



## **KODA LTD**

**(Company Registration No.:198001299R)**

**(The “Company”, and together with its subsidiaries, the “Group”)**

### **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (“1H2025”)**

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

The Group				
6 months ended				
		31 Dec 2024	31 Dec 2023	Change
		("1H2025")	("1H2024")	%
Note		US\$'000	US\$'000	
<b>Revenue</b>	4	<b>27,740</b>	<b>19,959</b>	39.0%
Cost of sales		(19,490)	(14,859)	31.2%
<b>Gross profit</b>		<b>8,250</b>	<b>5,100</b>	61.8%
Other income	5	422	515	-18.1%
Selling and distribution costs		(3,788)	(2,846)	33.1%
Administrative expenses		(3,903)	(4,144)	-5.8%
Other expenses	6	(51)	(562)	-90.9%
Finance costs		(285)	(274)	4.0%
<b>Profit (Loss) before income tax</b>	7	<b>645</b>	<b>(2,211)</b>	N.M
Income tax expense	8	(227)	(148)	53.4%
<b>Profit (Loss) for the period</b>		<b>418</b>	<b>(2,359)</b>	N.M
<b>Profit (Loss) attributable to :</b>				
Owners of the Company		416	(2,342)	N.M
Non-controlling interests		2	(17)	N.M
		<b>418</b>	<b>(2,359)</b>	N.M
<b>Other comprehensive income</b>				
<u>Items that may be reclassified subsequent to profit or loss</u>				
Translation of differences arising from consolidation of foreign operations		437	207	111.1%
<b>Total other comprehensive income for the period, net of tax</b>		<b>437</b>	<b>207</b>	111.1%
<b>Total comprehensive income (loss) for the period</b>		<b>855</b>	<b>(2,152)</b>	N.M
<b>Total comprehensive income (loss) attributable to :</b>				
Owners of the Company		852	(2,126)	N.M
Non-controlling interests		3	(26)	N.M
		<b>855</b>	<b>(2,152)</b>	N.M
<b>Earning (Loss) per share for profit (loss) for the period attributable to the owners of the Company:</b>				
Basic (US cents)	9	0.50	(2.82)	
Diluted (US cents)	9	0.50	(2.82)	

N.M: Not meaningful

## B. Condensed interim statements of financial position

		The Group		The Company	
		31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Note	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		11,273	11,193	8,331	7,072
Trade receivables	10	6,157	8,104	7,321	8,887
Other receivables	11	4,749	3,979	13,718	13,729
Inventories	12	11,782	12,286	-	35
<b>Total current assets</b>		<b>33,961</b>	<b>35,562</b>	<b>29,370</b>	<b>29,723</b>
<b>Non-current assets</b>					
Investment in subsidiaries		-	-	18,611	18,611
Bank balances earmarked for credit facilities	14	479	479	479	479
Club memberships		32	45	32	32
Property, plant and equipment	13	23,874	24,312	8,486	8,560
Right-of-use assets		12,311	12,733	-	-
Other receivables	11	38	86	6,907	6,907
<b>Total non-current assets</b>		<b>36,734</b>	<b>37,655</b>	<b>34,515</b>	<b>34,589</b>
<b>Total assets</b>		<b>70,695</b>	<b>73,217</b>	<b>63,885</b>	<b>64,312</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Bills payable	14	314	319	-	-
Trade payables		3,209	4,862	34	891
Other payables		7,451	7,349	4,982	4,438
Lease liabilities	14	828	1,186	-	-
Current portion of bank loans	14	2,095	2,836	2,095	2,836
Income tax payable		501	450	495	435
<b>Total current liabilities</b>		<b>14,398</b>	<b>17,002</b>	<b>7,606</b>	<b>8,600</b>
<b>Non-current liabilities</b>					
Other payables		71	71	-	-
Deferred tax liabilities		172	167	56	56
Lease liabilities	14	3,309	3,329	-	-
Non-current portion of bank loans	14	7,674	8,432	7,674	8,432
<b>Total non-current liabilities</b>		<b>11,226</b>	<b>11,999</b>	<b>7,730</b>	<b>8,488</b>
<b>Capital and reserves</b>					
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		(422)	(858)	-	-
Accumulated profits		40,794	40,378	43,543	42,218
<b>Equity attributable to owners of the Company</b>		<b>45,293</b>	<b>44,441</b>	<b>48,549</b>	<b>47,224</b>
Non-controlling interests		(222)	(225)	-	-
<b>Total equity</b>		<b>45,071</b>	<b>44,216</b>	<b>48,549</b>	<b>47,224</b>
<b>Total liabilities and equity</b>		<b>70,695</b>	<b>73,217</b>	<b>63,885</b>	<b>64,312</b>

