

KODA LTD

Full Year Financial Statements 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 year

Consolidated Statement of Comprehensive income for 12 months ended 30 June 2020

	12 months ended		Change %
	30/06/2020	30/06/2019	
	("FY2020") US\$'000	("FY2019") US\$'000	
Revenue	60,353	57,892	4.3
Cost of sales	(42,282)	(39,648)	6.6
Gross profit	18,071	18,244	(0.9)
Other income	1,215	828	46.7
Selling & distribution expenses	(5,276)	(5,001)	5.5
General & administrative expenses	(9,135)	(8,108)	12.7
Other expenses	(93)	(204)	(54.4)
Finance costs	(157)	(30)	423.3
Share of results of associate	-	*	NM
Profit before tax	4,625	5,729	(19.3)
Income tax expense	(500)	(420)	19.0
Profit for the year	4,125	5,309	(22.3)
Profit attributable to:			
Owners of the Company	4,336	5,309	(18.3)
Non-controlling interests	(211)	-	NM
	4,125	5,309	
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit</u>			
Translation differences arising from consolidation of foreign operations	(412)	(297)	38.7
Other comprehensive income for the period, net of tax	(412)	(297)	
Total comprehensive income for the period	3,713	5,012	(25.9)
Total comprehensive income attributable to:			
Owners of the Company	3,926	5,012	(21.7)
Non-controlling interests	(213)	-	NM
	3,713	5,012	

*Amount less than US\$1,000

NM: Not Meaningful

Notes to Consolidated Statement of Profit or Loss

	12 months ended	
	30/06/2020	30/06/2019
	("FY2020")	("FY2019")
	<u>US\$'000</u>	<u>US\$'000</u>
<u>Other income</u>		
Government grant income	188	-
Property tax and rental rebate	172	-
Rental income	96	73
Interest income	224	170
Foreign exchange gain	177	205
Freight revenue	164	161
Design fee	56	38
Gain on disposal of property, plant & equipment	4	-
Sundry income	134	181
	1,215	828
<u>Other expenses</u>		
Allowance for doubtful trade receivables	(2)	-
Bad debt written off	(4)	-
Other receivables written off	-	(51)
Equity-settled share-based expenses	-	(135)
Inventories written off	(31)	(15)
Loss on disposal of property, plant & equipment	-	(3)
Others	(56)	-
	(93)	(204)

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	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<u>ASSETS</u>				
Current assets				
Cash and bank balances	16,426	13,394	8,843	8,309
Trade receivables	3,639	3,424	4,502	4,334
Other receivables and prepayments	2,613	2,660	6,579	4,256
Inventories	11,347	10,581	46	205
Total current assets	34,025	30,059	19,970	17,104
Non-current assets				
Investment in subsidiaries	-	-	7,935	7,935
Investment in associate	-	2	-	-
Club memberships	207	207	192	192
Property, plant and equipment	13,618	16,116	309	368
Right-of-use assets	5,898	-	572	-
Deferred tax asset	181	102	-	-
Other receivables and prepayments	3,737	-	11,078	-
Total non-current assets	23,641	16,427	20,086	8,495
Total assets	57,666	46,486	40,056	25,599
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	2,682	2,275	3,467	5,714
Other payables	6,613	4,984	2,554	2,207
Lease liabilities	1,201	21	162	-
Bank loans	1,045	182	1,045	182
Income tax payable	630	337	166	-
Total current liabilities	12,171	7,799	7,394	8,103
Non-current liabilities				
Lease liabilities	3,029	-	422	-
Deferred tax liabilities	260	228	-	-
Bank loans	1,669	221	1,669	221
Total non-current liabilities	4,958	449	2,091	221
Capital and reserves				
Share capital	4,786	4,688	4,786	4,688
Treasury shares	(120)	(71)	(120)	(71)
Capital reserves	114	212	40	138
Translation reserve	(41)	369	-	-
Retained earnings	35,867	33,040	25,865	12,520
Equity attributable to owners of the Cor	40,606	38,238	30,571	17,275
Non-controlling interests	(69)	-	-	-
Total equity	40,537	38,238	30,571	17,275
Total liabilities and equity	57,666	46,486	40,056	25,599

(b)(ii) Aggregate amount of group's borrowings and debt securities as at the end of the current financial year reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

