

KODA LTD

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

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

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Koda Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company proposes to undertake a share consolidation of every five (5) existing issued ordinary shares in the capital of the Company (the “**Existing Shares**”) held by shareholders of the Company (“**Shareholders**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”) into one (1) ordinary share (the “**Consolidated Shares**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

As a result of the Proposed Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every five (5) Existing Shares held as at the Books Closure Date, fractional entitlements to be disregarded.

2. THE PROPOSED SHARE CONSOLIDATION

2.1 General

Under the Proposed Share Consolidation, every five (5) Existing Shares registered in the name of each Shareholder (not being a depositor) or standing to the credit of the securities account of each depositor, as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share, fractional entitlements to be disregarded.

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.

Each Consolidated Share will rank *pari passu* with each other, and will be traded on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in board lots of 100 Consolidated Shares.

As at the date of this announcement, the Company has a registered share capital of US\$4,312,212 divided into 136,513,397 Existing Shares which are listed on the Mainboard of the SGX-ST. On the assumption that there will be no new ordinary shares (“**Shares**”) issued by the Company on or before the Books Closure Date, following the implementation of the Proposed Share Consolidation, the Company will have a share capital of US\$4,312,212 divided into up to 27,302,679 Consolidated Shares.

The Proposed Share Consolidation will not involve the diminution of any 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.

2.2 Rationale for the Proposed Share Consolidation

Compliance with the minimum trading price requirement

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 volume-weighted average price 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. 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 of the SGX-ST.

For illustrative purposes only, the past six calendar months prior to the date of this announcement, the 6-month VWAP of the Company was S\$0.085, which is below the MTP Requirement of S\$0.20.

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)
March 2015	0.090	0.083	186
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

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 date of this announcement, the theoretical adjusted 6-month VWAP for the Consolidated Shares would be S\$0.423.

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 an extraordinary general meeting (“**EGM**”) of the Company to be convened.

An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for up to 27,302,679 Consolidated Shares on the Mainboard of the SGX-ST. An announcement will be made upon receipt of the listing and quotation notice from the SGX-ST in due course.

Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, *inter alia*, the notice of the EGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

3. CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to exercise caution in trading their Existing Shares and should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement 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 the announcement in its proper form and context.

By Order of the Board

James Koh Jyh Gang
Managing Director

16 September 2015