

CIRCULAR DATED 15 OCTOBER 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Koda Ltd (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should forward this Circular (as defined herein), the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

K O D ATM LTD

KODA LTD

(Incorporated in the Republic of Singapore on 17 April 1980)
(Company Registration Number 198001299R)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (I) THE PROPOSED CONSOLIDATION OF EVERY FIVE (5) ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) CONSOLIDATED ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- (II) THE ADOPTION OF THE PROPOSED SHARE BUY-BACK MANDATE.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	28 October 2015 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	30 October 2015 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	28 Defu Lane 4 Singapore 539424

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

<i>“ACRA” or the “Registrar of Companies”</i>	:	The Accounting and Corporate Regulatory Authority of Singapore
<i>“Act” or “Companies Act”</i>	:	The Companies Act (Cap. 50) of Singapore as may be amended or modified from time to time
<i>“AGM”</i>	:	The annual general meeting of the Company
<i>“Associate”</i>	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustee of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<i>“Authority”</i>	:	The Monetary Authority of Singapore
<i>“Board” or “Board of Directors”</i>	:	The board of directors of the Company for the time being
<i>“Books Closure Date”</i>	:	The time and date to be determined by the Directors at and on which the Register of Members and share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 15 October 2015 in respect of the Proposed Share Consolidation and the Proposed Share Buy-Back Mandate
<i>“Company”</i>	:	Koda Ltd
<i>“Consolidated Shares”</i>	:	The consolidated shares in the issued share capital of the Company held by Shareholders pursuant to the completion of the Proposed Share Consolidation, and “Consolidated Share” shall be construed accordingly

DEFINITIONS

<i>“Controlling Shareholder”</i>	:	A person who: <ul style="list-style-type: none">(i) holds directly or indirectly 15.0% or more of the total number of issued Shares excluding treasury shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or(ii) in fact exercises control over the Company
<i>“Director”</i>	:	A director of the Company as at the date of this Circular or from time to time, as the case may be
<i>“Effective Trading Date”</i>	:	The date on which the Shares will trade on the Mainboard in board lots of 100 Consolidated Shares
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be held on 30 October 2015 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), notice of which is set out on page 28 of this Circular
<i>“EPS”</i>	:	Earnings per Share
<i>“Existing Shares”</i>	:	Shares in the capital of the Company prior to the Proposed Share Consolidation (including treasury shares)
<i>“FY”</i>	:	Financial year ended or ending 30 June, as the case may be
<i>“Group”</i>	:	The Company and its subsidiaries collectively
<i>“Latest Practicable Date”</i>	:	1 October 2015, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST and its relevant rule(s), as may be amended or modified from time to time
<i>“Mainboard”</i>	:	The Mainboard of the SGX-ST
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading of securities
<i>“New Share Certificates”</i>	:	Share certificates for Consolidated Shares
<i>“Notice of EGM”</i>	:	The notice of EGM which is on page 28 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“Old Share Certificates”</i>	:	Physical share certificates for Existing Shares
<i>“Ordinary Resolution”</i>	:	Each of the ordinary resolutions as set out in the notice of EGM
<i>“Proposed Share Buy-Back Mandate”</i>	:	The proposed general and unconditional mandate to authorise the Directors to exercise all the powers of the Company to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular and the rules and regulations set forth in the Act and the Listing Manual

DEFINITIONS

<i>“Proposed Share Consolidation”</i>	:	The proposed consolidation of every five (5) Existing Shares held by Shareholders as at the Books Closure Date to be determined, into one (1) Consolidated Share, fractional entitlements to be disregarded
<i>“Proxy Form”</i>	:	The proxy form in respect of the EGM as set out in this Circular
<i>“Purchased Shares”</i>	:	Shares purchased by the Company pursuant to a Share Purchase in accordance with the Proposed Share Buy-Back Mandate
<i>“Relevant Period”</i>	:	Has the meaning ascribed to it in Paragraph 3.1 of this Circular
<i>“Securities Accounts”</i>	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Purchase”</i>	:	The purchase of Shares by the Company pursuant to the Share Buy-Back Mandate
<i>“Shareholders”</i>	:	The registered holders of Shares except that where the registered holder is CDP, the term <i>“Shareholders”</i> in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Share Buy-back Guidance Note”</i>	:	The share buyback guidance note as set out in Appendix 2 of the Take-over code
<i>“Share Registrar”</i>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<i>“SIC”</i>	:	The Securities Industry Council of Singapore
<i>“Substantial Shareholder”</i>	:	A person who has an interest or interests in voting Shares in the Company representing not less than 5.0% of all the voting Shares
<i>“Take-over Code” or “Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<i>“VWAP”</i>	:	Volume weighted average price
<i>“US\$” and “US cents”</i>	:	United States of America dollars and cents respectively
<i>“S\$” and “cents”</i>	:	Singapore dollars and cents respectively
<i>“%” or “per cent”</i>	:	Percentage and per centum

The terms *“Depository”* and *“Depository Register”* shall have the meanings ascribed to them respectively in Section 130A of the Act. The term *“treasury shares”* shall have the meaning ascribed to it in Section 4 of the Act.

The term *“subsidiary”* shall have the meaning ascribed to it in Section 5 of the Act.

