

KODA LTD

Full Year Financial Statements and Dividend Announcement

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 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 Comprehensive Income for 12 months ended 30 June 2019

	12 months ended 30/06/2019 ("FY2019") <u>US\$'000</u>	12 months ended 30/06/2018 ("FY2018") <u>US\$'000</u> (Restated)	Change %
Revenue	57,892	52,400	10.5
Cost of sales	(39,648)	(33,809)	17.3
Gross profit	18,244	18,591	(1.9)
Other income	828	683	21.2
Selling & distribution expenses	(5,001)	(5,405)	(7.5)
General & administrative expenses	(8,108)	(7,309)	10.9
Other expenses	(204)	(533)	(61.7)
Finance costs	(30)	(32)	(6.3)
Share of results of associate	-	(1)	NM
Profit before tax	5,729	5,994	(4.4)
Income tax expense	(420)	(581)	(27.7)
Profit for the year	5,309	5,413	(1.9)
Other comprehensive income			
<u>Items that may be reclassified subsequent to profit or loss</u>			
Translation differences arising from consolidation of foreign operations	(297)	666	NM
Other comprehensive income for the year, net of tax	(297)	666	(144.6)
Total comprehensive income for the year	5,012	6,079	(17.6)

NM: Not Meaningful

Notes to Consolidated Statement of Profit or Loss

	12 months ended 30/06/2019 ("FY2019") <u>US\$'000</u>	12 months ended 30/06/2018 ("FY2018") <u>US\$'000</u> (Restated)
<u>Other income</u>		
Rental income	73	73
Interest income	170	76
Foreign exchange gain	205	-
Gain on disposal of property, plant & equipment	-	3
Freight revenue	161	187
Design fee	38	99
Sundry income	181	245
	<u>828</u>	<u>683</u>

	12 months ended 30/06/2019 ("FY2019") <u>US\$'000</u>	12 months ended 30/06/2018 ("FY2018") <u>US\$'000</u> (Restated)
<u>Other expenses</u>		
Allowance for doubtful trade receivables	-	(20)
Other receivables written off	(51)	-
Equity-settled share-based expenses	(135)	(200)
Foreign exchange loss	-	(22)
Inventories written off	(15)	(1)
Loss on disposal of property, plant & equipment	(3)	-
Impairment loss on property, plant and equipment	-	(265)
Others	-	(25)
	<u>(204)</u>	<u>(533)</u>

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.**

	←----- Group -----→			←----- Company -----→		
	30/06/2019	30/6/2018	1/7/2017	30/06/2019	30/6/2018	1/7/2017
	<u>US\$'000</u>	<u>US\$'000</u> (Restated)	<u>US\$'000</u> (Restated)	<u>US\$'000</u>	<u>US\$'000</u> (Restated)	<u>US\$'000</u> (Restated)
<u>ASSETS</u>						
Current assets						
Cash and bank balances	13,394	10,502	8,352	8,309	4,950	1,691
Trade receivables	3,424	3,905	4,294	4,334	5,307	5,534
Other receivables and prepayments	2,660	2,465	2,780	4,256	6,617	9,229
Inventories	10,581	9,552	6,727	205	100	-
Total current assets	30,059	26,424	22,153	17,104	16,974	16,454
Non-current assets						
Investment in subsidiaries	-	-	-	7,935	7,935	8,135
Investment in associate	2	2	3	-	-	-
Club memberships	207	208	207	192	192	192
Property, plant and equipment	16,116	17,072	15,028	368	347	616
Other receivables and prepayment	-	-	548	-	-	-
Deferred tax asset	102	52	32	-	-	-
Total non-current assets	16,427	17,334	15,818	8,495	8,474	8,943
Total assets	46,486	43,758	37,971	25,599	25,448	25,397
<u>LIABILITIES AND EQUITY</u>						
Current liabilities						
Bills payable	-	52	127	-	-	-
Trade payables	2,275	2,768	1,914	5,714	5,726	5,548
Other payables	4,984	5,282	5,323	2,207	2,291	2,311
Obligations under finance leases	21	33	51	-	12	32
Bank loans	182	182	146	182	182	146
Income tax payable	337	412	375	-	-	-
Total current liabilities	7,799	8,729	7,936	8,103	8,211	8,037
Non-current liabilities						
Deferred tax liabilities	228	297	276	-	-	-
Bank loans	221	410	477	221	410	477
Obligations under finance leases	-	36	67	-	15	27
Total non-current liabilities	449	743	820	221	425	504
Capital and reserves						
Share capital	4,688	4,525	4,362	4,688	4,525	4,362
Treasury shares	(71)	(71)	(13)	(71)	(71)	(13)
Capital reserves	212	240	2,176	138	166	129
Translation reserve	369	666	-	-	-	-
Retained earnings	33,040	28,926	22,690	12,520	12,192	12,378
Total equity	38,238	34,286	29,215	17,275	16,812	16,856
Total liabilities and equity	46,486	43,758	37,971	25,599	25,448	25,397

