

KODA LTD

(Incorporated in the Republic of Singapore)
Company Registration Number 198001299R

MATERIAL VARIANCES BETWEEN AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FULL-YEAR RESULTS ANNOUNCEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

The Board of Directors (the “**Board**”) of Koda Ltd (the “**Company**”) refers to (a) the Company's earlier result announcement dated 29 August 2015 for the full-year ended 30 June 2015 (the “**Unaudited Results**”) and (b) the audited financial statements of the Company for the full-year ended 30 June 2015 (the “**Audited Accounts**”).

Pursuant to Rule 704(6) of the Listing Manual, the Board would like to announce the variances between the audited financial statements and the unaudited financial statements announced on 29 August 2015.

Details of the variances are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	AS SET OUT IN THE UNAUDITED RESULTS US\$'000	AS SET OUT IN THE AUDITED ACCOUNTS US\$'000	VARIANCE US\$'000	NOTE
Revenue	47,324	47,324	-	
Cost of sales	(36,036)	(36,036)	-	
Gross Profit	11,288	11,288	-	
Other operating income	2,235	2,235	-	
Selling and distribution costs	(4,341)	(4,341)	-	
Administrative expense	(6,834)	(6,834)	-	
Other operating expenses	(2,331)	(2,442)	(110)	a
Finance costs	(175)	(175)	-	
Share of (loss) profit of associate	5	5	-	
Loss before income tax	(154)	(264)	(110)	a
Income tax expense	(783)	(783)	-	
Loss after income tax	(937)	(1,047)	(110)	a
Attributable to:-				
Equity holders of the parent	424	406	(18)	b
Minority interests	(1,361)	(1,453)	(92)	b
	<u>(937)</u>	<u>(1,047)</u>	<u>(110)</u>	

Notes:

- a) The increase in loss before income tax was due to additional impairment charge of US\$0.19 million on property, plant and equipment of Metrolink Group (prior to disposal) upon finalisation of the audit for foreign subsidiaries. This was offset by lower loss on disposal of Metrolink Group of US\$0.08 million as a result of the lower carrying amount of the net assets of Metrolink Group. The net effect from these audit adjustments was US\$0.11 million.
- b) As a result of and as explained in Note (a) above, profit attributable to equity owners of the Company fell by US\$0.02 million due to (i) the Company's share of the additional impairment charge on property, plant and equipment and (ii) lower loss on disposal of Metrolink Group. Correspondingly, the share of loss by non-controlling interests increased by US\$0.09 million.

STATEMENT OF FINANCIAL POSITION

Material variances due to reclassification of accounts are as follows:

ITEM	AS SET OUT IN THE UNAUDITED RESULTS US\$'000	AS SET OUT IN THE AUDITED ACCOUNTS US\$'000	VARIANCE US\$'000	NOTE
Current Assets				
Trade receivables	4,055	3,571	(484)	c,d
Other receivables and prepayments	2,772	2,757	(15)	c
Non-Current Assets				
Deferred tax asset	326	21	(305)	e
Current Liabilities				
Bills payable	2,826	2,326	(500)	d
Non-Current Liabilities				
Deferred taxation	755	449	(306)	e

Notes:

- c) There was a reclassification of US\$0.015 million from other receivables and prepayments to trade receivables.
- d) As at 30 June 2015, the Company received trade receivables proceeds of US\$0.50 million, which had been taken to reduce those corresponding bill payables of US\$0.5 million. These trade receivables and bills payable were thus derecognised as a result of the non-recourse nature of the bills payable. As such, both trade receivables and bills payable fell by US\$0.50 million as at 30 June 2015.
- e) There was an accounting offset of US\$0.31 million between deferred tax asset and deferred taxation (a liability) in accordance with the Group's accounting policy.

CONSOLIDATED STATEMENT OF CASH FLOWS

Material variances due to reclassification of accounts are as follows:

ITEM	AS SET OUT IN THE UNAUDITED RESULTS US\$'000	AS SET OUT IN THE AUDITED ACCOUNTS US\$'000	VARIANCE US\$'000	NOTE
Net cash from operating activities	5,955	6,356	401	f
Net cash used in financing activities	(4,534)	5,035	(501)	g
Net increase in cash and equivalents	1,611	1,502	(109)	f,g
Cash and cash equivalents at end of year	2,862	2,933	71	h

Notes:

- f) This was due mainly to (i) additional impairment charge on property, plant and equipment,(ii) lower loss on disposal of Metrolink Group as explained in note (a) above and (iii) reduction in trade receivables as explained in note (d) above.
- g) This was due to derecognition of bills payable as explained in note (d) above.
- h) The cash and cash equivalents of US\$0.07 million relating to assets classified as held for sale has now been included in the Audited Accounts in arriving at the cash and cash equivalents balance for the Group as at 30 June 2015.

By Order of the Board
Koda Ltd

James Koh Jyh Gang
Managing Director

15 October 2015