	As at 30/6/2020 (US\$'000)		As at 30/6/2019 (US\$'000)	
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	1,201	-	21	-
Bank loans	-	1,045	-	182
Total	1,201	1,045	21	182

Amount repayable after one year

	As at 30/6/2020 (US\$'000)		As at 30/6/2019 (US\$'000)	
	Secured	Unsecured	Secured	Unsecured
Lease liabilities	3,029	-	-	-
Bank loans	-	1,669	-	221
Total	3,029	1,669	-	221

Borrowings and gearing ratio

Total borrowings and debts of US\$6.9 million as at 30 June 2020 comprise short-term borrowings, long-term loans and lease liabilities. Total borrowings and debts rose by US\$6.5 million compared to 30 June 2019 due to the adoption of SFRS(I)16 Leases where lease liabilities representing the Group's obligations to make lease payments were recognised and at the same time, recognise a corresponding right-of-use (ROU) asset representing the right to use the underlying asset in relation to the leases.

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.

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

	12 months ended	
	30/06/2020	30/06/2019
	("FY2020")	("FY2019")
	<u>US\$'000</u>	<u>US\$'000</u>
Cash flows from operating activities		
Profit before income tax	4,625	5,729
Adjustments for:		
Depreciation of property, plant and equipment	1,731	1,627
Depreciation of right-to-use assets	1,392	-
Equity-settled share-based expenses	-	135
(Gain)/Loss on disposal of property, plant and equipment	(4)	3
Property, plant and equipment written off	-	4
Allowance of doubtful trade receivables	2	-
Trade receivables written off	4	-
Loss on disposal of associate company	1	-
Inventories written off	31	15
Allowance for inventories	352	234
Other receivables written off	-	51
Share of results of associate	-	*
Interest income	(224)	(170)
Interest expense	157	30
Operating cash flows before working capital changes	8,067	7,658
Trade receivables	(221)	481
Other receivables and prepayments	47	(246)
Inventories	(1,036)	(1,278)
Trade payables	407	(493)
Other payables	1,629	(298)
Cash generated from operations	8,893	5,824
Interest received	224	170
Interest paid	(157)	(30)
Income tax paid	(254)	(600)
Net cash from operations	8,706	5,364
Cash flows from investing activities		
Deposits for property, plant and equipment	(3,737)	-
Purchase of property, plant and equipment	(1,308)	(936)
Proceeds from disposal of property, plant and equipment	28	80
Net cash used in investing activities	(5,017)	(856)
Cash flows from financing activities		
Decrease in bills payables	-	(52)
Dividends paid	(1,509)	(1,195)
Purchase of treasury shares	(49)	-
Repayment of bank loans	(338)	(189)
Proceeds from bank loans	2,650	-
Repayment of finance leases	(21)	(48)
Repayment of lease liabilities	(1,211)	-
Net cash used in financing activities	(478)	(1,484)
Net increase in cash and cash equivalents	3,211	3,024
Cash and cash equivalents at beginning of year	13,394	10,502
Effect of foreign exchange translation	(179)	(132)
Cash and cash equivalents at end of year	16,426	13,394

*Amount less than US\$1,000

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

<u>Statement of Changes in Equity</u>								
US\$'000	Share Capital	Treasury Shares	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
Group								
Balance as at 1/7/2019	4,688	(71)	212	369	33,040	38,238	-	38,238
Total comprehensive income	-	-	-	(410)	4,336	3,926	(213)	3,713
Dividends paid	-	-	-	-	(1,509)	(1,509)	-	(1,509)
Issue of new shares	98	-	(98)	-	-	-	-	-
Repurchase of shares	-	(49)	-	-	-	(49)	-	(49)
Non-controlling interest from investment in a subsidiary	-	-	-	-	-	-	144	144
Balance as at 30/6/2020	4,786	(120)	114	(41)	35,867	40,606	(69)	40,537
Company								
Balance as at 1/7/2019	4,688	(71)	138	-	12,520	17,275	-	17,275
Total comprehensive income	-	-	-	-	14,854	14,854	-	14,854
Dividends paid	-	-	-	-	(1,509)	(1,509)	-	(1,509)
Issue of new shares	98	-	(98)	-	-	-	-	-
Repurchase of shares	-	(49)	-	-	-	(49)	-	(49)
Balance as at 30/6/2020	4,786	(120)	40	-	25,865	30,571	-	30,571