DEFINITIONS

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, the Listing Manual or any such statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural where the context admits and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender where the context admits and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of a day or date in this Circular shall be a reference to Singapore time and dates unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

KODA LTD

(Incorporated in the Republic of Singapore on 17 April 1980)
(Company Registration Number 198001299R)

Directors:

Koh Teng Kwee (Founder and Non-Executive Chairman)
James Koh Jyh Gang (Deputy Chairman and Managing Director)
Ernie Koh Jyh Eng (Executive Director, Sales & Marketing)
Koh Shwu Lee (Executive Director, Finance & Administration)
Chan Wah Tiong (Independent Director)
Sim Cheng Huat (Independent Director)
Aric Loh Siang Khee (Independent Director)

Registered Office:

28 Defu Lane 4,
Singapore 539424

15 October 2015

To: The Shareholders of Koda Ltd

Dear Sir / Madam,

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on 30 October 2015 to seek Shareholders' approval in relation to:

- (i) the proposed consolidation of every five (5) Existing Shares into one (1) Consolidated Share, fractional entitlements to be disregarded (the "**Proposed Share Consolidation**"); and
- (ii) the proposed adoption of the Share buy-back mandate to enable the Company to purchase or otherwise acquire its own issued Shares (the "**Proposed Share Buy-Back Mandate**").

The Proposed Share Consolidation and the Proposed Share Buy-Back Mandate are set out as Ordinary Resolutions (the "**Proposed Resolutions**") in the Notice of the EGM accompanying this Circular.

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the above mentioned Proposed Resolutions. Shareholders' approval will be sought at the EGM to be held on 30 October 2015 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), notice of which is set out on page 28 of this Circular.

The SGX-ST takes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained in this Circular.

LETTER TO SHAREHOLDERS

2. THE PROPOSED SHARE CONSOLIDATION

2.1 Introduction

On 16 September 2015, the Company announced that it is proposing to seek Shareholders' approval to undertake a share consolidation of every five (5) Existing Shares as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded. Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of 100 Consolidated Shares on the SGX-ST.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$4,312,212 divided into 136,513,397 Existing Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of US\$4,312,212 divided into up to 27,302,679 Consolidated Shares.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Share arising from the Proposed Share Consolidation will be disregarded and/or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including aggregating and selling the fractional entitlements and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidation Share which are disregarded.

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

2.2 Rationale for the Proposed Share Consolidation

The Monetary Authority of Singapore and the SGX-ST introduced a minimum trading price for Mainboard-listed stocks of S\$0.20 as a continuing listing requirement (the "**MTP Requirement**") with effect from 2 March 2015. A one-time transition period of 12 months from the date of introduction of the minimum trading price requirement will be given to affected issuers to undertake corporate actions to meet the new requirement and the first assessment for compliance will be on 1 March 2016.

Pursuant to the new MTP requirement, issuers which are not able to record a six-month VWAP of its shares ("**6-month VWAP**") of S\$0.20 or above on 1 March 2016 and at any of the subsequent quarterly review dates (the "**MTP Entry Criterion**") will be placed on the watch-list of the SGX-ST. Affected issuers will be provided a cure period of 36 months to take remedial actions. Affected issuers which fail to take remedial actions during the cure period may be delisted from the Mainboard.

For illustrative purposes only, the past six calendar months prior to the Latest Practicable Date, the 6-month VWAP of the Company was S\$0.082, which is below the MTP Requirement of S\$0.20.

LETTER TO SHAREHOLDERS

The highest and lowest closing market prices and the transacted volume of the Existing Shares traded on the SGX-ST for each of the past six calendar months are as follows:

	Highest Price (S\$)	Lowest Price (S\$)	Volume of traded shares ('000)
April 2015	0.086	0.085	32
May 2015	0.086	0.081	352
June 2015	0.089	0.080	200
July 2015	0.119	0.070	117
August 2015	0.100	0.080	906
September 2015	0.088	0.079	1152

Source: Bloomberg Finance L.P.

In light of the above, the Company proposes to undertake the Proposed Share Consolidation to comply with the MTP Requirement. On the assumption that the Proposed Share Consolidation had been in place for the six months prior to the Latest Practicable Date, the theoretical adjusted 6-month VWAP for the Consolidated Shares would be S\$0.412.

However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the approval of the SGX-ST for the Proposed Share Consolidation and for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST; and
- (b) the approval of Shareholders by ordinary resolution at the EGM.

On 21 September 2015, the Company obtained the approval in-principle ("**Approval In-principle**") from the SGX-ST for the listing of and quotation for the Consolidated Shares on the Mainboard. The Approval In-principle is subject to Shareholders' approval being obtained at the forthcoming EGM for the Proposed Share Consolidation and compliance with the SGX-ST's listing requirements.

The SGX-ST only approves the listing and quotation of the Consolidated Shares. The Approval In-principle is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

2.4 Updating of Register of Shareholders and Depository Register

If Shareholders at the EGM approve the Proposed Share Consolidation, Shareholders' entitlements to the Consolidated Shares will be determined on the Books Closure Date. The Register of Shareholders and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders, and the Consolidated Shares will begin trading in board lots of 100 Consolidated Shares on the Effective Trading Date.

2.4.1 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificates for the existing Shares in their own names (the "**Old Share Certificates**") and who wish to deposit the same with CDP and have their Consolidated Shares credited to their securities accounts maintained with CDP (the "**Securities Accounts**") must deposit their Old Share Certificates, together with duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date.

LETTER TO SHAREHOLDERS

After the Books Closure Date, CDP will only accept the deposit of share certificates for Consolidated Shares (the “**New Share Certificates**”). Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver the Old Share Certificates to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, for cancellation and issuance of New Share Certificates in replacement thereof as described below.

2.4.2 *Issue of New Share Certificates*

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, as soon as possible after they have been notified of the Books Closure Date, for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar upon receipt of any Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Registrar for cancellation.

Shareholders should notify the Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Shareholders of the Company.

Shareholders shall deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out above, only after the Company’s announcement of the Books Closure Date.

2.4.3 *Share Certificates not valid for settlement of trades on Mainboard*

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer valid for settlement of trading in the Shares (and the Consolidated Shares) on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The New Share Certificates will not be valid for delivery of trades done on the SGX-ST, though they will continue to be *prima facie* evidence of legal title.

