



KODA LTD

(Company Registration No.:198001299R)

(The "Company", and together with its subsidiaries, the "Group")

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ("2H2024") AND FULL YEAR ("FY2024") ENDED 30 JUNE 2024

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		The Group					
		6 months ended		12 months ended			
		30 June 2024	30 June 2023	Change	30 June 2024	30 June 2023	Change
Note		("2H2024")	("2H2023")	%	("FY2024")	("FY2023")	%
		US\$'000	US\$'000			US\$'000	US\$'000
	Revenue	25,638	18,867	35.9%	45,597	43,781	4.1%
	Cost of sales	(17,914)	(14,204)	26.1%	(32,773)	(31,827)	3.0%
	Gross profit	7,724	4,663	65.6%	12,824	11,954	7.3%
	Other income	715	1,849	-61.3%	1,172	2,543	-53.9%
	Selling and distribution costs	(4,415)	(3,416)	29.2%	(7,261)	(6,634)	9.5%
	Administrative expenses	(5,246)	(4,954)	5.9%	(9,390)	(8,701)	7.9%
	Other expenses	(412)	(493)	-16.4%	(916)	(687)	33.3%
	Finance costs	(321)	(247)	30.0%	(595)	(444)	34.0%
	Loss before income tax	(1,955)	(2,598)	-24.7%	(4,166)	(1,969)	111.6%
	Income tax expense	(543)	(571)	-4.9%	(691)	(931)	-25.8%
	Loss for the period	(2,498)	(3,169)	-21.2%	(4,857)	(2,900)	67.5%
	Loss attributable to :						
	Owners of the Company	(2,441)	(3,125)	-21.9%	(4,783)	(2,834)	68.8%
	Non-controlling interests	(57)	(44)	29.5%	(74)	(66)	12.1%
		(2,498)	(3,169)	-21.2%	(4,857)	(2,900)	67.5%
	Other comprehensive loss						
	<u>Items that may be reclassified</u>						
	<u>subsequent to profit or loss</u>						
	Translation of differences arising from consolidation of foreign operations	(330)	(477)	-30.8%	(123)	(334)	-63.2%
	Total other comprehensive loss for the period, net of tax	(330)	(477)	-30.8%	(123)	(334)	-63.2%
	Total comprehensive loss for the period	(2,828)	(3,646)	-22.4%	(4,980)	(3,234)	54.0%
	Total comprehensive loss attributable to :						
	Owners of the Company	(2,776)	(3,613)	-23.2%	(4,902)	(3,188)	53.8%
	Non-controlling interests	(52)	(33)	57.6%	(78)	(46)	69.6%
		(2,828)	(3,646)	-22.4%	(4,980)	(3,234)	54.0%
	Loss per share for loss for the period attributable to the owners of the Company:						
	Basic (US cents)	(2.93)	(3.76)		(5.75)	(3.41)	
	Diluted (US cents)	(2.93)	(3.76)		(5.75)	(3.41)	

N.M: Not meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		11,193	15,326	7,072	7,805
Trade receivables	10	8,789	2,751	9,572	3,435
Other receivables	11	3,979	5,639	13,729	19,950
Inventories	12	12,286	12,318	35	-
Total current assets		36,247	36,034	30,408	31,190
Non-current assets					
Investment in subsidiaries		-	-	18,611	18,611
Bank balances earmarked for credit facilities	14	479	479	479	479
Club memberships		45	46	32	32
Property, plant and equipment	13	24,312	24,257	8,560	8,605
Right-of-use assets		12,733	13,216	-	-
Other receivables	11	86	209	6,907	8,107
Total non-current assets		37,655	38,207	34,589	35,834
Total assets		73,902	74,241	64,997	67,024
LIABILITIES AND EQUITY					
Current liabilities					
Bills payable	14	319	-	-	-
Trade payables		4,862	2,385	891	8,044
Other payables		6,497	5,977	3,586	1,802
Provisions		1,537	-	1,537	-
Lease liabilities	14	1,186	1,322	-	-
Current portion of bank loans	14	2,836	1,830	2,836	1,750
Income tax payable		711	627	696	467
Total current liabilities		17,948	12,141	9,546	12,063
Non-current liabilities					
Other payables		71	83	-	-
Deferred tax liabilities		167	143	56	31
Lease liabilities	14	3,329	3,228	-	-
Non-current portion of bank loans	14	8,432	9,711	8,432	9,711
Total non-current liabilities		11,999	13,165	8,488	9,742
Capital and reserves					
Share capital	15	4,919	4,919	4,919	4,919
Treasury shares		(50)	(50)	(50)	(50)
Capital reserve	16	(159)	(159)	-	-
Other reserves		211	211	137	137
Translation reserve		(858)	(739)	-	-
Accumulated profits		40,117	44,900	41,957	40,213
Equity attributable to owners of the Company		44,180	49,082	46,963	45,219
Non-controlling interests		(225)	(147)	-	-
Total equity		43,955	48,935	46,963	45,219
Total liabilities and equity		73,902	74,241	64,997	67,024

