

Koda Ltd

Company Registration No: 198001299R

Annual Report 2005 – Additional Information

In response to the queries raised by the Singapore Exchange Securities Trading Limited on October 20, 2005 in connection with the above subject matter, the Board of Directors of Koda Ltd wishes to provide the following additional information:-

Question 1

We refer to page 56 of the Annual Report. Please confirm if Zenith Asia Ltd is considered significant pursuant to Rule 718. If so, please confirm whether Rule 716 has been complied with and provide the basis for the Company's views on the suitability of the auditor engaged in the audit of the subsidiary.

ZA is not a significant foreign incorporated subsidiary, for the purposes of Rule 718 of the SGX-ST Listing Manual.

Question 2

We note in the section "Related Party Transaction" on page 54 of the Annual Report, there are supply of raw materials to subcontractor of S\$3.028 million and purchase of goods of S\$8.725 million, amounting to 51.6% of NTA in aggregate. To disclose the nature of the transactions, the related parties transacted with and reconcile to the statement in the section "Interested Person Transaction" on page 33 of the Annual Report.

As disclosed on Page 54 of the Annual Report, the Related Party Transactions are related to (1) supply of raw materials of S\$3.0 million to, and (2) purchase of goods of some S\$8.7 million from Koda Furniture Industry (Kunshan) Co., Ltd ("Kunshan"), one of the Group's furniture subcontractors in China.

The supply of materials of S\$3.0 million was related to purchase of raw materials on behalf of Kunshan for further processing and such transactions were not included in the Group's revenue (The disclosure note 4, on Page 54 of the Annual Report was meant to provide additional information to the users of accounts) whereas the purchase of good of S\$8.0 million (accounted for 16.1% of the Group's Cost of Sales) were included as part of the Group's Cost of Sales. The average value of each of such Interested Parties Transactions ("IPT") was in the range of US\$20,000 to US\$45,000 and thus it falls within the meaning of "the value of each IPT during the financial year ended 30 June 2005 did not exceed S\$100,000", as disclosed on Page 33 of the Annual Report.

By order of the Board