



Press Release

**MAINBOARD-LISTED ORIGINAL DESIGN
MANUFACTURER KODA'S FY2007 NET PROFIT
SURGES 53.4% TO US\$7.2M ON INCREASED
HIGHER- MARGIN SALES AND ECONOMIES OF
SCALE**

- Revenue increases 24.8% to US\$60.1 million on sustained firm sales in UK/Europe, North America and Asia-Pacific markets
- Net profit growth outpaces revenue growth for second consecutive year
- Group announces highest ever total dividend payout of 1.5 S cent (less tax) per ordinary share to-date; inclusive of proposed final and special dividends and already paid out interim dividend earlier this year
- Vietnam-based subsidiary Rossano receives Golden Dragon Award for “Best Foreign-invested Enterprise” in recognition of its branding in Vietnam
- Outlook: Directors expect full-year performance for FY2008 to be better than that of FY2007

Singapore, 22nd August 2007 - SGX-listed original design manufacturer (“ODM”) and furniture exporter, Koda Ltd (“Koda” or “the Group”), announced today that its net profit for the financial year ended 30 June 2007 (“FY2007”) surged 53.4% to US\$7.2 million (S\$11.2 million) compared to US\$4.7million in FY2006 and bottom-line growth outpaced revenue growth for the second consecutive year.

The net profit performance improved significantly as a result of higher gross profit – buoyed by enhanced product mix, successful furniture fairs, efficient sourcing, effective cost control and full-year profit contribution from its recently-acquired Rossano.

FY2007 revenue rose 24.8% to US\$60.1 million compared to US\$48.1million in FY2006 on the back of sustained firm sales in the Group's traditionally strong UK/Europe, North America and Asia-Pacific markets. Revenue increased as a result of a series of successful international trade fairs, increasingly diverse base of clients and new designs. Koda signed on 73 new customers from recent international trade fairs and orders received from such fairs were up some 45% year-on-year.

Basic earnings per share ("EPS") correspondingly rose to 5.4* US cents (8.3 S cents) in FY2007 compared to 3.5** US cents (5.4 S cents) in FY2006. With stronger assets backing, net asset value ("NAV") per share rose to 18.4* US cents (28.2 S cents) as at 30 June 2007 compared to 13.2** US cents (20.2 S cents) as at 30 June 2006.

Cash and bank balances rose significantly by US\$3.4 million to US\$5.8 million as at 30 June 2007 due to higher profit and significantly higher operating cash inflows. Net gearing improved further to 0.12 times as at 30 June 2007 from 0.27 times a year ago.

Commenting on the Group's performance, Mr. TK Koh, Non-executive Chairman of Koda said: "It is another good year for us, we show shareholders our commitment to deliver results and increase value. Our business models work very well and we have stronger cash flows position now to support our future expansion."

Mr. James Koh, Deputy Chairman and Managing Director of Koda, said, "I am delighted with our performance this year. Focused marketing, sustained efficiencies and good R&D are keys to the improved performance and enhanced shareholder value. The concerted execution of these strategies have been our competitive edge, resulting in us being able to consistently snare significant orders from the middle to upper segments, which are of higher profile."

In January 2007, 70%-owned Rossano secured the prestigious 2006 Golden Dragon Award for "Best Foreign-Invested Enterprise" presented annually by the Vietnam Economic Times in conjunction with Vietnam's Ministry of Planning. This award honours the success of branding in Vietnam and acknowledges the contribution of foreign-invested enterprises to the country's economy.

Said Mr. James Koh, "We are thrilled to receive the Award as it is the best acknowledgement of our investment in Vietnam where we have been present for almost two decades. As one of the largest furniture manufacturers in Vietnam, we are committed to growing our presence there."

As previously announced, the Group has made capital investments in Vietnam. Continued demand in key markets and customers indicative orders have moved Koda to accelerate its capacity expansion programme in Vietnam as well as increase sourcing from Vietnam and Dongguan. The enlarged production facilities in Vietnam are expected

to be operational on a full-swing basis by FY2008 and should then increase annual production capacity by about 25% over one shift.

"Barring unforeseen circumstances, the Directors expect the performance of FY2008 to be better than that of FY2007," concluded Mr. James Koh.

In view of the Group's performance and improved operating cash flow, the Directors have announced a final dividend of 0.5 S cent per ordinary share (less 18% tax) and a special dividend of 0.5 S cent per ordinary share (less 18% tax). For 1H07, the Group had paid out an interim dividend of 0.5 S cent per ordinary share (less 20% tax). This makes Koda's total dividend payout in FY2007 of 1.5* S cent per ordinary share (less tax), the Group's highest ever to-date.

**This is based on an enlarged number of ordinary shares of 133,680,000 in FY2007 (following a 1-for-5 bonus issue during the financial year) compared to 111,480,000 ordinary shares in FY2006.*

***Re-computed based on enlarged number of ordinary shares of 133,680,000 (following a 1-for-5 bonus issue during the financial year).*

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Issued on behalf of the Company by WeR1 Consultants Pte Ltd

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About Koda Ltd

Established in Singapore and founded in 1972, Koda is backed by a management with combined experience of close to a century and recognised as a leading Original Design Manufacturer ("ODM") to the world. Koda is a strong contender for home furniture export and could possibly be the largest dining room furniture exporter in South-East Asia. Koda's range of design-intensive products exudes individuality, sophistication and elegance

Koda is well-known for its design strength – leading to appreciation from upscale customers worldwide for its aesthetical and functional pieces. With proven market experience, strong product development and significant in-house design expertise, Koda has been able to offer more than 300 product models, secure orders from more than 200 customers and sell to more than 50 countries. Consistent business strategies and focused growth initiatives differentiates Koda from others.

Koda has been emphasising on cost-effective expansion and the enlarged production and sourcing facilities in Vietnam and China enhance its cost competitiveness. Together with its existing manufacturing base in Malaysia, Koda has a total 12 purpose-built factory buildings.