

**KODA LTD**  
**Full Year Financial Statement and Dividend Announcement**

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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 period**

**Consolidated Profit and Loss Statements for 4Q15 and 12 months ended 30 June 2015**

	3 months ended 30/06/15 ("4Q15") US\$'000	3 months ended 30/06/14 ("4Q14") US\$'000	Change %	12 months ended 30/06/15 US\$'000	12 months ended 30/06/14 US\$'000	Change %
<b>Revenue</b>	<b>10,816</b>	<b>13,426</b>	<b>(19.4)</b>	<b>47,324</b>	<b>52,323</b>	<b>(9.6)</b>
Cost of sales	(8,382)	(10,247)	(18.2)	(36,036)	(39,954)	(9.8)
<b>Gross profit</b>	<b>2,435</b>	<b>3,179</b>	<b>(23.4)</b>	<b>11,288</b>	<b>12,368</b>	<b>(8.7)</b>
Other operating income	1,614	240	572.9	2,235	470	375.1
Selling and distribution costs	(874)	(954)	(8.3)	(4,341)	(4,474)	(3.0)
Administrative expenses	(1,736)	(1,872)	(7.3)	(6,834)	(7,872)	(13.2)
Other operating expenses	(1,485)	(1,450)	2.4	(2,331)	(1,461)	59.6
Finance costs	(28)	(71)	(60.2)	(175)	(268)	(34.8)
Share of (loss) profit of associate	(5)	-	N/A	5	-	N/A
<b>Loss before income tax</b>	<b>(80)</b>	<b>(929)</b>	<b>(91.4)</b>	<b>(154)</b>	<b>(1,236)</b>	<b>(87.6)</b>
Income tax expense	(281)	(221)	27	(783)	(476)	64.6
<b>Loss after income tax</b>	<b>(361)</b>	<b>(1,150)</b>	<b>(68.6)</b>	<b>(937)</b>	<b>(1,712)</b>	<b>(45.3)</b>
Attributable to:-						
<b>Equity holders of the parent</b>	<b>420</b>	<b>(983)</b>	<b>NA</b>	<b>424</b>	<b>(1,237)</b>	<b>NA</b>
Minority interests	(781)	(166)	369.4	(1,361)	(475)	186.5
	<b>(361)</b>	<b>(1,150)</b>	<b>(68.6)</b>	<b>(937)</b>	<b>(1,712)</b>	<b>(45.3)</b>

**Note: For comparison purposes, please refer to Table 1 in Note 8 for details of the Group's quarterly results for FY2014 & FY2015.**

## Notes to Consolidated Profit and Loss Statements

	3 months ended 30/06/15 ("4Q15") US\$'000	3 months ended 30/06/14 ("4Q14") US\$'000	12 months ended 30/06/15 US\$'000	12 months ended 30/06/14 US\$'000
<b><u>Other operating income</u></b>				
Rental income	44	62	184	157
Interest income	85	19	92	32
Exchange gain	33	-	187	1
Gain on disposal of property, plant & equipment	1,284	-	1,299	11
Gain on disposal of intangible asset	-	33	-	33
Others	168	125	472	236
	<b>1,614</b>	<b>240</b>	<b>2,235</b>	<b>470</b>

	3 months ended 30/06/15 ("4Q15") US\$'000	3 months ended 30/06/14 ("4Q14") US\$'000	12 months ended 30/06/15 US\$'000	12 months ended 30/06/14 US\$'000
<b><u>Other operating expenses</u></b>				
Allowances for inventories	(368)	(416)	(969)	(416)
Allowances for doubtful debts	(15)	-	(15)	(134)
Bad debts written off	(52)	(183)	(52)	(47)
Loss on changes of fair value of investment property	(10)	-	(10)	-
Loss on disposal of subsidiary	(604)	-	(604)	-
Impairment of goodwill	-	(448)	-	(448)
Impairment of intangible assets	-	-	(205)	-
Impairment loss of property, plant & equipment	(159)	-	(159)	-
Impairment loss on assets held for sale	(56)	-	(56)	-
Others	(221)	(403)	(261)	(416)
	<b>(1,485)</b>	<b>(1,450)</b>	<b>(2,331)</b>	<b>(1,461)</b>

