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 period

Consolidated Profit and Loss Statements for 4Q14 and 12 months ended 30 June 2014

	3 months ended 30/06/14 ("4Q14") US$'000	3 months ended 30/06/13 ("4Q13") US$'000	Change %	12 months ended 30/06/14 US$'000	12 months ended 30/06/13 US$'000	Change %
Revenue	**13,426**	**13,045**	**2.9**	**52,323**	**50,499**	**3.6**
Cost of sales	(9,753)	(8,835)	10.4	(39,460)	(35,883)	10.0
Gross profit	**3,673**	**4,210**	**(12.8)**	**12,863**	**14,616**	**(12.0)**
Other operating income	238	646	(63.2)	530	863	(38.6)
Selling and distribution costs	(881)	(1,111)	(20.7)	(4,474)	(5,068)	(11.7)
Administrative expense	(1,872)	(2,043)	(8.4)	(7,929)	(8,814)	(10.0)
Other operating expenses	(2,016)	(533)	278.2	(1,958)	(769)	154.6
Finance costs	(71)	(58)	23.2	(268)	(283)	(5.2)
(Loss) Profit before income tax	**(929)**	**1,111**	**NA**	**(1,236)**	**545**	**NA**
Income tax credit (expense)	(221)	(210)	5.1	(475)	(173)	174.8
(Loss) Profit after income tax	**(1,150)**	**901**	**NA**	**(1,712)**	**372**	**NA**
Attributable to:-						
Owners of the Company	**(1,021)**	**1,107**	**NA**	**(1,275)**	**569**	**NA**
Minority interests	(129)	(206)	(37.4)	(437)	(197)	121.8
	(1,150)	**901**	**NA**	**(1,712)**	**372**	**NA**

Note: For comparison purposes, please refer to Table 1 in Note 8 for details of the Group's results ended FY2014, 1Q14, 2Q14, 3Q14 and 4Q14.

Notes to Consolidated Profit and Loss Statements

	3 months ended 30/06/14 ("4Q14") US$'000	3 months ended 30/06/13 ("4Q13") US$'000	12 months ended 30/06/14 US$'000	12 months ended 30/06/13 US$'000
Other operating income				
Rental income	62	78	215	311
Interest income	19	26	32	39
Exchange gain	-	-	1	-
Gain on disposal of fixed assets	-	-	13	19
Gain on disposal of intangible asset	33	-	33	-
Gain on revaluation of investment properties	-	400	-	400
Gain on disposal of available-for-sale investments	-	-	-	8
Others	124	142	236	86
	238	**646**	**530**	**863**

	3 months ended 30/06/14 ("4Q14") US$'000	3 months ended 30/06/13 ("4Q13") US$'000	12 months ended 30/06/14 US$'000	12 months ended 30/06/13 US$'000
Other operating expenses				
Foreign exchange loss	(68)	(101)	-	(74)
Bad debts written off	(183)	(14)	(183)	(14)
Allowance for inventories	(910)	(73)	(910)	(307)
Loss on disposal of asset classified as held for sale	-	-	-	(16)
Loss on disposal of asset	-	-	(2)	-
Impairment of goodwill	(448)	-	(448)	-
Downsizing costs	-	(332)	-	(332)
Others	(406)	(13)	(414)	(26)
	(2,016)	**(533)**	**(1,958)**	**(769)**

Profit and Loss Statement for Discontinued Business Segments (China Dongguan Operation)

	12 months ended 30/06/14 US$'000
Revenue	**931**
Cost of sales	(1,314)
Gross Profit	**(383)**
Other operating income	639
Selling and distribution costs	(21)
Administrative expenses	(407)
Other operating expenses	(558)
Finance costs	-
(Loss) Profit before income tax	**(730)**
Income tax (expense) credit	(17)
(Loss) Profit after income tax	**(747)**