### 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
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2024	4,919	(50)	(159)	211	(858)	40,378	44,441	(225)	44,216
<i>Total comprehensive income for the period:</i>									
Profit for the period	-	-	-	-	-	416	416	2	418
Other comprehensive income	-	-	-	-	436	-	436	1	437
Total	-	-	-	-	436	416	852	3	855
<b>Balance as at 31 Dec 2024</b>	<b>4,919</b>	<b>(50)</b>	<b>(159)</b>	<b>211</b>	<b>(422)</b>	<b>40,794</b>	<b>45,293</b>	<b>(222)</b>	<b>45,071</b>
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	-	-	-	-	-	(2,342)	(2,342)	(17)	(2,359)
Other comprehensive income	-	-	-	-	216	-	216	(9)	207
Total	-	-	-	-	216	(2,342)	(2,126)	(26)	(2,152)
<b>Balance as at 31 Dec 2023</b>	<b>4,919</b>	<b>(50)</b>	<b>(159)</b>	<b>211</b>	<b>(523)</b>	<b>42,558</b>	<b>46,956</b>	<b>(173)</b>	<b>46,783</b>

### C. Condensed interim statements of changes in equity

#### The Company

	Share capital	Treasury shares	Other reserves	Accumulated profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 July 2024	4,919	(50)	137	42,218	47,224
<i>Profit for the period, representing total comprehensive income for the period</i>	-	-	-	1,325	1,325
<b>Balance as at 31 Dec 2024</b>	<b>4,919</b>	<b>(50)</b>	<b>137</b>	<b>43,543</b>	<b>48,549</b>
Balance as at 1 July 2023	4,919	(50)	137	40,213	45,219
<i>Profit for the period, representing total comprehensive income fo the period</i>	-	-	-	635	635
<b>Balance as at 31 Dec 2023</b>	<b>4,919</b>	<b>(50)</b>	<b>137</b>	<b>40,848</b>	<b>45,854</b>

#### D. Condensed interim consolidated statements of cash flows

	The Group	
	6 months ended	
	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
<b>Operating activities</b>		
Profit (Loss) before income tax	645	(2,211)
Adjustments for:		
Depreciation of property, plant and equipment	803	788
Depreciation of right-of-use assets	687	1,069
Inventories written off	15	10
Gain on disposal of property, plant and equipments - net	(1)	-
Gain on derecognition of right-of-use assets	-	(30)
Loss on disposal of club membership	13	-
Allowance for doubtful other receivables -net	-	300
Allowance for inventories -net	-	470
Interest income	(186)	(276)
Interest expense	285	274
<b>Operating cash flows before movements in working capital</b>	<b>2,261</b>	<b>394</b>
Trade receivables	1,947	(904)
Other receivables	(947)	(169)
Inventories	597	655
Trade payables	(1,331)	708
Other payables	23	(176)
<b>Cash generated from operations</b>	<b>2,550</b>	<b>508</b>
Interest received	186	276
Interest paid	(285)	(274)
Income tax paid	(172)	(251)
<b>Net cash generated from operating activities</b>	<b>2,279</b>	<b>259</b>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	1	-
Proceeds from disposal of club memberships	1	-
Purchase of property, plant and equipment	(75)	(1,116)
<b>Net cash used in investing activities</b>	<b>(73)</b>	<b>(1,116)</b>
<b>Financing activities</b>		
(Repayment) Proceeds of bills payables	(5)	35
Repayment of bank loans	(2,777)	(742)
Proceeds from bank loans	1,275	655
Repayment of lease liabilities	(644)	(940)
<b>Net cash used in financing activities</b>	<b>(2,151)</b>	<b>(992)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>55</b>	<b>(1,849)</b>
Cash and cash equivalents at beginning of year	11,193	15,326
Effects of exchange rate change on balance of cash held in foreign currencies	(110)	(33)
<b>Cash and cash equivalents at end of period</b>	<b>11,138</b>	<b>13,444</b>

