



KODA LTD

(Company Registration No.:198001299R)

(The "Company", and together with its subsidiaries, the "Group")

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ("2H2021) AND FULL YEAR ("FY2021") ENDED 30 JUNE 2021

Table of contents

Section	Descriptions	Page Number
A	Condensed interim consolidated statement of profit or loss and other comprehensive income	3
B	Condensed interim statements of financial position	4
C	Condensed interim statements of changes in equity	5-6
D	Condensed interim consolidated statements of cash flows	7
E	Notes to the condensed interim consolidated financial statements	8-18
F	Other information required by Listing Rule Appendix 7.2	19-25

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group					
		6 months ended			12 months ended		
		30 June 2021	30 June 2020	Change	30 June 2021	30 June 2020	Change
		("2H2021")	("2H2020")	%	("FY2021")	("FY2020")	%
Note		US\$'000	US\$'000		US\$'000	US\$'000	
	Revenue	43,093	26,100	65.1%	82,643	60,353	36.9%
	Cost of sales	(28,704)	(18,984)	51.2%	(55,502)	(42,282)	31.3%
	Gross profit	14,389	7,116	102.2%	27,141	18,071	50.2%
	Other income	1,149	854	34.5%	1,868	1,215	53.7%
	Distribution costs	(3,816)	(2,620)	45.6%	(6,765)	(5,276)	28.2%
	Administrative expenses	(6,235)	(5,039)	23.7%	(10,607)	(9,135)	16.1%
	Other expenses	(38)	(31)	22.6%	(299)	(93)	221.5%
	Finance costs	(120)	(104)	15.4%	(240)	(157)	52.9%
	Profit before income tax	5,329	176	2927.8%	11,098	4,625	140.0%
	Income tax expense	(1,000)	(86)	1062.8%	(1,991)	(500)	298.2%
	Profit for the period	4,329	90	4710.0%	9,107	4,125	120.8%
	Profit attributable to :						
	Owners of the Company	4,322	208	1977.9%	9,098	4,336	109.8%
	Non-controlling interests	7	(118)	N.M	9	(211)	N.M
		4,329	90	4710.0%	9,107	4,125	120.8%
	Other comprehensive income (loss)						
	<u>Items that may be reclassified subsequent to profit or loss</u>						
	Translation of differences arising from consolidation of foreign operations	(461)	(542)	-14.9%	426	(412)	N.M
	Total other comprehensive income (loss) for the period, net of tax	(461)	(542)	-14.9%	426	(412)	N.M
	Total comprehensive income (loss) for the period	3,868	(452)	N.M	9,533	3,713	156.7%
	Total comprehensive income (loss) attributable to :						
	Owners of the Company	3,860	(332)	N.M	9,529	3,926	142.7%
	Non-controlling interests	8	(120)	N.M	4	(213)	N.M
		3,868	(452)	N.M	9,533	3,713	156.7%
	Earnings per share for profit for the period attributable to the owners of the Company:						
	Basic (US cents)	5.23	0.25		11.00	5.25	
	Diluted (US cents)	5.23	0.25		11.00	5.25	

N.M: Not meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 June 2021 US\$'000	30 June 2020 US\$'000	30 June 2021 US\$'000	30 June 2020 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		14,673	16,426	5,024	8,843
Trade receivables	10	4,534	3,639	6,283	4,502
Other receivables	11	7,004	2,613	7,029	6,579
Finance lease receivables		86	-	86	-
Inventories	12	19,575	11,347	74	46
Total current assets		45,872	34,025	18,496	19,970
Non-current assets					
Investment in subsidiaries		-	-	18,611	7,935
Club memberships		46	207	32	192
Property, plant and equipment	13	15,467	13,618	187	309
Right-of-use assets		7,708	5,898	317	572
Other receivables	11	5,073	3,737	11,944	11,078
Finance lease receivables		122	-	122	-
Deferred tax assets		192	181	-	-
Total non-current assets		28,608	23,641	31,213	20,086
Total assets		74,480	57,666	49,709	40,056
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables		5,025	2,682	2,441	3,467
Other payables		11,819	6,613	7,197	2,554
Lease liabilities	14	1,518	1,201	181	162
Current portion of bank loans	14	1,169	1,045	1,169	1,045
Income tax payable		1,560	630	1,082	166
Total current liabilities		21,091	12,171	12,070	7,394
Non-current liabilities					
Deferred tax liabilities		304	260	31	-
Lease liabilities	14	2,101	3,029	242	422
Non-current portion of bank loans	14	1,743	1,669	1,743	1,669
Total non-current liabilities		4,148	4,958	2,016	2,091
Capital and reserves					
Share capital	15	4,786	4,786	4,786	4,786
Treasury shares		(75)	(120)	(75)	(120)
Other reserves		318	114	244	40
Translation reserve		390	(41)	-	-
Accumulated profits		43,887	35,867	30,668	25,865
Equity attributable to owners of the Company		49,306	40,606	35,623	30,571
Non-controlling interests		(65)	(69)	-	-
Total equity		49,241	40,537	35,623	30,571
Total liabilities and equity		74,480	57,666	49,709	40,056

