52)	(121)	(104)
<b>Net cash generated from (used in) financing activities</b>	<b>340</b>	<b>(1,922)</b>	<b>(1,744)</b>	<b>(5,035)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>449</b>	<b>(350)</b>	<b>1,500</b>	<b>1,502</b>
Cash and cash equivalents at beginning of period / year	4,125	2,901	2,933	1,545
Effect of foreign exchange translation	33	382	175	(114)
<b>Cash and cash equivalents at end of period / year</b>	<b>4,607</b>	<b>2,933</b>	<b>4,607</b>	<b>2,933</b>
Represented by:				
<b>Cash and bank balances (inclusive of fixed deposit)</b>	<b>4,607</b>	<b>3,133</b>	<b>4,607</b>	<b>3,133</b>
<b>Bank overdraft</b>	<b>-</b>	<b>(271)</b>	<b>-</b>	<b>(271)</b>
	<b>4,607</b>	<b>2,862</b>	<b>4,607</b>	<b>2,862</b>
<b>Cash and cash equivalents included in a disposal group</b>	<b>-</b>	<b>71</b>	<b>-</b>	<b>71</b>
	<b>4,607</b>	<b>2,933</b>	<b>4,607</b>	<b>2,933</b>

**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**

	Share Capital	Treasury Shares	Capital reserves	Legal reserve	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
<b>US\$'000</b>									
<b>Group</b>									
Balance as at 1/7/15	4,312	-	5,373	-	(1,121)	13,340	21,904	(216)	21,688
Total comprehensive income	-	-	46	*	(476)	1,641	1,211	(52)	1,159
Dividends	-	-	-	-	-	(195)	(195)	-	(195)
Repurchase of shares	-	(10)	-	-	-	-	(10)	-	(10)
Disposal of subsidiaries	-	-	-	-	-	-	-	268	268
<b>Balance as at 30/06/16</b>	<b>4,312</b>	<b>(10)</b>	<b>5,419</b>	<b>*</b>	<b>(1,597)</b>	<b>14,786</b>	<b>22,910</b>	<b>-</b>	<b>22,910</b>
* Amount less than US\$1,000									
<b>Company</b>									
Balance as at 1/7/15	4,312	-	58	-	-	7,368	11,738	-	11,738
Total comprehensive loss	-	-	-	-	-	(595)	(595)	-	(595)
Dividends	-	-	-	-	-	(195)	(195)	-	(195)
Repurchase of shares	-	(10)	-	-	-	-	(10)	-	(10)
<b>Balance as at 30/06/16</b>	<b>4,312</b>	<b>(10)</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>6,578</b>	<b>10,938</b>	<b>-</b>	<b>10,938</b>

	Share Capital	Treasury Shares	Capital reserves	Legal reserve	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
<b>US\$'000</b>									
<b>Group</b>									
Balance as at 1/7/14	4,312	-	5,047	-	378	12,934	22,671	772	23,443
Total comprehensive income	-	-	326	-	(1,499)	406	(767)	(1,425)	(2,192)
Disposal of a subsidiary	-	-	-	-	-	-	-	437	437
<b>Balance as at 30/06/15</b>	<b>4,312</b>	<b>-</b>	<b>5,373</b>	<b>-</b>	<b>(1,121)</b>	<b>13,340</b>	<b>21,904</b>	<b>(216)</b>	<b>21,688</b>
<b>Company</b>									
Balance as of 1/7/14	4,312	-	58	-	-	9,997	14,367	-	14,367
Total comprehensive income	-	-	-	-	-	(2,629)	(2,629)	-	(2,629)
<b>Balance as at 30/06/15</b>	<b>4,312</b>	<b>-</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>7,368</b>	<b>11,738</b>	<b>-</b>	<b>11,738</b>

**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 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 was no change in the Company's issued and paid-up share capital since the end of the previous reporting period.