- (b)(ii) **Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

Amount repayable in one year or less, or on demand

As at 30/06/2019 (US\$'000)		As at 30/6/2018 (US\$'000) (Restated)		As at 1/7/2017 (US\$'000) (Restated)	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
21	182	33	234	51	273

Amount repayable after one year

As at 30/06/2019 (US\$'000)		As at 30/6/2018 (US\$'000) (Restated)		As at 1/7/2017 (US\$'000) (Restated)	
Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
-	221	36	410	67	477

Borrowings and gearing ratio

Total borrowings of US\$0.4 million as at 30 June 2019 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings fell by US\$0.2 million compared to 30 June 2018 due to loan repayments.

The Group's gearing ratio was 0.01 as at 30 June 2019 compared to 0.02 as at 30 June 2018.

Details of any collaterals

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 30/06/2019 ("FY2019") <u>US\$'000</u>	12 months ended 30/06/2018 ("FY2018") <u>US\$'000</u> (Restated)
Cash flows from operating activities		
Profit before income tax	5,729	5,994
Adjustments for:		
Allowance for doubtful trade receivables	-	20
Other receivables written off	51	-
Allowance (Reversal of allowance) for inventories	234	(24)
Inventories written off	15	1
Depreciation of property, plant and equipment	1,627	1,434
Loss (Gain) on disposal of property, plant and equipment	3	(3)
Property, plant and equipment written off	4	2
Impairment loss on property, plant and equipment	-	265
Equity-settled share-based expenses	135	200
Share of results of associate	-	1
Interest income	(170)	(76)
Interest expense	30	32
Operating cash flows before working capital changes	7,658	7,846
Trade receivables	481	369
Other receivables and prepayments	(246)	480
Inventories	(1,278)	(2,802)
Trade payables	(493)	854
Other payables	(298)	(41)
Cash generated from operations	5,824	6,706
Interest received	170	76
Interest paid	(30)	(32)
Income tax paid	(600)	(731)
Net cash from operations	5,364	6,019

- 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 30/06/2019 ("FY2019") <u>US\$'000</u>	12 months ended 30/06/2018 ("FY2018") <u>US\$'000</u> (Restated)
Cash flows from investing activities		
Purchase of property, plant and equipment	(936)	(2,898)
Proceeds from disposal of property, plant and equipment	80	140
Net cash used in investing activities	<u>(856)</u>	<u>(2,758)</u>
Cash flows from financing activities		
Dividends paid	(1,195)	(1,060)
Decrease in bills payables	(52)	(75)
Proceeds from bank loan	-	136
Purchase of treasury shares	-	(58)
Repayment of bank loans	(189)	(167)
Repayment of finance leases	(48)	(49)
Net cash used in financing activities	<u>(1,484)</u>	<u>(1,273)</u>
Net increase in cash and cash equivalents	3,024	1,988
Cash and cash equivalents at beginning of year	10,502	8,352
Effects of foreign exchange translation	(132)	162
Cash and cash equivalents at end of year	<u>13,394</u>	<u>10,502</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

