

## 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			6 months ended		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
	("2Q18") US\$'000	("2Q17") US\$'000	%	("1HY18") US\$'000	("1HY17") US\$'000	%
<b>Revenue</b>	<b>11,860</b>	<b>13,441</b>	<b>(11.8)</b>	<b>24,156</b>	<b>25,206</b>	<b>(4.2)</b>
Cost of sales	(7,728)	(9,438)	(18.1)	(15,779)	(17,864)	(11.7)
<b>Gross profit</b>	<b>4,132</b>	<b>4,003</b>	<b>3.2</b>	<b>8,377</b>	<b>7,342</b>	<b>14.1</b>
Other income	185	240	(22.9)	353	446	(20.9)
Selling & distribution expenses	(1,143)	(1,072)	6.6	(2,258)	(2,046)	10.4
General & administrative expenses	(1,872)	(1,764)	6.1	(3,531)	(3,062)	15.3
Other expenses	(124)	-	NM	(138)	(4)	NM
Finance costs	(6)	(9)	(33.3)	(14)	(16)	(12.5)
Share of results of associate	-	-	NM	(1)	(1)	NM
<b>Profit before tax</b>	<b>1,172</b>	<b>1,398</b>	<b>(16.2)</b>	<b>2,788</b>	<b>2,659</b>	<b>4.9</b>
Income tax expense	(179)	(352)	(49.1)	(373)	(746)	(50.0)
<b>Profit for the period</b>	<b>993</b>	<b>1,046</b>	<b>(5.1)</b>	<b>2,415</b>	<b>1,913</b>	<b>26.2</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	466	(816)	NM	657	(1,115)	NM
Other comprehensive income for the period, net of tax	<b>466</b>	<b>(816)</b>		<b>657</b>	<b>(1,115)</b>	
<b>Total comprehensive income for the period</b>	<b>1,459</b>	<b>230</b>	<b>534.3</b>	<b>3,072</b>	<b>798</b>	<b>285.0</b>

NM: Not meaningful

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

	2Q18	2Q17	1HY18	1HY17
	US\$'000	US\$'000	US\$'000	US\$'000
<b><u>Other income</u></b>				
Rental income	14	44	58	88
Interest income	29	14	35	30
Foreign exchange gain	13	107	13	162
Gain on disposal of property, plant & equipment	3	-	3	1
Others	126	75	244	165
	<b>185</b>	<b>240</b>	<b>353</b>	<b>446</b>
<b><u>Other expenses</u></b>				
Equity-settled share-based expenses	(114)	-	(114)	-
Others	(10)	-	(24)	(4)
	<b>(124)</b>	<b>-</b>	<b>(138)</b>	<b>(4)</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>	
	31/12/2017	30/6/2017	31/12/2017	30/6/2017
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and bank balances	8,259	8,352	1,881	1,691
Trade receivables	3,564	4,294	5,152	5,534
Other receivables and prepayments	3,195	2,780	8,257	9,229
Inventories	9,210	6,727	-	-
<b>Total current assets</b>	<b>24,228</b>	<b>22,153</b>	<b>15,290</b>	<b>16,454</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	8,135	8,135
Investment in associate	2	3	-	-
Club memberships	207	207	192	192
Other receivables and prepayment	-	548	-	-
Property, plant and equipment	17,518	15,028	492	616
Deferred tax asset	32	32	-	-
<b>Total non-current assets</b>	<b>17,759</b>	<b>15,818</b>	<b>8,819</b>	<b>8,943</b>
<b>Total assets</b>	<b>41,987</b>	<b>37,971</b>	<b>24,109</b>	<b>25,397</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Bills payable	100	127	-	-
Trade payables	2,749	1,914	4,196	5,548
Other payables	6,149	5,323	3,019	2,311
Obligations under finance lease	51	51	32	32
Bank loans	146	146	146	146
Income tax payable	410	375	-	-
<b>Total current liabilities</b>	<b>9,605</b>	<b>7,936</b>	<b>7,393</b>	<b>8,037</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,185	1,152	-	-
Bank loans	539	477	539	477
Obligations under finance leases	38	67	6	27
<b>Total non-current liabilities</b>	<b>1,762</b>	<b>1,696</b>	<b>545</b>	<b>504</b>
<b>Capital and reserves</b>				
Share capital	4,525	4,362	4,525	4,362
Treasury shares	(13)	(13)	(13)	(13)
Capital reserves	5,905	7,939	138	187
Translation reserve	(1,575)	(2,232)	-	-
Retained earnings	21,778	18,283	11,521	12,320
<b>Total equity</b>	<b>30,620</b>	<b>28,339</b>	<b>16,171</b>	<b>16,856</b>
<b>Total liabilities and equity</b>	<b>41,987</b>	<b>37,971</b>	<b>24,109</b>	<b>25,397</b>

