

Press Release

Global Furniture Manufacturer and Exporter Koda Ltd Secures \$8.5 Million Sales Orders from Recent International Trade Shows

- **\$8.5 million worth of orders snared from trade shows in January to March quarter – up 21.4% year-on-year – lift already-strong order book to approximately \$31.5 million**
- **More diversified customer base – 90 new customers secured from the UK/Europe, Americas and Asia Pacific further enhanced client profile**
- **Orders secured and new customers signed on during the trade shows expected to contribute positively to the results for the financial years ending 2006 and 2007**

Singapore, 12 April 2006 – SGX Mainboard-listed original design manufacturer and global exporter of mainly solid wood-based furniture Koda Ltd (“Koda”) announced today that it has received \$8.5 million worth of confirmed sales orders from its participation in recent international furniture tradeshows during the January – March 2006 quarter. This represented a 21.4% year-on-year increase compared to the \$7.0 million worth of orders secured from the corresponding trade shows last year.

The new orders have lifted Koda’s current order book as at 31 March 2006 to approximately \$31.5 million, which are well distributed amongst Koda’s customers in UK/Europe, North America and Asia Pacific.

The fulfillment of these new orders and signing on of 90 new customers is expected to contribute positively to the financial performance of the Company for the financial year ending 30 June 2006 (“FY2006”) and 30 June 2007 (“FY2007”). Koda had earlier indicated in its 1H06 results announcement on 9 February 2006 that it is confident its FY2006 performance would be better than that of FY2005, barring unforeseen circumstances.



Mr. James Koh, Koda's Deputy Chairman and Managing Director, said: "It has been a busy quarter for us and we were hardly in Singapore. All in all, we attended five major international trade shows since January 2006 – Cologne (Germany); Singapore; Kuala Lumpur (Malaysia) Guangzhou and Dongguan (China). While we hardly rested during the past quarter working at a frenetic pace, we are pleased to have snared \$8.5 million worth of confirmed sales orders. We've also signed on 90 new customers from all over the world thus achieving a more diversified customer base and enhanced our client profile.

"Koda is positioned in the niche segment for mid to upper-end furniture as comparable in design and quality to Italian furniture makers coupled with value for money proposition. Our emphasis on investing in innovative product development and R&D has strengthened our marketing pitch to experienced customers and merchandise buyers from large departmental stores, specialist furniture retailers and catalogue order companies across the globe. It drives our ability to deliver good designs that are market-oriented and production-feasible and is complemented by our proven reliability in delivering the precise product specifications with consistent quality, thereby enhancing our total value-add to customers. Furthermore, our capacity expansion in Vietnam has proceeded at a relatively fast pace," he added.

As previously announced, the Group has steadily increased its capital investments in Vietnam to accelerate the expansion of its manufacturing facilities there. The proposed first phase includes the construction of factory buildings with a total built-in area of approximately 150,000 square feet, which is on track for completion in FY2007. The Group expects its capacity, on a full swing basis, to increase by at least 25%.

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Issued on behalf of the Company by WeR1 Consultants Pte Ltd

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About Koda Ltd

Established in Singapore and founded in 1972, Koda is backed by a management with combined experience of close to a century and recognized 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 150 customers and sell to more than 50 countries. Consistent business strategies and focused growth initiatives differentiates Koda from others.

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