



FY2006 PRESS RELEASE ON FORBES RANKING

**SGX-LISTED ORIGINAL DESIGN
MANUFACTURER KODA NAMED ONE OF
BEST 200 COMPANIES UNDER A BILLION BY
FORBES ASIA**

SINGAPORE, 26 October 2006 – SGX Main Board-listed original design manufacturer (“ODM”) and furniture exporter Koda Ltd (“Koda” or “the Group”) announced that it has been named by *Forbes Asia* magazine as one of the top 200 companies outside the United States with annual revenue of less than US\$1 billion for 2006.

In its October issue, the international finance magazine said that Koda was one of 19 Singapore-based companies cited among the 200 in “*Forbes Asia's Best 200 Companies: Best Under a Billion in Sales*” classification.

To qualify for the list which ranks the most successful smaller public companies in the Asia-Pacific region, companies must record revenues under US\$1 billion a year and five-year returns on capital of at least five percent.

Over a three-year period, Koda recorded sales growth of 33%, earnings per share growth of 54% and return on equity of 26%; and over a five-year period 26%; 13% and 26%, respectively, according to Forbes Asia.

For the financial year ended 30 June 2006 (“FY2006”), Koda recorded net profit of US\$4.7million (S\$7.7 million), a 58.5% increase over US\$3.0 million (S\$5.0 million) in FY2005 on revenue of US\$48.1 million (S\$78.9 million), up from US\$41.7 million (S\$69.5 million) over the comparative periods. The growth was buoyed by a significant increase in sales in the fast-growing North American and traditional European markets and an enhanced product mix.

Commenting on the award, Mr. James Koh, Deputy Chairman and Managing Director said, “We are elated by this award which underscores the success of our efforts in penetrating new markets, offering a higher value-added range of products and shifting of operations to lower-cost production centres in the region, particularly Vietnam.”

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About Koda Ltd

Established in Singapore and founded in 1972, SGX Main Board-listed Koda is backed by a management with combined experience of close to a century and recognised as a leading Original Design Manufacturer (“ODM”) to the world. Koda is a strong contender for home furniture export and could possibly be the largest dining room furniture exporter in South-East Asia. Koda’s range of design-intensive products exudes individuality, sophistication and elegance.

Koda is well-known for its design strength – leading to appreciation from upscale customers worldwide for its aesthetical and functional pieces. With proven market experience, strong product development and significant in-house design expertise, Koda has been able to offer more than 300 product models, secure orders from more than 200 customers and sell to more than 50 countries. Consistent business strategies and focused growth initiatives differentiates Koda from others.

Koda has been emphasising on cost-effective expansion and the enlarged production in Vietnam and sourcing facilities in China enhance its cost competitiveness. Together with its existing manufacturing base in Malaysia, Koda has a total of 12 purpose-built factory buildings.

For the July-December 2005 period (“1H06”), Koda’s net profit rose 45.6% to a record half-year performance of S\$3.6 million and outpaced the revenue growth. This growth was buoyed by sustained higher efficiency and strong orders for higher-value products from UK/Europe and North America customers. Commenting on outlook, the Group reiterated its expectation that full year performance for FY2006 will exceed that of FY2005.

In April 2006, the Group made its first acquisition when it entered into a sale and purchase agreement to acquire a 70% stake in Singapore-incorporated Richin Furniture Décor Pte Ltd which owns 100% of Vietnam-based Rossano Group. Rossano Group is a foreign-managed specialist producer of leather and upholstery furniture. The acquisition should ramp up Koda’s production facilities for leather and upholstery furniture in Vietnam, on a full-swing basis, by at least 20%-25% and is thus expected to contribute positively to the Group’s net profit in FY2007.