2.5 **Trading Arrangements for the Consolidated Shares and Odd Lots**

2.5.1 *Trading Arrangements for the Consolidated Shares*

Subject to the approval of the Proposed Share Consolidation by Shareholders at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Consolidated Shares will be in board lots of 100 Consolidated Shares. Accordingly, five (5) Existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

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2.5.2 *Trading Arrangements for Odd Lots*

Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.

The existing Shares are currently traded in board lots of 100 Shares in the ready market. Following the completion of the Proposed Share Consolidation, the Securities Accounts maintained with CDP of Shareholders (being Depositors) may be credited with odd lots of the Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares).

Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in odd lots on the SGX-ST should note that the unit share market is available to allow trading in odd lots with a minimum size of one (1) Consolidated Share on the SGX-ST. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying Consolidated Shares. Shareholders who hold odd lots may have to bear disproportionate transaction costs in trading their shares and may find difficulty in realising the fair market price of such Consolidated Shares.

2.6 **Financial Effects of the Proposed Share Consolidation**

For illustration purposes only and on the basis of the following assumptions, the financial effects of the Proposed Share Consolidation on the Company and the Group are set out below:

- (a) the pro forma financial effects of the Proposed Share Consolidation have been computed based on the Group's audited consolidated financial statements for the financial period ended 30 June 2015; and
- (b) the pro forma financial effects of the Proposed Share Consolidation on the share capital, NTA per Share, EPS and gearing of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Group immediately after the completion of the Proposed Share Consolidation.

2.6.1 *Share capital*

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Issued Share capital (US\$)	4,312,212	4,312,212
Number of Shares	136,513,397	27,302,679

2.6.2 *NTA per Share*

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
NTA (US\$'000)	21,904	21,904
Number of Shares	136,513,397	27,302,679
NTA per Share (US cents)	16.0	80.2

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2.6.3 Consolidated EPS

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Earnings/ (loss) attributable to Shareholders (US\$'000)	406	406
Weighted average number of shares for basic EPS	136,513,397	27,302,679
Weighted average number of shares for diluted EPS	136,513,397	27,302,679
EPS – basic (US cents per Share)	0.30	1.49
EPS – diluted (US cents per Share)	0.30	1.49

2.6.4 Gearing

The Proposed Share Consolidation will not affect the gearing of the Company and the Group.

2.7 Effect of the Proposed Share Consolidation on the VWAP

For illustrative purposes only, based on the 6-month VWAP of the Company of S\$0.082 for the period from 1 April 2015 to 30 September 2015, the theoretical 6-month VWAP as adjusted for the Proposed Share Consolidation is S\$0.412.

3. THE PROPOSED SHARE BUY-BACK MANDATE

3.1 Introduction

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of shareholders. It is also a requirement under the Listing Manual that an issuer which wishes to purchase its own shares should obtain prior approval of its shareholders in a general meeting. Accordingly, the approval of Shareholders is being sought from Shareholders at the EGM for the Proposed Share Buy-Back Mandate, as set out in the Notice of EGM on page 28 of this Circular.

If the Proposed Share Buy-Back Mandate is approved by Shareholders at the EGM, the authority conferred will remain in force until the date on which the next AGM is held or required by law to be held (when it will lapse unless it is renewed) or the date on which the Share Purchases are carried out to the full extent mandated, whichever is the earlier, unless prior to that, the Proposed Share Buy-Back Mandate is varied or revoked by resolution of the Shareholders in general meeting (the “**Relevant Period**”).

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by, the Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

3.2 Rationale for the Proposed Share Buy-Back Mandate

The approval of the Proposed Share Buy-Back Mandate authorising the Company to purchase or acquire its own Shares would give the Company the flexibility to undertake Share Purchases up to the 10.0% limit described in Paragraph 3.3.1 below at any time, during the period when the Proposed Share Buy-Back Mandate is in force. The rationale for the Company to undertake such Share Purchases are as follows:

- (a) The Proposed Share Buy-Back Mandate gives Directors the flexibility to purchase the Shares if and when circumstances permit, with the objective of increasing Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A Share Purchase made at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

LETTER TO SHAREHOLDERS

- (b) The Proposed Share Buy-Back Mandate will provide the Company with a mechanism to facilitate the return of surplus cash over and above the Group's working capital requirements in an expedient and cost efficient manner. Share Purchases also allow the Directors to exercise control over the Company's share structure and, depending on market conditions, may lead to an enhancement of the EPS and/or NTA per Share.
- (c) The Company may undertake Share Purchases to mitigate short-term market volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of share price speculation.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via Market Purchases (as defined hereinafter) or Off-Market Purchases (as defined hereinafter), after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/or Shareholders. The Directors do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial condition of the Group.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Proposed Share Buy-Back Mandate may not be carried out to the full limit as authorised. The Share Purchases will not cause illiquidity or affect orderly trading of the Shares.

3.3 Authority and limits of the Proposed Share Buy-Back Mandate

The authority and limitations placed on the Share Purchases by the Company under the Proposed Share Buy-Back Mandate, if approved at the EGM, are summarised below:-

3.3.1 *Maximum number of Shares*

Only Shares that are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Proposed Share Buy-Back Mandate.

The total number of Shares which can be purchased or acquired by the Company pursuant to the Proposed Share Buy-Back Mandate during the Relevant Period or within any one financial year of the Company, whichever is the earlier, is limited to that number of Shares representing not more than 10.0% of the total issued ordinary share capital of the Company as at the date of the EGM at which the Proposed Share Buy-Back Mandate is approved by Shareholders (the "**Approval Date**"). If the Company has effected the Proposed Share Consolidation at any time during the Relevant Period, the total number of Shares which can be purchased or acquired by the Company during the Relevant Period or within any one financial year of the Company, whichever is the earlier, shall be calculated based on such number of Shares as at the Approval Date after adjusting for (i) the Proposed Share Consolidation and (ii) the number of Shares that the Company has acquired under the Proposed Share Buy-Back Mandate (if any) prior to the Effective Trading Date. For the purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares will be disregarded.