C. Condensed interim statements of changes in equity

The Group

		Share capital	Treasury shares	Other reserves	Translation reserve	Accumulated profits	Attributable to equity holders	Non-controlling interests	Total
Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Balance as at 1 July 2020	4,786	(120)	114	(41)	35,867	40,606	(69)	40,537
	<i>Total comprehensive income for the year:</i>								
	Profit for the year	-	-	-	-	9,098	9,098	9	9,107
	Other comprehensive income	-	-	-	431	-	431	(5)	426
	Total	-	-	-	431	9,098	9,529	4	9,533
	<i>Transaction with owners, recognised directly in equity:</i>								
	Dividends	18	-	-	-	(1,078)	(1,078)	-	(1,078)
	Award of performance shares	-	45	(45)	-	-	-	-	-
	Share-based expenses	-	-	249	-	-	249	-	249
	Total	-	45	204	-	(1,078)	(829)	-	(829)
	Balance as at 30 June 2021	4,786	(75)	318	390	43,887	49,306	(65)	49,241
	Balance as at 1 July 2019	4,688	(71)	212	369	33,040	38,238	-	38,238
	<i>Total comprehensive income for the year:</i>								
	Profit for the year	-	-	-	-	4,336	4,336	(211)	4,125
	Other comprehensive loss	-	-	-	(410)	-	(410)	(2)	(412)
	Total	-	-	-	(410)	4,336	3,926	(213)	3,713
	<i>Transaction with owners, recognised directly in equity:</i>								
	Non-controlling interests from investment in subsidiary	-	-	-	-	-	-	144	144
	Dividends	18	-	-	-	(1,509)	(1,509)	-	(1,509)
	Issue of new shares	15	98	-	(98)	-	-	-	-
	Repurchase of shares	-	(49)	-	-	-	(49)	-	(49)
	Total	98	(49)	(98)	-	(1,509)	(1,558)	144	(1,414)
	Balance as at 30 June 2020	4,786	(120)	114	(41)	35,867	40,606	(69)	40,537

C. Condensed interim statements of changes in equity

The Company

		Share capital	Treasury shares	Other reserves	Accumulated profits	Total
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2020		4,786	(120)	40	25,865	30,571
<i>Profit for the year, representing total comprehensive income fo the year</i>		-	-	-	5,881	5,881
<i>Transaction with owners, recognised directly in equity:</i>						
Dividends	18	-	-	-	(1,078)	(1,078)
Award of performance shares		-	45	(45)	-	-
Share-based expenses		-	-	249	-	249
		-	45	204	(1,078)	(829)
Balance as at 30 June 2021		4,786	(75)	244	30,668	35,623
Balance as at 1 July 2019		4,688	(71)	138	12,520	17,275
<i>Profit for the year, representing total comprehensive income fo the year</i>		-	-	-	14,854	14,854
<i>Transaction with owners, recognised directly in equity:</i>						
Dividends	18	-	-	-	(1,509)	(1,509)
Issue of new shares	15	98	-	(98)	-	-
Repurchase of shares		-	(49)	-	-	(49)
		98	(49)	(98)	(1,509)	(1,558)
Balance as at 30 June 2020		4,786	(120)	40	25,865	30,571