C. Condensed interim statements of changes in equity

The Group

		Share capital	Treasury shares	Capital reserve	Other reserves	Translation reserve	Accumulated profits	Attributable to equity holders	Non-controlling interests	Total
Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Balance as at 1 July 2023	4,919	(50)	(159)	211	(739)	44,900	49,082	(147)	48,935
	<i>Total comprehensive loss for the period:</i>									
	Loss for the period	-	-	-	-	-	(4,783)	(4,783)	(74)	(4,857)
	Other comprehensive loss	-	-	-	-	(119)	-	(119)	(4)	(123)
	Total	-	-	-	-	(119)	(4,783)	(4,902)	(78)	(4,980)
	Balance as at 30 June 2024	4,919	(50)	(159)	211	(858)	40,117	44,180	(225)	43,955
	Balance as at 1 July 2022	4,894	(50)	-	236	(385)	48,176	52,871	(260)	52,611
	<i>Total comprehensive loss for the period:</i>									
	Loss for the period	-	-	-	-	-	(2,834)	(2,834)	(66)	(2,900)
	Other comprehensive loss	-	-	-	-	(354)	-	(354)	20	(334)
	Total	-	-	-	-	(354)	(2,834)	(3,188)	(46)	(3,234)
	<i>Transaction with owners, recognised directly in equity:</i>									
	Effects of acquiring part of non-controlling interests in a subsidiary	16	-	(159)	-	-	-	(159)	159	-
	Dividends	19	-	-	-	-	(442)	(442)	-	(442)
	Issue of new shares	15	25	-	(25)	-	-	-	-	-
	Total		25	(159)	(25)	-	(442)	(601)	159	(442)
	Balance as at 30 June 2023	4,919	(50)	(159)	211	(739)	44,900	49,082	(147)	48,935

C. Condensed interim statements of changes in equity

The Company

		Share capital	Treasury shares	Other reserves	Accumulated profits	Total
Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Balance as at 1 July 2023	4,919	(50)	137	40,213	45,219
	<i>Profit for the period, representing total comprehensive income for the period</i>	-	-	-	1,744	1,744
	Balance as at 30 June 2024	4,919	(50)	137	41,957	46,963
	Balance as at 1 July 2022	4,894	(50)	162	35,879	40,885
	<i>Profit for the period, representing total comprehensive income fo the period</i>	-	-	-	4,776	4,776
		-	-	-	4,776	4,776
	<i>Transaction with owners, recognised directly in equity:</i>					
	Dividends	19	-	-	(442)	(442)
	Issue of new shares	15	25	-	(25)	-
			25	-	(25)	(442)
	Balance as at 30 June 2023	4,919	(50)	137	40,213	45,219