Purely for illustrative purposes, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date, comprising 136,513,397 Shares and assuming that no further Shares are issued on or prior to the EGM:

- (a) if Shareholders do not approve the Proposed Share Consolidation at the EGM, not more than 13,651,339 Shares (representing 10.0% of the issued share capital of the Company as at the Approval Date) may be purchased or acquired by the Company pursuant to the Proposed Share Buy-Back Mandate during the duration referred to in Paragraph 3.3.2 below;

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- (b) if Shareholders approve the Proposed Share Consolidation at the EGM, prior to the Effective Trading Date, not more than 13,651,339 Shares (representing 10.0% of the issued share capital of the Company as at the Approval Date) may be purchased or acquired by the Company pursuant to the Proposed Share Buy-Back Mandate during the duration referred to in Paragraph 3.3.2 below;
- (c) if Shareholders approve the Proposed Share Consolidation at the EGM:
 - (i) (and assuming that the Company does not acquire any Share prior to the Effective Date), on or after the Effective Trading Date, not more than 2,730,267 Shares (representing 10.0% of the issued share capital of the Company as at the Approval Date, after adjusting for the Proposed Share Consolidation) may be purchased or acquired by the Company pursuant to the Proposed Share Buy-Back Mandate during the duration referred to in Paragraph 3.3.2 below; and
 - (ii) (and assuming that the Company acquires 5.0% of its Shares prior to the Effective Trading Date), on or after the Effective Trading Date, not more than 1,365,133 Shares (representing 5.0% of the issued share capital of the Company as at the Approval Date, after adjusting for (1) the Proposed Share Consolidation and (2) the number of Shares that the Company has acquired under the Proposed Share Buy-back Mandate prior to the Effective Trading Date) may be purchased or acquired by the Company pursuant to the Proposed Share Buy-Back Mandate during the duration referred to in Paragraph 3.3.2 below.

3.3.2 *Duration of authority*

Under the Proposed Share Buy-Back Mandate, Share Purchases may be made, at any time and from time to time, on and from the date of the EGM, at which the Proposed Share Buy-Back Mandate is approved, up to the earlier of:

- (a) the date of the next AGM or the date by which such AGM is required to be held;
- (b) the date on which the Share Purchases are carried out to the full extent mandated; or
- (c) the date on which the authority contained by the Proposed Share Buy-Back Mandate is revoked or varied by the Shareholders in general meeting.

The authority conferred on the Directors by the Proposed Share Buy-Back Mandate to purchase Shares may be renewed at each AGM or other general meeting of the Company. When seeking the approval of the Shareholders for the adoption of the Proposed Share Buy-Back Mandate, the Company is required to disclose details pertaining to any Share Purchases made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases.

3.3.3 *Manner of Share Purchases*

Share Purchases may be made by way of:

- (a) on-market purchases through the SGX-ST's ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Act ("**Off-Market Purchase**"). The Directors may impose such terms and conditions, which are not inconsistent with the

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Proposed Share Buy-Back Mandate, the Listing Manual and the Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. The Off-Market Purchase scheme must satisfy all of the following conditions:

- (i) offers for the Share Purchases shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them;
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - (2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Purchase;
- (d) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Purchase, if made, could affect the listing of the Shares on the Official List of the SGX-ST;
- (f) details of any Share Purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.3.4 Price Restrictions

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid by the Company for the Shares will be determined by the Directors and must not exceed:

- (a) in the case of a Market Purchase, 105.0% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (b) in the case of an Off-Market Purchase, 115.0% of the Average Closing Price (as defined hereinafter) of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Purchase.

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For the above purposes:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase or, as the case may be, preceding the date of making an offer for an Off-Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the Share Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.4 Status of Purchased Shares under the Proposed Share Buy-Back Mandate

A Share purchased or acquired by the Company under the Proposed Share Buy-Back Mandate (**“Purchased Shares”**), unless held in treasury in accordance with the Act, is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation).

3.5 Treasury Shares

Under the Act, Purchased Shares may be held or dealt with by the Company as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

3.5.1 *Maximum holdings*

The number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares.

3.5.2 *Voting and other rights*

The Company cannot exercise any rights in respect of treasury shares. In particular, the Company cannot exercise any rights to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no rights to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller or larger amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.5.3 *Disposal and cancellation*

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees’ share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

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As at the Latest Practicable Date, the Company does not hold any of its Shares as treasury shares.

3.6 Source of funds

In undertaking Share Purchases, the Company may only apply funds legally available for such purchase in accordance with the Memorandum and Articles of Association of the Company and the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement other than in accordance with the trading rules of the SGX-ST.

Under the Act, the Company may purchase or acquire its own Shares out of profits and/or capital so long as the Company is solvent. It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Section 76F(4) of the Act, a company is solvent if:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due within the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources to finance its Share Purchases (including any expenses (including brokerage or commission) incurred directly in the Share Purchases). The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. The Directors will only make purchases or acquisitions of the Shares in circumstances that they believe will not result in any material adverse effect on the financial condition of the Group.

3.7 Financial effects of the Proposed Share Buy-Back Mandate

It is not possible for the Company to realistically calculate or quantify the financial effects on the Group and the Company arising from its purchase or acquisition of Shares which may be made pursuant to the Proposed Share Buy-Back Mandate, which will depend on, *inter alia*, whether the Shares purchased or acquired is a Market Purchase or an Off-Market Purchase, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and the expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company in its purchase or acquisition of Shares.

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is US\$4,312,212, comprising 136,513,397 Shares.