D. Condensed interim consolidated statements of cash flows

	The Group	
	12 months ended	
	30 June 2021	30 June 2020
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before income tax	11,098	4,625
Adjustments for:		
Depreciation of property, plant and equipment	1,794	1,731
Depreciation of right-of-use assets	1,652	1,392
Property, plant and equipment written off	6	-
Allowance for inventories - net	228	345
Inventories written off	35	31
(Reversal) Allowance for doubtful trade receivables - net	(2)	2
Bad debts written off	-	4
Other receivables written off	1	-
(Gain) Loss on disposal of property, plant and equipments - net	(7)	(5)
Gain on disposal of club memberships	(86)	-
Gain on recognition of net investment in sublease	(147)	-
Loss on disposal of associate company	-	1
Equity-settled shares-based expenses	249	-
Interest income	(100)	(224)
Interest expense	240	157
Operating cash flows before movements in working capital	14,961	8,059
Trade receivables	(806)	(250)
Other receivables	(4,392)	47
Inventories	(8,249)	(1,163)
Trade payables	2,062	478
Other payables	5,207	1,629
Cash generated from operations	8,783	8,800
Interest received	100	(157)
Interest paid	(240)	224
Income tax paid	(1,056)	(277)
Net cash from operating activities	7,587	8,590
Cash flows from investing activities		
Deposits for property, plant and equipment	(1,336)	(3,737)
Proceeds from disposal of property, plant and equipment	63	29
Purchase of property, plant and equipment	(3,478)	(1,309)
Proceeds from finance lease receivables	48	-
Acquisition of right-of-use asset	(2,571)	-
Proceeds from disposal of club memberships	248	-
Net cash used in investing activities	(7,026)	(5,017)
Cash flows from financing activities		
Dividends paid	(1,078)	(1,509)
Repayment of bank loans	(1,263)	(339)
Proceeds from bank loans	1,461	2,650
Purchase of treasury shares	-	(49)
Repayment of lease liabilities	(1,615)	(1,231)
Net cash used in financing activities	(2,495)	(478)
Net (decrease) increase in cash and cash equivalents	(1,934)	3,095
Cash and cash equivalents at beginning of year	16,426	13,394
Effects of exchange rate change on balance of cash held in foreign currencies	181	(63)
Cash and cash equivalents at end of year	14,673	16,426

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Koda Ltd is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of relating to the export of furniture and fixtures of wood (including upholstery), furniture design service and investment holding.

The principal activities of the Group are:

- (a) Manufacturing of furniture and fixtures of wood (including upholstery); and
- (b) Retail, trading and export of furniture.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 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 interim financial statements for the period ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

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

2.1 New and amended standards adopted by the Group

In the current financial period, the Group and the Company has adopted all the new and revised FRSs and Interpretation of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2020. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

2.2 Use of judgements and estimates

In preparing the condensed interim 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 30 June 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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 determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

The Group is organized into two business units based on their products on which information is prepared and reportable to the Group's chief operating decision maker for the purpose of resources allocation and assessment of performance.

The Group is principally engaged in two reportable segments, namely "manufacturing" and "retail and distribution".

Information regarding the Group's reporting segments is presented below.

6 months ended 30 June 2021 and 2020

Segment revenue and results

	Segment revenue		Segment profit/(loss)	
	2H2021 US\$'000	2H2020 US\$'000	2HFY2021 US\$'000	2HFY2020 US\$'000
Manufacturing	34,914	21,631	4,121	292
Retail and distribution	8,179	4,469	217	(835)
Total	43,093	26,100	4,338	(543)
Finance costs			(120)	(104)
Other income			1,149	854
Other expenses			(38)	(31)
Profit before income tax			5,329	176
Income tax expense			(1,000)	(86)
Profit for the period			4,329	90

Segment assets and liabilities

	30 June 2021	30 June 2020
	US\$'000	US\$'000
Segement assets		
Manufacturing	61,968	47,547
Retail and distribuion	11,865	9,731
Total segment assets	<u>73,833</u>	<u>57,278</u>
Unallocated assets	647	388
Consolidated total assets	<u>74,480</u>	<u>57,666</u>
Segement liabilities		
Manufacturing	13,284	6,634
Retail and distribuion	5,119	3,291
Total segment liabilities	<u>18,403</u>	<u>9,925</u>
Unallocated liabilities	6,836	7,204
Consolidated total liabilities	<u>25,239</u>	<u>17,129</u>

Other segment information

	Depreciation		Additions to non-current assets	
	2H2021	2H2020	2H2021	2H2020
	US\$'000	US\$'000	US\$'000	US\$'000
Manufacturing	988	963	4,936	457
Retail and distribution	792	749	362	194
Total	<u>1,780</u>	<u>1,712</u>	<u>5,298</u>	<u>651</u>

In addition to the information reported above, the following were attributable to the following reportable segments:

	2H2021	2H2020
	US\$'000	US\$'000
Manufacturing segment		
Allowance for inventories	233	205
Retail and distribution segment		
(Reversal) Allowance for doubtful trade receivables - net	(2)	2
Bad debts written off - net	-	4
Other receivables written off	1	-
(Reversal) Allowance for inventories - net	(5)	140
Inventories written off	20	30

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets) including only property, plant and equipment) by geographical location are detailed below:

	Revenue from external customers based on location of customers	
	2H2021 US\$'000	2H2020 US\$'000
Asia-Pacific	11,682	8,432
North America	26,895	14,832
Europe	3,998	2,656
Others	518	180
	<hr/>	<hr/>
	43,093	26,100

Non-current assets of the Group are located in Asia Pacific.