## **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 ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the Group). The primary activities of the Company are those of relating to the 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 ended 31 December 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 audited financial statements for the year ended 30 June 2024.

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 2024. 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 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 period.

### 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 to 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 31 December 2024 and 2023**

##### Segment revenue and results

	Segment revenue		Segment profit/(loss)	
	1H2025 US\$'000	1H2024 US\$'000	1H2025 US\$'000	1H2024 US\$'000
Manufacturing	22,360	14,375	691	(1,881)
Retail and distribution	5,380	5,584	(132)	(9)
Total	27,740	19,959	559	(1,890)
Finance costs			(285)	(274)
Other income			422	515
Other expenses			(51)	(562)
Profit / (Loss) before income tax			645	(2,211)
Income tax expense			(227)	(148)
Profit / (Loss) for the period			418	(2,359)

Segment assets and liabilities

	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
<b>Segment assets</b>		
Manufacturing	61,807	63,794
Retail and distribution	8,856	9,378
Total segment assets	70,663	73,172
Unallocated assets	32	45
Consolidated total assets	70,695	73,217
<b>Segment liabilities</b>		
Manufacturing	8,555	9,906
Retail and distribution	2,677	2,826
Total segment liabilities	11,232	12,732
Unallocated liabilities	14,392	16,269
Consolidated total liabilities	25,624	29,001

Other segment information

	Depreciation		Additions to non-current assets	
	1H2025 US\$'000	1H2024 US\$'000	1H2025 US\$'000	1H2024 US\$'000
Manufacturing	885	1,165	46	1,527
Retail and distribution	605	692	231	901
Total	1,490	1,857	277	2,428

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

	1H2025 US\$'000	1H2024 US\$'000
<b>Manufacturing segment</b>		
Allowance for doubtful other receivables - net	-	300
Allowance for inventories - net	-	470
<b>Retail and distribution segment</b>		
Inventories written off	15	10

### 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:

	<b>Revenue from external customers based on location</b>	
	<b>1H2025</b>	<b>1H2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Asia-Pacific	6,178	6,790
North America	18,425	10,439
Europe	2,506	2,365
Others	631	365
	<u>27,740</u>	<u>19,959</u>

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

### **5. Other income**

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>("1H2025")</b>	<b>("1H2024")</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Interest income on bank balances	186	276
Foreign exchange gain - net	82	-
Gain on disposal of property, plant and equipment	1	-
Gain on derecognition of right-of-use assets	-	30
Government grant income	27	6
Property tax and rental rebate	5	108
Freight revenue	37	40
Design fee	-	11
Sundry income	84	44
	<u>422</u>	<u>515</u>

### **6. Other expenses**

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>("1H2025")</b>	<b>("1H2024")</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Allowance for doubtful other receivables	-	300
Inventories written off	15	10
Foreign exchange loss - net	-	55
Loss on disposal of club membership	13	-
Loss on misappropriation of assets	-	195
Others	23	2
	<u>51</u>	<u>562</u>

## 7. Profit / (Loss) before income tax

The profit / (loss) before income tax is arrived at after charging the following:

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>("1H2025")</b>	<b>("1H2024")</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Depreciation of property, plant and equipment	803	788
Depreciation of right-of-use assets	687	1,069
Finance costs:		
- Bank interest	263	216
- Lease liabilities	22	58

## 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:

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>("1H2025")</b>	<b>("1H2024")</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Current income tax	273	148
Overprovision in prior years :		
- Income tax	(46)	-
Total	227	148

## 9. Earnings / (Loss) per share

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>("1H2025")</b>	<b>("1H2024")</b>
Based on the weighted average number of ordinary shares on issue (US cents)	0.50	(2.82)
Singapore cents equivalent	0.68	(3.72)
Weighted average number of shares	83,178,782	83,178,782

The fully diluted earnings per share and basic earnings per share are the same for the six months ended 31 December 2024 and 2023 respectively.