For illustrative purposes only, the financial effects on the Company and the Group arising from the Share Purchases, prepared based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2015, are based on the assumptions set out below:

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- (a) the Share Purchases comprised 13,651,339 Shares (representing 10.0% of the 136,513,397 issued Shares as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the EGM);
- (b) in the case of Market Purchases, the Maximum Price was S\$0.084. (being 5.0% above the average of the closing market prices of the Shares for the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for effecting such Market Purchases (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately S\$1,146,712 (approximately US\$801,897);
- (c) in the case of Off-Market Purchases, the Maximum Price was S\$0.092 (being 15.0% above the average of the closing market price of the Shares for the last five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for effecting such Off-Market Purchases (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately S\$1,255,923 (approximately US\$878,268);
- (d) there were no expenses incurred directly in the Share Purchases;
- (e) the Proposed Share Buy-Back Mandate had been effective on 1 July 2014;
- (f) the Share Purchases took place on 1 July 2014;
- (g) the Share Purchases were made entirely out of the Company's profits and financed entirely by the Group's internal resources. As at 30 June 2015, the Group and the Company had cash and bank balances of approximately US\$3.1 million and US\$1.1 million respectively. In order to effect the purchase of up to 13,651,339 Shares at the Maximum Price computed at the Latest Practicable Date, cash reserves from the Group of approximately S\$1.3 million (approximately US\$0.88 million) will be required; and
- (h) the closing rate of US\$1:S\$1.43 as at the Latest Practicable Date

Pursuant to Section 76G of the Act, the total amount of the purchase price paid by the Company for the Shares purchased or acquired by the Company shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares. If the purchased or acquired Shares are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of capital of the Company;
- (b) reduce the amount of profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both capital and profits of the Company, by the total amount of the purchase price paid by the Company for the Shares cancelled.

If, on the other hand, the purchased or acquired Shares are not cancelled but held in treasury, then there is no change in the Company's issued capital.

In both cases, the shareholders' funds are reduced by the total amount of the purchase price of the Shares purchased or acquired by the Company.

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3.7.1 Assuming Shares were purchased and cancelled

	← Group →			← Company →		
	<u>Before</u> <u>Share</u> <u>Purchases</u>	<u>After Share</u> <u>Purchases</u>		<u>Before</u> <u>Share</u> <u>Purchases</u>	<u>After Share</u> <u>Purchases</u>	
	US\$'000	Market Purchase US\$'000	Off-Market Purchase US\$'000	US\$'000	Market Purchase US\$'000	Off-Market Purchase US\$'000
As at 30 June 2015						
Share Capital	4,312	4,312	4,312	4,312	4,312	4,312
Reserves	17,592	16,790	16,714	7,426	6,624	6,548
Shareholders' Equity	21,904	21,102	21,026	11,738	10,936	10,860
NTA	21,904	21,102	21,026	11,738	10,936	10,860
Current assets	19,319	18,517	18,441	13,945	13,143	13,067
Current liabilities	9,515	9,515	9,515	10,951	10,951	10,951
Total borrowings	3,469	3,469	3,469	2,719	2,719	2,719
Net profit / (Loss) for FY2015	406	406	406	(2,628)	(2,628)	(2,628)
Number of Shares as at 30 June 2015 ('000)	136,513	122,862	122,862	136,513	122,862	122,862
Weighted average number of Shares as at 30 June 2015 ('000)	136,513	122,862	122,862	136,513	122,862	122,862
Financial Ratios						
NTA per Share (US cents) ⁽¹⁾	16.0	17.2	17.1	8.6	8.9	8.8
NTA per Share (cents) ^{(1) (2)}	22.9	24.6	24.5	12.3	12.7	12.6
Gearing (times) ⁽³⁾	0.16	0.16	0.16	0.23	0.25	0.25
Current ratio (times) ⁽⁴⁾	2.03	1.95	1.94	1.27	1.20	1.19
Earnings / (Loss) per Share (US cents) ⁽⁵⁾	0.30	0.33	0.33	(1.93)	(2.14)	(2.14)
Earnings / (Loss) per Share (cents) ^{(2) (5)}	0.43	0.47	0.47	(2.75)	(3.06)	(3.06)

Notes:

- (1) "NTA per Share" represents NTA divided by the number of Shares as at 30 June 2015.
- (2) Equivalent amount in cents have been provided for comparative purposes, based on a closing rate of US\$1:US\$1.43 as at the Latest Practicable Date.
- (3) "Gearing" represents total borrowings divided by total equity.
- (4) "Current ratio" represents current assets divided by current liabilities.
- (5) Earnings / (Loss) per Share represents net profit / (loss) for FY2015 respectively divided by the weighted average number of Shares for FY2015.

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3.7.2 Assuming Shares were purchased and held as treasury shares

	← Group →			← Company →		
	<u>Before Share Purchases</u>	<u>After Share Purchases</u>		<u>Before Share Purchases</u>	<u>After Share Purchases</u>	
	US\$'000	Market Purchase US\$'000	Off-Market Purchase US\$'000	US\$'000	Market Purchase US\$'000	Off-Market Purchase US\$'000
As at 30 June 2015						
Share Capital	4,312	4,312	4,312	4,312	4,312	4,312
Reserves	17,592	17,592	17,592	7,426	7,426	7,426
Shares held in Treasury	-	(802)	(878)	-	(802)	(878)
Shareholders' Equity	21,904	21,102	21,026	11,738	10,936	10,860
NTA	21,904	21,102	21,026	11,738	10,936	10,860
Current assets	19,319	18,517	18,441	13,945	13,143	13,067
Current liabilities	9,515	9,515	9,515	10,951	10,951	10,951
Total borrowings	3,469	3,469	3,469	2,719	2,719	2,719
Net profit / (loss) for FY2015	406	406	406	(2,628)	(2,628)	(2,628)
Number of Shares as at 30 June 2015 ('000)	136,513	122,862	122,862	136,513	122,862	122,862
Weighted average number of Shares as at 30 June 2015 ('000)	136,513	122,862	122,862	136,513	122,862	122,862
Financial Ratios						
NTA per Share (US cents) ⁽¹⁾	16.0	17.2	17.1	8.6	8.9	8.8
NTA per Share (cents) ^{(1) (2)}	22.9	24.6	24.5	12.3	12.7	12.6
Gearing (times) ⁽³⁾	0.16	0.16	0.16	0.23	0.25	0.25
Current ratio (times) ⁽⁴⁾	2.03	1.95	1.94	1.27	1.20	1.19
Earnings / (Loss) per Share (US cents) ⁽⁵⁾	0.30	0.33	0.33	(1.93)	(2.14)	(2.14)
Earnings / (Loss) per Share (cents) ^{(2) (5)}	0.43	0.47	0.47	(2.75)	(3.06)	(3.06)

