

KODA LTD

Quarterly and Half-Year Financial Statement and Dividend Announcement

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period

Consolidated Profit and Loss Statements for 2Q16 and 6 months ended 31 December 2015

	3 months ended 31/12/15 ("2Q16") US\$'000	3 months ended 31/12/14 ("2Q15") US\$'000	Change %	6 months ended 31/12/15 ("1H16") US\$'000	6 months ended 31/12/14 ("1H15") US\$'000	Change %
Revenue	10,038	12,741	(21.2)	18,873	26,635	(29.1)
Cost of sales	(7,291)	(9,187)	(20.6)	(13,881)	(19,671)	(29.4)
Gross profit	2,747	3,554	(22.7)	4,992	6,964	(28.3)
Other income	243	258	(5.8)	908	387	134.6
Selling and distribution costs	(843)	(1,136)	(25.8)	(1,678)	(2,262)	(25.8)
Administrative expenses	(1,376)	(1,763)	(22.0)	(2,670)	(3,659)	(27.0)
Other expenses	(16)	(40)	(60)	(11)	(41)	(73)
Finance costs	(11)	(50)	(78.0)	(38)	(108)	(64.8)
Share of profit of associate	1	2	(50.0)	3	2	50.0
Profit before income tax	745	823	(9.5)	1,506	1,282	17.5
Income tax expense	(198)	(362)	(45.3)	(345)	(412)	(16.3)
Profit after income tax	547	461	18.7	1,161	870	33.4
Attributable to:-						
Owners of the Company	612	519	17.9	1,282	1,067	20.1
Non-controlling interests	(65)	(58)	12.1	(121)	(198)	(38.9)
	547	461	18.7	1,161	870	33.4

Note: For comparison purposes, please refer to Table 1 in Note 8 for details of the Group's quarterly results for FY2015, 1Q16 and 2Q16.

Notes to Consolidated Profit and Loss Statements

	3 months ended 31/12/15 ("2Q16") US\$'000	3 months ended 31/12/14 ("2Q15") US\$'000	6 months ended 31/12/15 ("1H16") US\$'000	6 months ended 31/12/14 ("1H15") US\$'000
<u>Other income</u>				
Rental income	42	47	86	95
Interest income	12	1	27	3
Exchange gain	87	129	599	87
Gain on disposal of property, plant & equipment	-	2	50	17
Others	102	80	146	184
	243	258	908	387

	3 months ended 31/12/15 ("2Q16") US\$'000	3 months ended 31/12/14 ("2Q15") US\$'000	6 months ended 31/12/15 ("1H16") US\$'000	6 months ended 31/12/14 ("1H15") US\$'000
<u>Other expenses</u>				
Impairment loss on available-for-sale investments	(6)	-	(6)	-
Loss on disposal of property, plant & equipment	(5)	-	-	-
Others	(5)	(40)	(5)	(41)
	(16)	(40)	(11)	(41)

Statement of Comprehensive Income

	3 months ended 31/12/15 ("2Q16") US\$'000	3 months ended 31/12/14 ("2Q15") US\$'000	6 months ended 31/12/15 ("1H16") US\$'000	6 months ended 31/12/14 ("1H15") US\$'000
Profit after Income Tax	547	461	1,161	870
Other comprehensive income (loss) for the year, net of tax	258	(578)	(1,129)	(729)
Total comprehensive income	805	(117)	32	141
Attributable to :-				
Owners of the Company	864	(56)	143	328
Non-controlling interests	(59)	(60)	(111)	(187)
	805	(117)	32	141

