

## KODA LTD

### Quarterly Financial Statement 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

	3 months ended			9 months ended		
	31/3/2019	31/3/2018	Change %	31/3/2019	31/3/2018	Change %
	("3Q19") US\$'000	("3Q18") US\$'000		("9M19") US\$'000	("9M18") US\$'000	
<b>Revenue</b>	<b>11,945</b>	<b>13,447</b>	<b>(11.2)</b>	<b>42,314</b>	<b>37,603</b>	<b>12.5</b>
Cost of sales	(8,195)	(8,557)	(4.2)	(28,378)	(24,336)	16.6
<b>Gross profit</b>	<b>3,750</b>	<b>4,890</b>	<b>(23.3)</b>	<b>13,936</b>	<b>13,267</b>	<b>5.0</b>
Other income	215	176	22.2	633	516	22.7
Selling & distribution expenses	(1,280)	(1,721)	(25.6)	(3,795)	(3,979)	(4.6)
General & administrative expenses	(1,949)	(1,999)	(2.5)	(5,798)	(5,530)	4.8
Other expenses	(4)	(26)	(84.6)	(94)	(151)	(37.7)
Finance costs	(9)	(10)	(10.0)	(24)	(24)	-
Share of results of associate	-	-	NM	-	(1)	NM
<b>Profit before tax</b>	<b>723</b>	<b>1,310</b>	<b>(44.8)</b>	<b>4,858</b>	<b>4,098</b>	<b>18.5</b>
Income tax expense	(104)	(136)	(23.5)	(412)	(509)	(19.1)
<b>Profit for the period</b>	<b>619</b>	<b>1,174</b>	<b>(47.3)</b>	<b>4,446</b>	<b>3,589</b>	<b>23.9</b>
<b>Other comprehensive income</b>						
<u>Items that may be reclassified subsequently to profit or loss</u>						
Translation differences arising from consolidation of foreign operations	183	559	NM	(123)	1,216	NM
Other comprehensive income for the period, net of tax	<b>183</b>	<b>559</b>		<b>(123)</b>	<b>1,216</b>	
<b>Total comprehensive income for the period</b>	<b>802</b>	<b>1,733</b>	<b>(53.7)</b>	<b>4,323</b>	<b>4,805</b>	<b>(10.0)</b>

NM: Not meaningful

#### Notes to Consolidated Statement of Profit or Loss

	3Q19 US\$'000	3Q18 US\$'000	9M19 US\$'000	9M18 US\$'000
<b>Other income</b>				
Rental income	24	15	48	73
Interest income	85	22	142	57
Design fee	3	60	42	70
Freight revenue	52	32	130	139
Foreign exchange gain	2	-	142	-
Gain on disposal of property, plant & equipment	-	1	-	4
Reversal of doubtful trade receivables	-	-	20	-
Others	49	46	109	173
	<b>215</b>	<b>176</b>	<b>633</b>	<b>516</b>
<b>Other expenses</b>				
Foreign exchange loss	-	(25)	-	(12)
Inventories written off	(1)	(1)	(1)	(1)
Loss on disposal of assets held for sale	(3)	-	(3)	-
Equity-settled share-based expenses	-	-	(90)	(114)
Others	-	-	-	(24)
	<b>(4)</b>	<b>(26)</b>	<b>(94)</b>	<b>(151)</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**