	Share Capital	Treasury Shares	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
US\$'000								
Group								
Balance as at 1/7/2018, as previously reported	4,525	(71)	5,924	(1,585)	24,868	33,661	-	33,661
Effects of SFRS (I) adoption	-	-	(5,684)	2,251	4,058	625	-	625
Balance as at 1/7/2018, restated	4,525	(71)	240	666	28,926	34,286	-	34,286
Total comprehensive income	-	-	-	(297)	5,309	5,012	-	5,012
Dividends paid	-	-	-	-	(1,195)	(1,195)	-	(1,195)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	135	-	-	135	-	135
Balance as at 30/06/2019	4,688	(71)	212	369	33,040	38,238	-	38,238
Company								
Balance as at 1/7/2018, as previously reported	4,525	(71)	224	-	12,134	16,812	-	16,812
Effects of SFRS (I) adoption	-	-	(58)	-	58	-	-	-
Balance as at 1/7/2018, restated	4,525	(71)	166	-	12,192	16,812	-	16,812
Total comprehensive income	-	-	-	-	1,523	1,523	-	1,523
Dividends	-	-	-	-	(1,195)	(1,195)	-	(1,195)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	135	-	-	135	-	135
Balance as at 30/06/2019	4,688	(71)	138	-	12,520	17,275	-	17,275

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

US\$'000	Share Capital	Treasury Shares	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
Group								
Balance as at 1/7/2017, as previously reported	4,362	(13)	7,939	(2,232)	18,283	28,339	-	28,339
Effects SFRS(I) adoption	-	-	(5,763)	2,232	4,407	876	-	876
Balance as at 1/7/2017, restated	4,362	(13)	2,176	-	22,690	29,215	-	29,215
Effects SFRS(I) adoption	-	-	-	-	(90)	(90)	-	(90)
Total comprehensive income	-	-	-	666	5,413	6,079	-	6,079
Dividends paid	-	-	-	-	(1,060)	(1,060)	-	(1,060)
Issue of new shares	163	-	(163)	-	-	-	-	-
Repurchase of shares	-	(58)	-	-	-	(58)	-	(58)
Share-based expenses	-	-	200	-	-	200	-	200
Transfer to retained earnings	-	-	(1,973)	-	1,973	-	-	-
Balance as at 30/06/2018, restated	4,525	(71)	240	666	28,926	34,286	-	34,286
Company								
Balance as at 1/7/2017, as previously reported	4,362	(13)	187	-	12,320	16,856	-	16,856
Effects SFRS(I) adoption	-	-	(58)	-	58	-	-	-
Balance as at 1/7/2017, restated	4,362	(13)	129	-	12,378	16,856	-	16,856
Total comprehensive income	-	-	-	-	874	874	-	874
Dividends paid	-	-	-	-	(1,060)	(1,060)	-	(1,060)
Issue of new shares	163	-	(163)	-	-	-	-	-
Repurchase of shares	-	(58)	-	-	-	(58)	-	(58)
Share-based expenses	-	-	200	-	-	200	-	200
Balance as at 30/06/2018, restated	4,525	(71)	166	-	12,192	16,812	-	16,812

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 17 December 2018, the Company allotted and issued 277,460 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 82,236,160 Shares (excluding 230,000 treasury shares) to 82,513,620 Shares (excluding 230,000 treasury shares).

There are no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 30 June 2019, the issued share capital of the Company (excluding 230,000 treasury shares and nil subsidiary holdings) comprises 82,513,620 Shares (30 June 2018: 82,236,160 Shares). The number of Shares held as treasury shares and the number of subsidiary holdings as at 30 June 2019 was 230,000 and nil respectively (30 June 2018: 230,000 and nil respectively) which in aggregate represents 0.28% of the total number of Shares of the Company (excluding treasury shares and subsidiary holdings) as at that date (30 June 2018: 0.28% of the total number of Shares of the Company (excluding treasury shares and subsidiary holdings) as at that date).

(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>30/06/2019</u>	<u>30/06/2018</u>
Total number of issued shares (excluding treasury shares)	82,513,620	82,236,160

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

(iv) 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 2019 was 230,000. There were no sales, transfers, cancellation and/or use of treasury shares during and as at the end of the current financial year reported on.

