

# KODA LTD

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

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## PROPOSED ACQUISITION OF LAND USE RIGHT AND PROPERTIES ON LAND BY A SUBSIDIARY

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### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Koda Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Koda Saigon Company Limited (the “**Purchaser**”), a wholly-owned subsidiary of the Company, has entered into a Memorandum of Understanding (“**MOU**”) with Dong Tam Industrial Zone Joint Stock Company (the “**Vendor**”) in relation to the proposed acquisition of Land Use Right and Properties on Land at Lot A6, Road 1, Thuan Dao Industrial Park, Ben Luc Town, Ben Luc District, Long An Province, Vietnam (the “**Proposed Acquisition**”).

### 2. INFORMATION ON LAND USE RIGHT AND PROPERTIES ON LAND

The Land Use Right relates to an industrial land situated at Lot A6, Road 1, Thuan Dao Industrial Park, Ben Luc Town, Ben Luc District, Long An Province, Vietnam, which has an area of approximately 11,257.6 m<sup>2</sup>. The term of the Land Use Right is until 4 April 2053.

The Properties on Land comprises (i) a used industrial workshop which has an area of approximately 5,628.8 m<sup>2</sup>; (ii) an office which has an area of approximately 700.8 m<sup>2</sup>; and (iii) auxiliary structures which include guardhouses, parking areas, canteens, toilets, internal roads and surrounding fences.

### 3. PURCHASE CONSIDERATION

The aggregate purchase consideration for the Proposed Acquisition is VND49,826,040,000 (inclusive of VAT) which is approximately US\$2,188,000 based on an exchange rate of US\$1:VND22,768 as at 29 March 2017 (the “**Purchase Consideration**”). The Purchase Consideration was arrived at on a willing-buyer-willing-seller basis, taking into account various commercial factors, including but not limited to the location of the land (which is situated adjacent to the Group’s current properties in Vietnam) and current market prices of land in the surrounding vicinity.

The Purchase Consideration will be satisfied in the following manner:

- (i) a deposit of VND12,456,510,000 representing 25% of the Purchase Consideration within seven (7) working days from the date of execution of the MOU which shall be used to partially offset the third (3rd) instalment of the Purchase Consideration; and
- (ii) the Purchase Consideration shall be paid in three (3) instalments when certain milestones in connection with the Proposed Acquisition are reached or achieved.

As at the date of this Announcement, the Purchaser has paid to the Vendor the Deposit of VND12,456,510,000.

#### 4. RATIONALE

The Group is proposing to acquire the Land Use Right and Properties on Land (which are situated adjacent to the Group's current properties in Vietnam) to set up dedicated production lines to handle mix material production in order to meet the current design trends for such products.

#### 5. VALUE OF LAND USE RIGHT AND PROPERTIES ON LAND

No valuation was commissioned by the Company in respect of the Land Use Right and Properties on Land.

#### 6. SOURCE OF FUNDS FOR THE PROPOSED ACQUISITION

The Purchase Consideration will be funded by bank borrowings and the Company's internal resources.

#### 7. FINANCIAL EFFECTS

The Proposed Transaction is not expected to have any material impact on the earnings per share and the net tangible assets per share for the current financial year ending 30 June 2017. The financial effects on the earnings per share and the net tangible assets per share based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2016 are not material.

#### 8. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL

Rule 1006 of the Listing Manual	Description	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired or disposed of, compared to with the Group's net profits.	Not applicable <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	11.15% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
(e)	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable <sup>(5)</sup>

**Notes:**

- (1) The Proposed Acquisition is an acquisition of assets and not a disposal of assets.
- (2) There are no net profits attributable to the Land Use Right and Properties on Land.
- (3) The Purchase Consideration of VND49,826,040,000 which is approximately US\$2,188,000 based on an exchange rate of US\$1:VND22,768 as at 29 March 2017 represents approximately 11.15% of the Company's market capitalisation of approximately US\$19,614,482 as at the date of this Announcement.
- (4) No equity securities are being issued by the Company as consideration for the Proposed Acquisition.
- (5) The Proposed Acquisition is an acquisition of assets and not a disposal of assets. The Company is also not a mineral, oil and gas company.

As the relative figures computed on the bases set out in Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition constitutes a "Disclosable Transaction" under Chapter 10 of the Listing Manual.

**9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

**10. SERVICE CONTRACTS**

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

**11. DOCUMENTS FOR INSPECTION**

A copy of the MOU in relation to the Proposed Acquisition be inspected at the registered office of the Company at 28 Defu Lane 4, Singapore 539424, during normal business hours for three (3) months from the date of this Announcement.

**12. CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. In particular, shareholders and potential investors of the Company should note that there is no assurance that any transactions mentioned in this Announcement will materialise. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board  
Koda Ltd

James Koh Jyh Gang  
Managing Director

30 March 2017