

## **KODA LTD**

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

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### **Responses to questions relevant to the Resolutions of the Annual General Meeting to be held on Friday, 29 October 2021 at 10.00 am**

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The Board of Directors (the “**Board**”) of Koda Ltd (the “**Company**”) wishes to thank all shareholders who have submitted their questions in advance of the Annual General Meeting to be convened and held by way of electronic means on 29 October 2021 at 10.00 am (the “**AGM**”).

### **Responses to questions relevant to the Resolutions of the AGM**

We have received questions from shareholders relating to the Company’s FY2021 Annual General Meeting. Please refer to our responses to the questions from shareholders as set out in **Appendix 1**.

By Order of the Board of Directors of  
**Koda Ltd**

James Koh Jyh Gang  
Executive Chairman and Chief Executive Officer  
25 October 2021

**Appendix 1**

	<b><u>Questions</u></b>	<b><u>Responses</u></b>
1.	The Company has acquired an industrial land of 30,000 m <sup>2</sup> in November 2019 and another industrial land in Vietnam of 13,768 m <sup>2</sup> and factory building in March 2021. Can the management update on the status of these new or upcoming facilities?	Facilities for mixed-materials furniture production lines, storage and warehousing have since been built on the industrial land area of 13,768 m <sup>2</sup> . The new facilities are undergoing related machinery and equipment testing; and we will plan several trial runs over the next 3 to 6 months prior to commencing production at commercial scale ("Phase 1 Expansion"). Upon successful implementation of Phase 1 Expansion, we will then progressively plan expansion of dedicated production lines for upholstery furniture and mixed-materials factory capacity on the 30,000 m <sup>2</sup> industrial land ("Phase 2 Expansion"). The Covid-related disruptions in Vietnam have inevitably delayed part of the progress and caused us to reschedule our expansion timeline.
2.	How significant is the upholstery furniture/sofas sales compared to other furniture sales currently? Do the management expect higher contribution of sofa sales in the future?	Sales derived from sofa / upholstery furniture were insignificant in FY2021 but is currently under the Phase 2 Expansion (as explained in the above).
3.	Does the recent high shipping cost increase the operating costs of Koda's business?	Our sales terms with customers are based on Freight on Board (" <b>FOB</b> ") where customers bear shipping cost whereas our purchase terms with certain suppliers are negotiated based on Cost, Insurance and Freight (" <b>CIF</b> ") where these suppliers bear shipping cost. As such, the high shipping cost has not increased our operating costs significantly so far but we are mindful of the impact it may have on the related unit price over a longer-term and are monitoring the situation closely.