(v) 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. The Company did not have any subsidiary holdings during and 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 a 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 in the preparation of the financial statements for the current financial period reported on as those used in the most recent audited annual financial statements, except as disclosed in Section 5 below.

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.

The Group has on 1 July 2018, adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), and has prepared its set of financial information under SFRS(I) for the financial year ended 30 June 2019. The Group has consistently applied the same accounting policies in its opening statement of financial position as at 1 July 2017 and throughout the comparable periods presented, as if these policies had always been in effect. In adopting SFRS(I), the Group is required to apply all the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* and new SFRS(I), amendments to and interpretations of SFRS(I) that are effective from 1 July 2018. In accordance with SFRS(I), comparative figures have been restated.

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.

Earnings per ordinary share ("EPS")⁽¹⁾	FY2019	FY2018 (Restated)⁽¹⁾
US\$ cents	6.44	8.01
S\$ cents equivalent ⁽²⁾	8.69	10.81

Note:

⁽¹⁾ Earnings per ordinary share ("EPS") for FY2019 has been computed based on 82,382,872 (FY2018: 67,583,819) weighted average number of ordinary shares in issue. EPS for the corresponding period was restated and computed based on restated net profit after tax for the corresponding period.

⁽²⁾ Equivalent amounts in S\$ for EPS have been provided for comparative purposes, based on a closing rate as at 30 June 2019 of US\$1 = S\$1.35 (30 June 2018: US\$1 = S\$1.35).

There are no dilutive ordinary shares.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

Net asset value (“NAV”) per ordinary share	Group		Company	
	30/6/2019	30/6/2018 (Restated) ⁽¹⁾	30/6/2019	30/6/2018 (Restated) ⁽¹⁾
US\$ cents	46.3	41.7	20.9	20.4
S\$ cents equivalent ⁽²⁾	62.5	56.3	28.2	27.5

Note:

Net asset value (“NAV”) per ordinary share is computed based on 82,513,620 number of ordinary shares in issue as at 30 June 2019 (30 June 2018: 82,236,160 number of ordinary shares in issue).

⁽¹⁾ The restated NAV per ordinary share as at 30 June 2018 is based on restated net asset value for the corresponding period.

⁽²⁾ Equivalent amounts in S\$ have been provided for comparative purposes, based on a closing rate as at 30 June 2019 of US\$1 = S\$1.35 (30 June 2018: US\$1 = S\$1.35).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following: (a) 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; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Comprehensive Income (FY2019 vs FY2018)

Revenues for FY2019 rose by US\$5.5 million to US\$57.9 million due mainly to higher export sales to our key markets.

Gross Profit fell by 1.9% or US\$0.3 million to US\$18.2 million due mainly to higher raw materials and labour costs. Gross Margin fell by 4.0 percentage points to 31.5% due to (i) changes in sales mix and (ii) research and development (R&D) costs for new range of products (which was included as part of higher costs of production).

Selling and distribution expenses and general and administrative expenses in total rose by 3.0% or US\$0.4 million due mainly to lower advertising and showroom rental expense and higher staff costs.

Other income rose by 21.2% or US\$0.2 million to US\$0.8 million due mainly to higher interest income and foreign exchange gain.

Other expenses fell by 61.7% or US\$0.3 million to US\$0.2 million in the absence of impairment loss on property, plant and equipment.

Given the above, the Group was able to (i) maintain its profitability reporting Net Profit of US\$5.3 million and (ii) generate net operating cash flows of US\$5.4 million for FY2019.

Financial Position (30 June 2019 vs 30 June 2018)

Assets

Current Assets rose by US\$3.6 million to US\$30.1 million. Significant movements in Current Assets during the period under review were as follows:

- Cash at bank (inclusive of fixed deposits) rose by US\$2.9 million to US\$13.4 million due mainly to positive operating cash flows, net of (i) payments of cash dividends and bank borrowings; and (ii) investment in fixed assets.
- Trade receivables fell by US\$0.5 million to US\$3.4 million. Trade receivables turnover improved from 29 to 23 days due to faster collections from export customers.
- Other receivables and prepayments rose by US\$0.2 million to US\$2.7 million due mainly to higher advances made to suppliers.
- Inventories rose by US\$1.0 million to US\$10.6 million due mainly to higher WIP inventory for orders backlog.