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

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

As at 31/12/2017 (US\$'000)		As at 30/6/2017 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
51	246	51	273

**Amount repayable after one year**

As at 31/12/2017 (US\$'000)		As at 30/6/2017 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
38	539	67	477

**Borrowings and gearing ratio**

Total borrowings of US\$0.88 million as at 31 December 2017 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings increased marginally compared to 30 June 2017 due to increase in long-term loan offset by repayments.

The Group's gearing ratio remain unchanged at 0.03 times as at 31 December 2017 and 30 June 2017.

**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		6 months ended	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	1,172	1,398	2,788	2,659
Adjustments for:				
Depreciation of property, plant and equipment	288	274	567	531
Equity-settled share-based expenses	114	51	114	51
Gain on disposal of property, plant and equipment	(3)	-	(3)	(1)
Property, plant & equipment written off	1	-	1	-
Share of results of associate	-	-	1	1
Interest income	(29)	(14)	(35)	(30)
Interest expense	6	9	14	16
<b>Operating cash flows before working capital changes</b>	<b>1,549</b>	<b>1,718</b>	<b>3,447</b>	<b>3,227</b>
Trade receivables	(421)	289	730	132
Other receivables and prepayments	(406)	(107)	(415)	(482)
Inventories	(2,125)	560	(2,483)	189
Trade payables	726	320	835	240
Other payables	395	457	826	585
<b>Cash (used in) generated from operations</b>	<b>(282)</b>	<b>3,237</b>	<b>2,940</b>	<b>3,891</b>
Interest received	29	14	35	30
Interest paid	(6)	(9)	(14)	(16)
Income tax paid	(173)	(88)	(492)	(234)
<b>Net cash (used in) from operations</b>	<b>(432)</b>	<b>3,154</b>	<b>2,469</b>	<b>3,671</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(391)	(330)	(2,148)	(780)
Proceeds from disposal of property, plant and equipment	3	-	3	47
<b>Net cash used in investing activities</b>	<b>(388)</b>	<b>(330)</b>	<b>(2,145)</b>	<b>(733)</b>
<b>Cash flows from financing activities</b>				
(Increase) Decrease in bills payables	24	(75)	(27)	(491)
Dividends paid	(905)	(394)	(905)	(394)
Proceeds from bank loan	136	-	136	233
Purchase of treasury shares	-	-	-	(3)
Repayment of bank loans	(37)	(118)	(74)	(228)
Repayment of finance leases	(14)	(31)	(29)	(59)
<b>Net cash used in financing activities</b>	<b>(796)</b>	<b>(618)</b>	<b>(899)</b>	<b>(942)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,616)</b>	<b>2,206</b>	<b>(575)</b>	<b>1,996</b>
Cash and cash equivalents at beginning of period	9,548	4,263	8,352	4,607
Effect of foreign exchange translation	327	(356)	482	(490)
<b>Cash and cash equivalents at end of period</b>	<b>8,259</b>	<b>6,113</b>	<b>8,259</b>	<b>6,113</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	-	-	-	657	2,415	3,072	-	3,072
Dividends paid	-	-	-	-	(905)	(905)	-	(905)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	114	-	-	114	-	114