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	
As at	30/06/14 US$'000	30/06/13 US$'000	30/06/14 US$'000	30/06/13 US$'000
ASSETS				
Current assets				
Cash and Fixed Deposits	2,050	1,816	447	441
Trade Receivables	4,015	3,987	9,087	12,085
Other receivables and prepayments	2,562	2,901	6,472	6,347
Inventories	15,858	17,619	-	180
Total current assets	**24,485**	**26,323**	**16,006**	**19,053**
Non-current assets				
Investment in subsidiaries	-	-	9,823	13,141
Property, plant and equipment	13,566	13,615	494	559
Investment Properties	2,800	2,800	-	-
Intangibles assets	230	455	-	187
Availables-for-sale investment and other assets	211	211	192	192
Goodwill on consolidation	758	1,206	-	-
Deferred tax asset	272	254	3	3
Total non-current assets	**17,837**	**18,541**	**10,512**	**14,082**
Total assets	**42,322**	**44,864**	**26,518**	**33,135**
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and bills payable	7,465	8,807	5,057	6,819
Trade payables	4,178	4,540	4,807	5,148
Other payables and accruals	4,878	5,186	1,242	1,329
Finance lease obligation : current portion	64	85	32	69
Long-term bank loans : current portion	333	833	333	833
Total current liabilities	**16,918**	**19,451**	**11,472**	**14,198**
Non-current liabilities				
Finance lease obligations	67	101	40	85
Long-term bank loans : non-current portion	639	-	639	-
Due to related parties	693	707	-	-
Deferred taxation	583	185	-	-
Total non-current liabilities	**1,983**	**993**	**679**	**85**
Capital and reserves				
Issued capital	4,312	4,312	4,312	4,312
Capital reserves	4,917	4,208	58	58
Currency translation reserve	340	503	-	-
Retained earnings	13,026	14,171	9,997	14,482
Equity attributable to shareholders	**22,595**	**23,194**	**14,367**	**18,852**
Minority interests	825	1,226	-	-
Total equity	**23,420**	**24,420**	**14,367**	**18,852**
Total Liabilities and Equity	**42,322**	**44,864**	**26,518**	**33,135**

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

Amount repayable in one year or less, or on demand

As at 30/06/14 (US$'000)		As at 30/6/13 (US$'000)	
Secured	Unsecured	Secured	Unsecured
7,862	-	9,725	-

Amount repayable after one year

As at 30/06/14 (US$'000)		As at 30/6/13 (US$'000)	
Secured	Unsecured	Secured	Unsecured
706	-	101	-

Borrowings and gearing ratio

Total borrowings of US$8.6 million as at 30 June 2014 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings fell by US$1.3 million compared to 30 June 2013 due mainly to loan repayments.

The Group's gearing ratio was 0.38 times as at 30 June 2014 compared to 0.42 times as at 30 June 2013.

Details of any collateral

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

The banking facilities of subsidiaries are guaranteed by the Group.

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

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

Consolidated Cash Flows Statement

	3 months ended 30/06/14 ("4Q14") US$'000	3 months ended 30/06/13 ("4Q13") US$'000	12 months ended 30/06/14 US$'000	12 months ended 30/06/13 US$'000
Cash flows from operating activities				
(Loss) Profit before income tax	(929)	1,111	(1,236)	545
Adjustments for:				
Inventories written off	910	73	910	307
Provision for doubtful debts	183	14	183	14
Depreciation and amortization expenses	341	385	1,337	1,445
Interest income	(19)	(26)	(32)	(39)
Interest expense	71	58	268	283
Gain on disposal of intangible asset	(33)	-	(33)	-
Gain on disposal of fixed assets	-	-	(11)	(20)
Loss on disposal of fixed assets	-	-	-	16
Impairment of goodwill	(448)	-	(448)	-
Revaluation gain on investment properties	-	(400)	-	(400)
Gain from disposal of available-for-sale investments	-	-	-	(8)
Operating profit before working capital changes	**76**	**1,215**	**938**	**2,143**
Trade receivables	(12)	(1,483)	(28)	(872)
Other receivables and prepayments	857	(114)	339	(220)
Inventories	524	(1,593)	1,761	(1,187)
Trade payables	(385)	471	(362)	355
Other payables	187	1,098	(369)	551
Net cash generated from (used in) operations	**1,247**	**(406)**	**2,279**	**770**
Interest received	19	26	32	(283)
Interest paid	(71)	(58)	(268)	39
Income tax paid	278	(175)	(48)	(327)
Net cash generated from (used in) operating activities	**1,473**	**(613)**	**1,994**	**199**
Cash flows from investing activities				
Addition of fixed assets	(205)	(368)	(519)	(303)
Proceeds from disposal of fixed assets	-	-	30	82
Proceeds from disposal of available-for-sale investments	-	-	-	42
Proceeds from disposal of intangible asset	210		210	-
Proceeds from disposal of investment property	-	-	-	956
Net cash generated from (used in) investing activities	**5**	**(368)**	**(280)**	**777**
Cash flows from financing activities				
Net (decrease) increase in short-term borrowings	(1,830)	(524)	(1,565)	421
Net increase (decrease) in long-term borrowings	880	1,229	85	(1,554)
Net cash (used in) generated from financing activities	**(951)**	**705**	**(1,480)**	**(1,133)**
Net increase (decrease) in cash and cash equivalents	**527**	**(276)**	**234**	**(157)**
Cash and cash equivalents at beginning of period / year	1,274	1,255	1,534	1,878
Currency translation differences	(256)	555	(223)	(187)
Cash and cash equivalents at end of period / year	**1,545**	**1,534**	**1,545**	**1,534**
Represented by:				
Cash and bank balances (inclusive of Fixed Deposit)	**2,050**	**1,816**	**2,050**	**1,816**
Bank overdraft	**(505)**	**(282)**	**(505)**	**(282)**
	1,545	**1,534**	**1,545**	**1,534**