The shareholders of the Company approved the proposed consolidation of every five (5) then-existing ordinary shares of the Company into one (1) ordinary share (the "Share Consolidation") at an Extraordinary General Meeting ("EGM") of the Company held on 30 October 2015. The Share Consolidation was completed on 12 November 2015 and 136,513,397 ordinary shares of the Company were consolidated into 27,302,436 ordinary shares.

As at 30 June 2016, the Company's issued share capital (excluding treasury shares) comprises 27,272,436 ordinary shares (30 June 2015: 136,513,397). The total number of treasury shares held by the Company as at 30 June 2016 was 30,000 (30 June 2015: NIL) which represents 0.11% (30 June 2015: NIL) of the total number of issued shares (excluding treasury shares).

The company did not have any outstanding options or 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.

**(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	<u>30/06/16</u>	<u>30/06/15</u>
Total number of issued shares (excluding treasury shares)	27,272,436	136,513,397 <sup>(1)</sup>

Note:

(1) The number of shares (136,513,397) shown as at 30 June 2015 above relate to the number of shares at the time on a non-consolidated basis. Assuming the Share Consolidation had been completed prior to 30 June 2015, the number of shares on 30 June 2015 (on an as-if consolidated basis) would have been (27,302,436). Please refer to 1d(ii) for further details regarding the Share Consolidation.

**(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.**

The Company held 30,000 treasury shares as at 30 June 2016. There were no sales, transfer, disposal, cancellation and / or use of treasury shares as at the end of the current financial year reported on.

**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 Group has applied the same accounting policies and methods of computation as in the Group's financial year ended 30 June 2015.

**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 30/06/16 ("4Q16")	3 months ended 30/06/15 ("4Q15") (Restated)	FY2016	FY2015 (Restated)
Earnings per ordinary share (US cents)	1.10	1.47	6.00	1.48

*Note: The Earnings per ordinary share ("EPS") for 4Q16 and for FY2016 have been computed based on 27,301,477 weighted average number of shares (post-share consolidation); the EPS for the corresponding period (4Q15 and FY2015) have been restated and computed based on 27,302,436 weighted average number of shares (post-share consolidation).*

**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	
	30/06/2016	30/06/2015 (Restated)	30/06/2016	30/06/2015 (Restated)
Net asset value per ordinary share (US cents)	83.9	80.2	40.1	43.0

*Note: The Net asset value ("NAV") per ordinary share as at 30 June 2016 has been computed based on 27,301,477 weighted average number of shares (post-share consolidation); the NAV per ordinary share as at 30 June 2015 has been restated and computed based on 27,302,436 weighted average number of shares (post-share consolidation)*

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")**

Revenues for FY2016 fell by US\$10.2 million to US\$37.1 million compared to US\$47.3 million in FY2015. Revenues fell as a result of (i) lower export sales to the US and UK/EU regions and (ii) the absence of sales from the Metrolink Group and Rossano following the disposal of these subsidiaries.

Gross Profit fell by 9.0% or US\$1.0 million to US\$10.3 million as a result of lower revenues. However, Gross Margin rose by 3.8 percentage points to 27.7% in FY2016 compared to 23.9% in FY2015 as a result of (i) our growing retail and distribution businesses for Commune (which are of higher margins) and (ii) following the disposals of the loss-making Metrolink and Rossano.

Other income fell by US\$0.58 million to US\$1.7 million in the absence of gains on disposal of our Land and Buildings in Vietnam offset by the gains on disposal of our investment in Rossano.

Selling and distribution expenses fell by 24.5% or US\$1.1 million to US\$3.3 million. Administrative expenses due mainly to our divestments in Metrolink and Rossano offset by higher rental expenses for our retail showrooms in Singapore.

Administrative expenses fell by 15.6% or US\$1.1 million to US\$5.8 million due mainly to our divestments in Metrolink and Rossano.

Other operating expenses fell by US\$2.0 million to US\$0.47 million in the absence of impairment losses for inventories, operating assets (Property, Plant and Equipment) and intangible assets related to the loss-making Metrolink Group and Rossano incurred in FY2015.

