

Koda Ltd

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

UPDATE ON THE MISAPPROPRIATION OF FUNDS

*Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company's announcement dated 1 November 2023 (the "**Previous Announcement**").*

The Board of Directors (the "**Board**") of Koda Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Previous Announcement dated 1 November 2023. The Board wishes to update that the Group has completed the Phase 1 Review. The Phase 1 Review has been conducted by an external consultant, G.E.N.S Management Consultancy Pte Ltd ("**GENS**"), based on ISO 27001:2013: Information Security Management System and internal procedural policies. The Board, in consultation with the Audit Committee, has assessed the profiles and experience of GENS and is of the opinion that GENS will be able to meet the requirements of the Phase 1 Review within the budgets approved by the Management.

Root causes

As disclosed in the Previous Announcement, the misappropriation was a deliberate case of fraud whereby the employee, who was the administrator for CLPL's payment gateway system, made unauthorised changes to the system such that monies received from credit card and/or contactless payment transactions were deposited into the employee's own personal account.

Summary of findings

GENS noted that corrective actions have been initiated by the Management after the discovery of the fraud. Upon implementation of these corrective actions by the Management, there are currently no major non-conformities found in the Phase 1 Review. In addition to these corrective actions, GENS has identified certain low-risk rated findings and further recommended that CLPL should implement a policy which allow authorised account creations in the absence of CEO with regular review of user activities; and there should also be standardised push notifications within the payment gateway system. The Management agrees with these recommendations and will address the issues accordingly.

The Group is in the midst of conducting the Phase 2 Review relating to the IT Governance, Risk and Compliance analysis for all the integrated payment gateways and systems, including IT system audit relating to receipts collection. The Company will make further announcements to update shareholders when there are material developments as appropriate.

By Order of the Board of
Koda Ltd

James Koh Jyh Gang
Executive Chairman and Chief Executive Officer
27 December 2023