

KODA LTD

Company Registration No. 198001299R

Interim Payment of Insurance Claim

The Executive Directors of Koda Ltd (“the Company”) had previously announced that a fire occurred at the warehouse in Malaysia Operations. With reference to the Company’s announcement dated July 25, 2005 on the subject matter, the Board of Directors wish to provide an update that:

- whilst the Company’s subsidiary in Malaysia (the “Subsidiary”) is in the process of finalizing the insurance claim, the Subsidiary has to date received an interim payment of Ringgit Malaysia 2.0 million from the insurer, Malaysian Assurance Alliance Berhad – being partial settlement of the fire insurance claim of Koda Malaysia; and
- whilst the fire did cause some operational disruptions to the production flows and delivery schedules since its occurrence, the Subsidiary has to date resumed its production flows back to the normal operating cycle.

The Company will continue to provide further update once more details are available.