Reclassification to retained earnings	-	-	(1,985)	-	1,985	-	-	-
<b>Balance as at 31/12/2017</b>	<b>4,525</b>	<b>(13)</b>	<b>5,905</b>	<b>(1,575)</b>	<b>21,778</b>	<b>30,620</b>	<b>-</b>	<b>30,620</b>
<b>Company</b>								
Balance as of 1/7/2017	4,362	(13)	187	-	12,320	16,856	-	16,856
Total comprehensive income	-	-	-	-	106	106	-	106
Dividends paid	-	-	-	-	(905)	(905)	-	(905)
Issue of new shares	163	-	(163)	-	-	-	-	-
Share-based expenses	-	-	114	-	-	114	-	114
<b>Balance as at 31/12/2017</b>	<b>4,525</b>	<b>(13)</b>	<b>138</b>	<b>-</b>	<b>11,521</b>	<b>16,171</b>	<b>-</b>	<b>16,171</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 1/7/2016	4,312	(10)	5,419	(1,597)	14,786	22,910	-	22,910
Total comprehensive income	-	-	-	(1,115)	1,913	798	-	798
Dividends paid	-	-	-	-	(394)	(394)	-	(394)
Issue of new shares	50	-	51	-	-	101	-	101
Share-based expenses	-	-	(51)	-	-	(51)	-	(51)
Repurchase of shares	-	(3)	-	-	-	(3)	-	(3)
<b>Balance as at 31/12/2016</b>	<b>4,362</b>	<b>(13)</b>	<b>5,419</b>	<b>(2,712)</b>	<b>16,305</b>	<b>23,361</b>	<b>-</b>	<b>23,361</b>
<b>Company</b>								
Balance as of 1/7/2016	4,312	(10)	58	-	6,578	10,938	-	10,938
Total comprehensive income	-	-	-	-	339	339	-	339
Dividends paid	-	-	-	-	(394)	(394)	-	(394)
Issue of new shares	50	-	-	51	-	101	-	101
Share-based expenses	-	-	-	(51)	-	(51)	-	(51)
Repurchase of shares	-	(3)	-	-	-	(3)	-	(3)
<b>Balance as at 31/12/2016</b>	<b>4,362</b>	<b>(13)</b>	<b>58</b>	<b>-</b>	<b>6,523</b>	<b>10,930</b>	<b>-</b>	<b>10,930</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**

As at 31 December 2017, the Company's issued share capital comprises 82,355,160 (30 June 2017: 41,045,716) ordinary shares (excluding treasury shares). The total number of treasury shares held by the Company as at 31 December 2017 was 111,000 (30 June 2017: 55,500) which represents 0.13% (30 June 2017: 0.13%) of the total number of issued shares (excluding treasury shares).

On 7 November 2017, the Company allotted and issued 41,045,716 Bonus Shares. Following the allotment and issuance of the Bonus Shares, the total number of Shares of the Company increased from 41,045,716 Shares (excluding 55,500 treasury shares) to 82,091,432 Shares (excluding 111,000 treasury shares).

On 19 December 2017, the Company allotted and issued 263,728 New Shares to participants under the Performance Share Plan. Following the allotment and issuance of the New Shares, the total number of Shares of the Company increased from 82,091,432 (excluding 111,000 treasury shares) to 82,355,160 (excluding 111,000 treasury shares).

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>31/12/2017</u>	<u>30/6/2017</u>
Total number of issued shares (excluding treasury shares)	82,355,160	41,045,716

**(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 Company held 111,000 treasury shares as at 31 December 2017. There were no sales, transfer, disposal, cancellation and / or use of treasury shares 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 as in the Group's financial year ended 30 June 2017.