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

US$'000	Issued Capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Minority interests	Total
Group							
Balance as at 1/7/13	4,312	4,208	503	14,171	23,194	1,226	24,420
Total comprehensive income	-	709	(163)	(1,145)	(599)	(401)	(1,000)
Balance as at 30/06/14	**4,312**	**4,917**	**340**	**13,026**	**22,595**	**825**	**23,420**
Company							
Balance as at 1/7/13	4,312	58	-	14,482	18,852	-	18,852
Total comprehensive income	-	-	-	(4,485)	(4,485)	-	(4,485)
Balance as at 30/06/14	**4,312**	**58**	**-**	**9,997**	**14,367**	**-**	**14,367**

US$'000	Issued Capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Minority interests	Total
Group							
Balance as at 1/7/12	4,312	4,183	484	13,602	22,581	1,382	23,963
Total comprehensive income	-	25	19	569	613	(156)	457
Balance as at 30/06/13	**4,312**	**4,208**	**503**	**14,171**	**23,194**	**1,226**	**24,420**
Company							
Balance as of 1/7/12	4,312	33	-	16,712	21,057	-	21,057
Total comprehensive income	-	25	-	(2,230)	(2,205)	-	(2,205)
Balance as at 30/06/13	**4,312**	**58**	**-**	**14,482**	**18,852**	**-**	**18,852**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion

of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There were no changes in the Company's capital during the financial period ended 30 June 2014. The Company did not have any convertible securities or treasury shares as at 30 June 2013 and 30 June 2014.

(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	30/06/14	30/06/13
Total number of issued shares (excluding treasury shares)	136,513,397	136,513,397

(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.

Not applicable

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 30th June 2013, except as disclosed in paragraph 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 adopted a number of revised International Financial Reporting Standards ("IFRSs"), which are effective for financial periods beginning on or after 1 July 2013. The adoption of these revised IFRSs did not give rise to significant changes to the financial statements.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	3 months ended 30/06/14 ("4Q14")	3 months ended 30/06/13 ("4Q13")	FY2014	FY2013
(Loss) Profit per ordinary share (US cents)	(0.75)	0.81	(0.93)	0.42

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	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Net asset value per ordinary share (US cents)	16.6	16.9	10.5	15.2

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**

Table 1

	3 months ended 30/09/12 ("1Q13")	3 months ended 31/12/12 ("2Q13")	3 months ended 31/03/13 ("3Q13")	3 months ended 30/06/13 ("4Q13")	3 months ended 30/09/13 ("1Q14")	3 months ended 31/12/13 ("2Q14")	3 months ended 31/03/14 ("3Q14")	3 months ended 30/06/14 ("4Q14")
Revenue	**14,215**	**13,638**	**9,601**	**13,045**	**14,060**	**13,575**	**11,262**	**13,426**
Gross profit	3,967	3,888	2,551	4,210	3,425	3,482	2,283	3,673
Net profit (loss) after tax	**371**	**401**	**(1,301)**	**901**	**333**	**357**	**(1,252)**	**(1,150)**
Attributable to:-								
Equity holders of the parent	**363**	**370**	**(1,271)**	**1,107**	**462**	**425**	**(1,141)**	**(1,021)**
Minority interests	8	31	(30)	(206)	(129)	(68)	(111)	(129)
	371	401	(1,301)	901	333	357	(1,252)	(1,150)

