

## KODA LTD

### Full-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 year

#### Consolidated Statement of Profit or Loss for 12 months ended 30 June 2017

	12 months ended 30.06.2017 ("FY2017") <u>US\$'000</u>	12 months ended 30.06.2016 ("FY2016") <u>US\$'000</u>	Change %
<b>Revenue</b>	<b>49,491</b>	<b>37,110</b>	<b>33.4</b>
Cost of sales	(33,571)	(26,835)	25.1
<b>Gross profit</b>	<b>15,920</b>	<b>10,275</b>	<b>54.9</b>
Other income	849	1,657	(48.8)
Selling & distribution expenses	(4,096)	(3,278)	25.0
General & administrative expenses	(7,215)	(5,770)	25.0
Other expenses	(462)	(472)	(2.1)
Finance costs	(33)	(59)	(44.1)
Share of results of associate	(1)	1	NM
<b>Profit before tax</b>	<b>4,962</b>	<b>2,354</b>	<b>110.8</b>
Income tax expense	(912)	(771)	18.3
<b>Profit for the year</b>	<b>4,050</b>	<b>1,583</b>	<b>155.8</b>
Attributable to:			
<b>Owners of the Company</b>	<b>4,050</b>	<b>1,641</b>	<b>146.8</b>
Non-controlling interests	-	(58)	NM
	<b>4,050</b>	<b>1,583</b>	<b>155.8</b>

NM: Not Meaningful

## Statement of Comprehensive Income for 12 months ended 30 June 2017

	12 months ended 30.06.2017 ("FY2017") US\$'000	12 months ended 30.06.2016 ("FY2016") US\$'000	Change %
<b>Profit for the year</b>	<b>4,050</b>	<b>1,583</b>	<b>155.8</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Translation differences arising from consolidation of foreign operation	(635)	(470)	35.1
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Gain on revaluation of properties	2,914	60	4,756.7
Deferred tax liability on revaluation	(585)	(14)	4,078.6
<b>Other comprehensive income</b>	<b>1,694</b>	<b>(424)</b>	<b>499.5</b>
<b>Total comprehensive income</b>	<b>5,744</b>	<b>1,159</b>	<b>395.6</b>
Attributable to:			
<b>Owners of the Company</b>	<b>5,744</b>	<b>1,211</b>	<b>374.3</b>
Non-controlling interests	-	(52)	NM
	<b>5,744</b>	<b>1,159</b>	

NM: Not Meaningful

### Notes to Consolidated Statement of Profit or Loss

	12 months ended 30.06.2017 ("FY2017") US\$'000	12 months ended 30.06.2016 ("FY2016") US\$'000
<b>Other income</b>		
Rental income	173	173
Interest income	58	52
Foreign exchange gain	204	342
Gain on disposal of subsidiaries	-	676
Gain on disposal of property, plant & equipment	2	50
Reversal of allowance for doubtful trade receivables	-	4
Reversal of allowance for doubtful other receivables	77	-
Others	335	360
	<b>849</b>	<b>1,657</b>

**Notes to Consolidated Statement of Profit or Loss (continued)**

	12 months ended 30.06.2017 ("FY2017") <u>US\$'000</u>	12 months ended 30.06.2016 ("FY2016") <u>US\$'000</u>
<b><u>Other expenses</u></b>		
Allowance for doubtful receivables	(116)	(98)
Bad debts written off	(90)	(11)
Inventories written-off	(2)	(1)
Foreign exchange loss	-	-
Impairment on asset held for sale	-	(286)
Impairment on available-for-sale investment	-	(6)
Loss on disposal of asset held for sale	(46)	-
Share based expenses	(180)	-
Others	(28)	(70)
	<b><u>(462)</u></b>	<b><u>(472)</u></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**