D. Condensed interim consolidated statements of cash flows

	The Group	
	12 months ended	
	30 June 2024	30 June 2023
	US\$'000	US\$'000
Operating activities		
Loss before income tax	(4,166)	(1,969)
Adjustments for:		
Depreciation of property, plant and equipment	1,605	1,849
Depreciation of right-of-use assets	1,842	2,500
Property, plant and equipment written off	-	2
Allowance (Reversal of allowance) for inventories - net	510	928
Inventories written off	22	25
Impairment loss on property, plant and equipment	22	129
Impairment loss on right-of-use assets	228	128
Gain on disposal of property, plant and equipments - net	(12)	(22)
Gain on derecognition of right-of-use assets	(32)	(40)
Fire insurance compensation (partial and interim) amount	-	(859)
Other receivable written off	416	-
Interest income	(503)	(325)
Interest expense	595	444
Operating cash flows before movements in working capital	527	2,790
Trade receivables	(6,037)	2,631
Other receivables	1,146	2,337
Inventories	(516)	6,367
Trade payables	2,724	(2,222)
Other payables	501	(2,362)
Provisions	1,537	-
Cash (used in) generated from operations	(118)	9,541
Interest received	503	325
Interest paid	(595)	(444)
Income tax paid	(587)	(1,724)
Net cash (used in) from operating activities	(797)	7,698
Investing activities		
Deposits for property, plant and equipment	(14)	(14)
Proceeds from disposal of property, plant and equipment	30	22
Purchase of property, plant and equipment	(1,680)	(1,359)
Net cash used in investing activities	(1,664)	(1,351)
Financing activities		
Dividends paid	-	(442)
Proceeds (Repayment) of bills payable	319	(468)
Repayment of bank loans	(1,840)	(2,389)
Proceeds from bank loans	1,568	273
Repayment of lease liabilities	(1,568)	(2,241)
Net cash used in financing activities	(1,521)	(5,267)
Net (decrease) increase in cash and cash equivalents	(3,982)	1,080
Cash and cash equivalents at beginning of year	15,326	14,301
Effects of exchange rate change on balance of cash held in foreign currencies	(151)	(55)
Cash and cash equivalents at end of year	11,193	15,326

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Koda Ltd is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months and twelve months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of relating to the manufacturing and export of furniture and fixtures of wood (including upholstery), furniture design service and investment holding.

The principal activities of the Group are:

- (a) Original Design Manufacturer of furniture and fixtures of wood (including upholstery); and
- (b) Retail, trading and export of furniture.

2. Basis of preparation

The condensed interim financial statements for the six months and twelve months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

The condensed interim financial statements are presented in United States dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

In the current financial period, the Group and the Company has adopted all the new and revised FRSs and Interpretation of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2023. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment and revenue information

The Group determines its operating segments based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources of the segments and to assess their performance.

The Group is organized into two business units based on their products on which information is prepared and reportable to the Group's chief operating decision maker for the purpose of resources allocation and assessment of performance.

The Group is principally engaged in two reportable segments, namely "manufacturing" and "retail and distribution".

Information regarding the Group's reporting segments is presented below.

6 months ended 30 June 2024 and 2023

Segment revenue and results

	Segment revenue		Segment loss	
	2H2024 US\$'000	2H2023 US\$'000	2H2024 US\$'000	2H2023 US\$'000
Manufacturing	21,132	13,680	(1,176)	(2,531)
Retail and distribution	4,506	5,187	(761)	(1,176)
Total	<u>25,638</u>	<u>18,867</u>	<u>(1,937)</u>	<u>(3,707)</u>
Finance costs			(321)	(247)
Other income			715	1,849
Other expenses			(412)	(493)
Loss before income tax			<u>(1,955)</u>	<u>(2,598)</u>
Income tax expense			(543)	(571)
Loss for the period			<u>(2,498)</u>	<u>(3,169)</u>

Segment assets and liabilities

	30 June 2024 US\$'000	30 June 2023 US\$'000
Segment assets		
Manufacturing	64,479	62,315
Retail and distribution	9,378	11,880
Total segment assets	73,857	74,195
Unallocated assets	45	46
Consolidated total assets	73,902	74,241
Segment liabilities		
Manufacturing	10,853	5,860
Retail and distribution	2,826	3,212
Total segment liabilities	13,679	9,072
Unallocated liabilities	16,268	16,234
Consolidated total liabilities	29,947	25,306

Other segment information

	Depreciation		Additions to non-current assets	
	2H2024 US\$'000	2H2023 US\$'000	2H2024 US\$'000	2H2023 US\$'000
Manufacturing	877	1,235	608	927
Retail and distribution	713	903	286	1,582
Total	1,590	2,138	894	2,509

In addition to the information reported above, the following were attributable to the following reportable segments:

	2H2024 US\$'000	2H2023 US\$'000
Manufacturing segment		
Fire insurance compensation (partial and interim amount)	-	(859)
Allowance for inventories - net	105	885
Other receivable written off	116	-
Retail and distribution segment		
(Reversal of allowance) / Allowance for inventories - net	(65)	43
Inventories written off	12	20

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets) including only property, plant and equipment by geographical location are detailed below:

	Revenue from external customers based on location	
	2H2024	2H2023
	US\$'000	US\$'000
Asia-Pacific	5,757	8,016
North America	17,445	8,498
Europe	2,057	1,799
Others	379	554
	<u>25,638</u>	<u>18,867</u>

Non-current assets of the Group are located in Asia-Pacific.