## Statement of Comprehensive Income

	3 months ended 30/06/15 ("4Q15") US\$'000	3 months ended 30/06/14 ("4Q14") US\$'000	12 months ended 30/06/15 US\$'000	12 months ended 30/06/14 US\$'000
Profit (Loss) after Income Tax	(361)	(1,150)	(937)	(1,712)
Other comprehensive income	398	1,001	(799)	735
<b>Total comprehensive income</b>	<b>37</b>	<b>(149)</b>	<b>(1,736)</b>	<b>(977)</b>
Attributable to :-				
<b>Equity holders of the parent</b>	<b>466</b>	<b>(67)</b>	<b>(748)</b>	<b>(523)</b>
Minority interests	(429)	(82)	(988)	(454)
	<b>37</b>	<b>(149)</b>	<b>(1,736)</b>	<b>(977)</b>

**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**

As at	Group		Company	
	30/06/15 US\$'000	30/06/14 US\$'000	30/06/15 US\$'000	30/06/14 US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	3,133	2,050	1,099	447
Trade Receivables	4,055	4,014	7,436	9,087
Other receivables and prepayments	2,772	2,562	5,910	6,472
Inventories	7,348	15,858	-	-
Assets classified as held for sale	2,510	-	-	-
<b>Total current assets</b>	<b>19,819</b>	<b>24,484</b>	<b>14,445</b>	<b>16,006</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	8,135	9,823
Investment in associate	10	-	-	-
Property, plant and equipment	11,599	13,566	788	494
Investment Properties	934	2,800	-	-
Intangibles assets	-	230	-	-
Available-for-sale investments	25	-	25	-
Club memberships	209	211	192	192
Goodwill on consolidation	-	758	-	-
Deferred tax asset	326	377	3	3
<b>Total non-current assets</b>	<b>13,103</b>	<b>17,942</b>	<b>9,143</b>	<b>10,512</b>
<b>Total assets</b>	<b>32,922</b>	<b>42,426</b>	<b>23,588</b>	<b>26,518</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bills payable	2,826	6,960	2,163	4,590
Trade payables	2,384	4,178	7,655	4,807
Other payables	2,634	4,725	957	1,242
Finance lease obligation : current portion	93	64	72	32
Bank loans and overdrafts : current portion	604	838	604	801
Income tax payable	212	130	-	-
Liabilities associated with assets held for sale	1,261	-	-	-
<b>Total current liabilities</b>	<b>10,015</b>	<b>16,895</b>	<b>11,451</b>	<b>11,472</b>
<b>Non-current liabilities</b>				
Finance lease obligations	140	68	74	40
Non-current portions of bank loans	306	639	306	639
Due to related parties	-	693	-	-
Deferred taxation	755	688	-	-
<b>Total non-current liabilities</b>	<b>1,200</b>	<b>2,088</b>	<b>380</b>	<b>679</b>
<b>Capital and reserves</b>				
Issued capital	4,312	4,312	4,312	4,312
Capital reserves	5,373	5,047	58	58
Currency translation reserve	(1,121)	378	-	-
Retained earnings	13,359	12,934	7,387	9,997
<b>Equity attributable to shareholders</b>	<b>21,923</b>	<b>22,671</b>	<b>11,757</b>	<b>14,367</b>
Minority interests	(216)	772	-	-
<b>Total equity</b>	<b>21,707</b>	<b>23,443</b>	<b>11,757</b>	<b>14,367</b>
<b>Total Liabilities and Equity</b>	<b>32,922</b>	<b>42,426</b>	<b>23,588</b>	<b>26,518</b>

**(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

As at 30/06/15 (US\$'000)		As at 30/6/14 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
3,524	-	7,862	-

**Amount repayable after one year**

As at 30/06/15 (US\$'000)		As at 30/6/14 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
445	-	706	-

**Borrowings and gearing ratio**

Total borrowings of US\$4.0 million as at 30 June 2015 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings fell by US\$4.6 million compared to 30 June 2014 due to loan repayments.

The Group's gearing ratio was 0.18 times as at 30 June 2015 compared to 0.38 times as at 30 June 2014.

**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.

The Group's finance lease obligations are secured by the lessors' charge over the leased assets.