	<b>Group</b>		<b>Company</b>	
	30.06.2017 <u>US\$'000</u>	30.06.2016 <u>US\$'000</u>	30.06.2017 <u>US\$'000</u>	30.06.2016 <u>US\$'000</u>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	8,352	4,607	1,691	764
Trade receivables	4,294	3,528	5,534	4,664
Other receivables and prepayments	2,780	2,573	9,229	4,365
Inventories	6,727	6,883	-	46
Assets classified as held for sale	-	2,448	-	-
<b>Total current assets</b>	<b>22,153</b>	<b>20,039</b>	<b>16,454</b>	<b>9,839</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	8,135	8,135
Investment in associate	3	11	-	-
Available-for-sale investments	-	-	-	-
Club memberships	207	208	192	192
Other receivables and prepayment	548	-	-	-
Property, plant and equipment	15,028	12,085	616	726
Deferred tax asset	32	24	-	3
<b>Total non-current assets</b>	<b>15,818</b>	<b>12,328</b>	<b>8,943</b>	<b>9,056</b>
<b>Total assets</b>	<b>37,971</b>	<b>32,367</b>	<b>25,397</b>	<b>18,895</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Bills payable	127	522	-	-
Trade payables	1,914	2,858	5,548	5,530
Other payables	5,323	4,124	2,240	1,473
Obligations under finance lease	51	96	32	65
Bank loans and overdrafts	146	405	146	405
Income tax payable	375	296	-	-
<b>Total current liabilities</b>	<b>7,936</b>	<b>8,301</b>	<b>7,966</b>	<b>7,473</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,152	609	-	-
Bank loans	477	425	477	425
Obligations under finance leases	67	122	27	59
<b>Total non-current liabilities</b>	<b>1,696</b>	<b>1,156</b>	<b>504</b>	<b>484</b>
<b>Capital and reserves</b>				
Share capital	4,362	4,312	4,362	4,312
Treasury shares	(13)	(10)	(13)	(10)
Capital reserves	7,939	5,419	187	58
Translation reserve	(2,232)	(1,597)	-	-
Retained earnings	18,283	14,786	12,391	6,578
<b>Total equity</b>	<b>28,339</b>	<b>22,910</b>	<b>16,927</b>	<b>10,938</b>
<b>Total liabilities and equity</b>	<b>37,971</b>	<b>32,367</b>	<b>25,397</b>	<b>18,895</b>

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

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

As at 30/06/17 (US\$'000)		As at 30/6/16 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
51	273	96	927

**Amount repayable after one year**

As at 30/06/17 (US\$'000)		As at 30/6/16 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
67	477	122	425

**Borrowings and gearing ratio**

Total borrowings of US\$0.87 million as at 30 June 2017 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings fell by US\$0.70 million compared to 30 June 2016 due to loans repayment.

The Group's gearing ratio was 0.03 times as at 30 June 2017 compared to 0.07 times as at 30 June 2016.

**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 Statement of Cash Flows**

	12 months ended 30/06/17 ("FY2017") <u>US\$'000</u>	12 months ended 30/06/16 ("FY2016") <u>US\$'000</u>
<b>Cash flows from operating activities</b>		
Profit before income tax	4,962	2,354
Adjustments for:		
(Reversal of) Allowance for doubtful trade receivables	-	(4)
(Reversal of) Allowance for doubtful other receivables	(77)	-
Bad debts written off	90	11
Allowance for doubtful other receivables	116	98
Allowance for inventories/inventories written off	2	60
Depreciation of property, plant and equipment	1,047	1,024
Property, plant and equipment written off	-	11
Gain on disposal of property, plant and equipment	(2)	(50)
Gain on disposal of subsidiaries	-	(676)
Impairment of available-for-sale investments	-	6
Loss on disposal of assets held for sale	46	-
Impairment of assets held for sale	-	286
Share-based payments expense	180	-
Share of results of associate	1	(1)
Interest income	(58)	(52)
Interest expense	33	59
<b>Operating cash flows before working capital changes</b>	<b>6,340</b>	<b>3,126</b>
Trade receivables	(856)	36
Other receivables and prepayments	(246)	86
Inventories	154	405
Trade payables	(944)	474
Other payables	2,534	154
<b>Cash generated from operations</b>	<b>6,982</b>	<b>4,281</b>
Interest received	58	52
Interest paid	(33)	(59)
Income tax paid	(991)	(496)
<b>Net cash from (used in) operations</b>	<b>6,016</b>	<b>3,778</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 Statement of Cash Flows (continued)**