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

As at	Group		Company	
	31/12/15 US\$'000	30/06/15 US\$'000	31/12/15 US\$'000	30/06/15 US\$'000
ASSETS				
Current assets				
Cash and bank balances	3,983	3,133	711	1,099
Trade Receivables	2,927	3,571	3,750	6,936
Other receivables and prepayments	3,295	2,757	5,838	5,910
Inventories	5,793	7,348	-	-
Assets classified as held for sale	2,224	2,510	-	-
Total current assets	18,222	19,319	10,299	13,945
Non-current assets				
Investment in subsidiaries	-	-	8,282	8,135
Investment in associate	12	10	-	-
Available-for-sale investments	-	6	-	6
Club memberships	207	209	192	192
Property, plant and equipment	10,947	11,599	773	788
Investment Properties	934	934	-	-
Deferred tax asset	20	21	3	3
Total non-current assets	12,120	12,779	9,250	9,124
Total assets	30,342	32,098	19,549	23,069
LIABILITIES AND EQUITY				
Current liabilities				
Bills payable	449	2,326	-	1,663
Trade payables	1,687	2,384	5,982	7,655
Other payables	3,935	2,635	1,040	957
Current portion of obligations under finance leases	105	93	84	72
Current portion of bank loans and overdrafts	333	604	333	604
Income tax payable	334	212	-	-
Liabilities associated with assets held for sale	1,317	1,261	-	-
Total current liabilities	8,160	9,515	7,439	10,951
Non-current liabilities				
Deferred tax liabilities	369	449	-	-
Non-current portions of bank loans	139	306	139	306
Obligations under finance leases	149	140	83	74
Total non-current liabilities	657	895	222	380
Capital and reserves				
Share capital	4,312	4,312	4,312	4,312
Capital reserves	5,373	5,373	58	58
Currency translation reserve	(2,260)	(1,121)	-	-
Retained earnings	14,427	13,340	7,518	7,368
Equity attributable to owners of the Company	21,852	21,904	11,888	11,738
Non-controlling interests	(327)	(216)	-	-
Total equity	21,525	21,688	11,888	11,738
Total Liabilities and Equity	30,342	32,098	19,549	23,069

(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/15 (US\$'000)		As at 30/6/15 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
105	782	93	2,930

Amount repayable after one year

As at 31/12/15 (US\$'000)		As at 30/6/15 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
149	139	140	306

Borrowings and gearing ratio

Total borrowings of US\$1.2 million as at 31 December 2015 comprise short-term borrowings, long-term loans and finance lease obligations. Total borrowings fell by US\$2.3 million compared to 30 June 2015 due to loans repayment.

The Group's gearing ratio was 0.05 times as at 31 December 2015 compared to 0.16 times as at 30 June 2015.

Details of any collateral

The banking facilities of the Group are secured by a negative pledge on the Group's assets.

The banking facilities of subsidiaries are guaranteed by the Group.

The Group's finance lease obligations are secured by the lessors' charge over the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Cash Flows Statement

	3 months ended 31/12/15 ("2Q16") US\$'000	3 months ended 31/12/14 ("2Q15") US\$'000	6 months ended 31/12/15 ("1H16") US\$'000	6 months ended 31/12/14 ("1H15") US\$'000
Cash flows from operating activities				
Profit before income tax	745	824	1,506	1,282
Adjustments for:				
Depreciation and amortization expenses	261	324	518	652
Gain on disposal of property, plant and equipment	-	(2)	(50)	(17)
Loss on disposal of property, plant and equipment	5	-	-	-
Share of profit of associate	(1)	(2)	(3)	(2)
Impairment loss on available-for-sale investments	6	-	6	-
Interest income	(12)	(1)	(27)	(3)
Interest expense	11	50	38	108
Operating profit before working capital changes	1,015	1,193	1,988	2,020
Trade receivables	(500)	1,264	650	654
Other receivables and prepayments	210	(394)	(507)	(998)
Inventories	1,303	808	1,724	2,194
Trade payables	(532)	(641)	(691)	(414)
Other payables	483	465	1,409	765
Net Cash generated from operations	1,979	2,695	4,573	4,221
Dividend paid	(195)	-	(195)	-
Interest received	12	1	27	3
Interest paid	(11)	(50)	(38)	(108)
Income tax paid	(168)	(49)	(199)	(85)
Net cash generated from operating activities	1,617	2,597	4,168	4,031
Cash flows from investing activities				
Acquisition of an associate	-	(6)	-	(6)
Purchase of property, plant and equipment	(458)	(476)	(548)	(621)
Proceeds from disposal of property, plant and equipment	2	5	128	20
Net cash used in investing activities	(456)	(477)	(420)	(607)
Cash flows from financing activities				
Decrease in bills payables	(1,815)	(970)	(1,878)	(2,569)
Repayment of bank loans	(84)	(83)	(167)	(168)
Repayment of finance leases	(25)	(27)	(73)	(52)
Net cash used in financing activities	(1,924)	(1,080)	(2,118)	(2,789)
Net (decrease) increase in cash and cash equivalents	(763)	1,040	1,630	635
Cash and cash equivalents at beginning of period / year	4,491	1,102	2,933	1,545
Effect of foreign exchange translation	265	(183)	(570)	(221)
Cash and cash equivalents at end of period / year	3,993	1,959	3,993	1,959
Represented by:				
Cash and bank balances (inclusive of Fixed Deposit)	3,983	2,305	3,983	2,305
Bank overdraft	-	(346)	-	(346)
	3,983	1,959	3,983	1,959
Cash and cash equivalents included in a disposal group	10	-	10	-
	3,993	1,959	3,993	1,959