Non-Current Assets fell by US\$0.9 million to US\$16.4 million due mainly to depreciation of property, plant and equipment, net of equipment investment.

Liabilities

Current Liabilities fell by US\$0.9 million to US\$7.8 million. Significant movements in Current Liabilities during the period under review were as follows:

- Trade payables fell by US\$0.5 million to US\$2.3 million due to early payments to suppliers.
- Other payables fell by US\$0.3 million to US\$5.0 million due mainly to lower accruals of expenses.

Non-Current Liabilities fell by US\$0.3 million to US\$0.5 million due to repayment of long-term borrowings.

Shareholders' equity

Net asset or Equity attributable to shareholders rose by US\$4.0 million to US\$38.2 million as at 30 June 2019 due to (i) earnings of US\$5.3 million for the year ended 30 June 2019; (ii) increased share capital pursuant to the issue of new shares under the Performance Share Plan and (iii) payment of dividends.

Cash Flows

Net cash from operating activities was US\$5.4 million for FY2019 after accounting for operating cash flows of US\$7.7 million, net working capital outflows of US\$1.8 million and net payments of income tax and interest of US\$0.5 million.

Net cash used in investing activities was US\$0.9 million due mainly to investments in property, plant and equipment for our Vietnam operations.

Net cash used in financing activities was US\$1.5 million due mainly to payments of dividends and loans repayment.

Given the above, net cash and cash equivalents rose by US\$2.9 million to US\$13.4 million as at 30 June 2019.

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 for the previous quarter ended 3Q19 that barring any unforeseen circumstances, the Group expected to remain profitable in FY2019.

The Group reported a Net Profit of US\$5.3 million for FY2019 compared to US\$5.4 million in FY2018.

10. 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.

Several key macroeconomic factors such as the US-China trade tensions, Brexit and a slowing Chinese economy (the weakest GDP growth in almost three decades) have slowed down many manufacturing activities and unavoidably, affected the furniture industry as well.

Given these factors, it is likely that the market environment will remain challenging, which may dent consumer sentiments and impact furniture demand ahead. Despite these factors, we did well in overall sales during the year partly because of our diversified manufacturing and sourcing bases in Vietnam and Malaysia. In this aspect, we must continue to improve our supply chain efficiencies in these production bases while monitoring the risks of escalating operational costs, moving forward.

We continue to expand Commune in the region of Southwest China to capture new growth opportunities in the region. We have recently formed a strategic investment cooperation with a local partner for the expansion of our retail and distribution channels in Chongqing and Chengdu. Given our focused branding strategy and intensified R&D efforts, our marketing plans for Commune in China remain on track where local revenue has grown nearly 10%, but with the weakening Chinese Yuan, the 10% growth was lost to currency translation in the Group's reporting currency. The growth of Commune in other parts of the world continue to be part of our strategy of market diversification.

Given the above and barring any unforeseen circumstances, the Group expects to remain profitable for the financial year ending 30 June 2020.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend:	1HY19 Interim Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.25
US\$ cent equivalent ⁽¹⁾	0.19

Name of Dividend:	1HY19 Special Interim Dividend
Dividend type:	Cash
Dividend rate:	
- Per ordinary share (S\$ cent)	0.25
US\$ cent equivalent ⁽¹⁾	0.19

The 1HY19 Interim Dividend and 1HY19 Special Interim Dividend were declared on 13 February 2019 and paid on 25 March 2019.

Name of Dividend	FY19 Final Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.75
US\$ cent equivalent ⁽¹⁾	0.56

Name of Dividend:	FY19 Special Final Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cents)	1.25
US\$ cent equivalent ⁽¹⁾	0.93

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend:	1HY18 Interim Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.25
US\$ cent equivalent ⁽¹⁾	0.19

The 1HY18 Interim Dividend was declared on 13 February 2018 and paid on 28 March 2018.