**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**

**Consolidated Cash Flows Statement**

	3 months ended 30/06/15 ("4Q15") <u>US\$'000</u>	3 months ended 30/06/14 ("4Q14") <u>US\$'000</u>	12 months ended 30/06/15 <u>US\$'000</u>	12 months ended 30/06/14 <u>US\$'000</u>
<b>Cash flows from operating activities</b>				
Loss before income tax	(80)	(929)	(154)	(1,236)
Adjustments for:	-	-	-	-
Depreciation and amortization expenses	309	341	1,275	1,338
Allowance for inventories	368	416	969	416
Inventories written off	-	-	-	206
Impairment of goodwill	-	448	-	448
Impairment of assets held for sale	56	-	56	-
Impairment losses on property, plant and equipment	159	-	159	-
Revaluation loss on investment properties	10	-	10	-
Allowance for doubtful trade receivables	15	183	15	134
Bad debts written off	52	-	52	47
Loss on disposal of subsidiary	604	-	604	-
Gain on disposal of fixed assets	(1,284)	-	(1,299)	(11)
Gain on disposal of intangible asset	-	(33)	-	(33)
Share of (loss) profit of associate	4	-	(5)	-
Interest income	(85)	(19)	(92)	(32)
Interest expense	29	71	175	268
Impairment of intangible asset	-	-	205	-
<b>Operating profit before working capital changes</b>	<b>157</b>	<b>478</b>	<b>1,971</b>	<b>1,545</b>
Trade receivables	(1,313)	(12)	(635)	(208)
Other receivables and prepayments	(773)	857	(1,044)	339
Inventories	1,940	524	4,871	1,139
Trade payables	1,426	(385)	546	(362)
Other payables	(1,326)	165	666	(393)
<b>Net Cash (used in)/generated from operations</b>	<b>111</b>	<b>1,627</b>	<b>6,376</b>	<b>2,060</b>
Interest received	85	19	92	32
Interest paid	(28)	(71)	(175)	(268)
Income tax paid	27	278	(338)	(178)
<b>Net cash (used in)/generated from operating activities</b>	<b>196</b>	<b>1,853</b>	<b>5,955</b>	<b>1,646</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(333)	(205)	(1,264)	(510)
Net cash outflows from acquisition of an associate	-	-	(6)	-
Disposal of subsidiary	(437)	-	(437)	-
Proceeds from disposal of intangible asset	-	210	-	210
Proceeds from disposal of property, plant and equipment	1,826	-	1,897	153
<b>Net cash generated from/(used in) investing activities</b>	<b>1,056</b>	<b>5</b>	<b>190</b>	<b>(147)</b>

## Consolidated Cash Flows Statement (continued)

	3 months ended 30/06/15 ("4Q15") <u>US\$'000</u>	3 months ended 30/06/14 ("4Q14") <u>US\$'000</u>	12 months ended 30/06/15 <u>US\$'000</u>	12 months ended 30/06/14 <u>US\$'000</u>
<b>Cash flows from financing activities</b>				
Net decrease in short-term borrowings	(1,307)	(1,830)	(4,201)	(1,628)
Net (decrease) increase in long-term borrowings	(114)	880	(333)	139
<b>Net cash used in financing activities</b>	<b>(1,421)</b>	<b>(950)</b>	<b>(4,534)</b>	<b>(1,489)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(169)</b>	<b>908</b>	<b>1,611</b>	<b>10</b>
Cash and cash equivalents at beginning of period / year	2,901	1,274	1,545	1,534
Currency translation differences	130	(637)	(294)	1
<b>Cash and cash equivalents at end of period / year</b>	<b>2,862</b>	<b>1,545</b>	<b>2,862</b>	<b>1,545</b>
Represented by:				
<b>Cash and bank balances (inclusive of Fixed Deposit)</b>	<b>3,133</b>	<b>2,050</b>	<b>3,133</b>	<b>2,050</b>
<b>Bank overdraft</b>	<b>(271)</b>	<b>(505)</b>	<b>(271)</b>	<b>(505)</b>
	<b>2,862</b>	<b>1,545</b>	<b>2,862</b>	<b>1,545</b>