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

	Share Capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
US\$'000							
Group							
Balance as at 1/7/15	4,312	5,373	(1,121)	13,340	21,904	(216)	21,688
Total comprehensive income	-	-	(1,391)	670	(721)	(52)	(773)
Balance as at 30/09/15	4,312	5,373	(2,512)	14,010	21,183	(268)	20,915
Total comprehensive income	-	-	252	612	864	(59)	805
Dividends paid	-	-	-	(195)	(195)	-	(195)
Balance as at 31/12/15	4,312	5,373	(2,260)	14,427	21,852	(327)	21,525
Company							
Balance as at 1/7/15	4,312	58	-	7,368	11,738	-	11,738
Total comprehensive income	-	-	-	145	145	-	145
Balance as at 30/09/15	4,312	58	-	7,513	11,883	-	11,883
Total comprehensive income	-	-	-	200	200	-	200
Dividends paid	-	-	-	(195)	(195)	-	(195)
Balance as at 31/12/15	4,312	58	-	7,518	11,888	-	11,888

	Share Capital	Capital reserves	Currency translation reserve	Retained earnings	Attributable to equity holders	Non-controlling interests	Total
US\$'000							
Group							
Balance as at 1/7/14	4,312	5,047	378	12,934	22,671	772	23,443
Total comprehensive income	-	-	(165)	549	384	(127)	257
Balance as at 30/09/14	4,312	5,047	213	13,483	23,055	645	23,700
Total comprehensive income	-	-	(575)	519	(56)	(60)	(116)
Balance as at 31/12/14	4,312	5,047	(362)	14,002	22,999	585	23,584
Company							
Balance as of 1/7/14	4,312	58	-	9,997	14,367	-	14,367
Total comprehensive income	-	-	-	283	283	-	283
Balance as at 30/09/14	4,312	58	-	10,280	14,650	-	14,650
Total comprehensive income	-	-	-	134	134	-	134
Balance as at 31/12/14	4,312	58	-	10,414	14,784	-	14,784

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

At an Extraordinary General Meeting (“EGM”) of the Company held on 30 October 2015, the shareholders of the Company approved the proposed consolidation of every five (5) existing ordinary shares of the Company into one (1) ordinary share (the “Share Consolidation”). The Share Consolidation was completed and became effective as at 9.00 am on 12 November 2015 and 136,513,397 existing ordinary shares of the Company were consolidated into 27,302,436 ordinary shares. Save for the Share Consolidation, there was no change in the Company’s issued and paid up share capital since the end of the previous period reported on.

The Company did not have any outstanding options, convertibles or treasury shares as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at	<u>31/12/15</u>	<u>30/06/15</u>
Total number of issued shares (excluding treasury shares)	27,302,436	136,513,397

Note: Please refer to 1d(ii) for details.