Notes:

- (1) "NTA per Share" represents NTA divided by the number of Shares as at 30 June 2015.
- (2) Equivalent amount in cents have been provided for comparative purposes, based on a closing rate of US\$1:S\$1.43 as at the Latest Practicable Date.
- (3) "Gearing" represents total borrowings divided by total equity.
- (4) "Current ratio" represents current assets divided by current liabilities.
- (5) Earnings / (Loss) per Share represents net profit / (loss) for FY2015 respectively divided by the weighted average number of Shares for FY2015.

The Directors do not propose to exercise the Proposed Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company and the Group. The Share Purchases will only be effected after taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements of the Group) and non-financial factors (such as market conditions and performance of the Shares).

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2015 and is not necessarily representative of the future financial performance of the Company and the Group. Although the Proposed Share Buy-Back Mandate would authorise the Company to purchase up to 10.0% of the Company's issued Shares as at the date the Proposed Share Buy-Back Mandate is obtained, the Company may not necessarily purchase or be able to purchase 10.0% of the issued Shares in full.

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Shareholders who are in doubt as to their tax positions or any tax implications arising from the Proposed Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

3.8 Listing Manual

As at the Latest Practicable Date, approximately 39.2% of the issued share capital of the Company is held in the hands of the public. Assuming that the Company repurchased the maximum of 10.0% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 32.4%, and accordingly, the Company will be able to undertake Share Purchase up to the full 10.0% limit pursuant to the Proposed Share Buy-Back Mandate without affecting the listing status of the Shares on the Mainboard.

The Directors will ensure that the Share Purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST. Rule 723 of the Listing Manual requires at least 10% of any class of a company's listed securities to be held by the public at all times.

Under the Listing Manual, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term "average closing market price" is defined as the average of the closing market price of shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Paragraph 3.3.4 of this Circular, conforms to this restriction.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its Shares to the SGX-ST not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its Shares; and
- (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement should be made in compliance with Appendix 8.3.1 of the Listing Manual and must include details of the total number of Shares purchased and the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

While the Listing Manual does not expressly prohibit any buy-back of shares by a listed company of its own shares during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase of its issued shares, the Company will not undertake any buy-back of Shares pursuant to the Proposed Share Buy-Back Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company would not purchase or acquire any Shares during the period commencing two weeks and one month immediately preceding the announcement of the Company's interim (quarterly) results and the annual (full-year) results, respectively.

3.9 Tax implications

Section 10J of the Income Tax Act, Chapter 134, of Singapore stipulates that when a company buys back its own shares from a shareholder using funds other than contributed capital of the company, the payment by the company shall be deemed to be a dividend paid by the company to the shareholder.

Shareholders who are in doubt as to their respective tax positions or the tax implications of the Share Purchases by the Company or who may be subject to tax whether in or outside in Singapore should consult their own professional advisers.

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3.10 Take-over Code implications arising from Share Purchases

Appendix 2 of the Take-over Code contains the Share Buy-back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

3.10.1 *Obligation to make a take-over offer*

If, as a result of Share Purchases, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

3.10.2 *Persons acting in concert*

Under the Take-over Code, persons acting in concert ("**Concert Parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above.

The circumstances under which Shareholders (including Directors) and their Concert Parties respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a Share Purchase by the Company are set out in Appendix 2 of the Take-over Code.

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3.10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and their Concert Parties will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their Concert Parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their Concert Parties would increase by more than 1.0% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Proposed Share Buy-Back Mandate.

With regard to Directors and their Concert Parties, if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their Concert Parties would increase to 30.0% or more, or if the voting rights of such Directors and their Concert Parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their Concert Parties would increase by more than 1.0% in any period of 6 months, such Directors and persons acting in concert with them will be exempted from the requirement to make a take-over offer under Rule 14 of the Take-over Code, subject to the following conditions:

- (a) this Circular to contain advice to the effect that by voting for the Proposed Share Buy-Back Mandate, Shareholders are waiving their right to a general offer at the required price from Directors and their Concert Parties who, as a result of the Company buying back its shares, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of 6 months; and the names of such Directors and their Concert Parties, their voting rights at the time of the resolution and after the proposed buy-back to be disclosed in this same Circular;
- (b) the resolution to authorise the Proposed Share Buy-Back Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the adoption of the Proposed Share Buy-Back Mandate;
- (c) Directors and/or their Concert Parties to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the Proposed Share Buy-Back Mandate;
- (d) within 7 days after the passing of the resolution to authorise the Proposed Share Buy-Back Mandate, each of the Directors to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) Directors and/or their Concert Parties not to have acquired and not to acquire any Shares between the date on which they know that the announcement of any Share Purchase proposal is imminent and the earlier of:-
 - (1) the date on which the authority of the Proposed Share Buy-Back Mandate expires; and
 - (2) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

LETTER TO SHAREHOLDERS

if such acquisitions, taken together with the Share Purchase, would cause their aggregate voting rights to increase to 30.0% or more; and

- (f) Directors and/or their Concert Parties, together holding between 30.0% and 50.0% of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the Share Purchase proposal is imminent and the earlier of:-
- (1) the date on which the authority of the Proposed Share Buy-Back Mandate expires; and
 - (2) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Share Purchase, would cause their aggregate voting rights to increase by more than 1.0% in the preceding six (6) months.

