

KODA LTD

Quarterly and Half-Year Financial Statement and Dividend Announcement

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period

Consolidated Profit and Loss Statements for 2Q12 and 6 months ended 31 Dec 2011

| | 3 months ended 31/12/11 ("2Q12") US\$'000 | 3 months ended 31/12/10 ("2Q11") US\$'000 | Change % | 6 months ended 31/12/11 US\$'000 | 6 months ended 31/12/10 US\$'000 | Change % |
|-------------------------------------|---|---|-------------|---|---|---------------|
| Revenue | 13,320 | 11,950 | 11.5 | 24,580 | 23,783 | 3.4 |
| Cost of sales | (9,450) | (8,961) | 5.5 | (17,316) | (17,723) | (2.3) |
| Gross profit | 3,870 | 2,989 | 29.5 | 7,264 | 6,060 | 19.9 |
| Other operating income | 70 | 177 | (60.5) | 160 | 429 | (62.7) |
| Selling and distribution costs | (1,259) | (1,059) | 18.9 | (2,415) | (2,117) | 14.1 |
| Administrative expense | (2,215) | (1,867) | 18.6 | (4,402) | (3,646) | 20.7 |
| Other operating expenses | (71) | (4) | NM | (120) | (5) | NA |
| Finance costs | (75) | (32) | 134.4 | (134) | (64) | 109.4 |
| Profit before income tax | 320 | 204 | 56.9 | 353 | 657 | (46.3) |
| Income tax credit (expense) | (2) | 8 | NA | 140 | - | NA |
| Profit after income tax | 318 | 212 | 50.0 | 493 | 657 | (25.0) |
| Attributable to:- | | | | | | |
| Equity holders of the parent | 346 | 236 | 46.6 | 551 | 674 | (18.2) |
| Minority interests | (28) | (24) | NA | (57) | (17) | 235.3 |
| | 318 | 212 | 50.0 | 494 | 657 | (24.8) |

Note: For comparison purposes, please refer to Table 1 in Note 8 for details of the Group's results ended FY2011 and 1Q12.

Note to Consolidated Profit and Loss Statements

| | 3 months ended 31/12/11 ("2Q12") US\$'000 | 3 months ended 31/12/10 ("2Q11") US\$'000 | 6 months ended 31/12/11 US\$'000 | 6 months ended 31/12/10 US\$'000 |
|----------------------------------|---|---|---|---|
| Other operating income | | | | |
| Rental income | 49 | 52 | 104 | 96 |
| Interest income | 12 | 35 | 21 | 57 |
| Exchange gain | - | 75 | - | 258 |
| Gain on disposal of fixed assets | 1 | 7 | 1 | 7 |
| Others | 8 | 8 | 34 | 11 |
| | 70 | 177 | 160 | 429 |

Notes to Profit and Loss account (Continued)

| | 3 months ended 31/12/11 ("2Q12") <u>US\$'000</u> | 3 months ended 31/12/10 ("2Q11") <u>US\$'000</u> | 6 months ended 31/12/11 ("1H12") <u>US\$'000</u> | 6 months ended 31/12/10 ("1H11") <u>US\$'000</u> |
|--|--|--|--|--|
| <u>Other operating expenses</u> | | | | |
| Foreign exchange loss | (71) | - | (118) | - |
| Provision for slow moving stocks | - | - | (1) | - |
| Others | - | (4) | (1) | (5) |
| | <u>(71)</u> | <u>(4)</u> | <u>(120)</u> | <u>(5)</u> |

