

## SGX-Listed Furniture ODM and *Commune* Retail Brand Owner KODA Reports 155.8% Increase in FY17 Net Profit to US\$4.1M; GP Improves to 32.2%

- Net profit improved 155.8% to US\$4.1M in FY17 from US\$1.6M in FY16, significantly outpacing revenue growth of 33.4% to US\$49.5M in FY17;
- Gross profit margin up by 4.5 percentage points to 32.2% for FY17;
- Proposed final dividend of 1.0 Singapore cent and one-time special dividend of 2.0 Singapore cents

	12 months ended 30/06/17 ("FY17")	12 months ended 30/06/16 ("FY16")
	<b>US\$'000</b>	<b>US\$'000</b>
Revenue	49,491	37,110
Gross Profit	15,920	10,275
Net profit after tax	4,050	1,583
Attributable to:		
<b>Owners of the Company</b>	<b>4,050</b>	<b>1,641</b>
Minority Interest	-	(58)

Singapore, 29 August 2017 – **Koda Ltd** ("Koda" or "the Group") reported today that its net profit for the twelve months ended 30 June 2017 ("FY17") rose 155.8% to US\$4.1 million from US\$1.6 million in FY16, outpacing revenue growth, propelled by improved efficiencies in ODM and expansion of its retail brand, *Commune*.

The surge in the Group's bottom-line was achieved on revenue growth of 33.4% to US\$49.5 million in FY17 from US\$37.1 million in FY16, as its key markets received strong export orders.

SGX Mainboard-listed Koda said its gross profit ("GP") for FY17 improved 54.9% to US\$15.9 million from US\$10.3 million in FY16, reflecting the success of efforts to streamline ODM operations at its Malaysia and Vietnam operations. As a result, GP margin rose to 32.2% from 27.7% over the comparative periods.

Earnings per share increased to 14.39 US cents in FY17 from 5.51 US cents in FY16 (restated). Net asset value per share improved to 100.7 US cents as at 30 June 2017, compared to 77.0 US cents as at 30 June 2016 (restated).

Cash and bank balances stood at US\$8.4 million as at 30 June 2017, up 81.3% from US\$4.6 million a year ago, due mainly to positive operating cash flows as well as proceeds from the disposal of an investment property in Vietnam.

To reward shareholders, the Group has proposed a final one-tier tax exempt dividend of 1.0 Singapore cent per share and a one-time special dividend of 2.0 Singapore cents per share, in addition to the 0.5 Singapore cent interim dividend declared on 13 February 2017 and paid on 21 March 2017.

Koda's Managing Director Mr James Koh said: "Despite the challenging operating environment, we are happy to announce that we have delivered a strong set of results for FY17. As part of our strategic review announced in July 2017, we will continue to improve manufacturing efficiencies, strengthen our supply chain and refine and expand our subsidiary *Commune*, especially in China."

Mr Joshua Koh, Commune's Chief Executive Officer, also said: "*Commune* is gaining strong traction in China, especially among younger home-owners. We continue to build the brand and differentiate ourselves as we remain on schedule to open up to 100 stores in China by 2020."

Given the above and barring any unforeseen circumstances, the Group expects to remain profitable in FY18 and its financial position to remain strong.

##End of Press Release##

### **About Koda Ltd**

Established in Singapore and founded in 1972, Koda is backed by a management with combined experience of close to a century and recognised as a leading Original Design Manufacturer ("ODM") to the world. Koda is a strong contender for home furniture export and could possibly be the largest dining room furniture exporter in South-East Asia. Koda's range of design intensive products exudes individuality, sophistication and elegance.

Koda is well-known for its strength in design – leading to appreciation from upscale customers worldwide for its aesthetically pleasing and functional pieces. With proven market experience, strong product development and significant in-house design expertise, Koda has been able to offer more than 300 product models, secure orders from more than 200 customers and sell to more than 50 countries.

Consistent business strategies and focused growth initiatives differentiates Koda from others. Koda has been emphasising on cost-effective expansion, and the enlarged production and sourcing facilities in Vietnam and China enhance its cost competitiveness. In addition to its growing base in Vietnam, the Group has another manufacturing base in Malaysia which specialises in certain range of products.



### **About Commune Lifestyle Pte Ltd**

Established in 2011, Commune Lifestyle Pte Ltd is a wholly owned subsidiary of Koda. As an in-house brand focusing on retail products, it is managed by the third generation of the founding Koh family and has a presence in Singapore, Malaysia, China and Australia.

*Commune* currently operates a total of 43 outlets – four owner-operated stores in Singapore, three distributor-retail (“DR”) stores in Malaysia, 35 DR stores in China, and one brand-in-store presence in Australia.

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