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

<u>Statement of Changes in Equity</u>								
US\$'000	Share Capital	Treasury Shares	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
Group								
Balance as at 1/7/2018	4,525	(71)	240	666	28,926	34,286	-	34,286
Total comprehensive income	-	-	-	(297)	5,309	5,012	-	5,012
Dividends paid	-	-	-	-	(1,195)	(1,195)	-	(1,195)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	135	-	-	135	-	135
Balance as at 30/6/2019	4,688	(71)	212	369	33,040	38,238	-	38,238
Company								
Balance as at 1/7/2018	4,525	(71)	166	-	12,192	16,812	-	16,812
Total comprehensive income	-	-	-	-	1,523	1,523	-	1,523
Dividends paid	-	-	-	-	(1,195)	(1,195)	-	(1,195)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	135	-	-	135	-	135
Balance as at 30/6/2019	4,688	(71)	138	-	12,520	17,275	-	17,275

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

On 19 December 2019, the Company allotted and issued 225,382 New Shares to participants under the Performance Share Plan 2018. Following the allotment and issuance of the New Shares, the total number of Shares of the Company increased from 82,513,620 (excluding 230,000 treasury shares) to 82,739,002 (excluding 230,000 treasury shares).

As at 30 June 2020, the issued share capital of the Company (excluding 390,000 treasury shares and nil subsidiary holdings) comprises 82,579,002 Shares (30 June 2019: 82,513,620). The number of Shares held as treasury shares and the number of subsidiary holdings as at 30 June 2020 was 390,000 and nil respectively (30 June 2019: 230,000 and nil respectively) which in aggregate represents 0.47% of the total number of Shares of the Company (excluding treasury shares and subsidiary holdings) as at that date (30 June 2019: 0.28% of the total number of Shares of the Company (excluding treasury shares and subsidiary holdings) as at that date).

There are no convertibles 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.

(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.

	<u>30/6/2020</u>	<u>30/6/2019</u>
Total number of issued shares (excluding treasury shares)	82,579,002	82,513,620

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

The number of Shares held as treasury shares as at 30 June 2020 was 390,000. There were no sales, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

(v) 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

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.

3A. 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

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 in the preparation of the financial information for the current financial period reported on as those used in the most recent audited financial statements, except as disclosed in Section 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 has on 1 July 2019, adopted the new Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases. In adopting SFRS(I)16, the Group has recognised liabilities for non-cancellable operating lease commitments and recognised a corresponding right-of-use assets to be amortised on a straight-line basis over the lease period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

		FY2020	FY2019
(i)	Based on weighted average number of ordinary shares issued (US\$ cents)	5.25	6.44
	S\$ cents equivalent	7.30	8.69
	Weighted average number of shares ('000)	82,596	82,383
(ii)	Based on weighted average number of ordinary shares issued (US\$ cents)	5.25	6.44
	S\$ cents equivalent	7.30	8.69
	Weighted average number of shares ('000)	82,596	82,383

Note:

Earnings per ordinary share ("EPS") for FY2020 was computed based on 82,596,281 (FY2019:82,382,872) weighted average number of ordinary shares issued.

⁽¹⁾ Equivalent amounts in S\$ for EPS have been provided for comparative purposes, based on a closing rate as at 30 June 2020 of US\$1 = S\$1.39 (30 June 2019: US\$1 = S\$1.35).

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

Net asset value ("NAV") per ordinary share	Group		Company	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019
US\$ cents	49.1	46.3	37.0	20.9
S\$ cents equivalent ⁽¹⁾	68.2	62.5	51.4	28.2

Note:

Net asset value ("NAV") per ordinary share was computed based on 82,579,002 number of issued shares as at 30 June 2020 (30 June 2019: 82,513,620 number of issued shares).

⁽¹⁾ Equivalent amounts in S\$ for NAV per ordinary share have been provided for comparative purposes, based on a closing rate as at 30 June 2020 of US\$1 = S\$1.39. (30 June 2019: US\$1 = S\$1.35).

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.**

Financial Performance (FY2020 vs FY2019)

Revenue for FY2020 rose by US\$2.5 million to US\$60.4 million due mainly to higher export sales to our key markets despite various control measures amid the Covid-19 Pandemic (the "Restrictions") specifically from (i) the Movement Control Order imposed by the Malaysian Government during which our factories in Malaysia operated at 50% of its manpower capacity; and (ii) Circuit Breaker in Singapore and cities lockdown across China which had affected our retail and distribution business.