**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**

	2Q18	2Q17 (Restated)	1HY18	1HY17 (Restated)
Earnings per ordinary share (US cents)	1.53	1.97	3.71	3.60

*Note: Earnings per ordinary share ("EPS") was computed based on weighted average number of shares of 65,172,166 and 53,108,941 for the period 2Q18 and 1HY18 respectively. EPS for the corresponding period was restated accordingly.*

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

	Group			Company		
	31/12/2017	30/6/2017	30/6/2017 (Restated) <sup>(1)</sup>	31/12/2017	30/6/2017	30/6/2017 (Restated) <sup>(1)</sup>
Net asset value per ordinary share (US cents)	37.2	69.0	34.4	19.6	41.2	20.6

*Note: Net asset value ("NAV") per ordinary share was computed based on 82,355,160 number of issued shares as at 31 December 2017 (30 June 2017: 41,045,716 number of issued shares).*

*(1) The restated NAV per ordinary share as at 30 June 2017 was based on 82,355,160 number of shares for comparative purposes.*

**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 (2Q18 vs 2Q17)**

Revenues for 2Q18 fell by US\$1.6 million to US\$11.9 million as a result of lower export sales from delayed shipments to our key markets which were offset by higher sales from our in-house brand (Commune).

Gross profit rose by 3.2% or US\$0.1 million to US\$4.1 million and gross margin rose by 5.0 percentage points to 34.8% due mainly to higher revenue contribution from our Commune retail and distribution business which command higher margins.



Selling and distribution expenses rose by 6.6% or US\$0.07 million to US\$1.1 million due mainly to higher logistics cost arising from increased shipments for the distribution business in China.

General and administrative expenses rose by 6.1% or US\$0.1 million to US\$1.9 million due mainly to staff related costs and other operating expenses.

Other expenses rose by US\$0.1 million due to adjustments to number of shares granted under the Performance Share Plan as a result of the Bonus Issues completed on 12 June 2017 and 9 November 2017.

Income tax expense fell by 49.1% or US\$0.17 million due to lower taxable profits derived from export sales and the absence of capital gains tax provided in 2Q17 on disposal of investment properties in Vietnam.

Given the above, profit after tax fell by 5.1% or US\$0.05 million to US\$1.0 million for 2Q18 compared to US\$1.05 million in 2Q17.

### **Financial Position (31 December 2017 vs 30 June 2017)**

#### Assets

Current assets rose by US\$2.1 million to US\$24.2 million. Significant movements in current assets during the period under review were as follows:

- Trade receivables fell by US\$0.7 million to US\$3.6 million due to faster collections from export customers.
- Other receivables and prepayments rose by US\$0.4 million to US\$3.2 million due mainly to higher advances to suppliers.
- Inventories rose by US\$2.5 million to US\$9.2 million due to (i) higher raw materials, and (ii) higher finished goods pending shipments.

Non-current assets rose by US\$1.9 million to US\$17.8 million due mainly to (i) the purchase of land and buildings in Vietnam; and (ii) investments in new equipment and machinery.

#### Liabilities

Current liabilities rose by US\$1.7 million to US\$9.6 million. Significant movements in current liabilities during the period under review were as follows:

- Bills payable fell by US\$0.03 million to US\$0.1 million due to lower trade financing and repayment of trade bills.
- Trade payables rose by US\$0.8 million to US\$2.7 million due mainly to higher purchases from suppliers.
- Other payables rose by US\$0.8 million to US\$6.1 million due mainly to accruals of operating expenses and higher deposits received from customers.

Non-current liabilities rose by US\$0.07 million to US\$1.8 million due mainly to draw down of a term loan.

### Shareholders' equity

Net asset or Equity attributable to shareholders rose by US\$2.3 million to US\$30.6 million as at 31 December 2017 due mainly to current period earnings of US\$2.4 million.

### **Cash Flows (2Q18 vs 2Q17)**

Net cash used in operations was US\$0.3 million for 2Q18 after accounting for operating cash flows of US\$1.5 million, net working capital changes of US\$1.8 million and net payments of income tax and interest of US\$0.15 million.