Statement of Comprehensive Income

| | 3 months ended 31/12/11 ("2Q12") <u>US\$'000</u> | 3 months ended 31/12/10 ("2Q11") <u>US\$'000</u> | 6 months ended 31/12/11 ("1H12") <u>US\$'000</u> | 6 months ended 31/12/10 ("1H11") <u>US\$'000</u> |
|-------------------------------------|--|--|--|--|
| Profit after Income Tax | 318 | 212 | 494 | 657 |
| Currency translation differences | 19 | (18) | (184) | 167 |
| Total comprehensive income | <u>337</u> | <u>194</u> | <u>310</u> | <u>824</u> |
| Attributable to :- | | | | |
| Equity holders of the parent | 357 | 216 | 364 | 849 |
| Minority interests | (20) | (22) | (54) | (25) |
| | <u>337</u> | <u>194</u> | <u>310</u> | <u>824</u> |

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| | Group | | Company | |
|--|-----------------|-----------------|-----------------|-----------------|
| As at | 31/12/11 | 30/09/11 | 31/12/11 | 30/09/11 |
| | <u>US\$'000</u> | <u>US\$'000</u> | <u>US\$'000</u> | <u>US\$'000</u> |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and Fixed Deposits | 2,454 | 2,454 | 195 | 226 |
| Trade Receivables | 4,111 | 3,540 | 8,318 | 9,151 |
| Other receivables and prepayments | 3,191 | 3,192 | 7,455 | 7,143 |
| Inventories | 16,553 | 15,046 | 451 | 295 |
| Total current assets | 26,309 | 24,232 | 16,419 | 16,815 |
| Non-current assets | | | | |
| Investment in subsidiaries | - | - | 14,467 | 14,467 |
| Property, plant and equipment | 14,688 | 14,509 | 763 | 797 |
| Investment Properties | 642 | 645 | - | - |
| Intangibles assets | 181 | 186 | - | - |
| Available-for-sale investment and other assets | 681 | 691 | 234 | 234 |
| Goodwill on consolidation | 1,883 | 1,883 | - | - |
| Total non-current assets | 18,075 | 17,914 | 15,464 | 15,498 |
| Total assets | 44,384 | 42,146 | 31,883 | 32,313 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Bank overdrafts and bills payable | 4,893 | 4,674 | 3,828 | 4,181 |
| Trade payables | 5,041 | 3,605 | 435 | 386 |
| Other payables and accruals | 5,531 | 4,558 | 1,072 | 862 |
| Income tax payable | 31 | 69 | - | - |
| Finance lease obligation : current portion | 106 | 107 | 68 | 68 |
| Long-term bank loans : current portion | 3,060 | 3,591 | 3,060 | 3,245 |
| Total current liabilities | 18,662 | 16,604 | 8,463 | 8,742 |
| Non-current liabilities | | | | |
| Finance lease obligations | 283 | 343 | 160 | 176 |
| Total non-current liabilities | 283 | 343 | 160 | 176 |
| Capital and reserves | | | | |
| Issued capital | 4,379 | 4,379 | 4,379 | 4,379 |
| Capital reserves | 2,416 | 2,416 | 38 | 38 |
| Currency translation reserve | 504 | 485 | - | - |
| Retained earnings | 16,796 | 16,555 | 18,843 | 18,978 |
| Equity attributable to shareholders | 24,095 | 23,835 | 23,260 | 23,395 |
| Minority interests | 1,344 | 1,364 | - | - |
| Total equity | 25,439 | 25,199 | 23,260 | 23,395 |
| Total Liabilities and Equity | 44,384 | 42,146 | 31,883 | 32,313 |

(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| As at 30/9/11 (US\$'000) | | As at 30/6/11 (US\$'000) | |
|--------------------------|-----------|--------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 8,059 | - | 8,372 | - |

Amount repayable after one year

| As at 30/9/11 (US\$'000) | | As at 30/6/11 (US\$'000) | |
|--------------------------|-----------|--------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 283 | - | 343 | - |

Borrowings and gearing ratio

Total borrowings of US\$8.3 million as at 31 December 2011 comprise short-term borrowings, Callable Term Loans and finance lease obligations. Total borrowings fell by US\$ 0.4 million compared to 30 September 2011 due to loans repayment.