- (iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter)**

Not applicable

- 4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation as in the Group’s financial year ended 30th June 2015.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	3 months ended 31/12/15 ("2Q16")	3 months ended 31/12/14 ("2Q15")
Earnings per ordinary share (US cents)	2.24	0.38

Note: the Earnings per ordinary share for 2Q16 and 2Q15 have been computed based on 27,302,436 number of shares (post-share consolidation) and 136,513,397 number of shares (pre-share consolidation) respectively.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group			Company		
	31/12/15	30/09/15	30/06/15	31/12/15	30/09/15	30/06/15
Net asset value per ordinary share (US cents)	80.0	15.5	16.0	43.5	8.7	8.6

Note: the Net asset value ("NAV") per ordinary share as at 31 December 2015 has been computed based on 27,302,436 number of shares (post-share consolidation); the NAV per ordinary share as at 30 September 2015 and 30 June 2015 have been computed based on 136,513,397 number of shares (pre-share consolidation)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Table 1

	3 months ended 30/09/14 ("1Q15")	3 months ended 31/12/14 ("2Q15")	3 months ended 31/03/15 ("3Q15")	3 months ended 30/06/15 ("4Q15")	3 months ended 30/09/15 ("1Q16")	3 months ended 31/12/15 ("2Q16")
Revenue	13,894	12,741	9,873	10,816	8,835	10,038
Gross profit	3,410	3,554	1,890	2,434	2,245	2,747
Net profit (loss) after tax	408	461	(1,446)	(470)	614	547
Attributable to:-						
Owners of the Company	548	519	(1,063)	402	670	612
Non-controlling interests	(140)	(58)	(383)	(872)	(56)	(65)
	408	461	(1,446)	(470)	614	547

Revenue and Net Profit attributable to equity holders of the parent (“Net Profit”)

2Q16 vs 2Q15

Revenues fell by 21.2% or US\$2.7 million to US\$10.0 million due mainly to the absence of sales from the Metrolink Group following our dilution of interest to 10% in FY2015 as well as lower export sales to the US and UK/EU regions. However, we have been able to achieve higher sales in China via our in-house brand Commune, which has helped to offset the fall in revenues from our traditional export markets.

Gross Profit fell by 22.7% or US\$0.81 million to US\$2.7 million due to lower revenues. However, Gross Margin remained relatively unchanged at 27.4% as compared to 2Q15.

Selling and distribution expenses fell by US\$0.29 million to US\$0.84 million while administrative expenses fell by US\$0.39 million to US\$1.4 million. Both expenses fell as a result of the divestment of Metrolink, as part of the Group’s operational restructuring exercise in the last financial year.

There was a share of loss by the minority shareholder of Rossano of US\$0.07 million.

Given the above, Net Profit improved by 17.8% or US\$0.09 million to US\$0.61 million for 2Q16 compared to 2Q15 and the Group generated US\$1.6 million cash flows from operating activities for 2Q16.

For the 6 months ended 31 December 2015, Net Profit improved by 20.1% or US\$0.22 million to US\$1.3 million for 1H16 compared to 1H15 and notably, the Group generated US\$4.2 million cash flows from operating activities for 1H16.

Financial Position (31 December 2015 vs 30 June 2015)

Assets

Current Assets fell by US\$1.1 million to US\$18.2 million. Significant movements in Current Assets during the period under review were as follows:

- Cash at bank (inclusive of fixed deposits) rose by US\$0.85 million to US\$4.0 million due mainly to (i) cash received as deposits for the disposal of investment property in Vietnam and (ii) positive operating cash flows, offset by cash used to repay bank borrowings.
- Trade receivables fell by US\$0.64 million to US\$2.9 million due mainly to lower export revenues. Trade receivables turnaround time continued to remain manageable at 29 days compared to 28 days as at 30 June 2015.
- Other receivables and prepayments rose by US\$0.54 million to US\$3.3 million due mainly to (i) higher deposits placed with suppliers (ii) higher Value Added Tax (VAT) receivable from tax offices in Vietnam and (iii) an increase in rental security deposits in Singapore.
- Inventories fell by US\$1.6 million to US\$5.8 million due mainly to reduction in raw material and WIP stock for our operations in Vietnam given a more efficient supply chain and production cycle.

- Assets held for sale (“AHS”), comprising of investment properties and the total assets of Rossano, fell by US\$0.29 million to US\$2.2 million due to lower total assets of Rossano (Rossano continued to make losses that caused its net assets to fall).

Non-Current Assets fell by US\$0.66 million to US\$12.1 million due mainly to depreciation of property, plant and equipment and amortization.