## 10. Trade receivables

	The Group		The Company	
	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Outside parties	6,157	8,104	6,090	8,066
Subsidiaries	-	-	1,231	821
	6,157	8,104	7,321	8,887

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

	The Group		The Company	
	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Not past due and not impaired	5,406	7,268	5,449	7,358
Past due but not impaired <sup>(i)</sup>	751	836	1,872	1,529
Total trade receivables, net	6,157	8,104	7,321	8,887

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

	The Group		The Company	
	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
< 30 days	479	712	587	712
31 to 90 days	201	85	297	115
91 to 180 days	23	3	203	2
181 to 360 days	13	15	85	15
> 360 days	35	21	700	685
	751	836	1,872	1,529

## 11. Other receivables

	The Group		The Company	
	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Subsidiaries	-	-	11,394	11,532
Deposits	475	568	8	8
Prepayments to third parties	883	787	133	183
Prepayments to subsidiaries	-	-	10,349	10,149
Government grant receivable	2	2	2	2
Value added tax recoverable	3,404	2,601	17	18
Others	23	107	9	31
	4,787	4,065	21,912	21,923
Less: Allowance for doubtful debts				
Subsidiaries	-	-	(1,287)	(1,287)
	4,787	4,065	20,625	20,636
Less: Non-current portion:				
Deposits	(27)	(27)	-	-
Prepayments	(11)	(59)	-	-
Subsidiaries	-	-	(6,907)	(6,907)
	4,749	3,979	13,718	13,729

## 12. Inventories

	The Group	
	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
Raw material	4,609	4,928
Work-in-progress	3,378	3,808
Finished goods	6,454	6,164
	14,441	14,900
Less: Allowance for inventories	(2,659)	(2,614)
	11,782	12,286
Movement in allowance for inventories:		
Balance at beginning of the year	2,614	2,104
Charge to profit or loss	-	539
Currency translation difference	45	(29)
Balance at end of the year	2,659	2,614

The Company held finished goods of US\$Nil as at 31 Dec 2024 (30 Jun 2024: US\$35,000).

Inventories of US\$15,000 (1H2024: US\$10,000) were written off and recognized directly in profit or loss for goods which are not in saleable conditions.

## 13. Property, plant and equipment

During 1H2025, the Group acquired assets amounting to US\$75,000 (1H2024: US\$1,116,000). The Net book value of assets disposed in 1H2025 was US\$Nil (1H2024: No disposal of assets).

## 14. Bank loans and lease liabilities

	The Group		The Company	
	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
<u>Amount repayable within one year or on demand</u>				
Secured	992	1,318	165	132
Unsecured	2,245	3,023	1,930	2,704
	3,237	4,341	2,095	2,836
<u>Amount repayable after one year</u>				
Secured	10,179	10,298	6,870	6,969
Unsecured	804	1,463	804	1,463
	10,983	11,761	7,674	8,432

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\$7,671,000 as at 31 December 2024 were mainly used for the financing of Group's property, plant and equipment.

## 15. Share capital

	The Group and Company			
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Number of ordinary shares		US\$'000	US\$'000
Issued and paid up:				
At beginning and end of year	83,237,856	83,237,856	4,919	4,919

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 31 December 2024, the number of ordinary shares of 83,237,856 includes treasury shares of 59,074.