	12 months ended 30/06/17 ("FY2017") <u>US\$'000</u>	12 months ended 30/06/16 ("FY2016") <u>US\$'000</u>
<b>Cash flows from investing activities</b>		
Assets classified as held for sale	-	(51)
Deposit paid for purchase of property, plant and equipment	(548)	-
Deposit from sale of investment properties	-	1,335
Disposal of subsidiaries	-	(10)
Dividend received from associate	7	-
Purchase of property, plant and equipment	(1,535)	(1,744)
Proceeds from disposal of assets held for sale	1,067	-
Proceeds from disposal of property, plant and equipment	48	128
<b>Net cash (used in) from investing activities</b>	<b>(961)</b>	<b>(342)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(491)	(195)
Increase (Decrease) in bills payables	(395)	(1,804)
Proceeds from bank loan	233	524
Purchase of treasury shares	(3)	(10)
Repayment of bank loans	(440)	(333)
Repayment of finance leases	(100)	(121)
<b>Net cash (used in) from financing activities</b>	<b>(1,196)</b>	<b>(1,939)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,859</b>	<b>1,497</b>
Cash and cash equivalents at beginning of year	4,607	2,933
Effects of foreign exchange translation	(114)	177
<b>Cash and cash equivalents at end of year</b>	<b>8,352</b>	<b>4,607</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	Performance share plan reserve	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
<b>US\$'000</b>									
<b>Group</b>									
Balance as at 1/7/16	4,312	(10)	5,419	-	(1,597)	14,786	22,910	-	22,910
Total comprehensive income	-	-	2,329	-	(635)	4,050	5,744	-	5,744
Dividends	-	-	-	-	-	(491)	(491)	-	(491)
Repurchase of shares	-	(3)	-	-	-	-	(3)	-	(3)
Issue of share capital	50	-	-	-	-	-	50	-	50
Grant of shares under Performance Share Plan	-	-	-	180	-	-	180	-	180
Release of shares under Performance Share Plan	-	-	-	(51)	-	-	(51)	-	(51)
Transfer from retained earnings	-	-	62	-	-	-	62	-	62
Transfer to capital reserve	-	-	-	-	-	(62)	(62)	-	(62)
<b>Balance as at 30/06/17</b>	<b>4,362</b>	<b>(13)</b>	<b>7,810</b>	<b>129</b>	<b>(2,232)</b>	<b>18,283</b>	<b>28,339</b>	<b>-</b>	<b>28,339</b>
<b>Company</b>									
Balance as of 1/7/16	4,312	(10)	58	-	-	6,578	10,938	-	10,938
Total comprehensive income	-	-	-	-	-	6,304	6,304	-	6,304
Dividends	-	-	-	-	-	(491)	(491)	-	(491)
Repurchase of shares	-	(3)	-	-	-	-	(3)	-	(3)
Issue of share capital	50	-	-	-	-	-	50	-	50
Grant of shares under Performance Share Plan	-	-	-	180	-	-	180	-	180
Release of shares under Performance Share Plan	-	-	-	(51)	-	-	(51)	-	(51)
<b>Balance as at 30/06/17</b>	<b>4,362</b>	<b>(13)</b>	<b>58</b>	<b>129</b>	<b>-</b>	<b>12,391</b>	<b>16,927</b>	<b>-</b>	<b>16,927</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 (continued)**

	Share Capital	Treasury Shares	Capital reserves	Performance share plan 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>
<b>Company</b>									
Balance as of 1/7/15	4,312	-	58	-	-	7,368	11,738	-	11,738
Total comprehensive income	-	-	-	-	-	(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>

**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**

On 28 November 2016, the Company allotted and issued 98,380 Award Shares pursuant to the grant of share awards under the Share Performance Plan. Following the allotment and issuance of the Award Shares, the total number of Shares of the Company increased from 27,265,436 Shares (excluding 37,000 treasury shares) to 27,363,816 Shares (excluding 37,000 treasury shares).

On 8 June 2017, the Company allotted and issued 13,700,400 Bonus Shares. Following the allotment and issuance of the Bonus Shares, the total number of Shares of the Company increased from 27,363,816 Shares (excluding 37,000 treasury shares) to 41,045,716 Shares (excluding 55,500 treasury shares).