Liabilities

Current Liabilities fell by US\$1.4 million to US\$8.2 million. Significant movements in Current Liabilities during the period under review were as follows:

- Bills payable fell sharply by US\$1.9 million to US\$0.45 million due to lower working capital borrowings and loans repayment. We repaid bank borrowings from our operating cash flows.
- Trade payables fell by US\$0.70 million to US\$1.7 million due to lower purchases and faster payments to suppliers.
- Other payables rose by US\$1.3 million to US\$3.9 million due mainly to deposits received for the disposal of investment property in Vietnam.
- Income tax payable rose by US\$0.12 million to US\$0.33 million due mainly to higher tax provision for our profitable retail and wholesale businesses in Singapore and China.

Non-Current Liabilities fell by US\$0.24 million to US\$0.66 million due mainly to repayment of loans and reduction in deferred taxation.

Shareholders' equity

Net asset or Equity attributable to shareholders fell by US\$0.05 million to US\$21.9 million as at 31 December 2015 due mainly to earnings of US\$1.3 million for 1H16, offset by translation losses of US\$1.1 million arising from the consolidation of our Malaysian subsidiaries (as the RM continued to weaken against the US\$ during the period under review), and after accounting for dividends payment of US\$0.19 million.

Minority interests

Minority interests (“MI”) of US\$(0.33) million, reflect the share of net liabilities of Rossano’s other shareholder, who owns 30% of Rossano.

Cash Flows (movements in 2Q16)

Net cash from operating activities was US\$1.6 million for 2Q16 after accounting for a cash profit of US\$1.0 million, a reduction in working capital investments of US\$0.96 million and interest payments of US\$0.01 million. Net cash used in investing activities was US\$0.46 million due to investments in new equipment. Net cash used in financing activities was US\$1.9 million due mainly to loan repayments. Net cash and cash equivalents rose by US\$0.85 million to US\$4.0 million as at 31 December 2015 as compared to US\$3.1 million as at 30 June 2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Board of Directors stated in the 1Q16 announcement that barring any unforeseen circumstances, the Group expects to remain profitable in FY2016.

The Group recorded a Net Profit of US\$0.61 million for 2Q16, approximately 17.8% or US\$0.09 million higher than that of the last corresponding quarter in 2Q15. Therefore, the current results are in line with the prospect statement disclosed in the 1Q16 results announcement.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The global financial markets and economy have been obviously volatile since the start of the year and it appears that the volatility has, to a larger extent, affected overall consumer confidence and their discretionary spending budgets. The strong US dollar, however, may help to boost trade volumes with our US clients (our key market) but on the other hand, would mean more expensive imports for our clients in the EU and Pacific region, which we may need to re-adjust our marketing strategies.

We have started to see more encouraging orders forecast from the US market, and our factories in Malaysia and Vietnam are well prepared to meet the potential upswing in these orders. More importantly, the previous operational restructuring efforts have also helped to improve our supply chain management and reduce our overall fixed production costs, which means we can manage the risks of market uncertainty much better.

As previously announced, we are also in the midst of completing the disposal of Rossano, the loss-making retail business in Vietnam. The divestment in Rossano is expected to be completed over the next few months which should help to improve the Group's financial performance further, following our divestment of Metrolink in FY2015.

Given the above, the Board continues to believe that barring any unforeseen circumstances, the Group expects to remain profitable in FY2016.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for IPTs.

IPT during the period under review was as follows:

Name of Interested Persons	Description of IPT	Value of IPT for the financial period under review (excluding transactions less than \$100,00) (\$'000)
Koh Jyh Eng Koh Shwu Lee (Directors of the Company)	Refundable deposit placed with Zenith Heights Sdn Bhd (of which Koh Jyh Eng & Koh Shwu Lee are Directors) to secure a long-term lease for land owned by Zenith Heights Sdn Bhd in Malaysia. The plot of land is earmarked for warehousing facilities.	327 ⁽¹⁾

(1) Based on an exchange rate of S\$1:RM\$2.98

Note: The above IPT transaction constitutes 1.07% of the Group's audited NTA as at 30 June 2015.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable

- 16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable

- 17. A breakdown of sales**

Not applicable

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable

CONFIRMATION BY THE BOARD

We, James Koh Jyh Gang and Koh Shwu Lee, being two directors of Koda Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the un-audited financial results for the quarter ended 31 December 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD
JAMES KOH JYH GANG
Managing Director
12 February 2016