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

	Issued Capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Minority interests	Total
<b>US\$'000</b>							
<b>Group</b>							
Balance as at 1/7/14	4,312	5,047	378	12,934	22,671	772	23,443
Total comprehensive income	-	326	(1,499)	425	(748)	(988)	(1,736)
<b>Balance as at 30/06/15</b>	<b>4,312</b>	<b>5,373</b>	<b>(1,121)</b>	<b>13,359</b>	<b>21,923</b>	<b>(216)</b>	<b>21,707</b>
<b>Company</b>							
Balance as at 1/7/14	4,312	58	-	9,997	14,367	-	14,367
Total comprehensive income	-	-	-	(2,610)	(2,610)	-	(2,610)
<b>Balance as at 30/06/15</b>	<b>4,312</b>	<b>58</b>	<b>-</b>	<b>7,387</b>	<b>11,757</b>	<b>-</b>	<b>11,757</b>

	Issued Capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Minority interests	Total
<b>US\$'000</b>							
<b>Group</b>							
Balance as at 1/7/13	4,312	4,208	503	14,171	23,194	1,226	24,420
Total comprehensive income	-	839	(125)	(1,237)	(523)	(454)	(977)
<b>Balance as at 30/06/14</b>	<b>4,312</b>	<b>5,047</b>	<b>378</b>	<b>12,934</b>	<b>22,671</b>	<b>772</b>	<b>23,443</b>
<b>Company</b>							
Balance as of 1/7/13	4,312	58	-	14,482	18,852	-	18,852
Total comprehensive income	-	-	-	(4,485)	(4,485)	-	(4,485)
<b>Balance as at 30/06/14</b>	<b>4,312</b>	<b>58</b>	<b>-</b>	<b>9,997</b>	<b>14,367</b>	<b>-</b>	<b>14,367</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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**

Not applicable

**(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.**

As at	30/06/15	30/06/14
Total number of issued shares (excluding treasury shares)	136,513,397	136,513,397

*Note: Please refer to 1d(ii) for details.*

**(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares 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

**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 as in the Group's financial year ended 30 June 2014.

**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**

Not applicable



6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	3 months ended 30/06/15 ("4Q15")	3 months ended 30/06/14 ("4Q14")	FY2015	FY2014
Earnings (Loss) per ordinary share (US cents)	0.31	(0.72)	0.31	(0.91)

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

	Group		Company	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Net asset value per ordinary share (US cents)	16.1	16.6	8.6	10.5

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**

**Table 1**

	3 months ended 30/09/13 ("1Q14")	3 months ended 31/12/13 ("2Q14")	3 months ended 31/03/14 ("3Q14")	3 months ended 30/06/14 ("4Q14")	3 months ended 30/09/14 ("1Q15")	3 months ended 31/12/14 ("2Q15")	3 months ended 31/3/15 ("3Q15")	3 months ended 30/06/15 ("4Q15")
<b>Revenue</b>	<b>14,060</b>	<b>13,575</b>	<b>11,262</b>	<b>13,426</b>	<b>13,894</b>	<b>12,741</b>	<b>9,873</b>	<b>10,816</b>
Gross profit	3,425	3,482	2,283	3,179	3,410	3,554	1,890	2,435
<b>Net profit (loss) after tax</b>	<b>333</b>	<b>357</b>	<b>(1,252)</b>	<b>(1,150)</b>	<b>408</b>	<b>461</b>	<b>(1,446)</b>	<b>(361)</b>

Attributable to:-

<b>Equity holders of the parent</b>	<b>462</b>	<b>425</b>	<b>(1,141)</b>	<b>(983)</b>	<b>548</b>	<b>519</b>	<b>(1,063)</b>	<b>420</b>
Minority interests	(129)	(68)	(111)	(166)	(140)	(58)	(383)	(781)
	333	357	(1,252)	(1,150)	408	461	(1,446)	(361)

### **Revenue and Net Profit attributable to equity holders of the parent (“Net Profit”)**

Revenues in FY2015 fell by US\$5 million to US\$47.3 million compared to FY2014 due mainly to:

- lower export sales to the Asia Pacific region, particularly in Australia. The weakening of the AU dollar against the US dollar has affected demand for our furniture in Australia; and
- lower retail sales both in the PRC (Metrolink’s classical furniture) and Vietnam (Rossano’s mass market furniture) despite higher retail sales in Singapore (Commune’s products).

Gross Profit fell by US\$1.1 million to US\$11.3 million in FY2015 on the back of lower revenues. However, we managed to keep our Gross Margin relatively unchanged at 23.9% as a result of (i) lower unit production costs from our operations in Malaysia and Vietnam (due to higher operational efficiencies and good cost control); and (ii) higher sales from our retail operations in Singapore which were higher in margins.