As at 30 June 2017, the Company's issued share capital (excluding treasury shares) comprises 41,045,716 (30 June 2016: 27,272,436) ordinary shares. The total number of treasury shares held by the Company as at 30 June 2017 was 55,500 (30 June 2016: 30,000) which represents 0.13% (30 June 2016: 0.11%) of the total number of issued shares (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.

**(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>30/06/17</u>	<u>30/06/16</u>
Total number of issued shares (excluding treasury shares)	41,045,716	27,272,436

*Note: Please refer to 1d(ii) for details.*

**(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 55,500 treasury shares as at 30 June 2017. 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 2016.

**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**

	FY2017	FY2016 (Restated)
Earnings per ordinary share (US cents)	14.39	5.51

*Note: The Earnings per ordinary share ("EPS") for FY2017 has been computed based on 28,141,458 weighted average number of shares; the EPS for the corresponding period (FY2016) has been restated and computed based on 29,769,958 weighted average number of shares (post-bonus issue).*

**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	
	30.06.2017	30.06.2016 (Restated)	30.06.2017	30.06.2016 (Restated)
Net asset value per ordinary share (US cents)	100.7	77.0	60.2	36.7

*Note: The Net asset value ("NAV") per ordinary share as at 30 June 2017 has been computed based on 28,141,458 weighted average number of shares; the NAV per ordinary share as at 30 June 2016 has been restated and computed based on 29,769,958 weighted average number of shares (post-bonus issue)*

**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 FY2017 rose by US\$12.4 million to US\$49.5 million due to (i) higher export sales to our key markets; and (ii) higher sales from our in-house brand (Commune).

Gross Profit rose by 54.9% or US\$5.6 million to US\$15.9 million on the back of higher revenues. Gross Margin rose by 4.5 percentage points to 32.2% due mainly to (i) improved economies of scale and supply chain efficiency; and (ii) higher revenue contribution from our Commune retail and distribution business which command higher margins.

Other income fell by 48.8% or US\$0.81 million to US\$0.85 million in the absence of the gain on disposal of our investment in Rossano.

Selling and distribution expenses rose by 25.0% or US\$0.82 million to US\$4.1 million due mainly to (i) higher showroom rental costs in Singapore; and (ii) higher logistics cost arising from the increased shipments from our Vietnam operations as well as our distribution business in China.

Administrative expenses rose by 25.0% or US\$1.4 million to US\$7.2 million due mainly to higher personnel expenses from increases in headcount to support revenue growth and staff costs.

Income tax expense rose by 18.3% or US\$0.14 million due to higher taxable profits from operations in Vietnam and the Commune business.

Given the above, Net Profit rose by 155.8% or US\$2.5 million to US\$4.1 million for FY2017 compared to US\$1.6 million in FY2016.

### **Financial Position (30 June 2017 vs 30 June 2016)**

#### **Assets**

Current Assets rose by US\$2.1 million to US\$22.2 million. Significant movements in Current Assets during the period under review were as follows:

- Cash at bank (inclusive of fixed deposits) rose by US\$3.75 million to US\$8.35 million due mainly to (i) cash received from the disposal of investment property in Vietnam; and (ii) positive operating cash flows, net of cash used to repay bank borrowings.
- Trade receivables rose by US\$0.8 million to US\$4.3 million. Trade receivables turnover improved from 35 to 32 days due mainly to faster collections from export customers.
- Other receivables and prepayments rose by US\$0.8 million to US\$3.3 million due mainly to the deposit placed for the purchase of land and buildings in Vietnam.
- Inventories fell by US\$0.2 million to US\$6.7 million due mainly to lower raw material and WIP stock given our improved supply chain efficiency.
- There were no assets classified as held for sale at the end of FY2017 following the completion of the disposal of our investment properties in Vietnam.

Non-Current Assets rose by US\$3.5 million to US\$15.8 million due mainly to (i) valuation increase of buildings in Vietnam, recognised in other comprehensive income; and (ii) additions of property, plant and equipment.