<u>Revenue and Net Profit attributable to equity holders of the parent ("Net Profit")</u>

Revenues in FY2014 rose by US$1.8 million to US$52.3 million compared to FY2013 due mainly to:

- higher export sales to the US (excluding Canada) and the Asia Pacific region;
- higher sales from our retail operations in Singapore; and
- higher sales in the PRC (via Metrolink's distribution channels) and additional sales to our licensed distributors in Malaysia (in 4Q14) for the Commune range of products

Gross Profit fell by US$1.8 million to US$12.9 million in FY2014 due mainly to:

- higher operating costs and one-off compensation incurred on redundancy for our manufacturing operations in Dongguan, China (which we had merged with Metrolink's China operations) – *please refer to Page 2 for results of this discontinued business segment of China Dongguan Operation;*
- significantly lower retail sales from Rossano in Vietnam (retail sales generally earned higher margins);
- lower average selling prices for our export clients;
- rework costs incurred on our export products; and
- R&D costs for Commune's new range of products, which are design intensive and scheduled to be launched for the upcoming holiday season and new distribution channels in China.

As a result of the above and non-capitalization of the significant R&D costs of approximately US$0.3 million (we incurred these R&D costs while there were no matching revenues during the year under review), gross margins fell by 4.3 percentage points to 24.6% for FY2014.

Gross profit for 4Q14 fell compared to that of 4Q13 despite higher sales due mainly to rework costs of US$0.24 million incurred during 4Q14.

Other income fell by US$0.33 million to US$0.53 million in the absence of revaluation gains on investment properties in Vietnam.

During the year under review, we were able to increase our sales with lower selling and administrative expense budgets due to good cost control. More specifically.

- Selling and distribution expenses fell by US$0.6 million to US$4.5 million due to a lower trade fair budget and reduced rent for Rossano's retail showrooms in Vietnam (we reduced our retail exposure in Vietnam due to continued weak market sentiment)
- Administrative expenses fell by US$0.89 million to US$7.9 million despite inflationary adjustments for our staff costs. Notably, we managed to reduce our fixed operating costs significantly due to (i) our efforts to decentralize non-critical administrative functions from Singapore to other lower cost base countries (such as Vietnam); and (ii) our strategic decision to discontinue the loss-making Devon operations in New Zealand and Australia.

In 4Q14, both selling and Administrative expenses also fell by US$0.23 million and US$0.17 million respectively as a result of the cost saving measures and strategic decisions mentioned above.

Other operating expenses rose by US$1.2 million in FY2014 due mainly to provision for obsolete stocks of US$0.91 million on our decision to discontinue certain unprofitable products range produced in China and impairment of goodwill in Rossano of US$0.45 million on our decision to scale down operations of Rossano.

Finance costs fell slightly to US$0.27 million for FY2014.

Income tax expense rose by US$0.3 million to US$0.48 million due mainly to a deferred tax provision of US$0.32 million for our profitable operations in Malaysia.

Considering the above strategic decisions and the following:

- significant R&D investments of US$0.3 million (where we had no matching revenues at that point of time);
- non-cash cost such as goodwill impairment loss of US$0.45 million;
- accounting provision for obsolete stocks of US$1.1 million and
- accounting provision for deferred tax of US$0.3 million,

We reported a full year Net Loss attributable to the Company ("Net Loss") of US$1.2 million.

Despite our Net Loss position for FY2014, it should be noted that our "Cash Profit" or Operating Profit before working capital changes was US$0.94 million for FY2014 and our Net Cash generated from operating activities improved significantly to US$2.0 million in FY2014, from US$0.2 million in FY2013.

Financial Position (30 June 2014 vs 30 June 2013)

Assets

Current Assets fell by US$1.8 million to US$24.5 million as at 30 June 2014. Significant movements in Current Assets during the year under review were as follows:

- Inventories fell by US$1.8 million to US$15.9 million due mainly to provisions made for obsolete stocks. Meanwhile, our inventory turnover improved from 179 days to 148 days via improved supply chain management and production cycles.
- Other receivables and prepayments fell by US$0.34 million to US$2.6 million due mainly to lower deposits placed with our suppliers.

Non-current assets

Non-current assets fell by US$0.7 million to US$17.8 million due mainly to impairment of goodwill of Rossano and disposal of the Devon brand name.