Other income rose by US\$1.8 million to US\$2.2 million due mainly to (i) gain on disposal of our Land and Buildings in Vietnam; and (ii) foreign exchange gain arising from the strong US\$ (our main revenues base currency) against the RM (our production costs in Malaysia).

Selling and distribution expenses fell by US\$0.1 million to US\$4.3 million due to our efforts to further streamline Rossano’s loss-making retail operations in Vietnam thereby reducing fixed operational overheads.

Administrative expenses fell by US\$1.0 million to US\$6.8 million due mainly to our operational restructuring efforts to (i) consolidate the Group’s manufacturing capacity (we shut down a factory in China) and (ii) streamline retail operations in Vietnam. As a result, fixed operating expenses fell.

Other operating expenses rose by US\$0.87 million to US\$2.3 million in FY2015 due mainly to non-recurring losses from the major operational restructuring of Metrolink, which comprised of:

- provisions of US\$0.97 million for obsolete and slow-moving stocks given the poor demand for Metrolink’s classical style products in the PRC.
- loss of US\$0.60 million on the deemed disposal of our equity interest in Metrolink (our equity interest fell to just 10% from 51%);
- impairment on intangible assets (brand names held by Metrolink) of US\$0.20 million due to its loss-making status; and
- impairment on property, plant and equipment of Metrolink of US\$0.16 million due to lower value-in-use of these operating assets (as a result of lower capacity utilization).

Finance costs fell by US\$0.1 million to US\$0.17 million in FY2015 due to lower borrowings.

Income tax expense rose by US\$0.31 million to US\$0.78 million due mainly to capital gain tax on disposal of the Land and Buildings in Vietnam.

There was a share of loss by minority shareholders of Rossano and Metrolink (Metrolink was a subsidiary of the Group till 31 May 2015) of US\$0.07 million and US\$1.3 million, respectively.

Given the above and our strategic decisions to streamline loss-making operations, both our financial performance and operating cash flows improved sharply. Specifically:

- The Group made a net profit of US\$0.42 million in FY2015 reversing from a Net Loss attributable to the Group (“Net Loss”) of US\$1.2 million in FY2014; and
- The Group generated an aggregate of net cash flows from operating activities and investing activities of US\$6.1 million.

### **Financial Position (30 June 2015 vs 30 June 2014)**

#### **Assets**

Current Assets fell by US\$4.7 million to US\$19.8 million as at 30 June 2015. Significant movements in Current Assets during the year under review were as follows:

- As a result of our dilution of interest in Metrolink’s investment, we had deconsolidated assets and liabilities of Metrolink from the Group’s consolidated accounts resulting in a reduction in current assets of US\$3.5 million.
- Assets held for sale (“AHS”), increased to US\$2.5 million, which comprises (i) investment properties in Vietnam of US\$1.8 million and (ii) total assets of Rossano’s US\$0.71 million given the management’s intention to dispose these assets in the next 12 months.
- Inventories fell by US\$8.5 million to US\$7.3 million due mainly to (i) an overall reduction of US\$3.4 million in raw material, WIP and finished goods stock for our operations in Malaysia and Vietnam given a more efficient supply chain; (ii) deconsolidation of Metrolink’s inventories of US\$2.3 million from the Group’s consolidated accounts; and (iii) reclassification of Rossano’s inventories of US\$0.42 million as AHS.
- Trade debtors remained relatively unchanged at US\$4.1 million. Trade debtors turnover days increased slightly from 28 days in FY2014 to 31 days in FY2015.
- Cash and cash equivalents rose by US\$1.1 million to US\$3.1 million due mainly to (i) positive operating cash flows (ii) lower working capital investment (iii) proceeds from disposal of Vietnam’s properties; after accounting for cash used in repaying bank borrowings.

#### **Non-current assets**

Non-current assets fell by US\$4.8 million to US\$13.1 million as at 30 June 2015 due mainly to (i) disposal of our land and buildings in Vietnam; (ii) reclassification of investment property in Vietnam as AHS; and (iii) deconsolidation of Metrolink’s assets from the Group’s consolidated accounts.