Net cash used in investing activities of US\$0.39 million was due mainly to purchase of equipment and machinery.

Net cash used in financing activities of US\$0.8 million was due mainly to dividends payments (Final and Special Dividends for FY2017) and repayments of borrowings during the period. Given these, net cash and cash equivalents fell by US\$1.6 million to US\$8.3 million as at 31 December 2017.

**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 FY2017 results announcement that barring any unforeseen circumstances, the Group expects to remain profitable in FY2018.

The Group reported Profit after tax of US\$1.0 million and US\$2.4 million for 2Q18 and 1HY18 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**

In China, where GDP grew at a better-than-expected pace of 6.9% in 2017, consumer confidence and retail sales remain strong. This bodes well for the Group's continued rollout of its *Commune* brand in the country. *Commune* now has 43 stores in China, and has mapped out aggressive expansion plans over the next two to three years to deepen its market penetration, including possible strategic collaboration with other local industry players. Over the course of 2018, *Commune* intends to debut in other markets within Asia where it currently does not have a presence.

The US, Koda's largest export market, remains resilient as the economy continues to drive job creation and wage growth. Even so, the Group continues to be cautious and keep a watchful eye on the ever-changing dynamics in the furniture manufacturing industry in order to anticipate and adjust to the needs of the market, mitigate competitive and cost pressures, and better manage foreseeable deliveries. Following the acquisition of land and buildings in Vietnam in October 2017, higher capacity planning is expected from dedicated production lines at the new premise.

Barring unforeseen circumstances, the Group expects to be profitable in FY2018.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend:	1HY18 Interim Dividend	
Dividend type:	Cash	
Dividend rate:		
- Per ordinary share (S\$ cent)	0.25	
- Per ordinary share (US\$ cent equivalent)	0.19	
Total dividend in dollar value:	<u>S\$'000</u>	<u>US\$'000</u>
	206	154

Note:

Equivalent amount in US\$ for dividend per share and total dividend in dollar value have been provided for information purposes, based on closing rate as at 31 December 2017 of US\$1.00 : S\$1.34.

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

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

Yes.

Name of dividend:	1HY17 Interim Dividend	
Dividend type:	Cash	
Dividend rate (Restated):		
- Per ordinary share (S\$ cent) <sup>(1)</sup>	0.17	
- Per ordinary share (US\$ cent equivalent) <sup>(1)</sup>	0.12	
Total dividend in dollar value:	<u>S\$'000</u>	<u>US\$'000</u>
	137	94

Note:

(1) The 1HY17 interim dividend rate has been restated and computed based on 82,355,160 number of shares. For 1HY17, the actual dividend per share at the time was 0.5 Singapore cent (equivalent to 0.34 US cent), based on 27,363,816 number of shares.

Equivalent amount in US\$ for dividend per share and total dividend in dollar value have been provided for information purposes, based on closing rate as at 31 December 2016 of US\$1.00 : S\$1.45.

### (c) Date payable

To be determined and announced at a later date.

### (d) Books closure date

To be determined and announced at a later date.

### (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 \$100,000) (S\$'000)</b>
Koh Jyh Eng Koh Shwu Lee (Directors of the Company)	The Group had, in June 2016, entered into a 10-year long-term lease with Zenith Heights Sdn Bhd (of which Koh Jyh Eng & Koh Shwu Lee are Directors) for land owned by Zenith Heights Sdn Bhd to build warehousing facilities in Malaysia (the "Lease").  The IPT transactions in 2Q18 with regards to the Lease is as follow:  (i) Rental expense (RM74,094)	24

Based on an exchange rate of S\$1.00 : RM\$3.11

The above IPT transaction constitutes 0.06% of the Group's audited NTA as at 30 June 2017.

**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 December 2017 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**  
**JAMES KOH JYH GANG**  
Managing Director  
13 February 2018