	<b>Group</b>		<b>Company</b>	
	31/3/2019	30/6/2018	31/3/2019	30/6/2018
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	10,661	10,502	6,589	4,950
Trade receivables	2,866	3,905	3,940	5,307
Other receivables and prepayments	2,460	2,465	5,370	6,617
Inventories	11,721	9,552	-	100
<b>Total current assets</b>	<b>27,708</b>	<b>26,424</b>	<b>15,899</b>	<b>16,974</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	7,935	7,935
Investment in associate	2	2	-	-
Club memberships	208	208	192	192
Property, plant and equipment	16,699	17,221	392	347
Deferred tax asset	52	52	-	-
<b>Total non-current assets</b>	<b>16,961</b>	<b>17,483</b>	<b>8,519</b>	<b>8,474</b>
<b>Total assets</b>	<b>44,669</b>	<b>43,907</b>	<b>24,418</b>	<b>25,448</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bills payable	153	52	-	-
Trade payables	1,960	2,768	5,767	5,726
Other payables	3,903	5,282	1,699	2,291
Obligations under finance lease	21	33	-	12
Bank loans	182	182	182	182
Income tax payable	231	412	-	-
<b>Total current liabilities</b>	<b>6,450</b>	<b>8,729</b>	<b>7,648</b>	<b>8,211</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,065	1,071	-	-
Bank loans	269	410	268	410
Obligations under finance leases	6	36	-	15
<b>Total non-current liabilities</b>	<b>1,340</b>	<b>1,517</b>	<b>268</b>	<b>425</b>
<b>Capital and reserves</b>				
Share capital	4,688	4,688	4,688	4,525
Treasury shares	(71)	(71)	(71)	(71)
Capital reserves	5,851	5,851	151	224
Translation reserve	(1,708)	(1,891)	-	-
Retained earnings	28,119	27,805	11,734	12,134
<b>Total equity</b>	<b>36,879</b>	<b>36,382</b>	<b>16,502</b>	<b>16,812</b>
<b>Total liabilities and equity</b>	<b>44,669</b>	<b>46,628</b>	<b>24,418</b>	<b>25,448</b>

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

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

As at 31/3/2019 (US\$'000)		As at 30/6/2018 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
21	335	33	234

**Amount repayable after one year**

As at 31/3/2019 (US\$'000)		As at 30/6/2018 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
6	269	36	410

**Borrowings and gearing ratio**

Total borrowings of US\$0.63 million as at 31 March 2019 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings fell by US\$0.08 million compared to 30 June 2018 due to repayments.

The Group's gearing ratio remain unchanged at 0.02 times as at 31 March 2019 and 30 June 2018.

**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**

	3 months ended		9 months ended	
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Cash flows from operating activities</b>				
Profit before income tax	723	1,310	4,858	4,098
Adjustments for:				
Depreciation of property, plant and equipment	303	298	929	865
Equity-settled share-based expenses	-	-	90	114
(Gain)loss on disposal of property, plant and equipment	6	(1)	3	(4)
Property, plant and equipment written off	-	-	-	1
Reversal of doubtful trade receivables	-	-	(20)	-
Share of results of associate	-	-	-	1
Inventories written off	1	1	1	1
Interest income	(85)	(22)	(142)	(57)
Interest expense	9	9	24	23
<b>Operating cash flows before working capital changes</b>	<b>957</b>	<b>1,595</b>	<b>5,743</b>	<b>5,042</b>
Trade receivables	(404)	(552)	1,059	178
Other receivables and prepayments	961	166	5	(249)
Inventories	(984)	(22)	(2,152)	(2,505)
Trade payables	(434)	(483)	(808)	352
Other payables	(1,056)	(1,052)	(1,396)	(226)
<b>Cash (used in) generated from operations</b>	<b>(960)</b>	<b>(348)</b>	<b>2,451</b>	<b>2,592</b>
Interest received	85	22	142	57
Interest paid	(9)	(9)	(24)	(23)
Income tax paid	(145)	(190)	(568)	(682)
<b>Net cash (used in) from operations</b>	<b>(1,029)</b>	<b>(525)</b>	<b>2,001</b>	<b>1,944</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(323)	(149)	(566)	(2,297)
Proceeds from disposal of property, plant and equipment	77	-	80	-
Proceeds from disposal of assets held for sale	-	-	-	3
<b>Net cash used in investing activities</b>	<b>(246)</b>	<b>(149)</b>	<b>(486)</b>	<b>(2,294)</b>
<b>Cash flows from financing activities</b>				
Increase in bills payables	123	105	101	78
Dividends paid	(305)	(155)	(1,195)	(1,060)
Proceeds from bank loan	-	-	-	136
Purchase of treasury shares	-	(33)	-	(33)
Repayment of bank loans	(47)	(46)	(141)	(120)
Repayment of finance leases	(26)	(7)	(42)	(36)
<b>Net cash used in financing activities</b>	<b>(255)</b>	<b>(136)</b>	<b>(1,277)</b>	<b>(1,035)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,530)</b>	<b>(810)</b>	<b>238</b>	<b>(1,385)</b>
Cash and cash equivalents at beginning of period	12,117	8,259	10,502	8,352
Effect of foreign exchange translation	74	301	(79)	783
<b>Cash and cash equivalents at end of period</b>	<b>10,661</b>	<b>7,750</b>	<b>10,661</b>	<b>7,750</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**