## Liabilities

Current Liabilities fell by US\$6.9 million to US\$10 million. Significant movements of current liabilities during the year under review were as follows:

- Short-term loans (including overdrafts) fell by US\$3.9 million as a result of lower working capital borrowings and loans repayment;
- Trade payables fell by US\$1.8 million to US\$2.4 million due mainly to (i) deconsolidation of Metrolink's liabilities; (ii) reclassification of Rossano's liabilities to Liabilities associated with AHS; and (iii) earlier suppliers' payments
- Other payables fell by US\$2.3 million to US\$2.6 million due mainly to (i) deconsolidation of Metrolink's liabilities; and (ii) reclassification of Rossano's liabilities to Liabilities associated with AHS.
- Liabilities associated with AHS, increased to US\$1.3 million, representing the total liabilities of Rossano on such reclassification.

Non-Current Liabilities fell by US\$0.89 million to US\$1.2 million due mainly to the capitalization of amounts owing to the minority shareholders of Metrolink and repayment of loans.

## Shareholders' equity

Net asset or Equity attributable to shareholders fell by US\$0.75 million to US\$21.9 million as at 30 June 2015 due mainly to a lower currency translation reserve, which fell by US\$1.5 million due mainly to lower RM-denominated assets when expressed in US\$ terms (RM weakened against the US\$ during the period under review), offset by revaluation gains from our properties in Malaysia.

## Minority interests

Minority interests ("MI") of US\$(0.22) million, reflect the share of net liabilities of Rossano's other shareholder who owns 30% of Rossano.

## **Cash Flows (movements during the year)**

Net cash from operating activities improved to US\$6 million for FY2015 after accounting a cash profit of US\$2.0 million, reduction in working capital investment of US\$4.4 million, and interest payments of US\$0.18 million. Net cash from investing activities was US\$0.19 million, comprising mainly the proceeds from the disposal of our land and buildings in Vietnam and other fixed assets, offset by investment in equipment and disposal of Metrolink. Net cash used in financing activities was US\$4.5 million due mainly to short-term loan repayments. Given these, net cash and cash equivalents rose by US\$1.3 million to US\$2.9 million as at 30 June 2015 (net of bank overdraft of US\$0.27 million).

**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 had in the 3Q15 and 2Q15 announcement made reference to the prospect statement made in the 1Q15 announcement stating that that “barring any unforeseen circumstances, there would be a significant improvement in the financial performance in FY2015 over that of FY2014”.

The Group has achieved a Net Profit of US\$0.42 million for FY2015, which is a significant improvement over the Net Loss of US\$1.2 million for FY2014. As such, the current results are in line with the prospect statements disclosed in the 1Q15, 2Q15 and 3Q15 announcements.

**10. A commentary at the date of the announcement of the 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**

The major strategic decisions over the last 12 months were:

- We have expanded factories in Malaysia replacing part of the capacity from higher cost China;
- We sold ‘old’ factories in Vietnam for cash;
- We streamlined Metrolink’s operations – we downsized its production capacity and distribution channels;
- We streamlined Rossano’s operations – we scaled down its number of employees and the loss-making retail shops;
- We have expanded the retail business for Commune as its product designs and store concepts have been well-received; and

As a result of the above strategic decisions:

- Average direct production costs for Group’s production are now lower;
- Financial performance per factory has improved;
- We are now just a minority shareholder (reducing our interest from 51% to 10%) of the loss-making Metrolink;
- We will soon exit the weak Vietnam’s retail market entirely (via disposal of our entire interest in Rossano);
- We will increase the product development budgets for Commune and roll out the proven business models of Commune regionally; and

However, we need to monitor the macro economic factors closely as the impacts on overall consumers’ spending (in our case, demand for furniture) arising from the possible interest rate hike in the US, the recent devaluation of Chinese RMB and volatility of the stocks market remains to be seen.

Given the above, the Board believes that, barring any unforeseen circumstances, the Group expects to remain profitable in FY2016.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend:	Final Dividend
Dividend Type:	Cash
Dividend Rate:	
- per ordinary share (S cents):	0.2
- per ordinary share (US cents equivalent):	0.15*

*\* Note: Equivalent amounts in US\$ for dividend per share have been provided for comparative purposes, based on a closing rate as at 30 June 2015 of US\$1 = S\$1.35*

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None

**(c) Date payable**

To be determined and announced at a later date.