12 months ended 30 June 2021 and 2020

Segment revenue and results

	Segment revenue		Segment profit/(loss)	
	FY2021 US\$'000	FY2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
Manufacturing	66,677	49,473	8,608	3,945
Retail and distribution	15,966	10,880	1,161	(285)
Total	<hr/>	<hr/>	<hr/>	<hr/>
	82,643	60,353	9,769	3,660
Finance costs			(240)	(157)
Other income			1,868	1,215
Other expenses			(299)	(93)
Profit before income tax			<hr/>	<hr/>
			11,098	4,625
Income tax expense			(1,991)	(500)
Profit for the year			<hr/>	<hr/>
			9,107	4,125

Other segment information

	Depreciation		Additions to non-current assets	
	FY2021 US\$'000	FY2020 US\$'000	FY2021 US\$'000	FY2020 US\$'000
Manufacturing	1,937	1,838	5,567	668
Retail and distribution	1,509	1,285	482	2,428
Total	3,446	3,123	6,049	3,096

In addition to the information reported above, the following were attributable to the following:

	FY2021 US\$'000	FY2020 US\$'000
Manufacturing segment		
Allowance for inventories - net	233	205
Retail and distribution segment		
(Reversal) Allowance for doubtful trade receivables - net	(2)	2
Bad debts written off - net	-	4
Other receivables written off	1	-
(Reversal) Allowance for inventories - net	(5)	140
Inventories written off	35	31

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets) including only property, plant and equipment) by geographical location are detailed below:

	Revenue from external customers based on location of customers	
	FY2021 US\$'000	FY2020 US\$'000
Asia-Pacific	24,425	21,205
North America	49,474	33,356
Europe	7,792	5,155
Others	952	637
	82,643	60,353

Non-current assets of the Group are located in Asia Pacific.

Sales breakdown

	<u>The Group</u>	
	12 months ended	
	30 June 2021	30 June 2020
	("FY2021")	("FY2020")
	US\$'000	US\$'000
(a) Sales reported for first half year	39,550	34,253
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	4,778	4,035
(c) Sales reported for second half year	43,093	26,100
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	4,329	90

5. Other income

	<u>The Group</u>			
	6 months ended		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	("2H2021")	("2H2020")	("FY2021")	("FY2020")
	US\$'000	US\$'000	US\$'000	US\$'000
Rental income	-	48	31	96
Interest income on bank balances	51	101	100	224
Foreign exchange gain - net	80	158	80	177
Gain on disposal of property, plant and equipment	4	5	7	5
Gain on disposal of club membershi	86	-	86	-
Gain on recognition of finance lease receivable	147	-	147	-
Government grant income	288	188	668	188
Property tax and rental rebate	72	172	90	172
Reversal of allowance for doubtful trade receivables	2	-	2	-
Freight revenue	126	82	241	164
Sundry income	293	100	416	189
	1,149	854	1,868	1,215

6. Other expenses

	<u>The Group</u>			
	6 months ended		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	("2H2021")	("2H2020")	("FY2021")	("FY2020")
	US\$'000	US\$'000	US\$'000	US\$'000
Allowance for doubtful trade receivable:	-	2	-	2
Bad debts written off	-	4	-	4
Other receivables written off	1	-	1	-
Inventories written off	20	30	35	31
Loss on disposal of property, plant and equipment	-	(1)	-	-
Equity-settled share-based expenses	64	(60)	249	-
Foreign exchange loss - net	(61)	1	-	-
Loss on disposal of associate company	-	55	-	1
Others	14	-	14	55
	38	31	299	93

7. Profit before income tax

	The Group			
	6 months ended		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	("2H2021")	("2H2020")	("FY2021")	("FY2020")
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of property, plant and equipment	901	879	1,794	1,731
Depreciation of right-of-use assets	879	833	1,652	1,392
Finance costs:		-		
- Bank loans	33	23	69	30
- Lease liabilities	87	81	171	127

8. Income tax expense

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 interim consolidated statement of profit or loss are:

	The Group			
	6 months ended		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	("2H2021")	("2H2020")	("FY2021")	("FY2020")
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax	1,089	291	1,947	568
Deferred tax	(35)	(167)	80	(28)
(Over) Under provision in prior years:				
- Income tax	2	(28)	20	(30)
- Deferred tax	(56)	(10)	(56)	(10)
Total	1,000	86	1,991	500

9. Earnings per share

	The Group			
	6 months ended		12 months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	("2H2021")	("2H2020")	("FY2021")	("FY2020")
Based on the weighted average number of ordinary shares on issue (US cents)	5.23	0.25	11.00	5.25
Singapore cents equivalent	7.02	0.35	14.79	7.30
Weighted average number of shares ('000)	82,713	82,596	82,713	82,596

The fully diluted earnings per share and basic earnings per share are the same for the 6 months and 12 months ended 30 June 2021 and 2020.