It follows that where the aggregate voting rights held by a Director and their Concert Parties increase by more than 1.0% solely as a result of the Share Purchase and none of them has acquired any Shares during the relevant period defined above, then such Director and/or their Concert Parties would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption had been granted, would continue to enjoy the exemption.

As at the Latest Practicable Date, the aggregate shareholdings and voting rights of the Directors and Substantial Shareholders and in the event of Share Purchases up to the maximum of 10.0% of the issued share capital of the Company as permitted by the adoption of the Proposed Share Buy-Back Mandate are as follows:

	Percentage of Shares and voting rights as at the Latest Practicable Date ⁽¹⁾			Percentage of Shares and voting rights after the maximum Share Purchases permitted under the Proposed Share Buy-Back Mandate ⁽²⁾		
	Direct Interest	Deemed Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest
	Number of Shares	Number of Shares	%	Number of Shares	Number of Shares	%
Directors						
Koh Teng Kwee	15,713,121	-	11.51	15,713,121	-	12.79
James Koh Jyh Gang	28,018,653	-	20.52	28,018,653	-	22.80
Koh Jyh Eng	14,888,981	36,000 ⁽³⁾	10.93	14,888,981	36,000 ⁽³⁾	12.15
Koh Shwu Lee	13,808,712	432,000 ⁽⁴⁾	10.43	13,808,712	432,000 ⁽⁴⁾	11.59
Chan Wah Tiong	-	-	-	-	-	-
Sim Cheng Huat	-	-	-	-	-	-
Aric Loh Siang Khee	-	-	-	-	-	-
Substantial Shareholders (other than Directors)						
-	-	-	-	-	-	-

Notes:

- (1) Based on the Company's issued and paid-up share capital of 136,513,397 issued Shares as at the Latest Practicable Date.
- (2) Based on the issued and paid-up share capital of 122,862,058 Shares and on the assumption that the Purchased Shares by the Company will be cancelled immediately.
- (3) Mr Koh Jyh Eng is deemed interested in 36,000 Shares held by his wife, Mdm Wong Sau Wai.
- (4) Mdm Koh Shwu Lee is deemed interested in 432,000 Shares held by her husband, Mr Kavin Seow Soo Yeow.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the Company's issued share capital comprised 136,513,397 Shares of which Koh Teng Kwee, James Koh Jyh Gang, Koh Jyh Eng and Koh Shwu Lee (each of whom are Directors and Substantial Shareholders of the Company) are persons presumed to be acting in concert with each of them (collectively the "**Koh Concert Group**") under the Take-over Code hold the interests as set out above. As the Koh Concert Group and persons presumed to be acting in concert with them under the Take-over Code have an aggregate shareholding interest of more than 50.0% in the Company, the increase in their shareholding in the event the Company purchases the maximum number of Share permissible under the Proposed Share Buy-Back Mandate will not require any of them to make a general offer under Rule 14 of the Take-over Code.

Based on the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, the purchase or acquisition by the Company of the maximum limit of 10.0% of its Shares as at the Latest Practicable Date pursuant to the Proposed Share Buy-Back Mandate is not expected to result in any Director or Substantial Shareholder incurring an obligation to make a general offer for the Shares of the Company under Rule 14 or Appendix 2 of the Take-over Code.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Purchases pursuant to the Proposed Share Buy-Back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Proposed Share Buy-Back Mandate is in force.

3.11 Details of Share Purchases pursuant to a Share Buy-Back Mandate

The Company did not have a Share buy-back mandate for the 12 months preceding the Latest Practicable Date and hence has not purchased any Shares during the same period.

3.12 Reporting requirements

Within 30 days of the passing of a Shareholders' resolution to approve the Proposed Share Buy-Back Mandate, the Company shall lodge a copy of such resolution with ACRA. The Company shall also lodge a notice with ACRA within 30 days of a Share Purchase. Such notification is to include details such as the date of the Share Purchase; the number of Shares purchased or acquired by the Company; the number of Shares cancelled; the number of Shares held as treasury shares; the Company's issued share capital before the Share Purchase; the amount of consideration paid by the Company for the Share Purchase, whether the Shares were purchased out of profits or the capital of the Company and such other particulars that might be prescribed.

3.13 Limits on shareholdings

The Company does not have any limits on the shareholdings of the Shareholders.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Members, respectively, as at the Latest Practicable Date, are as follows:

	Percentage of Shares and voting rights as at the Latest Practicable Date ⁽¹⁾		
	Direct Interest Number of Shares	Deemed Interest Number of Shares	Total Interest %
Directors			
James Koh Jyh Gang	28,018,653	-	20.52
Koh Teng Kwee	15,713,121	-	11.51
Koh Jyh Eng	14,888,981	36,000 ⁽²⁾	10.93
Koh Shwu Lee	13,808,712	432,000 ⁽³⁾	10.43

LETTER TO SHAREHOLDERS

	Percentage of Shares and voting rights as at the Latest Practicable Date ⁽¹⁾		
	Direct Interest Number of Shares	Deemed Interest Number of Shares	Total Interest %
Substantial Shareholders (other than Directors)	-	-	-

Notes:

- (1) Based on the Company's issued and paid-up share capital of 136,513,397 issued Shares as at the Latest Practicable Date.
- (2) Mr Koh Jyh Eng is deemed interested in 36,000 Shares held by his wife, Mdm Wong Sau Wai.
- (3) Mdm Koh Shwu Lee is deemed interested in 432,000 Shares held by her husband, Mr Kavin Seow Soo Yeow.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE PROPOSED RESOLUTIONS

Save as disclosed, none of the Directors and Controlling Shareholders has any interest, direct or indirect, in the Proposed Resolutions, other than through their respective shareholdings in the Company.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 28 of this Circular, will be held at 28 Defu Lane 4, Singapore 539424 on 30 October 2015 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without any modification, the Ordinary Resolutions set out in the notice of EGM.