The Group's gearing ratio was 0.346 times as at 31 December 2011 compared to 0.366 times as at 30 September 2011.

Details of any collateral

The banking facilities of the Company are secured by a negative pledge on the Company's assets.

The banking facilities of subsidiaries are secured by a legal mortgage on the subsidiary's leasehold land and buildings and guaranteed by the Company.

The Group's finance lease obligations are secured by the lessors' charge over the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flows Statement

| | 3 months ended 31/12/11 ("2Q12") US\$'000 | 3 months ended 31/12/10 ("2Q11") US\$'000 | 6 months ended ("1H12") 31/12/11 US\$'000 | 6 months ended ("1H11") 31/12/10 US\$'000 |
|---|---|---|---|---|
| Cash flows from operating activities | | | | |
| Profit before income tax | 320 | 204 | 353 | 657 |
| Adjustments for: | | | | |
| Depreciation and amortization expenses | 336 | 318 | 669 | 631 |
| Interest income | (12) | (35) | (21) | (57) |
| Interest expense | 74 | 32 | 134 | 64 |
| Gain on disposal of fixed assets | (1) | (7) | (1) | (7) |
| Dividend income from available-for-sale investment | - | (1) | - | (1) |
| Operating profit before working capital changes | 717 | 511 | 1,134 | 1,287 |
| Trade receivables | (571) | (525) | (568) | (755) |
| Other receivables and prepayments | 2 | (35) | 1,004 | (644) |
| Inventories | (1,507) | 655 | (3,433) | (125) |
| Trade payables | 343 | (280) | 761 | (442) |
| Other payables | 2,067 | (162) | 1,961 | (99) |
| Net Cash generated from (used in) operations | 1,051 | 164 | 859 | (778) |
| Interest received | 12 | 35 | 21 | 57 |
| Interest paid | (74) | (32) | (134) | (64) |
| Dividend paid | (105) | (513) | (104) | (513) |
| Income tax refund (paid) | (41) | (6) | (100) | 3 |
| Net cash generated from (used in) operating activities | 843 | (352) | 542 | (1,295) |
| Cash flows from investing activities | | | | |
| Net addition of fixed assets | (195) | (434) | (218) | (879) |
| Acquisition of subsidiary | - | - | (533) | - |
| Net cash used in investing activities | (195) | (434) | (751) | (879) |
| Cash flows from financing activities | | | | |
| Net (decrease) increase in short-term borrowings | (60) | 763 | 48 | 595 |
| Net (decrease) increase in long-term borrowings | (214) | 1,060 | (554) | 1,929 |
| Net cash (used in) generated from financing activities | (274) | 1,823 | (506) | 2,524 |
| Net decrease in cash and cash equivalents | 374 | 1,037 | (714) | 350 |
| Cash and cash equivalents at beginning of period / year | 2,051 | 2,688 | 3,154 | 3,410 |
| Currency translation differences | (274) | (23) | (288) | (58) |
| Cash and cash equivalents at end of period / year | 2,151 | 3,702 | 2,152 | 3,702 |

Represented by:

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

| | Issued Capital | Capital reserves | Currency translation reserve | Retained earnings | Attributable to equity holders | Minority interests | Total |
|--|-------------------|---------------------|------------------------------------|----------------------|--------------------------------------|-----------------------|---------------|
| US\$'000 | | | | | | | |
| Group | | | | | | | |
| Balance as at 1/7/11 | 4,040 | 2,416 | 688 | 16,340 | 23,484 | 538 | 24,022 |
| Issue of share capital | 339 | - | - | - | 339 | - | 339 |
| Non-controlling interest arising from acquisition of subsidiary | - | - | - | - | - | 860 | 860 |
| Total comprehensive income | - | - | (203) | 215 | 12 | (34) | (22) |
| Balance as at 30/09/11 | 4,379 | 2,416 | 485 | 16,555 | 23,835 | 1,364 | 25,199 |
| Total comprehensive income | - | - | 19 | 241 | 260 | (20) | 240 |
| Balance as at 31/12/11 | 4,379 | 2,416 | 504 | 16,796 | 24,095 | 1,344 | 25,439 |
| Company | | | | | | | |
| Balance as at 1/7/11 | 4,040 | 38 | - | 17,930 | 22,008 | - | 22,008 |
| Issue of share capital | 339 | - | - | - | 339 | - | 339 |
| Other comprehensive income | - | - | - | 1,048 | 1,048 | - | 1,048 |
| Balance as at 30/09/11 | 4,379 | 38 | - | 18,978 | 23,395 | - | 23,395 |
| Total comprehensive income | - | - | - | (135) | (135) | - | (135) |
| Balance as at 31/12/11 | 4,379 | 38 | - | 18,843 | 23,260 | - | 23,260 |

| | Issued Capital | Capital reserves | Currency translation reserve | Retained earnings | Attributable to equity holders | Minority interests | Total |
|-------------------------------|-------------------|---------------------|------------------------------------|----------------------|--------------------------------------|-----------------------|---------------|
| US\$'000 | | | | | | | |
| Group | | | | | | | |
| Balance as at 1/7/10 | 4,040 | 2,206 | 560 | 19,990 | 26,796 | 817 | 27,613 |
| Total comprehensive income | - | - | 185 | 438 | 623 | (3) | 620 |
| Balance as at 30/09/10 | 4,040 | 2,206 | 745 | 20,428 | 27,419 | 814 | 28,233 |
| Total comprehensive income | - | - | (18) | (277) | (295) | (22) | (317) |
| Balance as at 31/12/10 | 4,040 | 2,206 | 727 | 20,151 | 27,124 | 792 | 27,916 |
| Company | | | | | | | |
| Balance as of 1/7/10 | 4,040 | 30 | - | 17,858 | 21,928 | - | 21,928 |
| Total comprehensive income | - | - | - | 251 | 251 | - | 251 |
| Balance as at 30/09/10 | 4,040 | 30 | - | 18,109 | 22,179 | - | 22,179 |
| Total comprehensive income | - | - | - | (628) | (628) | - | (628) |
| Balance as at 31/12/10 | 4,040 | 30 | - | 17,481 | 21,551 | - | 21,551 |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

The company's issued share capital increased by 2,823,800 shares ("New Shares") during 1Q12. Consequently, the number of issued shares for the Company increased to 136,513,397. New Shares were issued to the Vendors of Metrolink International Ltd ("Metrolink" or Metrolink Group") as part of the consideration for the acquisition of Metrolink. New Shares are currently held under moratorium.

- (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| As at | 31/12/11 | 30/09/11 |
|---|-------------|-------------|
| Total number of issued shares (excluding treasury shares) | 136,513,397 | 136,513,397 |

Note: Please refer to 1d(ii) for details.

- (iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Not applicable.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

| | 3 months ended 30/9/11 ("2Q12") | 3 months ended 30/9/10 ("2Q11") |
|--|---------------------------------------|---------------------------------------|
| Earnings per ordinary share (US cents) | 0.25* | 0.17 |

* computed base on the enlarged number of shares of 136,513,397

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 31/12/2011 | 30/09/2011 | 31/12/2011 | 30/09/2011 |
| Net asset value per ordinary share (US cents) | 17.65 | 17.46 | 17.04 | 17.14 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Table 1