Finance cost fell by US\$0.12 million to US\$0.06 million in FY2016 due to lower borrowings.

Income tax expense remain relatively unchanged at US\$0.77 million.

There was a share of loss by the minority shareholder of Rossano of US\$0.06 million for the loss incurred by Rossano before completion of the disposal.

Given the above, Net Profit for the Group rose to US\$1.6 million in FY2016 compared to US\$0.41 million in FY2015.

## **Financial Position (30 June 2016 vs 30 June 2015)**

### **Assets**

Current Assets rose by US\$0.72 million to US\$20.0 million. Significant movements in Current Assets during the period under review were as follows:

- Cash at bank (inclusive of fixed deposits) rose by US\$1.5 million to US\$4.6 million due mainly to (i) cash deposits for the disposal of investment property in Vietnam and (ii) positive operating cash flows, offset by cash used to repay bank borrowings.
- Trade receivables remained relatively unchanged at US\$3.5 million. Trade receivables turnaround time continued to remain manageable at 35 days.
- Other receivables and prepayments fell by US\$0.18 million to US\$2.6 million due mainly to a reduction in amounts owing by related parties of the Group, offset by (i) higher rental security deposits for retail showrooms in Singapore and (ii) higher Value Added Tax (VAT) receivable from tax offices in Vietnam.
- Inventories fell by US\$0.46 million to US\$6.9 million due mainly to reduction in raw material and WIP stocks for our operations in Vietnam, offset by an increase in buffer stocks for Commune's retail and distribution businesses.
- Assets held for sale ("AHS") fell by US\$0.06 million to US\$2.4 million. Changes during the year under review were (i) completion of disposal of Rossano and thus its fair value was excluded from AHS; and (ii) Investment Properties in Vietnam of US\$0.65 million is now included as AHS given management's intention to dispose these assets in the next 12 months.

Non-Current Assets, despite new investments in equipment for our factories, fell by US\$0.45 million to US\$12.3 million due mainly to reclassification of Investment Properties to AHS given management's intentions to dispose of these assets in the next 12 months.

### **Liabilities**

Current Liabilities fell by US\$1.2 million to US\$8.3 million. Significant movements in Current Liabilities during the period under review were as follows:

- Bills payable fell sharply by US\$1.8 million to US\$0.52 million due to lower working capital borrowings. We repaid part of these borrowings from our operating cash flows.
- Trade payables rose by US\$0.47 million to US\$2.9 million due mainly to higher purchases for Vietnam operations and Commune retail.
- Other payables rose by US\$1.5 million to US\$4.1 million due mainly to (i) cash deposits for the disposal of investment property in Vietnam and (ii) higher deposits placed by our customers.
- Income tax payable rose by US\$0.08 million to US\$0.30 million due mainly to higher tax provisions for our profitable operations in Malaysia and China (Commune).
- There were no liabilities associated with AHS upon completion of the disposal of our interest in Rossano.

Non-Current Liabilities rose by US\$0.26 million to US\$1.2 million due mainly to higher long-term loans and deferred taxation.

#### Shareholders' equity

Net asset or Equity attributable to shareholders rose by US\$1.0 million to US\$22.9 million as at 30 June 2016 due to current year earnings of US\$1.6 million, offset by translation losses of US\$0.48 million arising from the consolidation of our Malaysian subsidiaries (as the RM weakened against the US\$ during the period under review), and after accounting for dividends payment of US\$0.20 million for FY2015.

#### Minority interests

There was no minority interest as at 30 June 2016 following our disposal of our investment in Rossano.

#### **Cash Flows (movements during the year)**

Net cash from operating activities remained positive at US\$4.9 million for FY2016, after accounting a cash profit of US\$3.1 million, reduction in working capital investment of \$2.5 million and interest and other payments of US\$0.70 million. Net cash used in investing activities was US\$1.6 million due to investments in new equipment. Net cash used in financing activities was US\$1.7 million due mainly to repayment of short-term borrowings. Given these, net cash and cash equivalents increased by US\$1.5 million to US\$4.6 million.