	As at 31 Dec 2024		As at 30 June 2024	
Ordinary shares	83,178,782	99.93%	83,178,782	99.93%
Treasury shares	59,074	0.07%	59,074	0.07%
Total	83,237,856	100.00%	83,237,856	100.00%

## 16. Capital reserves

This represents the effects of changes in ownership interests in a subsidiary when there is no change in control. During 1Q2023, 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	
	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000	31 Dec 2024 US\$'000	30 Jun 2024 US\$'000
<b>Financial assets</b>				
Amortised cost (including cash and cash equivalent)	18,407	20,451	26,255	26,722
<b>Financial liabilities</b>				
Amortised cost	18,541	20,620	13,988	14,889
Lease liabilities	4,137	4,515	-	-

## 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

No interim dividends were proposed by the Board of Directors for the 1H2025 and 1H2024.

## 20. Net asset value per share

	The Group		The Company	
	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
Net asset value per ordinary share				
- US cents	54.45	53.43	58.37	56.78
- Singapore cents	74.07	72.58	79.40	77.14



## **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 31 December 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 months 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 1H2025. The number of shares held as treasury shares as at 31 December 2024 was 59,074 (30 June 2024: 59,074), representing 0.07% of the total number of shares of the Company, excluding treasury shares (30 June 2024: 0.07% of the total number of shares of the Company, excluding treasury shares).

There were no convertibles as at the 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 (1H2025 vs 1H2024)**

Revenues increased by US\$7.8 million to US\$27.7 million in 1H2025, primarily due to significantly higher export sales to new customers in the US market. While export sales to Europe and other regions grew by US\$0.41 million, export sales in the Asia-Pacific region fell by US\$0.61 million as domestic consumption in China remained weak.

Gross profit rose by US\$3.2 million to US\$8.3 million on the back of higher revenue and gross margin. Gross margin rose by 4.1 percentage point to 29.7% as a result of improved factory efficiency and higher utilisation rates, thereby resulting in lower unit production cost.

Other income declined by US\$0.09 million to US\$0.42 million, primarily due to (i) lower property tax and rental rebates and (ii) lower fixed deposit interest income, partially offset by a net gain in foreign exchange.

Selling and distribution costs increased by US\$0.94 million to US\$3.79 million, primarily due to (i) accruals of US\$0.69 million for sales commissions and agent service fees, (ii) higher carriage outwards of US\$0.33 million and (iii) higher trade fairs related expenses of US\$0.14, all in line with higher revenue. These increases were partially offset by (iii) a US\$0.37 million decrease in depreciation of right-of-use assets, as one of the warehouses in Vietnam was no longer under lease.

Administrative expenses decreased by US\$0.24 million to US\$3.9 million due mainly to lower depreciation, legal and consultancy fees and sourcing expenses.

Other expenses decreased by US\$0.51 million to US\$0.05 million as the Group, in 1H2024, recorded (i) a loss of US\$0.2 million from the misappropriation of funds (as previously disclosed and updated on 1 November 2023 and 27 December 2023), and (ii) an allowance of US\$0.3 million for loss on assets from the fire incident in Vietnam while there were none during this period under review.

Finance costs remained relatively unchanged at US\$0.28 in 1H2025.

Income tax expense rose by US\$0.08 million to US\$0.23 million due mainly to higher taxable profit for our operations.

Given the above, the Group recorded a profit attributable to Owners of the Company ("Net Profit") of US\$0.42 million in 1H2025, reversing from a net loss of US\$2.36 million in 1H2024. Notably, the Group generated a substantially higher net operating cash flows of US\$2.3 million in 1H2025 compared to US\$0.26 million in 1H2024.

### **Condensed interim statements of financial position (31 December 2024 vs 30 June 2024)**

#### **Assets**

Current assets fell by US\$1.6 million to US\$34 million. Significant movements during the period under review were as follows:

- Trade receivables decreased by US\$1.9 million to US\$6.2 million, primarily due to higher collection in 1H2025. Trade receivable turnover days improved to 41 days (30 June 2024: 70 days).
- Inventories declined by US\$0.5 million to US\$11.8 million, as a result of higher shipped orders in 1H2025; and inventory turnover improved to 111 days (30 June 2024: 137 days).
- The above were partially offset by an increase in Other Receivables by US\$0.8 million, mainly due to higher Value Added Tax receivables from our Vietnam operations.