10. Trade receivables

	The Group		The Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Outside parties	4,534	3,641	4,402	3,572
Subsidiaries	-	-	1,881	930
Less: Allowance for doubtful debts	-	(2)	-	-
	4,534	3,639	6,283	4,502

11. Other receivables

	The Group		The Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Subsidiaries		-	19,182	18,437
Related parties	31	24	21	21
Deposits	5,756	4,259	8	11
Prepayments	3,471	1,005	924	385
Government grant receivable	203	260	72	80
Value added tax recoverable	1,886	777	11	3
Others	751	46	37	2
	12,098	6,371	20,255	18,939
Less: Allowance for doubtful debts				
Outside parties	-	-		
Subsidiaries	-	-	(1,261)	(1,261)
Related parties	(21)	(21)	(21)	(21)
	12,077	6,350	18,973	17,657
Less non-current portion:				
Deposits	(5,073)	(3,737)	-	-
Subsidiaries	-	-	(11,944)	(11,078)
	7,004	2,613	7,029	6,579

12. Inventories

	The Group	
	30 June 2021	30 June 2020
	US\$'000	US\$'000
Raw material	9,024	4,605
Work in progress	4,454	2,447
Finished goods	7,290	5,260
	<u>20,768</u>	<u>12,312</u>
Less: Allowance for inventories	<u>(1,193)</u>	<u>(965)</u>
	<u>19,575</u>	<u>11,347</u>
Movement in allowance for inventories:		
Balance at beginning of the year	965	620
Charge to profit or loss for the year	228	345
Balance at end of the year	<u>1,193</u>	<u>965</u>

As at 30 June 2021, the Company held finished goods of US\$74,000 (30 June 2020: US\$46,000).

Inventories of US\$35,000 (FY2020: US\$31,000) were written off and recognized directly in profit or loss for goods which are not in saleable conditions.

13. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to US\$2,727,000 (six months ended 30 June 2020: US\$619,000) and disposed of assets amounting to US\$56,000 (six months ended 30 June 2020: Nil).

14. Bank loans and lease liabilities

	The Group		The Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	1,518	1,201	181	162
Unsecured	1,169	1,045	1,169	1,045
	<u>2,687</u>	<u>2,246</u>	<u>1,350</u>	<u>1,207</u>
<u>Amount repayable after one year or on demand</u>				
Secured	2,101	3,029	242	422
Unsecured	1,743	1,669	1,743	1,669
	<u>3,844</u>	<u>4,698</u>	<u>1,985</u>	<u>2,091</u>

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

The banking facilities of subsidiaries are guaranteed by the Company.

15. Share capital

	The Group and Company			
	30 Jun 2021	30 June 2020	30 Jun 2021	30 June 2020
	Number of ordinary shares ('000)		US\$'000	US\$'000
Issued and paid up:				
At beginning of year	82,968	82,743	4,786	4,688
Issued during the year	-	225	-	98
At end of year	82,968	82,968	4,786	4,786

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

16. Financial assets and financial liabilities

The following table sets out the financial instruments as at the end of the reporting period.

	The Group		The Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Amortised cost (including cash and cash equivalent)	20,651	20,635	29,482	30,535
Finance lease receivables	208	-	208	-
Financial liabilities				
Amortised cost	14,544	9,595	10,498	8,061
Lease liabilities	3,619	4,230	422	584

17. Related party transactions

Please refer to Note 9 of Section F for disclosure of the related party transactions. There are no other material related party transactions apart from those disclosed in Note 9 of Section F.

18. Dividends

	Group	
	12 months ended	
	30 June 2021 ("FY2021") US\$'000	30 June 2020 ("FY2020") US\$'000
Ordinary dividends paid:		
Final tax-exempt (1-tier) dividend of US\$0.0056 (equivalent to S\$0.0075) per ordinary share for the financial year ended 30 June 2019	-	455
Special final tax-exempt (1-tier) dividend of US\$0.0093 (equivalent to S\$0.0125) per ordinary share for the financial year ended 30 June 2019	-	758
Interim tax-exempt (1-tier) dividend of US\$0.0019 (equivalent to S\$0.0025) per ordinary share for the year ended 30 June 2020	-	148
Special interim tax-exempt (1-tier) dividend of US\$0.0019 (equivalent to S\$0.0025) per ordinary share for the financial year ended 30 June 2020	-	148
Final tax-exempt (1-tier) dividend of US\$0.0054 (equivalent to S\$0.0075) per ordinary share for the financial year ended 30 June 2020	454	-
Interim tax-exempt (1-tier) dividend of US\$0.0019 (equivalent to S\$0.0025) per ordinary share for the year ended 30 June 2021	156	-
Special interim tax-exempt (1-tier) dividend of US\$0.0057 (equivalent to S\$0.0075) per ordinary share for the financial year ended 30 June 2021	468	-
	1,078	1,509

