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PRESS RELEASE

Original Design Manufacturer KODA Ltd Secures S\$7.0 Million Sales Orders from Recent International Furniture Tradeshows; Accelerates Expansion of Vietnam Production Facilities; Obtains In-Principle Approval for Upgrade to SGX Main Board

- **Secures S\$7.0 million worth of sales orders and 40 new customers from recent international furniture tradeshows**
- **Strong order book of S\$22.0 million to be delivered over the next three months**
- **Announces acceleration of Vietnam production expansion with purchase of 50,000-square metre site, its third manufacturing facility in Vietnam**
- **Phase 1 of expansion entailing 15,000 square metres of new production floor will enable the Group to deliver additional sales orders of up to S\$2.0 million per month**
- **Company receives SGX-ST's in-principle approval for upgrade to SGX Main Board**

Singapore, 26 April 2005 - SGX-listed original design manufacturer ("ODM") and furniture exporter, Koda Ltd announced today that it has received S\$7.0 million worth of new orders from its participation in recent international furniture tradeshows during the first quarter of 2005 and signed on 40 new customers. The Group also announced it is accelerating the expansion of its production capacity in Vietnam by up to 50% with the building of a third production facility near Ho Chi Minh City, Vietnam to meet increasing orders.

Separately, Koda also announced that it has received in-principle approval from the Singapore Exchange Securities Trading Limited ("SGX-ST") for Koda's upgrade to SGX Main Board.

The Group is purchasing two adjoining plots of land in Ben Luc Industrial Park, Long An Province, totalling 50,000 square metres for approximately S\$3.5 million to establish its third manufacturing facility in Vietnam over three phases. Under Phase 1, the Group expects to spend a further S\$2.0 million to construct and equip the new production site of 15,000 square metres, representing a 50% increase over existing capacity in Vietnam.

Phase 1 is scheduled to be completed by the second half of FY2006 (financial year ending 30 June 2006) and will enable the Group to deliver additional sales orders of up to S\$2.0 million per month. The Group will then have a total of 15 factory buildings comprising nine in Vietnam and six in Malaysia. The aforementioned capital investment will be financed by internal resources and bank borrowings. The Group is in the process of obtaining investment licences from the relevant authorities, with which the new investment in Vietnam will enjoy tax incentives.

Commenting on the above, James Koh, Deputy Chairman and Managing Director of Koda said: "We are very encouraged by responses from our participations in the recent international furniture tradeshows. To meet customers' expectations, we are constantly trying to reduce our delivery lead-time. In 2003 it was about 5 ~ 6 months – we have now cut this down to 3 ~ 4 months for the same order size. Our latest expansion in Vietnam will further improve our delivery lead-time while concurrently facilitating revenue growth. This investment also underscores the strong demand for our products as well as our customers' confidence in our Vietnam operations."

Koda's current order book remains consistently strong at S\$22.0 million to be delivered over the next three months.

The Group is also pleased to receive SGX's in-principle approval for its upgrade to SGX Main Board. Mr Koh added, "Our upgrade to the SGX Main Board signifies that Koda has progressed to the next stage of growth and is now poised to build on this momentum. Institutional investors which were precluded from investing in Koda shares due to our SESDAQ listing status will now be more interested to evaluate the Group's prospects. I thank our shareholders, customers and business associates for their trust in the Company and look forward to their continual support. Our growth strategy based on enhancing our revenue mix has been progressing according to plans. Internally, the Board has set an annual sales target of \$100 million for the management to achieve in the medium term. Coupled with the acceleration of our capacity expansion programme in Vietnam, I am confident we are on the right track."

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About Koda Ltd

Established in 1972 and first listed on SGX-SESDAQ in January 2002, Koda is a leading original design manufacturer of furniture to the world, specialises in producing ready-to-assemble dining room furniture, matching themed bedroom furniture and occasional furniture, with more than 150 customers in over 50 countries in the UK / Europe, the U.S., Canada and the Asia Pacific. Koda's products have been premium-priced and it has since successfully penetrated into another higher-priced differing market segments with its range of upholstered leather, fabric and oaks products targeted at middle and upper-middle class households.

Koda has manufacturing facilities in Malaysia and Vietnam and the Group has been actively expanding into cost-effective Vietnam to enhance margins. For the six months ended 31 December 2004 ('1H05'), compared to 1H04 net profit increased 26.0% to S\$2.5 million on the back of strong turnover growth of 17.8% to S\$33.2 million.