## Liabilities

Current Liabilities fell by US\$0.4 million to US\$7.9 million. Significant movements in Current Liabilities during the period under review were as follows:

- Bills payable fell by US\$0.4 million to US\$0.1 million due to lower short-term borrowings and repayment of trade bills from our operating cash flows.
- Trade payables fell by US\$0.9 million to US\$2.0 million due mainly to faster repayments to suppliers.
- Other payables rose by US\$1.2 million to US\$5.3 million due mainly to accruals of expenses and more deposits received from customers.
- Income tax payable rose by US\$0.1 million to US\$0.4 million due to higher tax provisions for our Vietnam operations and profitable Commune business.

Non-Current Liabilities rose by US\$0.5 million to US\$1.7 million due to an increase in deferred tax liabilities and draw down of a bank loan.

## Shareholders' equity

Net asset or Equity attributable to shareholders rose by US\$5.4 million to US\$28.3 million as at 30 June 2017 due to (i) earnings of US\$4.1 million for the year ended 30 June 2017; (ii) increase in valuation reserve recorded under capital reserve from valuation of buildings; (iii) increased capital pursuant to the issue of new shares under the Performance Share Plan; and (iv) after accounting a deficit in currency translation reserve and dividend payments.

## Cash Flows

Net cash from operating activities was US\$6.0 million for FY2017 after accounting for operating cash flows of US\$6.3 million, net working capital of US\$0.6 million and net payments of income tax and interest of US\$0.97 million.

Net cash used in investing activities of US\$0.96 million was due mainly to payments and deposits made for purchase of properties and new equipment, offset by proceeds received from the disposal of our investment properties in Vietnam.

Net cash used in financing activities of US\$1.2 million was due mainly to decrease in bills payables and payments of dividends and loans repayment during the year. Given these, net cash and cash equivalents rose by US\$3.9 million to US\$8.4 million as at 30 June 2017.

### **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 results announcement in the previous three quarters that barring any unforeseen circumstances, the Group expected to remain profitable in FY2017. On 17 July 2017, the Group also announced in its Corporate and Business Update that taking into account the results for the 9 months ended 31 March 2017 and barring unforeseen circumstances, Net Profit for FY2017 was expected to exceed that of FY2016.

Net Profit rose by 155.8% or US\$2.5 million to US\$4.1 million for FY2017 compared to US\$1.6 million in 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**

Sales to the US are likely to continue to be supported by higher consumer confidence as well as the improving outlook for job creation and housing recovery despite the recent political developments in the US. The Group will continue to invest in marketing for the US market, which is our largest export market, while remaining cautiously optimistic and vigilant on this front.

As announced in the Group's Corporate and Business Update on 17 July 2017, the Group has undergone reorganisation and streamlined its operations. Resources have also been allocated to support and grow Commune's business.

Demand for design-focused products sold by the Group's in-house brand Commune has been increasing at an encouraging pace, especially in China. According to the National Bureau of Statistics of China, China's retail sales of consumer goods grew 10.4% year on year in July 2017. Riding on the momentum of this consumer-driven economy and its growing affluence, the Group believes there are opportunities for aggressive expansion plans for Commune's distributor-retail stores in China over the next three years.

Given the above and barring any unforeseen circumstances, the Group expects to remain profitable in the coming year.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

Yes

(i)	Name of Dividend	Interim Dividend
	Dividend Type:	Cash
	Dividend Rate:	
	- Per ordinary share (S\$ cent)	0.5
	- Per ordinary share (US\$ cent equivalent) <sup>(1)</sup>	0.34

The Interim Dividend was declared on 13 February 2017 and paid on 21 March 2017, based on 27,363,816 number of shares (pre-bonus issue).

(ii)	Name of Dividend	Final Dividend
	Dividend Type:	Cash
	Dividend Rate:	
	- Per ordinary share (S\$ cent)	1.00
	- Per ordinary share (US\$ cent equivalent) <sup>(1)</sup>	0.74
(iii)	Name of Dividend	Special Dividend
	Dividend Type:	Cash
	Dividend Rate:	
	- Per ordinary share (S\$ cents)	2.00
	- Per ordinary share (US\$ cents equivalent) <sup>(1)</sup>	1.47

Note:

<sup>(1)</sup> Equivalent amounts in US\$ for dividend per share have been provided for comparative purposes, based on a closing rate as at 30 June 2017 of US\$ = S\$1.36