Dividends were authorised and not included as liabilities in these financial statements are as follows:

Final tax-exempt (1-tier) dividend of US\$0.0054 (equivalent to S\$0.0075) per ordinary share for the financial year ended 30 June 2020	-	445
Final tax-exempt (1-tier) dividend of US\$0.0056 (equivalent to S\$0.0075) per ordinary share for the financial year ended 30 June 2021	462	-
Special final tax-exempt (1-tier) dividend of US\$0.0093 (equivalent to S\$0.0125) per ordinary share for the financial year ended 30 June 2021	770	-
	1,232	445

19. Net asset value per value

	The Group		The Company	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net asset value per ordinary				
- US cents	59.6	49.1	43.0	37.0
- Singapore cents	80.1	68.2	57.8	51.4

F Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Koda Ltd and its subsidiaries as at 30 June 2021 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 statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The number of shares held as treasury shares as at 30 June 2021 was 178,081 (30 June 2020 : 390,000). During the current financial year, 211,919 treasury shares were transferred to eligible participant pursuant to the vesting of share awards granted under the Koda Performance Share Plan 2018. The number of treasury shares as at 30 June 2021 represented 0.22% of the total number of shares of the Company, excluding treasury shares (30 June 2020: 0.47% of the total number of shares of the Company, excluding treasury shares).

There are no 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.

3. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) Updates on the efforts taken to resolve each outstanding issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

5. Review of performance of the Group

Condensed interim consolidated statement of profit or loss (FY2021 vs FY2020)

Revenue rose by US\$22.2 million to US\$82.6 million for FY2021 due mainly to higher export and retail sales.

Gross profit rose by US\$8.9 million to US\$27.0 million on the back of higher revenues and margin. The increase in gross profit margin by 2.7 percentage point to 32.7% was due mainly to improved factory efficiency thereby resulting in lower unit production cost per output.

Other income rose by US\$0.7 million to US\$1.9 million as a result government grants received under the Job Support Scheme and rental rebate.

Distribution costs rose by US\$1.5 million to US\$6.8 million due mainly to higher advertising expenses, carriage outwards and marketing staff costs on the back of higher revenue.

Administrative expenses rose by US\$1.5 million to US\$10.6 million due mainly to higher staff costs and accruals of performance-related bonuses for key management.

Other expenses for FY2021 rose by US\$0.2 million to US\$0.3 million due mainly to higher equity-settled share-based expense.

Finance cost rose by US\$83,000 to US\$0.24 million due mainly to interest expenses arose from higher bank loans and lease liabilities.

Income tax expense rose by US\$1.5 million to US\$2.0 million due mainly to (i) higher taxable profits for our operations; (ii) full utilisation of unabsorbed tax losses brought forward; and (iii) expiry of tax incentives for Vietnam operations during the year under review.

Given the above, Profit attributable to Owners of the Company ("**Net Profit**") rose by US\$4.8 million to US\$9.1 million.

Condensed interim statements of financial position (30 June 2021 vs 30 June 2020)

Assets

Current assets rose by US\$11.9 million to US\$45.9 million. Significant movements during the year under review were as follows:

- Other receivables rose by US\$4.4 million to US\$7.0 million due mainly to (i) higher value-added tax receivables on the back of higher purchases for our Vietnam operations in FY2021 as a result of increased production output and (ii) higher advance payments to suppliers and subcontractors to secure supplies at more favourable terms.
- Inventories rose by US\$8.3 million to US\$19.6 million due mainly to (i) higher finished goods awaiting shipments as at the balance sheet date which have been substantially shipped after year end and (ii) higher raw materials and Work-In-Progress ("WIP") due to increased sales order. As a result, the overall inventory turnover days increased to 129 days (30 June 2020: 98 days).
- Cash and bank balances fell by US\$1.7 million to US\$14.7 million due mainly to (i) investments in plant and machinery for our Vietnam expansion and (ii) repayment of bank loans and (iii) dividend payments (final dividend for FY2020 and interim dividend for 1H2021).

Non-current assets rose by US\$5.0 million to US\$28.7 million due mainly to investments in plant and machinery for our Vietnam expansion.

Liabilities

Current liabilities rose by US\$8.9 million to US\$21.1 million. Significant movements during the year under review were as follows:

- Trade payables rose by US\$2.3 million to US\$5.0 million on the back of higher purchases. Trade payable turnover days was 33 days as at 30 June 2021 (30 June 2020: 23 days).
- Other payables rose by US\$5.2 million to US\$11.8 million due mainly to (i) higher deposits received from customers and (ii) accruals of performance related bonuses for the key management.
- Income tax payable rose by US\$1.0 million to US\$1.6 million due to higher income tax expense for our profitable operations.