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

The Board of Directors stated in the 3Q16 announcement that barring any unforeseen circumstances, the Group expects to remain profitable in FY2016.

The Group recorded a Net Profit of US\$1.6 million for FY2016.

**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**

We have recently seen increasingly higher order books from the US. Apart from our focused marketing efforts for our key clients in this major market, we believe this could also be due to (i) a gradual recovery in the US housing market; and (ii) indications that interest rate hikes in the US might be delayed – these factors seem to have encouraged discretionary spending on furniture. In this aspect, we have planned dedicated production lines in Malaysia and Vietnam in order to achieve better economies of scale should this positive trend continue.

Our wholesale distribution business in China is expanding and we have allocated resources for the expansion of this business segment. However, we are aware that the retail market in China is highly competitive and as such, we need to continually invest in designs in order to adapt to the fast-changing market preference in order to sustain our business there.

Given the above, the Board believes that barring any unforeseen circumstances, the Group expects to remain profitable in FY2017.

## 11. Dividend

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

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend:	Final Dividend
Dividend Type:	Cash
Dividend Rate	
- per ordinary share (S cents)	2.00
- per ordinary share (US cents equivalent)	1.48 <sup>(1)</sup>

Note:

(1) Equivalent amounts in US\$ for dividend per share have been provided for comparative purposes, based on a closing rate as at 30 June 2016 of US\$ = S\$1.35

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

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

Name of Dividend:	Final Dividend
Dividend Type:	Cash
Dividend Rate ( <u>Restated</u> )	
- per ordinary share (S cents)	1.00 <sup>(1)</sup>
- per ordinary share (US cents equivalent)	0.75 <sup>(1)(2)</sup>

Note:

(1) The final dividend for FY2015 has been restated and computed based on 27,302,436 number of shares (on a post-share consolidation basis). For FY2015, the actual dividend per ordinary share at the time (on an unconsolidated basis) was 0.2 Singapore cents.

(2) Equivalent amounts in US\$ for dividend per share have been provided for comparative purposes, based on a closing rate as at 30 June 2015 of US\$ = S\$1.35

### (c) **Date payable**

To be determined and announced at a later date.

### (d) **Books closure date**

To be determined and announced at a later date.

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

Not applicable

**13. If the Group has obtained a 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 Group does not have a general mandate from shareholders for IPTs as required under Rule 920(1)(a)(ii).

IPT during the period under review was as follows:

<b>Name of Interested Persons</b>	<b>Description of IPT</b>	<b>Value of IPT for the financial period under review (excluding transactions less than \$100,000) (S\$'000)</b>
Koh Jyh Eng Koh Shwu Lee (Directors of the Company)	<p>The Group had, in June 2016, entered into a 10-year long-term lease with Zenith Heights Sdn Bhd (of which Koh Jyh Eng &amp; Koh Shwu Lee are Directors) for land owned by Zenith Heights Sdn Bhd to build warehousing facilities in Malaysia (“Lease”).</p> <p>The IPT transactions in FY2016 with regards to the Lease are as follows:            1) Rental expense (RM24,698)            2) Security deposit (RM296,382)            3) Prepaid rental (RM148,191)</p>	<b>157</b>

(1) Based on an exchange rate of S\$1:RM\$2.98

Note: The above IPT transaction constitutes 0.5% of the Group’s audited NTA as at 30 June 2015.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

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

**15. 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**

The Group is primarily engaged in four business segments, namely chairs, sofa & tables, outdoor & garden furniture, occasional & other furniture and bedroom furniture. The Group adopts these four business segments as the basis for its primary segment information. Primary segment information for the Group based on business segments are as follows:

	30 June 2016			30 June 2015		
	Revenue		Segment result	Revenue		Segment result
	US\$'000	%	US\$'000	US\$'000	%	US\$'000
Chairs, sofa and tables	21,613	58.2	715	33,293	70.4	80
Outdoor & garden	29	0.1	-	23	0.1	-
Bedroom furniture	3,976	10.7	132	8,381	17.4	20
Occasional and other furniture	11,492	31.0	380	5,727	12.1	13
<b>Total Revenue</b>	<b>37,110</b>	<b>100.0</b>	<b>1,227</b>	<b>47,324</b>	<b>100.0</b>	<b>113</b>
Finance costs			(59)			(175)
Other income			1,657			2,235
Other expenses			(472)			(2,442)
Share of profit of associate			1			5
<b>Profit (Loss) before income tax</b>			<b>2,354</b>			<b>(264)</b>
Income tax expense			(771)			(783)
<b>Profit (Loss) for the year</b>			<b>1,583</b>			<b>(1,047)</b>
<b>Non-controlling interests</b>			<b>57</b>			<b>1,453</b>
<b>Profit attributable to owners of the Company</b>			<b>1,640</b>			<b>406</b>

The geographical locations of the customers of the Group principally comprise the United Kingdom, Asia-Pacific, Europe, North America and others.

	30 June 2016		30 June 2015		Change
	US\$'000	%	US\$'000	%	
United Kingdom	1,086	2.9	1,629	3.4	(543)
Europe	2,297	6.2	4,477	9.5	(2,180)
America / Canada	14,046	37.9	21,724	43.8	(7,678)
Asia-Pacific	19,194	51.7	18,991	40.1	203
Others	487*	1.3	1,503*	3.2	(1,016)
<b>Total Revenue</b>	<b>37,110</b>	<b>100.0</b>	<b>47,324</b>	<b>100.0</b>	<b>(11,214)</b>

\* mainly Middle East

**16. 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

**17. A breakdown of sales**

	30 June 2016 US\$'000	30 June 2015 US\$'000	Change US\$'000
(a) Sales reported for first half year	18,873	26,635	(7,762)
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	1,161	870	291
(c) Sales reported for second half year	18,237	20,689	(2,452)
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	422	(1,917)	2,339

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

Total Annual Dividend

	Latest Full Year (US\$'000) <sup>(1)</sup>	Latest Full Year (S\$'000)	Previous Full Year (US\$'000) <sup>(2)</sup>	Previous Full Year (S\$'000)
Ordinary	404	545	205	273

Note:

- 1) Equivalent amounts in US\$ for the total annual dividend has been provided for comparative purposes, based on a closing rate as at 30 June 2016 of US\$ = S\$1.35
- 2) Equivalent amounts in US\$ for the total annual dividend has been provided for comparative purposes, based on a closing rate as at 30 June 2015 of US\$ = S\$1.35



**19. 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). 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 positions held, if any, during the year</b>
Joshua Koh Zhu Xian ("Joshua")	33	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	CFO since 23 May 2014. Key responsibilities include corporate finance, operational restructuring, merger & acquisition evaluation, financial management and investor relations.	Apart from his responsibilities as CFO, Joshua also oversees the day to day operations of the Commune retail and wholesale distribution business and provides strategic direction for the brand.
Julian Koh Zhu Lian ("Julian")	31	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Head of Design since 23 May 2014. Key responsibilities include research and development of new products and brand and concept management of the "Commune" brand.	Not applicable
Gan Shee Wen ("Shee Wen")	37	Grandchild of non-executive Chairman, Koh Teng Kwee; and nephew of Managing Director, James Koh and Executive Directors, Koh Shwu Lee and Koh Jyh Eng	VP (Marketing) since 23 May 2014. Key responsibilities include overseeing the sales & marketing functions of the Company, training of sales staff and management of the distribution business of the Group.	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 year ended 30 June 2016 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**  
**JAMES KOH JYH GANG**  
 Managing Director  
 29 August 2016