| | 3 months ended 30/09/10 ("1Q11") | 3 months ended 31/12/10 ("2Q11") | 3 months ended 31/03/11 ("3Q11") | 3 months ended 30/06/11 ("4Q11") | 3 months ended 30/9/11 ("1Q12") | 3 months ended 31/12/11 ("2Q12") |
|-------------------------------------|--|--|--|--|---------------------------------------|--|
| Revenue | 11,833 | 11,950 | 6,985 | 9,183 | 11,260 | 13,320 |
| Gross profit | 3,071 | 2,989 | 1,632 | 2,430 | 3,394 | 3,870 |
| Net profit (loss) after tax | 445 | 212 | (1,825) | (1,983) | 176 | 318 |
| Attributable to:- | | | | | | |
| Equity holders of the parent | 438 | 236 | (1,754) | (1,853) | 205 | 346 |
| Minority interests | 7 | (24) | (71) | (130) | (29) | (28) |
| | 445 | 212 | (1,825) | (1,983) | 176 | 318 |

Revenue and Net Profit attributable to equity holders of the parent (“Net Profit”)

Our financial performance for 2Q12 improved over both the corresponding quarter (2Q11) and the first quarter of this financial year (1Q12).

Revenues in 2Q12 increased by 11.5% or US\$1.4 million to US\$13.3 million compared to 2Q11. Export sales to both Australia and Asia Pacific increased sharply due to our focused marketing. Sales of outdoor furniture in New Zealand (via Devon) rose on the back of order replenishment by the local distributors during New Zealand’s summer. A maiden contribution from Metrolink’s upholstery furniture sales in China and from Commune Singapore also added to Revenues (Note: Commune is our retail flagship store in Singapore which commenced operations in mid-October 2011). Sales to the US and UK/EU markets, however fell due to continued weak market conditions.

Revenues in 2Q12 were also higher compared to 1Q12 due mainly to continued marketing focus in the Asia Pacific market, higher retail sales in Vietnam and maiden sales contribution from Commune Singapore. Sales to the US, being our largest market, remained relatively unchanged compared to 1Q12 despite concerns over job security in the US.

Gross Profit rose by US\$0.9 million to US\$3.9 million was due also to an improvement in gross margin, which increased by 4 percentage points to 29.0%. The improvement in Gross Profit was due to (1) lower raw materials cost and wastage; (2) maiden gross profit contribution from retail sales of Metrolink Group and Commune Singapore and (3) higher retail sales from Rossano Vietnam. The gross margins for our retail sales segments are higher compared to export sales.

Selling and distribution expenses rose by US\$0.2 million to US\$1.3 million. (The figure includes total selling expenses of US\$0.25 million and US\$0.12 million incurred for Metrolink and Commune Singapore respectively in 2Q12. There were no such expenses recorded in 2Q11), offset by lower marketing spending for the US and the UK/EU, which fell by US\$0.2 million.

Administrative expenses rose by US\$0.3 million to US\$2.2 million due mainly to the inclusion of maiden administrative expenses for Metrolink and Commune Singapore in 2Q12 (there were no such expenses recorded in 2Q11).

Other operating income fell by US\$0.1 million to US\$0.07 million as there was an exchange gain of US\$0.07 million due to the then stronger US\$ in 2Q11 (whereas we incurred an exchange loss in 2Q12). Interest income fell by US\$0.03 million in 2Q12. An exchange loss of US\$0.07 million was however recorded as other operating expenses in 2Q12.

Finance costs rose by US\$0.04 million to US\$0.08 million due to increased bank borrowings and higher cost of funds.

As a result of the above, Net Profit in 2Q12 rose by 46.6% or US\$0.1 million to US\$0.35 million compared to 2Q11. Net Profit rose by 68.8% or US\$0.14 million compared to the preceding 1Q12.

Financial Position

Assets

Current Assets rose by US\$2.0 million to US\$26.3 million. Significant movements in Current Assets during the period under review were as follows:

- Trade receivables rose by US\$0.6 million to US\$4.1 million on the back of higher export sales;
- Inventories rose by US\$1.5 million to US\$15.0 million due mainly to (1) higher finished goods of US\$0.7 million as a result of finished goods investment of US\$0.3 million and US\$0.4 million for Commune Singapore and Metrolink's franchisee, respectively. Work in progress ("WIP") for Metrolink and the Group rose by US\$ 0.5 million in total. WIP for the Group rose on the back of longer production cycles and lower economies of scale as a result of smaller orders size per batch and higher product mix per client's order. Raw materials increased by US\$0.3 million with additional fabrics and leathers stock for Metrolink and our operations in Vietnam.