<b>US\$'000</b>	Share Capital	Treasury Shares	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
<b>Group</b>								
Balance as at 1/7/2018	4,525	(71)	5,924	(1,585)	24,868	33,661	-	33,661
Total comprehensive income	-	-	-	(123)	4,446	4,323	-	4,323
Dividends paid	-	-	-	-	(1,195)	(1,195)	-	(1,195)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	90	-	-	90	-	90
<b>Balance as at 31/3/2019</b>	<b>4,688</b>	<b>(71)</b>	<b>5,851</b>	<b>(1,708)</b>	<b>28,119</b>	<b>36,879</b>	<b>-</b>	<b>36,879</b>
<b>Company</b>								
Balance as of 1/7/2018	4,525	(71)	224	-	12,134	16,812	-	16,812
Total comprehensive income	-	-	-	-	795	795	-	795
Dividends paid	-	-	-	-	(1,195)	(1,195)	-	(1,195)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	90	-	-	90	-	90
<b>Balance as at 31/3/2019</b>	<b>4,688</b>	<b>(71)</b>	<b>151</b>	<b>-</b>	<b>11,734</b>	<b>16,502</b>	<b>-</b>	<b>16,502</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**

<b>US\$'000</b>	Share Capital	Treasury Shares	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
<b>Group</b>								
Balance as at 1/7/2017	4,362	(13)	7,939	(2,232)	18,283	28,339	-	28,339
Total comprehensive income	-	-	-	1,216	3,589	4,805	-	4,805
Dividends paid	-	-	-	-	(1,060)	(1,060)	-	(1,060)
Issue of new shares	163	-	(163)	-	-	-	-	-
Repurchase of shares	-	(33)	-	-	-	(33)	-	(33)
Share-based expenses	-	-	114	-	-	114	-	114
Reclassification to retained earnings	-	-	(1,985)	-	1,985	-	-	-
<b>Balance as at 31/3/2018</b>	<b>4,525</b>	<b>(46)</b>	<b>5,905</b>	<b>(1,016)</b>	<b>22,797</b>	<b>32,165</b>	<b>-</b>	<b>32,165</b>
<b>Company</b>								
Balance as of 1/7/2017	4,362	(13)	187	-	12,320	16,856	-	16,856
Total comprehensive income	-	-	-	-	6	6	-	6
Dividends paid	-	-	-	-	(1,060)	(1,060)	-	(1,060)
Issue of new shares	163	-	(163)	-	-	-	-	-
Repurchase of shares	-	(33)	-	-	-	(33)	-	(33)
Share-based expenses	-	-	114	-	-	114	-	114
<b>Balance as at 31/3/2018</b>	<b>4,525</b>	<b>(46)</b>	<b>138</b>	<b>-</b>	<b>11,266</b>	<b>15,883</b>	<b>-</b>	<b>15,883</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**

On 14 December 2018, the Company allotted and issued 277,460 New Shares to participants under the Performance Share Plan 2008. Following the allotment and issuance of the New Shares, the total number of Shares of the Company increased from 82,236,160 (excluding 230,000 treasury shares) to 82,513,620 (excluding 230,000 treasury shares).