Gross profit fell slightly by US\$0.2 million to US\$18.1 million due mainly to (i) higher labor costs, (ii) higher provisions for slow-moving inventories and (iii) lower sales contribution from Commune's retail and distribution business as a result of the Restrictions.

Other income rose by US\$0.4 million to US\$1.2 million due mainly to (i) government grant (ii) property tax & rental rebates and (iii) higher interest income.

Selling & distribution expenses rose US\$0.3 million to US\$5.3 million due mainly to higher marketing expenses and staff cost relating to Chongqing subsidiary despite lower trade fair and travelling expenses due to the Restrictions.

General and administrative expenses rose by US\$1.0 million to US\$9.1 million due mainly to (i) higher amortisation expenses of US\$0.6 million due mainly from set-up and renovations of new retail shops (ii) One time special bonuses of US\$0.4 million for the Management having considered the Group's financial performance for FY2018 to FY2020 (Note: including the Net Profit after Tax for FY2020, the Group achieved an accumulated Net Profits of approximately US\$15.0 million over the last 3 financial years and (iii) accrual of the proposed retirement benefit of US\$0.4 million for the Founding Chairman, the payments of which will be tabled for shareholders' approval in the upcoming Annual General Meeting ("AGM 2020") (Note: the Founding Chairman will be retiring and will not be seeking re-election that the details of the retirement benefit will be set out in the Notice of AGM 2020). Travelling expenses however fell due to the Restrictions.

Finance costs rose by US\$0.1 million due to adoption of SFRS(I)16 Leases as disclosed in paragraph 5.

Income tax expense rose by US\$0.1 million to US\$0.5 million due mainly to higher effective tax rates on taxable profits of our operations.

Given the above, Profits attributable to Owners of the Company ("**Net Profit**") fell by US\$1.0 million to US\$4.3 million for FY2020 while the Group recorded Operating Cash Flows Before Working Capital Changes of US\$8.1 million for FY2020, excluding non-cash expenses.

Financial Position (30 June 2020 vs 30 June 2019)

Assets

Current assets rose by US\$3.9 million to US\$34.0 million. Significant movements during the year under review were as follows:

- Cash and bank balances rose by US\$3.0 million to US\$16.4 million due mainly to higher operating cash flows and lower working capital investments, net of dividends payment (final dividend for FY2019 and interim dividend for 1H2020) during the year under review.
- Trade receivables rose by US\$0.2 million to US\$3.6 million on the back of higher export sales in FY 2020. Trade receivable turnaround period remained unchanged at 22 days.
- Inventories rose by US\$0.7 million to US\$11.3 million due mainly to higher finished goods awaiting shipments as at the balance sheet date. These inventories were fully shipped in July 2020.

Non-current assets rose by US\$7.2 million to US\$23.6 million due mainly to (i) recognition of right-of-use assets from the adoption of SFRS(I)16 Leases as disclosed in the above Note 5; and (ii) deposit paid for the purchase of land in Vietnam.

Liabilities

Current liabilities rose by US\$4.4 million to US\$12.2 million. Significant movements during the year under review were as follows:

- Trade payables rose by US\$0.4 million to US\$2.7 million on the back of higher purchases. Trade payable turnaround period was 23 days as at 30 June 2020 (21 days:30 June 2019)
- Other payables rose by US\$1.6 million to US\$6.6 million due mainly to accruals of long-term performance bonuses for the Management and retirement benefit for the Founding Chairman. (Please refer to details in Financial Performance in the above) .
- Lease liabilities rose to US\$1.2 million due to adoption of SFRS(I)16 Leases, as disclosed in the above Note 5.
- Bank loans rose by US\$0.8 million to US\$1.0 million due to additional financing for the purchase of land in Vietnam.

Non-current liabilities rose by US\$4.6 million to US\$5.0 million due mainly to (i) recognition of lease liabilities from the adoption of SFRS(I)16 Leases as disclosed in paragraph 5 and (ii) additional bank loans for the purchase of land in Vietnam.

Total Loans as at 30 June 2020 included US\$2.65 million for financing of land purchase in Vietnam. Of which, US\$1.7 million and US\$0.95 million were recorded as non-current liabilities and current liabilities, respectively.