Non-Current Assets remained relatively unchanged at US\$18.0 million. (Note: the Group intends to appoint an independent professional to conduct a "Purchase Price Allocation" exercise in FY2012 in order to record the acquired assets of Metrolink Group at fair values, which will then have a financial effect of reclassifying goodwill to the identified assets group in accordance with the requirements of FRSs).

Liabilities

Current Liabilities rose by US\$2.0 million to US\$18.7 million due mainly to a longer trade payables cycle and higher cash deposits from customers of both Koda and Metrolink. Short-term borrowings rose by US\$0.2 million due to increased working capital loans while current portion of long-term loan fell by US\$0.6 million due to repayments in the ordinary course of business.

Shareholders' equity

Net asset or Equity attributable to shareholders rose by US\$0.26 million to US\$24.1 million as at 31 December 2011 due mainly to current period earnings of US\$0.35 million, reduced by payment of FY2011 dividend of US\$0.1 million.

Minority interests

Minority interests ("MI"), reflecting the cumulative share of net asset by Metrolink Group's and Rossano's other shareholders, who owns 49% and 30% of Metrolink Group and Rossano respectively, and remained relatively unchanged at US\$1.3 million.

Cash Flows (movements in 2Q12)

Net cash used from operating activities was US\$0.8 million for 2Q12 due mainly to a cash profit of US\$0.7 million. Net cash used in investing activities was US\$0.2 million due mainly to investment in new machinery. Net cash used in financing activities was US\$0.3 million due mainly to loan repayments. Given these, net cash and cash equivalents rose by US\$0.4 million to US\$2.1 million as at 31 December 2011 (net of bank overdraft of US\$0.3 million).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Board of Directors stated in the 1Q12 announcement that despite the pessimism with respect to the Group's major markets, the Board of Directors continue to believe that the financial performance in FY2012, barring any unforeseen circumstances, should be better than that of FY2011.

Net Profit in 2Q12 rose by 46.6% or US\$0.1 million to US\$0.35 million compared to 2Q11. Net Profit rose by 68.8% or US\$0.14 million compared to the preceding 1Q12. As at 31 December 2011, the Group had US\$2.4 million in cash and cash equivalents and it had a gearing ratio of 0.346 times (compared to 0.366 times as at 30 September 2011).

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Our export sales in 2Q12 to the US was relatively changed compared to 1Q12 despite weak consumer demand in the US on the back of slower job growth. Our short term strategy is to ensure that sales to the US at least remain constant for the rest of this year. To do so we are focusing on re-engineering proven products thereby giving a similar quality at a lower price point. However, we remain pessimistic about the outlook for the UK/EU markets given the Euro crisis concerns and the UK's own weak GDP growth. On the other hand, we did well in our neighboring Asia Pacific market. Asia Pacific is now our second largest market behind the US and we expect it to continue to do well.

We are now moving into our weakest quarter, 3Q. Given this and unless we are able to make more substantial gains in the Asia Pacific, we may well record a loss in 3Q12.

Despite this and barring any unforeseen circumstances, [the Board continues to believe that the financial performance in FY2012 will be an improvement over that of FY2011.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for IPTs.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable

16. **A breakdown of sales**

Not applicable

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable

CONFIRMATION BY THE BOARD

We, James Koh Jyh Gang and Koh Shwu Lee, being two directors of Koda Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the un-audited financial results for quarter ended 31 December 2011 to be materially false or misleading.

BY ORDER OF THE BOARD
JAMES KOH JYH GANG
Managing Director
13 February 2012