

## KODA LTD

### UPDATE ON PROPOSED ACQUISITION OF METROLINK INTERNATIONAL LTD

Reference is made to the Company's announcements dated 21 October 2010, 29 November 2010, 30 December 2010 and 31 March 2011 in relation to the proposed acquisition of Metrolink International Ltd. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as defined in the announcement dated 21 October 2010.

The Board of Directors of Koda Ltd (the "**Company**") wishes to provide a further update on the status of the Proposed Acquisition. The financial and legal due diligence for Metrolink's group of companies have been completed and the Company has on 18 May 2011 entered into supplemental agreements (the "Supplemental Agreements") in relation to the S&P and Subscription Agreement.

Pursuant to the Supplemental Agreements, key amendments to the S&P are as follows:

1. The S&P Consideration has been adjusted so that it will be satisfied in the following manner:-
  - a. RMB 2,716,500 (*previously RMB 3,250,000 in the original S&P*) is payable in cash at Completion;
  - b. RMB 1,629,900 (*previously RMB 1,950,000 in the original S&P*) shall be satisfied by the allotment and issuance of ordinary shares in the capital of the Company to CKK at Completion;
  - c. RMB 1,086,600 (*previously RMB 1,300,000 in the original S&P*) shall be satisfied by the allotment and issuance of ordinary shares in the capital of the Company to CKK at Completion;
  - d. RMB 4,567,000 (*previously RMB 3,500,000 in the original S&P*) shall be payable in full to CKK and LSK, which is subject to adjustment, depending on the NPAT of the Metrolink Group for the twelve month period ending 30 June 2012 and 30 June 2013 (*previously 31 December 2011 and 31 December 2012 in the original S&P*)

The issue price for the new ordinary shares in the capital of the Company referred to in (b) and (c) above has been fixed at S\$0.185 per Koda Share (*previously based on average of the weighted average price per share of the Company's shares transaction on 30 market days immediately preceding Completion*)

2. The Completion for the S&P has been set for 30 June 2011.

Pursuant to the Supplemental Agreements, key amendments to the Subscription Agreement are as follows:

1. The second tranche payment of RMB 2,000,000 will be paid by the Company to Metrolink as an additional deposit on or before 20 May 2011 (*previously in the original S&P, the second tranche payment of RMB2,000,000 is payable by the Company at Completion of the Subscription Agreement*).

*Note: the Company had paid a deposit of RMB2,000,000 when the Subscription Agreement was executed on 19 October 2010.*

2. The Completion for the Subscription Agreement has been set for 30 June 2011.

Save for the above changes, all other terms and conditions of the S&P and Subscription Agreement shall remain effective in all respects.