Liabilities

Current Liabilities fell by US$2.5 million to US$16.9 million. Significant movements of current liabilities during the year under review were as follows:

- Lower short-term loans. Short-term loans (including overdrafts) fell by US$1.3 million as a result of lower working capital borrowings and loans repayment;

- Lower trade and other payables. Trade payables fell by US$0.36 million on the back of faster payments to suppliers while other payables fell by US$0.31 million due mainly to lower deposits received from customers.

Non-Current Liabilities rose by US$1.0 million to US$2 million due mainly to higher long term loans and higher provision for deferred tax liabilities.

Shareholders' equity

Net asset or Equity attributable to shareholders fell by US$0.6 million to US$22.6 million as at 30 June 2014 due mainly to current year losses, offset by revaluation gains on our properties in Malaysia.

Minority interests

Minority interests ("MI") of US$0.83 million, reflect the cumulative share of net assets by Metrolink Group's and Rossano's other shareholders, who owns 49% and 30%, respectively.

Cash Flows (movements during the year)

Net cash from operating activities improved to US$2.0 million for FY2014 after accounting a cash profit of US$0.94 million, reduction in working capital investment of US$1.3 million and interest payments of US$0.27 million. Net cash used in investing activities was US$0.28 million comprising of investment in equipment of US$0.52 million, net of sale of intangible assets ("Devon" brand name) of US$0.21 million. Net cash used in financing activities was US$1.5 million due mainly to short-term loan repayments. Given these, net cash and cash equivalents remained unchanged at US$1.5 million as at 30 June 2014 (net of bank overdraft of US$0.51 million).

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

The Board of Directors had stated in the 3Q14 announcement and warned that “the Group may report additional impairment losses and the Group may slip into loss for FY2014”.

We made a net loss of US$1.3 million for FY2014 due largely to the continual poor performance and loss-making position of Rossano (the goodwill of which had been fully impaired in 4Q14) and other non-cash losses and accounting provisions (see Page 10 for details).

Despite our Net Loss position for FY2014, Our “Cash Profit” or Operating Profit before working capital changes was US$0.94 million for FY2014 and our Net Cash generated from operating activities improved significantly to US$2.0 million in FY2014, from US$0.2 million in FY2013.

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

We initiated various operational restructuring plans and made a few important strategic decisions during the year under review. Specifically:

- We expanded the production capacity for Malaysia operations via an improved supply chain, intensified R&D efforts and increased factory productivity. As a result, the financial performance for our Malaysia’s operations improved significantly reporting a Net Profit of US$0.9 million on a much higher revenue base of US$11.5 million. We will increase resources allocation for our Malaysia for optimal factory utilization;

- We consolidated our manufacturing operations in China by merging part of its production facilities with that of Metrolink and discontinued certain ranges of unprofitable products in order to boost factory utilization and achieve economies of scale. As a result, we incurred non-recurring operational restructuring costs and made provisions for obsolete stocks and we will continue to manage the learning curve for the merged operations;

- We closed the loss-making retail and distribution businesses in New Zealand and Australia, signed on an independent distributor to operate and subsequently sold the Devon brand name. We have since discontinued production facilities for outdoor furniture;

- We further streamlined our retail and distribution business in Vietnam on the back of weak Vietnam market sentiment, scaled down production capacity of Rossano Vietnam and reduced the number of retail showrooms for Rossano. As a result, we recorded goodwill impairment. We will continue to monitor the financial performance for the streamlined operations of Rossano;

- We accelerated our expansion plans for Commune in China. Notably, our new product development is successful and market feedback has been encouraging, leading to advanced stage of discussion for (i) the signing on of an exclusive distribution agreement with a local licensed distributor covering the sales network of Commune for the entire Jiangsu region, an eastern coastal region in the PRC and (ii) the opening of a flagship store in China;

Whilst the above strategic decisions had resulted in various non-cash expenses, one-off costs and accounting provisions for the Group in FY2014, the strategies had helped us to:

- achieve a more streamlined operation for the Group, going forward;

- improve profitability of and achieve better business efficiencies for various continuing business units, notably our factories in Malaysia and our Commune business segment for FY2014; and

- report a cash profit of US$0.94 million, improve our gearing position and increase our net operating cash flows position for FY2014.