12 months ended 30 June 2024 and 2023

Segment revenue and results

	Segment revenue		Segment loss	
	FY2024	FY2023	FY2024	FY2023
	US\$'000	US\$'000	US\$'000	US\$'000
Manufacturing	35,507	32,297	(3,057)	(2,177)
Retail and distribution	10,090	11,484	(770)	(1,204)
Total	<u>45,597</u>	<u>43,781</u>	<u>(3,827)</u>	<u>(3,381)</u>
Finance costs			(595)	(444)
Other income			1,172	2,543
Other expenses			(916)	(687)
Loss before income tax			<u>(4,166)</u>	<u>(1,969)</u>
Income tax expense			(691)	(931)
Loss for the year			<u>(4,857)</u>	<u>(2,900)</u>

Other segment information

	Depreciation		Additions to non-current assets	
	FY2024 US\$'000	FY2023 US\$'000	FY2024 US\$'000	FY2023 US\$'000
Manufacturing	2,042	2,528	2,135	1,061
Retail and distribution	1,405	1,821	1,187	2,050
Total	3,447	4,349	3,322	3,111

In addition to the information reported above, the following were attributable to the following reportable segments:

	FY2024 US\$'000	FY2023 US\$'000
Manufacturing segment		
Fire insurance compensation (partial and interim amount)	-	(859)
Allowance for inventories - net	575	885
Other receivable written off	416	-
Retail and distribution segment		
(Reversal of allowance) / Allowance for inventories - net	(65)	43
Inventories written off	22	25

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets) including only property, plant and equipment by geographical location are detailed below:

	Revenue from external customers based on location	
	FY2024 US\$'000	FY2023 US\$'000
Asia-Pacific	12,547	16,765
North America	27,884	21,576
Europe	4,422	4,178
Others	744	1,262
	45,597	43,781

Non-current assets of the Group are located in Asia-Pacific.

Sales breakdown

	The Group	
	12 months ended	
	30 June 2024	30 June 2023
	("FY2024")	("FY2023")
	US\$'000	US\$'000
(a) Sales reported for first half year	19,959	24,914
(b) Operating (loss) profit after tax before deducting non-controlling interests reported for first half year	(2,359)	269
(c) Sales reported for second half year	25,638	18,867
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(2,498)	(3,169)

5. Other income

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	("2H2024")	("2H2023")	("FY2024")	("FY2023")
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income on bank balances	227	230	503	325
Foreign exchange gain - net	188	-	133	-
Gain on disposal of property, plant and equipment	12	1	12	22
Gain on derecognition of right-of-use assets	2	35	32	40
Government grant income	36	398	42	596
Property tax and rental rebate	1	(100)	109	58
Freight revenue	44	28	84	72
Design fee	-	1	8	11
Fire insurance compensation (partial and interim) amount	-	859	-	859
Sundry income	205	397	249	560
	<u>715</u>	<u>1,849</u>	<u>1,172</u>	<u>2,543</u>

6. Other expenses

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	("2H2024")	("2H2023")	("FY2024")	("FY2023")
	US\$'000	US\$'000	US\$'000	US\$'000
Other receivables written off	116	-	416	-
Impairment loss on property, plant and equipment	22	129	22	129
Impairment loss on right-of-use assets	228	128	228	128
Inventories written off	12	20	22	25
Foreign exchange loss - net	-	65	-	254
Loss on misappropriation of assets	-	-	195	-
Others	34	151	33	151
	<u>412</u>	<u>493</u>	<u>916</u>	<u>687</u>

7. Loss before income tax

The loss before income tax is arrived at after charging the following:

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	("2H2024")	("2H2023")	("FY2024")	("FY2023")
	US\$'000	US\$'000	US\$'000	US\$'000
Depreciation of property, plant and equipment	817	918	1,605	1,849
Depreciation of right-of-use assets	773	1,220	1,842	2,500
Finance costs:				
- Bank interest	240	197	456	345
- Lease liabilities	81	50	139	99

8. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group		The Group	
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	("2H2024")	("2H2023")	("FY2024")	("FY2023")
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax	566	298	714	680
Deferred tax	25	319	25	319
Overprovision in prior years :				
- Income tax	(48)	(41)	(48)	(41)
- Deferred tax	-	(5)	-	(27)
Total	543	571	691	931

9. Loss per share

	The Group			
	6 months ended		12 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	("2H2024")	("2H2023")	("FY2024")	("FY2023")
Based on the weighted average number of ordinary shares on issue (US cents)	(2.93)	(3.76)	(5.75)	(3.41)
Singapore cents equivalent	(3.98)	(5.09)	(7.81)	(4.62)
Weighted average number of shares	83,178,782	83,178,782	83,178,782	83,178,782

The fully diluted loss per share and basic loss per share are the same for the 6 months and 12 months ended 30 June 2024 and 2023.

10. Trade receivables

	The Group		The Company	
	30 June 2024 US\$'000	30 June 2023 US\$'000	30 June 2024 US\$'000	30 June 2023 US\$'000
Outside parties	8,789	2,751	8,750	2,680
Subsidiaries	-	-	822	755
	<u>8,789</u>	<u>2,751</u>	<u>9,572</u>	<u>3,435</u>

The table below is an analysis of trade receivables as at the end of reporting period :

	The Group		The Company	
	30 June 2024 US\$'000	30 June 2023 US\$'000	30 June 2024 US\$'000	30 June 2023 US\$'000
Not past due and not impaired	7,953	2,380	8,043	2,371
Past due but not impaired ⁽ⁱ⁾	836	371	1,529	1,064
Total trade receivables, net	<u>8,789</u>	<u>2,751</u>	<u>9,572</u>	<u>3,435</u>

(i) Aging of receivables that are past due but not impaired :

	The Group		The Company	
	30 June 2024 US\$'000	30 June 2023 US\$'000	30 June 2024 US\$'000	30 June 2023 US\$'000
< 30 days	712	199	712	206
31 to 90 days	85	9	115	37
91 to 180 days	3	5	2	1
181 to 360 days	15	144	15	142
> 360 days	21	14	685	678
	<u>836</u>	<u>371</u>	<u>1,529</u>	<u>1,064</u>

11. Other receivables

	The Group		The Company	
	30 June 2024 US\$'000	30 June 2023 US\$'000	30 June 2024 US\$'000	30 June 2023 US\$'000
Subsidiaries	-	-	11,532	12,862
Related parties	-	2	-	-
Deposits	568	1,027	8	8
Prepayments to third parties	787	1,133	183	511
Prepayments to subsidiaries	-	-	10,149	15,822
Government grant receivable	2	176	2	107
Value added tax recoverable	2,601	2,129	18	-
Fire insurance compensation receivables	-	1,357	-	-
Others	107	24	31	8
	<u>4,065</u>	<u>5,848</u>	<u>21,923</u>	<u>29,318</u>
Less: Allowance for doubtful debts				
Subsidiaries	-	-	(1,287)	(1,261)
	<u>4,065</u>	<u>5,848</u>	<u>20,636</u>	<u>28,057</u>
Less: Non-current portion:				
Deposits	(27)	(27)	-	-
Prepayments	(59)	(182)	-	-
Subsidiaries	-	-	(6,907)	(8,107)
	<u>3,979</u>	<u>5,639</u>	<u>13,729</u>	<u>19,950</u>

12. Inventories

	The Group		The Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Raw material	4,928	4,871	-	-
Work-in-progress	3,808	3,771	-	-
Finished goods	6,164	5,780	35	-
	14,900	14,422	35	-
Less: Allowance for inventories	(2,614)	(2,104)	-	-
	12,286	12,318	35	-
Movement in allowance for inventories:				
Balance at beginning of the year	2,104	1,176	-	-
Charge to profit or loss	539	980	-	-
Currency translation difference	(29)	(52)	-	-
Balance at end of the year	2,614	2,104	-	-

13. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired assets amounting to US\$0.6 million (six months ended 30 June 2023: US\$1.0 million). Net book value of assets disposed was US\$18,000 (six months ended 30 June 2023: US\$ Nil).

