



Koda Expands Global Institutional and Retail Investor Base With 8.85 Million Share Placement

Singapore, 2 February 2007: SGX-Mainboard listed original design manufacturer and furniture exporter for the middle to upper middle market Koda Ltd (“Koda” or “the Group”) announced today that it has expanded its global institutional and retail investor base with the placement of 8.85 million vendor shares (“Shares”) representing approximately 7.9% of the Company’s issued and paid-up ordinary share capital (the “Placement Exercise”).

Of these, 7.0 million Shares have been placed to National Bank of Canada, the Blackhorse Asia Fund and Blackhorse Emerging Enterprises Fund (“Blackhorse”). The remaining 1.85 million Shares have been placed out to retail investors.

The placement exercise will increase the free float, stock liquidity and further widen the institutional and retail investor base of Koda. In addition, it will also raise Koda’s corporate profile within the local and global investment community with the inclusion of the aforementioned global investment funds as the Group’s shareholders.

National Bank of Canada, the securities of which are listed on the Toronto Stock Exchange (TSX), has more than US\$110 billion in assets and, together with its subsidiaries, employs 16,955 people. National Bank of Canada has been active in international capital markets and, through its subsidiaries, is involved in securities brokerage, insurance and wealth management as well as mutual fund and retirement plan management.

Blackhorse Asset Management is a Singapore-based fund manager and is renowned for its fundamental research analyses in identifying undervalued investment opportunities in Asia. Its institutional client base spans across North America and Europe. Blackhorse has also bagged awards for Best Local Fund at Singapore Masters of Hedge Awards 2004 and Best Small and Mid Cap Fund at the Asia Hedge Awards 2006.

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The 8.85 million Shares comprise ordinary shares held directly and indirectly by Mr. T. K. Koh, the largest shareholder of Koda, and other members of the Koh family.

Mr. T. K. Koh, who is also the Non-Executive Chairman of Koda is 75 years old and a semi-retiree and his wife Mdm Tan Song Liang, also 70 years old is a retiree. They placed out 2.0 million Shares and 1.35 million Shares respectively. The remaining 5.5 million Shares were placed out by other members of the Koh family.

Following the Placement Exercise, Mr. T. K. Koh's interest (both direct and deemed) in Koda will be reduced to approximately 20.5 million or approximately 18.4% of the Group's shares.

According to Mr. T. K. Koh, "My wife and I are now more than 70 years old. Both of us have been working very hard for the past 45 years and we are very happy to see that Koda is growing fast and getting bigger. My children and the rest of the management team have done a very good job by building up a strong brand name in the global furniture industry particularly in North America and the UK/Europe. We have announced strong results for the first half of 2007 and we expect the performance for the financial year ending 2007 to exceed that of 2006, barring unforeseen circumstances. "

Commenting on the placement exercise, Mr. James Koh, Deputy Chairman and Managing Director, Koda said, "Prior to the placement exercise, the Koh family owned about 70% of Koda. We have always sought to widen our investor base and improve our free float and stock liquidity. We believe that Blackhorse is a suitable partner to bring Koda to the attention of the institutional investors from Europe and the Americas and even the National Bank of Canada – we are proud that we can raise our profile in these markets where most of our customers are from.

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“We have recently enhanced our international profile with Koda being a part of a global industry ranking by Italy-based CSIL Milano and one of Asia’s best 200 companies under a billion by Forbes Asia. Now, the addition of National Bank of Canada and Blackhorse as our shareholders further strengthens that positioning,” added Mr. James Koh.

According to Mr. John Engle, Managing Director of Blackhorse, “Koda is a leading global brand name in the furniture manufacturing space. We believe the company is well-positioned to benefit from one of the most powerful growth stories in Asia over the next five to eight years - Vietnam. From a long term investment view, Koda fits very well into our stock portfolio

The placement was transacted at S\$0.735 per share, representing a discount of about 7.5% to Koda’s closing share price of S\$0.795 on 31 January 2007.

Koda announced a sterling set of results for the July-December 2006 first half of the financial year ending 30 June 2007 which underscored the Group’s continuing efforts to build on its strong growth momentum established over the last three years.

Capitalising on the increasing outsourcing trend in its key American and UK/Europe markets for the production of premium home furniture products to lower-cost regions, net profit attributable to equity holders for 1H07 surged 78.6% from US\$2.2 million to US\$3.9 million – equivalent to 82.0% of full-year net profit for FY2006. Earnings per share rose to 3.5 US cents (6-month period) in 1H07 from 1.9 US cents (6-month period) in 1H06.

Revenue increased 37.0% from US\$24.9 million to US\$34.1 million over the respective periods as robust demand drove strong double-digit sales growth to the Group’s key UK/Europe, American and Australian markets, led by strong double-digit growth in the UK and American markets.

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As previously announced, Italy-based CSIL Milano, a leading provider of specialised, independent research and analysis on the global furniture industry, has included Koda in its "Profiles of 200 major furniture manufacturers worldwide". This special report, which ranks furniture companies according to sales, was published in the research firm's Top World Furniture Manufacturers Report 2007.

Koda has also received an-in-principle approval from SGX for a proposed bonus issue of up to 22,282,000 new ordinary shares in the capital of the Company on the basis of one new ordinary share for every five existing shares held. An Extraordinary General Meeting ("EGM") will be convened to obtain shareholder's approval on the proposed bonus issue. (**Note: The in-principle approval granted by the SGX is not to be taken as an indication of the merits of the Company, its subsidiaries, its securities or the proposed Bonus Issue*)

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Media Contact Info:

WeR1 Consultants Pte Ltd

Tel: 6737 4844 Fax: 6737 4944

Mona Leong, Reshma Jain

monaleong@wer1.net ; reshma@wer1.net

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

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About BlackHorse Asset Management Pte Ltd:

Blackhorse Asset Management Pte Ltd is a Singapore-based investment advisor dedicated to providing investment expertise in Asia. Its client base is global, comprising primarily of North American and European institutional investors. With over three decades of combined experience in Asian investment research, Blackhorse's investment team utilizes fundamental research to identify undervalued investment opportunities throughout the region. Blackhorse currently manages two funds namely, The Blackhorse Asia Master Fund and The Blackhorse Emerging Enterprises Master Fund.

About National Bank of Canada:

National Bank of Canada is an integrated group which provides comprehensive financial services to consumers, small and medium-sized enterprises and large corporations in its core market, while offering specialised services to its clients elsewhere in the world. National Bank offers a full array of banking services, including retail, corporate and investment banking. It is an active player on international capital markets and, through its subsidiaries, is involved in securities brokerage, insurance and wealth management as well as mutual fund and retirement plan management. National Bank has more than \$110 billion in assets and, together with its subsidiaries, employs 16,955 people. The Bank's securities are listed on the Toronto Stock Exchange (NA: TSX).