As at 31 March 2019, the issued share capital of the Company (excluding 230,000 treasury shares and nil subsidiary holdings) comprises 82,513,620 Shares (30 June 2018: 82,236,160). The number of Shares held as treasury shares and the number of subsidiary holdings as at 31 March 2019 was 230,000 and nil respectively (30 June 2018: 230,000 and nil respectively) which in aggregate represents 0.28% of the total number of Shares of the Company (excluding treasury shares and subsidiary holdings) as at that date (30 June 2018: 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>31/3/2019</u>	<u>30/6/2018</u>
Total number of issued shares (excluding treasury shares)	82,513,620	82,236,160

**(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.**

The number of Shares held as treasury shares as at 31 March 2019 was 230,000. 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.

**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 in the preparation of the financial information for the current financial period reported on as those used in the most recent audited financial statements.

**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**

<b>Earnings per ordinary share ("EPS")</b>	3Q19	3Q18	9M19	9M18
US\$ cents	0.75	1.42	5.40	5.72
S\$ cents equivalent <sup>(1)</sup>	1.01	1.92	7.29	7.72

Note:

Earnings per ordinary share ("EPS") was computed based on 82,272,350 and 82,339,448 weighted average number of shares for the period 3Q19 and 9M19 respectively. EPS for the corresponding period 3Q18 and 9M18 was computed based on 82,349,071 and 62,713,363 weighted average number of shares respectively.

<sup>(1)</sup> Equivalent amounts in S\$ for EPS have been provided for comparative purposes, based on a closing rate as at 31 March 2019 of US\$1 = S\$1.35.

**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**

<b>Net asset value ("NAV") per ordinary share</b>	Group		Company	
	31/3/2019	30/6/2018	31/3/2019	30/6/2018
US\$ cents	44.7	40.9	20.0	20.3
S\$ cents equivalent <sup>(1)</sup>	60.3	55.2	27.0	27.4

Note:

Net asset value ("NAV") per ordinary share was computed based on 82,513,620 number of issued shares as at 31 March 2019 (30 June 2018: 82,236,160 number of issued shares).

<sup>(1)</sup> Equivalent amounts in S\$ for NAV per ordinary share have been provided for comparative purposes, based on a closing rate as at 31 March 2019 of 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.**

#### **Comprehensive Income (3Q19 vs 3Q18)**

Revenues for 3Q19 decreased by US\$1.5 million to US\$11.9 million mainly due to absence of US\$2.5 million orders relating to two projects shipped in 3Q18. The third quarter of the Group's financial year is typically a seasonally weak quarter.

Gross profit fell by 23.3% or US\$1.1 million to US\$3.8 million on lower recorded revenues. Gross margin fell by 5.0 percentage points to 31.4% due partly to changes in sales mix and research and development (R&D) costs for our new range of products (which was included as part of our higher costs of production).

Selling and distribution expenses fell by 25.6% or US\$0.4 million to US\$1.3 million due mainly to lower advertising and showroom rental expense.

Other income rose by US\$0.04 million due mainly to higher rental and interest income.

Other expenses fell by US\$0.02 million due mainly to the absence of foreign exchange loss.

Income tax expense fell by 23.5% or US\$0.03 million due to lower taxable profits.

Profit after tax

- fell by 47.3% or US\$0.6 million to US\$0.6 million for 3Q19 compared to US\$1.2 million in 3Q18;
- increased by 23.9% or US\$0.9 million to US\$4.4 million for 9M19 compared to US\$3.6 million in 9M18.