14. Bank loans, lease liabilities and bills payable

	The Group		The Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	US\$'000	US\$'000	US\$'000	US\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	1,318	1,453	132	131
Unsecured	3,023	1,699	2,704	1,619
	4,341	3,152	2,836	1,750
<u>Amount repayable after one year</u>				
Secured	10,298	10,325	6,969	7,097
Unsecured	1,463	2,614	1,463	2,614
	11,761	12,939	8,432	9,711

The banking facilities of the Group and Company are secured by the following:

- i) A negative pledge on the Group's and Company's assets;
- ii) One of the bank loans of the Company is secured by the charge over the Company's property;
- iii) An amount of US\$478,638 was earmarked for one of the bank loans of the Company; and
- iv) The banking facilities of subsidiaries are guaranteed by the Company.

Bank loans of US\$7,819,000 as at 30 June 2024 were mainly used for the financing of Group's property, plant and equipment.

15. Share capital

	The Group and Company			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Number of ordinary shares		US\$'000	US\$'000
Issued and paid up:				
At beginning of year	83,237,856	83,153,856	4,919	4,894
Issued during the year	-	84,000	-	25
At end of year	<u>83,237,856</u>	<u>83,237,856</u>	<u>4,919</u>	<u>4,919</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

As at 30 June 2024, the number of ordinary shares of 83,237,856 included treasury shares of 59,074.

16. Capital reserve

This represents the effects of changes in ownership interests in a subsidiary when there is no change in control. During FY2023, the Group increased its shareholding in one of the subsidiaries.

17. Financial assets and financial liabilities

The following table sets out the financial instruments as at the end of the reporting period.

	The Group		The Company	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Amortised cost (including cash and cash equivalent)	21,136	20,966	27,407	23,336
Finance lease receivables				
Financial liabilities				
Amortised cost	20,620	17,699	14,888	20,637
Lease liabilities	4,515	4,550	-	-

18. Related party transactions

Please refer to Note 9 of Section F for disclosure of the related party transactions. There are no other material related party transactions apart from those disclosed in Note 9 of Section F.

19. Dividends

	<u>Group</u>	
	12 months ended	
	30 June 2024 ("FY2024") US\$'000	30 June 2023 ("FY2023") US\$'000
Ordinary dividends paid:		
Final tax-exempt (1-tier) dividend of US\$0.0053 (equivalent to S\$0.0075) per ordinary share for the financial year ended 30 June 2022	-	442
	<hr/>	<hr/>
	-	442

20. Net asset value per value

	<u>The Group</u>		<u>The Company</u>	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Net asset value per ordinary share				
- US cents	53.11	59.00	56.46	54.36
- Singapore cents	72.16	80.50	76.70	74.20

21. Fire incident update

On the fire incident occurred on 3 January 2022 in Vietnam, the Group recognized US\$1.4 million as other income in FY2022. In FY2023, The Group recognized additional US\$0.9 million as other income, being the partial and interim amount of insurance claim. The Group made an allowance of US\$0.3 million in 1H2024 for an estimated additional loss on assets due to the fire incident. As disclosed in our 1H2024 announcement, such allowance may be realized if (i) the final claim amount is lower than that as previously recognized in the profit and loss account; and (ii) the VND weakens against our functional currency in the USD as at the reporting date. The final settlement claim amount of US\$1.83 million had since been confirmed and received in full. Based on this final settlement claim amount, an additional allowance of US\$0.12 million had been recognised in the Other Expenses and US\$0.05 million as exchange loss in the profit and loss account respectively for FY2024.

F Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Koda Ltd and its subsidiaries as at 30 June 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period and twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

2. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There is no sales, transfers, cancellation and/or use of treasury shares during FY2024. The number of shares held as treasury shares as at 30 June 2024 was 59,074 (30 June 2023: 59,074), representing 0.07% of the total number of shares of the Company, excluding treasury shares (30 June 2023: 0.07% of the total number of shares of the Company, excluding treasury shares).

There were no convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

3. 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.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) Updates on the efforts taken to resolve each outstanding issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

5. Review of performance of the Group

Condensed interim consolidated statement of profit or loss (FY2024 vs FY2023)

Revenue rose by US\$1.8 million to US\$45.6 million for FY2024, mainly due to substantially higher export sales to our new customers in the US market particularly for 2H2024, despite a general slowdown in furniture demand for 1H2024. The overall increase in export sales for 2H2024 was however offset by significantly lower sales to Asia-Pacific and other regions as discretionary consumer spending remained cautious amidst inflationary pressure and deepening debt crisis in China's real estate sector, which continued to weigh heavily on business recovery and market sentiment.