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

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

Yes

(i)	Name of Dividend	Final Dividend
	Dividend Type:	Cash
	Dividend Rate ( <u>Restated</u> ):	
	- Per ordinary share (S\$ cents) <sup>(1)</sup>	1.33
	- Per ordinary share (US\$ cents equivalent) <sup>(1)(2)</sup>	0.98

Note:

*(1) The final dividend for FY2016 has been restated and computed based on 41,045,716 number of shares (on a post-bonus issue basis). For FY2016, the actual dividend per share at the time was 2.00 Singapore cents (equivalent to 1.48 US cents), based on 27,272,436 number of shares.*

*(2) 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*

**(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.

**(e) If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

**12. 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 pursuant to 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 (the "Lease").</p> <p>The IPT transactions in FY2017 with regards to the Lease is as follow:</p> <p>(i) Rental expense (RM296,382)</p>	94

Based on an exchange rate of S\$1 : RM\$3.15

The above IPT transaction constitutes 0.4% of the Group's audited NTA as at 30 June 2016.

**13. 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)**

**14. 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 two business segments, namely manufacturing & retail and distribution. The Group adopts these two business segments as the basis for its primary segment information. Primary segment information for the Group based on business segments are as follows:

	Segment revenue		Segment profit/(loss)	
	2017	2016	2017	2016
	US\$'000	US\$'000	US\$'000	US\$'000
Manufacturing	41,756	30,492	3,843	1,402
Retail and distribution	7,735	6,618	766	(175)
<b>Total</b>	<b>49,491</b>	<b>37,110</b>	<b>4,609</b>	<b>1,227</b>
Finance costs			(33)	(59)
Other Income			849	1,657
Other expenses			(462)	(472)
Share of results of associate			(1)	1
<b>Profit before income tax</b>			<b>4,962</b>	<b>2,354</b>
Income tax expense			(912)	(771)
<b>Profit for the year</b>			<b>4,050</b>	<b>1,583</b>
Non-controlling interests			-	58
<b>Profit attributable to owners of the Company</b>			<b>4,050</b>	<b>1,641</b>

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

	30 June 2017		30 June 2016		Change
	US\$'000	%	US\$'000	%	
Asia-Pacific	23,391	47.3	19,194	51.7	4,197
North America	21,232	42.9	14,046	37.9	7,186
Europe	3,430	6.9	2,297	6.2	1,133
United Kingdom	1,008	2.0	1,086	2.9	(78)
Others*	430	0.9	487	1.3	(57)
<b>Total Revenue</b>	<b>49,491</b>	<b>100</b>	<b>37,110</b>	<b>100</b>	12,381

\* mainly Middle East

**15. 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.

**16. A breakdown of sales**

	30 June 2017	30 June 2016	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
(a) Sales reported for first half year	25,206	18,873	6,333
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,913	1,161	752
(c) Sales reported for second half year	24,285	18,237	6,048
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	2,137	422	1,715

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

	Latest Full Year <sup>(1)</sup>		Previous Full Year <sup>(2)</sup>	
	<u>US\$'000</u>	<u>S\$'000</u>	<u>US\$'000</u>	<u>S\$'000</u>
Interim	101	137	-	-
Final	302	411	404	545
Special	604	822	-	-
<b>Total</b>	<b>1,007</b>	<b>1,370</b>	404	545

*Note:*

<sup>(1)</sup> Equivalent amounts in US\$ for the total annual dividend has been provided for comparative purposes, based on a closing rate as at 30 June 2017 of US\$1 : S\$1.36

<sup>(2)</sup> 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\$1 : S\$1.35

**18. 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	34	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, 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 development and expansion of its business.	CFO of the Group from 23 May 2014 to 19 June 2017.  Key responsibilities include corporate finance, operational restructuring, merger & acquisition evaluation, financial management and investor relations.
Julian Koh Zhu Lian	32	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh Jyh Gang; 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	38	Grandchild of non-executive Chairman, Koh Teng Kwee; and nephew of Managing Director, James Koh Jyh Gang 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 2017 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**  
**JAMES KOH JYH GANG**  
**Managing Director**  
**29 August 2017**