Shareholders' equity

Net asset or Equity attributable to shareholders rose by US\$2.3 million to US\$40.5 million as at 30 June 2020 due to (i) increased capital pursuant to the issue of new shares under the Performance Share Plan; (ii) current year earnings of US\$4.3 million; and (iii) after accounting for payment of total dividends (final dividend for FY2019 and interim dividend for 1H2020) of US\$1.5 million.

Cash Flows (FY2020 vs FY2019)

Net cash from operating activities was US\$8.7 million for FY2020 after accounting for operating cash flows of US\$8.1 million, lower working capital investments of US\$0.8 million and net of payments for income tax and interest of US\$0.2 million.

Net cash used in investing activities was US\$5.0 million due mainly to payments for the purchase of land in Vietnam.

Net cash used in financing activities was US\$0.5 million due mainly to total dividends payment of US\$1.5 million (final dividend for FY2019 and interim dividend for 1HY2020), repayment of finance leases, partially offset by proceeds from bank loans (net of repayments during the year).

Given the above, net cash and cash equivalents rose by US\$3.2 million to US\$16.4 million as at 30 June 2020.

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 stated in the results announcement for 1H2020 that barring any unforeseen circumstances, the Group expected to remain profitable in FY2020.

The Group reported a Net Profit of US\$4.3 million for the year ended 30 June 2020.

10. 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

Whilst countries lockdown and travel restrictions amid the Covid-19 pandemic have adversely disrupted key supply chain for many businesses, we managed to sustain our export sales to key markets for FY2020 due partly to higher demand for furniture arising from work-from-home arrangements. This stay-at-home measure seems to be a continuing trend which has led to procurement of healthy orders from our key export markets.

However, the resurgence of Covid-19 infections, the US-China friction and the geopolitical uncertainty continue to pose significant risks across several industries which are already slowing and facing tremendous pressure during this pandemic-hit time. As such, while we are gearing up our production capacity to meet delivery lead time over the next few months, it is premature for us to be over-optimistic.

Meanwhile, China appears to have been successful in containing the spread of Covid-19 and many businesses are largely operational now. We have seen improvement in post-lockdown sales and have been receiving enquiries on new stores opening for Commune. While the Chinese government is shifting focus towards economic normalisation, it is rare to see that China did not set any economic growth target for 2020. As a result, our strategy for

Commune's expansion plans in China are more progressive rather than aggressive even when the pandemic has recently shown signs of stabilising in China.

Under these foreseen circumstances, the world economy has fallen into recession. Under these market conditions, we believe that the Group will remain profitable for FY2021 if we can continue to adopt a more conservative strategy, arising from which we hope to reduce margins erosion risk through improving factories efficiency while keeping our operating costs down as we continue to strengthen our Commune brand in China.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes

Name of Dividend:	1HY20 Interim Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.25
US\$ cent equivalent	0.19
Tax rate	One-tier tax exempt

Name of Dividend:	1HY20 Special Interim Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.25
US\$ cent equivalent	0.19
Tax rate	One-tier tax exempt

The 1HY20 Interim Dividend and 1HY20 Special Interim Dividend were declared on 28 February 2020 and paid on 27 March 2020.

Name of Dividend:	FY20 Final Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.75
US\$ cent equivalent	0.54
Tax rate	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend:	1HY19 Interim Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.25
US\$ cent equivalent	0.19
Tax rate	One-tier tax exempt
Name of Dividend:	1HY19 Special Interim Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.25
US\$ cent equivalent	0.19
Tax rate	One-tier tax exempt

The 1HY19 Interim Dividend and 1HY19 Special Interim Dividend were declared on 13 February 2019 and paid on 25 March 2019.

Name of Dividend:	FY19 Final Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	0.75
US\$ cent equivalent	0.56
Tax rate	One-tier tax exempt
Name of Dividend:	FY19 Special Final Dividend
Dividend Type:	Cash
Dividend Rate:	
- Per ordinary share (S\$ cent)	1.25
US\$ cent equivalent	0.93
Tax rate	One-tier tax exempt

Note:

- (1) Equivalent amounts in US\$ have been provided for comparative purposes, based on a closing rate at 30 June 2020 of US\$1=S\$1.39 (30 June 2019: US\$1=S\$1.35).
- (2) Interim and Final dividend include special interim dividends and special final dividends where applicable.

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

The dividend is tax-exempt one-tier.