Gross profit rose by US\$0.9 million to US\$12.8 million on the back of higher revenues and margin. Gross profit margin rose as a result of improved economies of scale as overall production utilisation rates was higher for increased export shipments, particularly in 2H2024.

Other income fell by US\$1.4 million to US\$1.2 million mainly due to lower government grant income (FY2023: US\$0.6 million) and in the absence of fire insurance compensation recorded in the current year (FY2023: US\$0.9 million was recorded).

Selling and distribution costs rose by US\$0.6 million to US\$7.3 million mainly due to higher sales and agent commission in line with higher revenue (particularly for 2H2024), higher trade fair expenses, offset by lower right-of-use assets depreciation expenses.

Administrative expenses rose by US\$0.7 million to US\$9.4 million mainly due to the non-cash accounting effects for overprovision of variable bonuses for FY2023. Excluding that, administrative expenses rose by US\$0.2 million mainly due to increase in travelling expenses and higher software licensing fees.

Other expenses rose by US\$0.2 million to US\$0.9 million as the Group recorded (i) a loss of US\$0.2 million from the misappropriation of funds (which the Group had previously disclosed and updated on 01 November 2023 and 27 December 2023), (ii) a write off of US\$0.42 million for loss of assets arose from the fire incident in Vietnam upon confirmation of fire insurance settlement amount (as disclosed in Fire Incident Update); offset by lower foreign exchange loss.

Finance cost rose by US\$0.2 million to US\$0.6 million mainly due to higher interest expenses on bank loans and lease liabilities.

Income tax expense fell by US\$0.2 million to US\$0.7 million mainly due to lower taxable profit for our operations.

Given the above, the Group incurred a loss attributable to Owners of the Company (“**Net Loss**”) of US\$4.8 million in FY2024 as compared to US\$2.8 million in FY2023.

Condensed interim statements of financial position (30 June 2024 vs 30 June 2023)

Assets

Current assets increased by US\$0.2 million to US\$36.0 million. Significant movements during the period under review were as follows:

- Trade receivables increased by US\$6.0 million to US\$8.8 million mainly due to significantly higher sales in 2H2024 with longer credit terms for export customers in the US. Trade receivable turnover days was 70 days (30 June 2023: 23 days). Subsequent to the year-end, an amount of US\$6.3 million has been collected to date.
- Other receivables fell by US\$1.7 million to US\$4.0 million mainly due to the absence of the fire insurance compensation in FY2024. The amount of which was recorded in FY2023.
- Cash and cash equivalents decreased by US\$4.1 million to US\$11.2 million mainly due to net cash used in operations, investing activities (i.e purchase of plant and equipment) and financing activities (i.e loans repayment).

Non-current assets fell by US\$0.6 million to US\$37.7 million, mainly due to (i) lower addition of right-of-use assets amounted to US\$1.5 million in 2024 (30 June 2023: US\$1.9 million) and (ii) de-recognition of several expired or terminated leases, impairment of right-of-use assets, and the reclassification of non-current prepayments following the completion of a factory upgrading project.

Liabilities

Current liabilities increased by US\$5.8 million to US\$17.9 million. Significant movements during the period under review were as follows:

- Trade payables increased by US\$2.5 million to US\$4.9 million on the back of higher purchases. Trade payable turnover days was 54 days (30 June 2023: 27 days). As part of our working capital management cycles, we negotiated for longer suppliers’ credit term.
- Other payables increased by US\$0.5 million to US\$6.5 million mainly due to accrual of commissions and service fees, including agent sales commission on the back of higher export sales.

- Provisions have been made for co-advertising and inventories markdown allowance.
- Bills payable and bank loan (current portion) rose by US\$1.3 million is primarily due to trade financing and drawdown of other short-term bank loans. As at the date of this announcement, we have repaid approximately US\$1.5 million.

Non-current liabilities fell by US\$1.2 million to US\$12.0 million due mainly to repayment of bank loans.

Shareholders' equity

Net asset or Equity attributable to Owners of the Company fell by US\$4.9 million to US\$44.2 million as at 30 June 2024 mainly due to Net Loss for FY2024.