Name of Dividend	FY18 Final Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.75
US\$ cent equivalent ⁽¹⁾	0.56

Name of Dividend:	FY18 Special Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cents)	0.75
US\$ cent equivalent ⁽¹⁾	0.56

Note:

⁽¹⁾ Equivalent amounts in US\$ have been provided for comparative purposes, based on a closing rate as at 30 June 2019 of US\$1 = S\$1.35 (30 June 2018: US\$1 = 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 Company did not obtain a general mandate from shareholders for IPTs. Save as disclosed below, there were no IPTs with an aggregate value of S\$100,000 or more during the current financial period reported on.

Name of interested persons	Description of IPT	Aggregate value of all IPTs for the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)
Koh Jyh Eng Koh Shwu Lee (Directors of the Company)	The Group had, in June 2016, entered into a 10-year long-term lease with Zenith Heights Sdn Bhd (of which Koh Jyh Eng and Koh Shwu Lee are Directors) for land owned by Zenith Heights Sdn Bhd to build warehousing facilities in Malaysia (the "Lease"). The IPT for FY2019 with regard to the Lease is as follows: (i) Rental expenses (RM\$296,382)	97 ⁽¹⁾

Note:

⁽¹⁾ Based on a closing rate as at 30 June 2019 of S\$1 = RM\$3.05. The above IPT for FY2019 with regard to the Lease constitutes approximately 0.21% of the Group's audited NTA as at 30 June 2018.

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 confirms that it 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 Quarterly (Q1, Q2 & Q3) or Half-Year Announcements.)

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 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)	
	FY2019	FY2018	FY2019	FY2018
	US\$'000	US\$'000	US\$'000	US\$'000
Manufacturing	47,004	41,573	4,265	5,045
Retail and distribution	10,888	10,827	870	831
Total	57,892	52,400	5,135	5,876
Finance costs			(30)	(32)
Other Income			828	683
Other expenses			(204)	(532)
Share of results of associate			-	(1)
Profit before income tax			5,729	5,994
Income tax expense			(420)	(581)
Profit for the year			5,309	5,413
Non-controlling interests			-	-
Profit attributable to owners of the Company			5,309	5,413

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

	FY2019		FY2018		Change US\$'000
	US\$'000	%	US\$'000	%	
Asia-Pacific	23,565	40.7	24,997	47.7	(1,432)
North America	28,187	48.7	20,968	40.0	7,219
Europe	5,024	8.7	5,554	10.6	(530)
Others	1,116	1.9	881	1.7	235
Total Revenue	57,892	100	52,400	100	5,492

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

	FY2019 US\$'000	FY2018 US\$'000	Change US\$'000	%
(a) Sales reported for first half year	30,369	24,156	6,213	25.7
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,827	2,415	1,412	58.5
(c) Sales reported for second half year	27,523	28,244	(721)	(2.6)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	1,482	2,998	(1,516)	(50.6)

18. 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		Previous Full Year	
	Equivalent⁽¹⁾ US\$'000	S\$'000	Equivalent⁽¹⁾ US\$'000	S\$'000
Interim ⁽²⁾	306	413	154	206
Final ⁽²⁾	1,222	1,650	914	1,234
Total	1,528	2,063	1,068	1,440

Note:

(1) Equivalent amounts in US\$ have been provided for comparative purposes, based on a closing rate as at 30 June 2019 of US\$1 = S\$1.35 (30 June 2018: US\$1 = S\$1.35).

(2) Interim and Final dividends include special interim dividends and special final dividends where applicable.

Dividend Track Record

The Group paid dividends of S\$273,000, S\$545,000, S\$1,370,000 and S\$1,440,000 for FY2015, FY2016, FY2017 and FY2018 respectively. For FY2019, the Group paid total interim dividends of S\$413,000 and declared total final dividends of S\$1,650,000.

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

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	36	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.	Not applicable.
Julian Koh Zhu Lian	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.	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	40	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.

**BY ORDER OF THE BOARD
JAMES KOH JYH GANG
Managing Director
29 August 2019**