Non-current assets decreased by US\$0.9 million to US\$36.7 million, primarily due to depreciation and lower additions in 1H2025.

#### **Liabilities**

Current liabilities decreased by US\$2.6 million to US\$14.4 million due mainly to repayments of payables and bank loans. Trade payables turnover was 30 days (30 Jun 2024: 54 days).

Non-current liabilities fell by US\$0.8 million to US\$11.2 million due mainly to repayment of bank loans.

#### **Shareholders' equity**

Net assets or equity attributable to the owners of the Company increased by US\$0.85 million to US\$45.3 million as of 31 December 2024, as a result of Net Profit of US\$0.42 million and an increase in the translation reserve of US\$0.43 million in 1H2025.

## **Condensed interim consolidated statements of cash flows (1H2025 vs 1H2024)**

Net cash from operating activities was US\$2.28 million after accounting for operating cash inflows of US\$2.26 million, net working capital inflows of US\$0.29 million, net of payments for income tax and interest of US\$0.27 million.

Net cash used in investing activities decreased by US\$1.0 million to US\$0.07 million, in the absence of capital expenditures for expansion of Vietnam factories and investments in machinery and equipment, which were incurred in 1H2024.

Net cash used in financing activities rose by US\$1.2 million to US\$2.15 million due mainly to repayments of bank loans and lease liabilities; offset by proceeds from trade bills financing.

As a result of the above, net cash and cash equivalents increased by \$0.06 million to \$11.14 million as of 31 December 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 FY2024 that our business recovery depends on several key macro factors amidst market uncertainties. We recorded a Net Profit of US\$0.42 million for 1H2025.

### **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, whilst furniture industry faced mounting challenges, from rising material and freight costs to slow market recovery trajectory, there were hopeful signs of demand enquiries from our export clients, suggesting that the furniture retailers could be on the verge of clearing their excess inventories progressively. In consistent with this observation, our export sales to the US and Europe rose substantially during the period under review; and we continue to see encouraging order enquiries from these market segments.

Despite higher export sales and more demand enquiries, we remain extremely cautious in view of the recently announced tariff policy in the US, which could send US consumer prices and other outsourcing costs soaring; and that it remains to be seen how would such associated costs be absorbed by the US retailers or passed to the shoppers, which seems to leave the recovering markets uncertain. Meanwhile, there is also little indication that the structural housing issues in China have been addressed while consumer sentiment remains weak, which will continue to affect our retail and distribution business.

Having considered the above, the financial turnaround during the period under review stemmed from improving export revenues and increasing factory efficiencies, which would set the ground for us to perform better in the second half of the year, barring unforeseen circumstances.

### **8. Dividend information**

#### **8a. Current Financial Period Reported on**

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

#### **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 1H2025 the period under review was as follows:

<b>Name of Interested Persons</b>	<b>Description of IPT</b>	<b>Value of IPT for the financial period under review (excluding transactions less than S\$100,000) (S\$'000)</b>
Directors of the Company:  Koh Jyh Eng  Koh Shwu Lee	<p>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 into 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.</p> <p>The IPT for 1H2025 with regards to the Tenancy is as follow:</p> <p>(i) Rental expense (RM148,191)</p>	44 (Note 1)

Note 1: Based on 1H2025 average rate of S\$1= RM3.3356, the rental expense under the above IPT for 1H2025 was approximately 0.07% of the Group's latest audited Net Tangible Asset as at 30 June 2024.

**10. Confirmation pursuant to Rule 705(5)**

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come their attention which may render the unaudited condensed interim financial statements for the six months ended 31 December 2024 to be false or misleading in any material aspect

**11. 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).

## **12. Review of performance of the Group – turnover and earnings**

Please refer to item 5 above.

**BY ORDER OF THE BOARD**  
**JAMES KOH JYH GANG**  
**Executive Chairman and Chief Executive Officer**  
**13 February 2025**