Overall, we expect that sales to Asia and US will continue to lead revenue growth in the major export markets that we sell to. Existing orders book for the next 3 months stay healthy and now stand at close to US$15 million – of which more than 80% are from the Asia Pacific and US markets. Meanwhile, we will continue to observe the recent political concerns in Vietnam and continue to monitor our supply chain there.

Given the above strategic initiatives, the Board believes that, barring any unforeseen circumstances, there will be a significant improvement in our financial performance in FY2015 over that of FY2014.

11. If a decision regarding whether dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared; (recommended); and

None

(b) (i) Amount per share

Not applicable

(ii) Corresponding Period of the Immediately Preceding Financial Year

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, the tax rate and the country where the dividend is derived must be stated. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable

Not applicable

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

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

There are no such IPT transactions as required under Rule 920(1)(a)(ii) and thus the Group does not obtain a general mandate from shareholders for IPTs. The Group has not obtained a general mandate from shareholders for IPTs.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual SGX-ST (not required for announcement on full year results)

Not applicable

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

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

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

	30 June 2014			**30 June 2013**		
	Revenue		Segment result	Revenue		Segment result
	US$'000	%	US$'000	US$'000	%	US$'000
Chairs, sofa and tables	36,379	69.5	320	36,131	71.6	607
Outdoor & garden	163	0.3	1	934	1.8	(99)
Occasional & others	10,207	19.5	90	10,154	20.1	171
Bedroom sets	5,574	10.7	49	3,280	6.5	55
Total Revenue	**52,323**	**100.0**	**460**	**50,499**	**100.0**	**734**
Other operating income			529			863
Other operating expenses			(1,958)			(769)
(Loss) Profit from operations			**(969)**			**828**
Finance cost			(268)			(283)
(Loss) Profit before income tax			**(1,237)**			**545**
Income tax expense			(475)			(173)
(Loss) Profit after tax before minority interest			**(1,712)**			**372**
Minority Interest			437			197
Net (Loss) Profit for the year			**(1,275)**			**569**

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

	30 June 2014 US$'000	%	30 June 2013 US$'000	%	Change
United Kingdom	1,695	3.2	2,403	4.7	(708)
Europe	4,214	8.1	4,525	9.0	(311)
America / Canada	21,976	42.0	17,892	35.4	4,084
Asia-Pacific	22,368	42.8	21,561	42.7	807
Others	2,070*	3.9	4,118*	8.2	(2,048)
Total Revenue	**52,323**	**100.0**	**50,499**	**100.0**	**1,824**

* *mainly Middle East*

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Segment information – Products

Chairs, sofas and tables remained as our main products, contributing 69.5% of our total Revenues. Revenues for all our products rose except for outdoor furniture, which fell on our decision to discontinue this segment due to continued weak demand in Australia and New Zealand. Sales of sofas rose on the back of strong demand from Asia.

Segment information – Markets

Asia-Pacific continues to be our major market accounting for 42.8% of overall revenues while UK continues to decline in its importance contributing just 3.2% of our revenues. Revenues from US (including Canada) continue to remain strong, coming in close second to the Asia-Pacific region.

Please refer to Section 8 – Review of performance – for further details.

17. A breakdown of sales

	30 June 2014 US$'000	30 June 2013 US$'000	Change US$'000
(a) Sales reported for first half year	27,635	27,853	(218)
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	690	772	(82)
(c) Sales reported for second half year	24,688	22,646	2,042
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	(2,402)	(400)	(2,002)

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

Total Annual Dividend

	Latest Full Year (US$'000)*	**Latest Full Year (S$'000)**	Previous Full Year (US$'000)**	Previous Full Year (S$'000)
Ordinary	**-**	**-**	-	-

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	31	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	CFO since 23 May 2014. Key responsibilities include corporate finance, operational restructuring, merger & acquisition evaluation, financial management and investor relations.	Promoted from Group Financial Controller to CFO.
Julian Koh Zhu Lian	29	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Head of Design since 23 May 2014. Key responsibilities include research and development of new products and brand and concept management of the "Commune" brand.	Promoted from Brand Director of Commune to Head of Design of the Group.
Gan Shee Wen	35	Grandchild of non-executive Chairman, Koh Teng Kwee; and nephew of Managing Director, James Koh and Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Vice President (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.	Promoted from Senior marketing manager to Vice President (Marketing) of the Group.

BY ORDER OF THE BOARD
JAMES KOH JYH GANG
Managing Director
29 August 2014