#### **Financial Position (31 March 2019 vs 30 June 2018)**

##### Assets

Current assets rose by US\$1.3 million to US\$27.7 million. Significant movements in current assets during the period under review were as follows:

- Trade receivables fell by US\$1.0 million to US\$2.9 million due to faster collections from export customers.
- Inventories rose by US\$2.2 million to US\$11.7 million due to higher raw materials and WIP inventory to cater for upcoming customer deliveries and book orders in the coming months.

Non-current assets fell by US\$0.5 million to US\$17.0 million due mainly to depreciation of property, plant and equipment.

## Liabilities

Current liabilities fell by US\$2.3 million to US\$6.4 million. Significant movements in current liabilities during the period under review were as follows:

- Bills payable rose by US\$0.1 million to US\$0.2 million due to increase in trade financing.
- Trade payables fell by US\$0.8 million to US\$2.0 million due mainly to faster payments to suppliers.
- Other payables fell by US\$1.4 million to US\$3.9 million due mainly to lower accrued operating expenses.

Non-current liabilities fell by US\$0.2 million to US\$1.3 million due to repayment of bank loans.

## Shareholders' equity

Net asset or Equity attributable to shareholders rose by US\$3.2 million to US\$36.9 million as at 31 March 2019 due to (i) increased capital pursuant to the issue of new shares under the Performance Share Plan; (ii) earnings of US\$4.4 million for 9 months ended 31 March 2019; and (iii) after accounting for a deficit in currency translation reserve and dividend payments.

## **Cash Flows (3Q19)**

Net cash used in operations was US\$1.0 million for 3Q19 after accounting for operating cash flows of US\$1.0 million, net working capital outflows of US\$1.9 million and net payments of income tax and interest of US\$0.07 million.

Net cash used in investing activities was US\$0.2 million due mainly to purchase of equipment and machinery.

Net cash used in financing activities was US\$0.3 million due mainly to dividends payment (Interim Dividend for 1HY2019), repayments of borrowings during the period, despite higher trade bills financing.

Cash and cash equivalents fell by US\$1.5 million from the beginning of the period to US\$10.6 million as at 31 March 2019.

## **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 FY2018 results announcement that barring any unforeseen circumstances, the Group expects to remain profitable in FY2019.

The Group reported Profit after tax of US\$0.6 million and US\$4.4 million for 3Q19 and 9M19 respectively.

**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**

Despite challenging worldwide trade conditions, the Group seems to be benefitting from certain aspects of the US-China trade war. The outlook for the Group's original design manufacturing business remains optimistic.

As previously guided in 2Q19, we noted that the Chinese economy seemed to be moderating or slowing amidst increased trade friction. We are also mindful of the changing spending behaviour for the middle-income group as the country's economy is in transition. In view of these, the Group remains cautious of the developments in China.

Meanwhile, we will continue to focus on product differentiation, improving manufacturing efficiencies and strengthening supply chain management while tightening cost controls. We have further intensified our R&D efforts arising from which, we will continue to strengthen our R&D capabilities towards rolling out new range of products progressively over the next few quarters, particularly for our in-house brand Commune.

Barring unforeseen circumstances, the Group expects to be profitable in FY2019.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

No.

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

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

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**(e) If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

**12. 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).

IPT during 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>
Koh Jyh Eng Koh Shwu Lee (Directors of the Company)	<p>The Group had, in June 2016, entered into a 10-year long-term lease with Zenith Heights Sdn Bhd (of which Koh Jyh Eng &amp; Koh Shwu Lee are Directors) for land owned by Zenith Heights Sdn Bhd to build warehousing facilities in Malaysia (the "Lease").</p> <p>The IPT transactions in 3Q19 with regards to the Lease is as follow:</p> <p>(i) Rental expense (RM74,094)</p>	24

Based on an exchange rate of S\$1.00 : RM\$3.03

The above IPT transaction constitutes 0.05% of the Group's audited NTA as at 30 June 2018.

**13. 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).

**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 3 months ended 31 March 2019 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**  
**JAMES KOH JYH GANG**  
Managing Director  
10 May 2019