(d) Date payable

To be determined and announced at a later date.

(e) Books closure date

To be determined and announced at a later date.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

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

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

IPTs during 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)
Koh Jyh Eng Koh Shwu Lee (Directors of the Company)	The Group had, in June 2016, entered into a 10-year long-term lease with Zenith Heights Sdn Bhd (of which Koh Jyh Eng & Koh Shwu Lee are Directors) for land owned by Zenith Heights Sdn Bhd to build warehousing facilities in Malaysia (the "Lease"). The IPT for FY2020 with regards to the Lease is as follow: (i) Rental expense (RM296,382)	97
Koh Teng Kwee	Proposed retirement benefit for the Founding Chairman, the payments of which will be tabled for shareholders' approval in the upcoming Annual General Meeting ("AGM 2020") (Note: the Founding Chairman will be retiring and will not be seeking re-election and that the details of the retirement benefit will be set out in the Notice of AGM 2020)	500

Based on a closing rate as at 30 June 2020 of US\$1= S\$1.39. The above IPTs for FY2020 constitutes approximately 1.12% of the Group's audited NTA as at 30 June 2019.

14. 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).

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Quarterly (Q1, Q2 & Q3), or Half-Year Announcements.)**

15. Segmental 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 comprehensive information for the immediately preceding year.

The Group is primarily engaged in two business segments, namely manufacturing & retail and distribution. The Group adopts these two business segments as the basis for its primary segment information Primary segment information for the Group based on business segments are as follows:

	Segment revenue		Segment profit/(loss)	
	FY 2020	FY 2019	FY 2020	FY 2019
	US\$'000	US\$'000	US\$'000	US\$'000
Manufacturing	49,473	47,004	3,945	4,265
Retail and distribution	10,880	10,888	(285)	870
Total	60,353	57,892	3,660	5,135
Finance costs			(157)	(30)
Other income			1,215	828
Other expenses			(93)	(204)
Share of profit of an associated company			-	*
Profit before tax			4,625	5,729
Income tax expense			(500)	(420)
Profit for the year			4,125	5,309
Non-controlling interests			(211)	-
Profit attributable to owners of the Company			4,336	5,309

*Amount less than US\$1,000

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

	FY 2020		FY 2019		Change US\$'000
	US\$'000	%	US\$'000	%	
Asia-Pacific	21,205	35.1%	23,565	40.7%	(2,360)
North America	33,356	55.3%	28,187	48.7%	5,169
Europe	5,155	8.5%	5,024	8.7%	131
Others	637	1.1%	1,116	1.9%	(479)
Total Revenue	60,353	100%	57,892	100%	2,461

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.

Not applicable.

17. A breakdown of sales

	FY 2020	FY 2019	Change	
	US\$'000	US\$'000	US\$'000	%
(a) Sales reported for first half year	34,253	30,369	3,884	12.8
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	4,035	3,827	208	5.4
(c) Sales reported for second half year	26,100	27,523	(1,423)	(5.2)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	90	1,482	(1,392)	(93.9)

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

	Latest Full Year		Previous Full Year	
	US\$'000	S\$'000	US\$'000	S\$'000
Interim	297	413	306	413
Final	445	619	1,222	1,650
	<u>742</u>	<u>1,032</u>	<u>1,528</u>	<u>2,063</u>

Note:

- (1) Equivalent amounts in US\$ have been provided for comparative purposes, based on a closing rate at 30 June 2020 of US\$1=S\$1.39 (30 June 2019:US\$1=S\$1.35).
- (2) Interim and Final dividend include special interim dividends and special final dividends where applicable.

Dividend Track Record

The Group paid dividends of S\$545,000, S\$1,370,000, S\$1,440,000 and S\$ 2,063,000 for FY2016, FY2017, FY2018 and FY2019 respectively. For FY2020, the Group paid total interim dividends of S\$413,000 and declared total final dividends of S\$619,000.

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	37	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, 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 the 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	35	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh Jyh Gang; 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.	Not applicable.
Gan Shee Wen	41	Grandchild of non-executive Chairman, Koh Teng Kwee; and nephew of Managing Director, James Koh Jyh Gang; and Executive Directors, Koh Shwu Lee and Koh Jyh Eng.	VP (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.	Not applicable.

**BY ORDER OF THE BOARD
JAMES KOH JYH GANG
Managing Director
28 August 2020**