

KODA LTD

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

RESPONSE TO SGX QUERIES

The Board of Directors (the “Board”) of Koda Ltd (the “Company”, and together with its subsidiaries, (the “Group”) wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 11 August 2015, with reference to the Company’s announcement on 3 August 2015 on the disposal of land and buildings in Ho Chi Minh City, Vietnam (the “Announcement”) as follows:

Question 1: In paragraph 3.1 of the Announcement, the Company announced that “The Consideration was arrived on a “willing-buyer, willing seller” basis after arm’s length negotiations with the buyer, taking into account the current market valuation of similar properties in the area.”

- a. **In relation to Listing Rule 1010(5) of the Listing Manual, please provide details regarding the market valuation of the similar properties in the area taken into account for ascertaining the consideration value; and**
- b. **Was there a valuation carried out by an independent valuer on the land and buildings located at Lot 1, Road 1A, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, Ho Chi Minh City (the “Land and Buildings”)?**

Response: The Land and Building was valued by an independent valuer, Jones Lang LaSalle (“JLL”), on 30 June 2015. The valuation, which was commissioned by Koda International Ltd, was based on the Depreciated Replacement Cost Approach, which entails estimating the land value in its existing use and adding the depreciated replacement costs of the site improvements with related costs. The underlying land value was determined by reviewing the current prices quoted by industrial parks in the area.

The market valuation of the Land and Building by JLL was approximately US\$222 per square meter as at 30 June 2015 (“Independent Valuation”). Based on the Independent Valuation of US\$222 per square meter, the Land and Building is valued at US\$1.84 million. Taking into account of the basis of the Independent Valuation, we disposed the Land and Building for a consideration of US\$1.84 million, or US\$222 per square meter.

Question 2: In paragraph 5 of the Announcement, the Company announced that the relative figures with relation to the net profits attributable to the assets acquired of disposed of, compared to with the Group’s net profits are not applicable.

- a. **Please provide the values of the depreciation and other expenses with the Land and Buildings that the Company would no longer have to incur;**

Response: We have provided details of the accounting policies for Investment Property on page 66 of the Company’s Annual Report 2014, which states that “Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.”

As such, the Land and Building (which is the Company's Investment Properties) is carried at Fair Value and there was no depreciation recorded. Other expenses, which include repairs, maintenance and such incidental expenses, are expected to reduce by approximately US\$14,000 per annum on completion of the disposal.

By Order of the Board
Koda Ltd

James Koh Jyh Gang
Managing Director
13 August 2015