Non-current liabilities fell by US\$0.9 million to US\$4.1 million due mainly to repayment of lease liability.

Shareholders' equity

Net asset or Equity attributable to Owners of the Company rose by US\$8.7 million to US\$49.3 million as at 30 June 2021 due mainly to current year earnings of US\$9.1 million and increase in other reserves, after accounting for payments of dividends (final dividend for FY2020 and interim dividend for 1H2021) of US\$1.1 million.

Condensed interim consolidated statements of cash flows (FY2021 vs FY2020)

Net cash from operating activities was US\$7.6 million for FY2021 after accounting for operating cash inflows of US\$15.0 million, working capital investments of US\$6.2 million and net of payments for income tax and interest of US\$1.2 million.

Net cash used in investing activities was US\$7.0 million due mainly to investments in plant and machinery for our Vietnam expansion.

Net cash used in financing activities was US\$2.5 million due mainly to (i) dividends payment of US\$1.1 million (final dividend for FY2020 and interim dividend for 1H2021); (ii) repayment of finance leases and bank loans and (iii) partially offset by proceeds from bank loans.

Given the above, net cash and cash equivalents fell by US\$1.9 million to US\$14.7 million as at 30 June 2021.

6. 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 results announcement for 1H2021 that barring any unforeseen circumstances, the Group expected to remain profitable in FY2021.

The Group reported a Net Profit of US\$9.1 million for the year ended 30 June 2021.

7. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Macro environment

We have seen encouraging growth in our export sales given the recent work-from-home arrangements and this trend is largely here to stay. From the macro perspective, while COVID-19 vaccination drives have been launched in various countries across the globe, virus variants in varying degrees of ferocity continued to pose threats to the virus containment efforts, thereby hindering the resumption of normalcy and delaying global economic recovery. Apart from the virus fear, the recent job reports in the US seems to have calmed inflation worries but these are closely watched economic factors amidst market uncertainty.

Update of our operations in Malaysia and Vietnam

We had previously announced that several regulatory restrictions imposed by the governments following the resurgence of COVID-19 infections, specifically the Movement Control Order (the "MCO") in Malaysia and the COVID-19 Directive (the "Directive") issued by the provincial government in Vietnam, have resulted in temporary closure of our factories operations in Malaysia and Vietnam, which have caused delay in production of certain orders for our export customers. The Group had also updated that part of these orders may be fulfilled by scheduled shipments from the readily available inventories.

Meanwhile, the government of Malaysia has recently guided that the manufacturing sector may operate based on employees full vaccination rates with operating capacity approximating the vaccination rate ranging from 60% to 100%. Base on such guideline, we are reasonably confident that we may progressively resume our Malaysia operations within the next one month and subsequently work towards resuming full operations given the increasingly higher full vaccination rate. In Vietnam, the provincial government has just announced that factories may be allowed to operate at 70% capacity if all their workers have received first dose of vaccination and factories may operate at full capacity on full vaccination rates for their workers. We will follow up on the implementation dates under this guideline before we could progressively resume our operations.

Whilst our existing plans for buffer stocks have helped to minimise the financial impacts arising from these disruptions, the longer-than-expected regulatory restrictions will affect our supply chain and thus, the overall inventory replenishment process.

Our distribution business in China

The recent upsurge of variants reported in several provinces in China has sparked lockdowns, mass testing and travel restrictions again but the Chinese health officials believe that the risk is generally controllable. While our previously planned expansion for Commune in China was on track given good products and effective business models, we may have to scale back part of our expansion plans until we could resume our existing supply chain in Malaysia and Vietnam to an optimal level. At the same time, Commune will continue to support its dealers with technology and product training under its proven branding strategy while expanding its dealership networks.

FY2022

Given our progressive plans for resuming the supply chain and our carefully planned expansion under the current market conditions, we continue to believe that the Group will remain profitable for FY2022, barring unforeseen circumstances.

8. Dividend information

8a. Current Financial Period Reported on

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

Name of Dividend	Final
Dividend type	Cash
Dividend per share	i) Final - 0.75 Singapore cents ii) Special Final - 1.25 Singapore cents
Tax rate	Tax exempt

The Directors are pleased to declare a tax exempt one-tier (i) final cash dividend of 0.75 Singapore cents per share and (ii) special final dividends of 1.25 Singapore cents in respect of six months ended 30 June 2021 (6 months ended 30 June 2020: tax exempt one-tier cash dividend of 0.75 Singapore cents per share). The date payable will be determined and announced at a later date.

