

Koda Rakes in Higher Earnings in FY2018

- Revenue for FY2018 higher at US\$52.4m
- Net profit up sharply by 40.1% to US\$5.7m; Improved cash position of US\$10.5 million
- Declares final and special dividends, bringing total dividends to 1.75 Singapore cents per share for FY2018
- Retail brand *Commune* opens more stores in China; expands in Manila and Hong Kong

	FY2018	FY2017	Change (%)
	US\$'000	US\$'000	
Revenue	52,400	49,491	5.9
Gross Profit	18,772	15,920	17.9
Gross Profit Margin (%)	35.8	32.2	11.2
Net Profit After Tax	5,674	4,050	40.1

Singapore, 28 August 2018 – Koda Ltd (“Koda” or the “Group”) reported today higher earnings for the 12 months ended 30 June 2018 (“FY2018”) as both its export-oriented manufacturing business as well as retail and distribution brand turned in higher operating profits.

The furniture original design manufacturer and retailer made a net profit of US\$5.7 million in FY2018, a showing of 40.1% more than the US\$4.1 million achieved in the previous year (“FY2017”). Together with sales from *Commune*, overall revenue for the Group rose 5.9% to a high of US\$52.4 million in FY2018.

To reward shareholders, Koda has proposed a final cash dividend of 0.75 Singapore cent a share and a special cash dividend of 0.75 Singapore cent a share. Together with an interim cash dividend of 0.25 Singapore cent a share declared earlier this year, the total payout for FY2018 amounts to 1.75 Singapore cents a share.

Due to economies of scale arising from higher capacity utilisation, supply chain efficiency and higher contribution from *Commune*, the Group was able to boost its profitability. The planned rollout of 100 stores for *Commune* in China by 2020 remains on track with more stores opening there. *Commune* has also opened its first outlet in Manila in May this year, making the Philippines its third market in Southeast Asia, after Singapore and Malaysia and expects to debut in Hong Kong soon.

Mr James Koh, Koda’s Managing Director, said: “We are very pleased with the results of FY2018 and intend to build on this momentum in the new financial year. We are mindful of the competitive operating environment and the growing threat of a full-blown trade war between the US and its key trading partners, especially China. The trade tensions have so far not affected our export businesses.”

Mr Joshua Koh, CEO of *Commune*, said: "The expansion plans for *Commune* in China are on track under the consumer-driven economic policy as we believe there is demand for well-designed, carefully-crafted and even avant-garde home furniture particularly for the growing middle-income group in Asia."

#End#

About Koda Ltd

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

Koda is well-known for its strength in design – leading to appreciation from upscale customers worldwide for its aesthetically pleasing and functional pieces. With proven market experience, strong product development and significant in-house design expertise, Koda is able to offer an extensive range of product models to customers all over the world.

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

About Commune Lifestyle Pte Ltd

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

There are currently a total of 55 *Commune* outlets – three owner-operated stores in Singapore, four distributor-retail ("DR") stores in Malaysia, 1 DR store in the Philippines, 46 DR stores in China, and one brand-instore presence in Australia.

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