Condensed interim consolidated statements of cash flows (FY2024 vs FY2023)

Net cash used in operating activities was US\$0.8 million after accounting for operating cash inflows before working capital changes of US\$0.5 million, net working capital outflows of US\$0.6 million, net of payments for income tax and interest of US\$0.7 million.

Net cash used in investing activities was US\$1.7 million due mainly to purchase of machinery and equipment for our factories in Vietnam.

Net cash used in financing activities was US\$1.6 million due mainly to (i) repayments of bank loans, trade financing and lease liabilities, offset by bank proceeds.

Given the above, net cash and cash equivalents decreased by US\$4.1 million to US\$11.2 million as at 30 June 2024.

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

No forecast had previously been disclosed. We had previously disclosed in our results announcement for 1H2024 that our financial performance was affected by several key macro factors. We recorded a Net Loss of US\$4.9 million for FY2024.

7. 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

As previously disclosed, there were hopeful signs of demand enquiries from our export clients, which seemed to suggest that the furniture retailers could be on the verge of clearing their excess inventories progressively. Whilst our sales to the US and Europe improved during 2H2024, demand remain uncertain.

We believe that the ongoing geopolitical tensions and global inflationary pressure have caused the pace of inventories replenishment cycles for our export markets to remain highly unpredictable. We further observed that China has continued to set a very modest growth target in FY2024 while dealing with its deepening real estate crisis and industrial overcapacity issues amidst sluggish domestic demand and cautious discretionary spending.

Against this backdrop, we need to manage our working capital cycles more cautiously as we work towards improving supply chain and optimizing factory utilization. We will continue to review and adjust our strategies such that we could adapt to a slower and more cautious pace of business recovery ahead.

8. Dividend information

8a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

No dividend has been recommended for FY2024 as the Group will have to manage its cash flows and working capital more prudently amidst market uncertainty.

8b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

8c. Date Payable

Not applicable.

8d. Books Closure Date

Not applicable.

9. Interested person transactions

The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii).

IPT for FY2024 the period under review was as follows:

Name of Interested Persons	Description of IPT	Value of IPT for the financial period under review (excluding transactions less than S\$100,000) (S\$'000)
Directors of the Company: Koh Jyh Eng Koh Shwu Lee	The Group had, in June 2016, entered a 10-year long-term lease with Zenith Heights Sdn Bhd, of which Ernie 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 lease was terminated in June 2023. Subsequently, in August 2023, the Group entered a new lease to lease the land for 3 years, with an extension option to renew for 3 years, totaling 18 years upon expiry of the initial lease. The IPT for FY2024 with regards to the Lease is as follow: (i) Rental expense (RM271,683)	78 (Note 1)

Note 1: Based on the average exchange rate for FY2024 of S\$1= RM3.4819, the rental expense under the above IPT for FY2024 was approximately 0.12% of the Group's latest audited Net Tangible Asset as at 30 June 2023.

10. 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).

11. Review of performance of the Group – turnover and earnings

Please refer to item 5 above.

12. Disclosure of persons occupying a managerial position who are related to a director, CEO or substantial shareholder

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	41	Son of Executive Chairman and CEO, 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 operations of Commune Lifestyle Pte Ltd and its subsidiaries, focusing on strategic planning, investments, business developments and expansion of its business.	Not applicable
Julian Koh Zhu Lian	38	Son of Executive Chairman and CEO, James Koh Jyh Gang; and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Head of Design since 23 May 2014 and Chief Design Officer of Commune Lifestyle Pte Ltd. Key responsibilities include research and development of new products and brand and concept management of the "Commune" brand	Not applicable
Gan Shee Wen	45	Nephew of Executive Chairman and CEO, James Koh Jyh Gang; and Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Chief Operating and Marketing Officer since 23 May 2014. Key responsibilities include overseeing the sales & marketing functions of the Commune Lifestyle Pte Ltd and its subsidiaries, training of sales staff and management of the distribution business.	Not applicable
Kavin Seow Soo Yeow	58	Spouse of Executive Director, Koh Shwu Lee	Group Manufacturing Director since 1 October 2023 of Koda Ltd. Key responsibilities include overseeing and lead the operation of our furniture manufacturing operations across two overseas plants but also prioritize the growth and development of our cross-functional teams.	Not applicable

BY ORDER OF THE BOARD
JAMES KOH JYH GANG
Executive Chairman and Chief Executive Officer
27 August 2024