**(d) 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**

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 has not obtained a general mandate from shareholders for IPTs.

IPT during the year under review was as follow:

Name of Interested Persons	Description of IPTs	Value of IPT's for the financial period under review (excluding transactions less than \$100,00) (S\$'000)
Koh Jyh Eng Koh Shwu Lee	Refundable deposit placed with Zenith Heights Sdn Bhd (of which Koh Jyh Eng & Koh Shwu Lee are Directors) to secure a long-term lease for land in Malaysia which the Group intends to build warehousing facilities.	286

Note: The above IPT transaction constitutes 0.98% of the Group's audited NTA as at 30 June 2014.

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

**14. Segmented 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 comparative information for the immediately preceding year**

The Group is primarily engaged in four business segments, namely chairs, sofa & tables, outdoor & garden furniture, occasional & other furniture and bedroom furniture. The Group adopts these four business segments as the basis for its primary segment information. Primary segment information for the Group based on business segments are as follows:

	30 June 2015			30 June 2014		
	Revenue		Segment result	Revenue		Segment result
	US\$'000	%	US\$'000	US\$'000	%	US\$'000
Chairs, sofa and tables	33,293	70.4	80	36,379	69.5	16
Outdoor & garden	23	0.1	-	163	0.3	-
Occasional & others	8,281	17.5	20	10,207	19.5	2
Bedroom sets	5,727	12	13	5,574	10.7	5
<b>Total Revenue</b>	<b>47,324</b>	<b>100.0</b>	<b>113</b>	<b>52,323</b>	<b>100.0</b>	<b>23</b>
Other operating income			2,235			471
Other operating expenses			(2,331)			(1,462)
<b>(Loss) Profit from operations</b>			<b>17</b>			<b>(968)</b>
Finance cost			(175)			(268)
<b>(Loss) Profit before income tax</b>			<b>(154)</b>			<b>(1,236)</b>
Income tax expense			(783)			(476)
<b>(Loss) Profit after tax before minority interest</b>			<b>(937)</b>			<b>(1,712)</b>
Minority Interest			1,361			475
<b>Net (Loss) Profit for the year</b>			<b>424</b>			<b>(1,237)</b>

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

	30 June 2015	%	30 June 2014	%	Change
	US\$'000		US\$'000		
United Kingdom	1,629	3.4	1,695	3.2	(66)
Europe	4,477	9.5	4,214	8.1	263
America / Canada	20,724	43.8	21,976	42.01	(1,252)
Asia-Pacific	18,991	40.1	22,368	42.8	(3,377)
Others	1,503*	3.2	2,070*	3.9	(567)
Total Revenue	<b>47,324</b>	<b>100.0</b>	<b>52,323</b>	<b>100.0</b>	<b>(4,999)</b>

\* mainly Middle East

**15. 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

**16. A breakdown of sales**

	30 June 2015	30 June 2014	Change
	US\$'000	US\$'000	US\$'000
(a) Sales reported for first half year	26,635	27,635	(1,000)
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	870	690	180
(c) Sales reported for second half year	20,689	24,688	(3,966)
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	(1,807)	(2,402)	595

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

Total Annual Dividend

	Latest Full Year (US\$'000)*	Latest Full Year (S\$'000)	Previous Full Year (US\$'000)**	Previous Full Year (S\$'000)
Ordinary	203	273	-	-



18. **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	32	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh and Nephew of Executive Directors, Koh Shwu Lee and Koh Jyh Eng	CFO since 23 May 2014. Key responsibilities include corporate finance, operational restructuring, merger & acquisition evaluation, financial management and investor relations.	Not applicable
Julian Koh Zhu Lian	30	Grandchild of non-executive Chairman, Koh Teng Kwee; Son of Managing Director, James Koh 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	36	Grandchild of non-executive Chairman, Koh Teng Kwee; and nephew of Managing Director, James Koh and Executive Directors, Koh Shwu Lee and Koh Jyh Eng	Vice President (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

**CONFIRMATION BY THE BOARD**

We, James Koh Jyh Gang and Koh Shwu Lee, being two directors of Koda Ltd (the “Company”), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the un-audited financial results for the year ended 30 June 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**  
**JAMES KOH JYH GANG**  
Managing Director  
29 August 2015