7. DIRECTORS' RECOMMENDATIONS

7.1 The Proposed Share Consolidation

Having considered the rationale and the information relating to the Proposed Share Consolidation, the Directors are of the opinion that the Proposed Share Consolidation would be beneficial to, and is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Share Consolidation at the EGM.

7.2 The Proposed Share Buy-Back Mandate

Having considered the rationale and information relating to the Proposed Share Buy-Back Mandate, the Directors are of the opinion that the Proposed Share Buy-Back Mandate would be beneficial to, and is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Share Buy-Back Mandate at the EGM.

8. NOTICE OF BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining Shareholders' entitlements pursuant to the Proposed Share Consolidation will be announced at a later date.

LETTER TO SHAREHOLDERS

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company at 28 Defu Lane 4, Singapore 539424, not later than 48 hours before the time fixed for holding the EGM.

The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation and the Proposed Share Buy-Back Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information contained in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 28 Defu Lane 4, Singapore 539424, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the Memorandum and the Articles of Association of the Company; and
- (ii) the annual report of the Company for FY2015.

Yours faithfully
For and on behalf of the Board of Directors
KODA LTD

James Koh Jyh Gang
Deputy Chairman/
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

KODA LTD

(Incorporated in the Republic of Singapore on 17 April 1980)
(Company Registration Number 198001299R)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Koda Ltd (the “**Company**”) will be held at 28 Defu Lane 4, Singapore 539424 on 30 October 2015 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications, the following ordinary resolutions:

RESOLUTION 1: PROPOSED SHARE CONSOLIDATION (ORDINARY RESOLUTION)

That:

With effect from the date to be determined by the directors of the Company (“**Directors**”) and pursuant to the Articles of Association of the Company, approval be and is hereby given:

- (a) for the proposed consolidation of every five (5) Existing Shares held by Shareholders as at the Books Closure Date (including treasury shares) into one (1) Consolidated Share in the manner set out in the Circular;
- (b) for the Directors to disregard any fraction of a Consolidated Share which may arise from the Proposed Share Consolidation pursuant to paragraph (a) above, and for all fractions of Consolidated Shares to which holders of the Existing Shares would otherwise be entitled to, be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including but not limited to, disregarding or aggregating and selling the same and retaining the net proceeds for the benefit of the Company.
- (c) For the Directors to be authorised to fix the Books Closure Date and the date on which the Shares will trade on the Mainboard in board lots of 100 Consolidated Shares in their absolute discretion as they deem fit; and
- (d) For the Directors and each of them to be authorised and empowered to complete and do and execute all such things and acts (including, without limitation, executing all such documents as may be required) as they or he may think necessary or expedient to give effect to this resolution, with such modifications thereto (if any) as they and/or he shall think fit in the interests of the Company.

RESOLUTION 2: ADOPTION OF THE PROPOSED SHARE BUY-BACK MANDATE (ORDINARY RESOLUTION)

That:

- (a) for the purposes of the Companies Act (Cap. 50) of Singapore (the “**Act**”), the exercise by the Directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchases, transacted on the ready market of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), or as the case may be, other stock exchange for the time being on which the Shares may be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (the “**Market Purchase**”); and/or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual (the “**Off-Market Purchase**”).

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being as applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
- (ii) the date on which the purchase of Share by the Company are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked.

- (c) in this resolution:

“**Prescribed Limit**” means the number of Shares representing 10.0% of the total issued ordinary share capital of the Company as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as defined hereinafter), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase, 115.0% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days (“**Market Day**” being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the Market Purchase or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they/he/she may consider expedient, necessary, desirable, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

Gn Jong Yuh Gwendolyn
Company Secretary
Singapore

15 October 2015

Notes:

1. A member of the Company entitled to attend and vote at EGM is entitled to appoint not more than two proxies to attend and vote in his stead and a proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
3. The instrument appointing a proxy must be lodged at the Company's registered office at 28 Defu Lane 4, Singapore 539424, not less than 48 hours before the time appointed for the EGM. The completion and return of the proxy form by a member will not prevent him from attending and voting in person at the EGM if he so wishes. In such event, the relevant proxy form will be deemed to be revoked.

Personal data privacy:-

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any EGM laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

KODA LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number 198001299R)

PROXY FORM

Personal data privacy

By submitting an instrument appointing a proxy and/or representative, the Shareholder accepts and agrees to the personal data privacy terms set out in Notice of EGM dated 15 October 2015.

IMPORTANT

1. For investors who have used their CPF monies to buy KODA LTD shares, this Circular to Shareholders dated 15 October 2015 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____ (name)

of _____ (address)

being a member/members of Koda Ltd (the "**Company**"), hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings	
Address		No. of Shares	%

or failing him/her, the Chairman of the Extraordinary General Meeting ("**EGM**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the EGM of the Company to be held at 28 Defu Lane 4, Singapore 539424 on 30 October 2015 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies may vote or abstain from voting at his/her discretion. The Ordinary Resolutions will be put to vote at the EGM by way of poll.

Ordinary Resolution	Number of Votes For [#]	Number of Votes Against [#]
1. To approve the Proposed Share Consolidation		
2. To approve the adoption of the Proposed Share Buy-Back Mandate		

If you wish to exercise all your votes "For" or "Against", please indicate so with a [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

*Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder*

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:

1. Please insert the total number of shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
4. The instrument appointing a proxy or proxies, together with the power of attorney, or other authority (if any) under which is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 28 Defu Lane 4, Singapore 539424 not less than 48 hours before the time appointed for the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.