8b. Corresponding Period of the Immediate Preceding Financial Year

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

Name of Dividend	Final
Dividend type	Cash
Dividend per share	Final - 0.75 Singapore cents
Tax rate	Tax exempt

8c. Date Payable

To be determined and announced at a later date.

8d. Books Closure Date

To be determined and announced at a later date.

9. Interested person transactions

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii).

IPT for FY2021 the period under review was as follows:

Name of Interested Persons	Description of IPT	Value of IPT for the financial period under review (excluding transactions less than S\$100,000) (S\$'000)
Directors of the Company: Koh Jyh Eng Koh Shwu Lee	The Group had, in June 2016, entered into a 10-year long-term lease with Zenith Heights Sdn Bhd (of which Koh Jyh Eng & Koh Shwu Lee are Directors) for land owned by Zenith Heights Sdn Bhd to build warehousing facilities in Malaysia (the "Lease"). The IPT for FY2021 with regards to the Lease is as follow: (i) Rental expense (RM296,382)	97 (Note 1)
Directors of the Company: James Koh Jyh Gang Koh Shwu Lee	Disposal of club membership to the Directors of the Company (the "Disposal")	329 (Note 2)
Director of the Company: Koh Shwu Lee	Disposal of a motor vehicle to a Director of the Company	70 (Note 3)
		496 (Note 4)

Note 1: Based on the closing rate as at 30 June 2021 of US\$1= RM4.1545, the rental expense under the above IPT for FY2021 was approximately 0.20% of the Group's latest audited Net Tangible Asset as at 30 June 2020.

Note 2: Based on the closing rate as at 30 June 2021 of US\$1= S\$1.3444, the combined value of the Disposal under the above IPT was approximately 0.68% of the Group's latest audited Net Tangible Asset as at 30 June 2020. The value of the Disposal for each of the Director was determined based on the 6-month average transacted price during May 2020 to October 2020 as published on the website of the Singapore Island Country Club. The Disposal was completed in January 2021.

Note 3: Based on the closing rate as at 30 June 2021 of US\$1= S\$1.3444, the value of the disposal of a motor vehicle under the above IPT was approximately 0.15% of the Group's latest audited Net Tangible Asset as at 30 June 2020. The value was determined based on the net book value of the motor vehicle at the time of disposal, which was close to the market price of the motor vehicle in similar conditions. The disposal was completed in May 2021.

Note 4: Based on the closing rate as at 30 June 2021 of US\$1=S\$1.3444, the total value of the IPT for FY2021 was approximately 1.03% of the Group's latest audited Net Tangible Asset as at 30 June 2020.

10. 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).

11. Review of performance of the Group – turnover and earnings

Please refer to item 5 above.

12. Disclosure of Acquisition (including incorporations) and sale of shares since the end of the previous reporting period under Rule 706A.

1) Incorporation of Commune Shanghai

As announced on 14 April 2021, Commune (Dongguan) Trading Co. Ltd, a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary in People's Republic of China, Commune (Shanghai) Trading Co. Ltd ("Commune Shanghai"). Commune Shanghai has an initial paid-up share capital of RMB100,000 and will be principally engaged in the retail of furniture.

2) Increase in share capital of Koda Saigon Company Ltd ("Koda Saigon")

Koda Saigon is a wholly-owned subsidiary of the Company. During the financial year, Koda Saigon's share capital has increased by US\$10,676,000 due to expansion of production facility in Vietnam. There is no change to the shareholding held by the Company.

13. Disclosure of persons occupying a managerial position who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and positions held, if any, during the year
Joshua Koh Zhu Xian	38	Son of Executive Chairman and CEO, James Koh Jyh Gang; and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	CEO of the Company's subsidiary, Commune Lifestyle Pte Ltd since 19 June 2017. Key responsibilities include overseeing the operations of Commune Lifestyle Pte Ltd and its subsidiaries, focusing on strategic planning, investments, business developments and expansion of its business.	Not applicable
Julian Koh Zhu Lian	36	Son of Executive Chairman and CEO, James Koh Jyh Gang; and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Head of Design since 23 May 2014 and Chief Design Officer of Commune Lifestyle Pte Ltd. Key responsibilities include research and development of new products and brand and concept management of the "Commune" brand.	Not applicable
Gan Shee Wen	42	Nephew of Executive Chairman and CEO, James Koh Jyh Gang; and Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Chief Operating and Marketing Officer since 23 May 2014. Key responsibilities include overseeing the sales & marketing functions of the Commune Lifestyle Pte Ltd and its subsidiaries, training of sales staff and management of the distribution business.	Not applicable

BY ORDER OF THE BOARD
JAMES KOH JYH GANG
Executive Chairman and Chief Executive Officer
26 August 2021