KODA LTD

(Incorporated in the Republic of Singapore)
Company Registration Number 198001299R

ANNUAL GENERAL MEETING ON 29 OCTOBER 2025 - RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS AND SECURITIES INVESTORS ASSOCIATION (SINGAPORE) BEFORE ANNUAL GENERAL MEETING ("AGM")

The Board of Directors (the "**Board**" or "**Directors**") of Koda Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Notice of AGM announced on Monday, October 13, 2025 in relation to the Company's AGM to be convened on Wednesday, October 29, 2025 at 10.00 a.m.

The Company sets out below the responses to all substantial and relevant questions from Shareholders and the Company has made a voluntary disclosure in response to questions received from the Securities Investors Association (Singapore) ("SIAS"). However, the Company will not be able to elaborate on matters that are deemed commercially sensitive.

By Order of the Board of Directors of
Koda Ltd

James Koh Jyh Gang
Executive Chairman and Chief Executive Officer
October 24, 2025

Questions Received from Shareholders

Q1. *Did Koda observe significant frontloading of orders from US customers in the months prior to the recent US tariffs on furniture imports?*

Company's Response:

We were able to ship some of the orders earlier, as requested by some of the customers. However, most of such orders were still in the work-in-progress stage. As such, financial effects arose from such orders frontloading were not significant.

Q2. *In a recent newspaper interview, Mr. Ernie Koh shared that under 5% of Koda's US exports are directly hit by tariffs. Can you elaborate on the impact of tariffs and the weakened USD has on Koda's margins?*

Company's Response:

The overall indicative order book remains healthy as at the date of this announcement. Most of Koda's sales and purchases are and have been USD-denominated. As a result, operating margins were largely unaffected by USD fluctuations during FY2025. However, certain non-operational items denominated in SGD were impacted by such currency movements.

Q3. *What is Koda's plan in managing volatility in raw material prices?*

Company's Response:

The Group's raw material prices remain relatively stable and we will continue to monitor the supply chain situation under the existing operating environment.

Q4*. What is the company's capital expenditure outlook for FY2026?*

Company's Response:

As at the date of this announcement, we do not anticipate to incur and / or invest any significant capital expenditure as the existing facilities remain operationally sufficient to support our planned operations. Any additional capital expenditure, if any, will likely to be regular equipment and machinery upgrades, which are not expected to be material.

Q5. *What are the plans for the China business and do you observe fiercer local competition because of the US trade tariffs?*

Company's Response:

As disclosed in the Annual Report 2025, reflecting our customer-focused strategy in the current competitive retail landscape, including Singapore's, we have re-engineered our products and streamlined processes such that we could further spread costs across a greater scale to meet price expectation and spending budgets of our retail customers, amidst rising cost of living while it remains to be seen if the ramped up stimulus plans in China could turn the existing weak consumer sentiment around, which was supposed to stimulate demand on all fronts.

Questions Received from SIAS

Q1. *In his statement to shareholders, the executive chairman and CEO attributed the group's higher revenue to stronger sales in key export markets, particularly the United States and Europe, supported by focused marketing efforts.*

Revenue from North America (Canada and the US) rose by 25% to US$34.9 million from US$27.9 million, driven by a strong first half of 2025 which contributed US$18.4 million. However, the second half saw a slowdown to US$16.4 million as export customers adopted more cautious patterns in anticipation of US tariff measures. North America accounted for nearly two-thirds of the group's total revenue in 2025.

New US tariffs on furniture took effect on 14 October 2025.

(i) Can management share its insights on the likely impact of the new tariffs on the group's North America business? How much of the first-half sales surge was driven by pre-emptive ordering, and what implications does this have for the sustainability of the group's sales momentum?

The group has manufacturing facilities in Vietnam and Malaysia.

(ii) How is management strategically positioning its multi-country manufacturing footprint to mitigate tariff and supply chain volatility while optimising cost competitiveness and market access?

Export growth was partially offset by weaker sales in Asia-Pacific, as discretionary spending remained subdued amid inflationary pressures and China's prolonged real estate downturn.

(iii) Beyond waiting for a recovery in China's housing sector, what specific strategies or opportunities is management pursuing in that market?

(iv) What progress has the group made in the Indian market?

Company's Response:

(i) There was no significant sales surge in the first half of FY2025 from our US market due to such pre-emptive ordering. The overall indicative orders book however remains healthy as of the date of this announcement.

(ii) Vietnam and Malaysia (our main production bases) appear to be strategic alternatives for manufacturing sourcing, being part of the key supply chain ecosystem due to the US tariffs measure given the competitive cost structures and broad trade access.

(iii) As disclosed, reflecting our customer-focused strategy in the current competitive retail landscape, including Singapore's, we have re-engineered our products and streamlined processes such that we could further spread costs across a greater scale to meet price expectation and spending budgets of our retail customers, amidst rising cost of living while it remains to be seen if the ramped up stimulus plans in China could turn the existing weak consumer sentiment around, which was supposed to stimulate demand on all fronts.

(iv) Sales derived from our existing dealer operated stores in Mumbai and Bangalore were lower than expected due to cautious consumer discretionary spending.

Q2. *The group's key financial ratios are presented on page 10 of the annual report and reproduced below:.*

US$'000	2025	2024	2023	2022	2021
Key financial ratios:					
Net assets value per share (US cents)*	**55.4**	53.4	59.0	63.6	59.6
Inventory turnover – average (days)	**124**	137	141	132	129
Trade receivable turnover (days)	**51**	65	23	25	20
Quick ratio (times)	**1.6**	1.4	2.0	1.3	1.2
Current ratio (times)	**2.4**	2.1	3.0	2.3	2.2
Gearing (times)	**0.33**	0.36	0.33	0.38	0.13
Return on equity (%)	**1.2**	(10.2)	(5.8)	10.7	18.5

(Source: company annual report)

Trade receivable turnover days improved from 65 days in FY2024 to 51 days in FY2025, but remain significantly above the average of 23 days between FY2021 and FY2023.

(i) What are the typical credit terms extended to export customers in the United States, and what safeguards or credit control mechanisms has management implemented to mitigate counterparty and collection risk arising from longer payment cycles?

In addition, in Note 7, it was disclosed that trade receivables amounting to US$1.28 million is past due but not impaired.

The table below is an analysis of trade receivables as at the end of reporting period:

	GROUP		COMPANY	
	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000
Not past due and not impaired	**6,082**	7,268	**6,158**	7,358
Past due but not impaired[(i)]	**1,275**	836	**2,238**	1,529
Total trade receivables, net	**7,357**	8,104	**8,396**	8,887

(i) Aging of receivables that are past due but not impaired:

	GROUP		COMPANY	
	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000
<30 days	**1,231**	712	**1,289**	712
31 to 90 days	**20**	85	**158**	115
91 to 180 days	**2**	3	**82**	2
181 to 360 days	**7**	15	**30**	15
>360 days	**15**	21	**679**	685
	1,275	836	**2,238**	1,529

(Source: company annual report)

(ii) How does management monitor and assess trade receivables that are past due but not impaired, including the frequency and methodology of credit reviews, provisioning criteria, and the role of the audit committee in overseeing receivables quality?

Company's Response:

(i) and (ii) Credit terms to export customers in the United States fall within the Group's average receivable turnaround for FY2024 and FY2025. More than 80% of the Group's trade receivables as at 30 June 2025 was within the credit period and please note that less than 5% of the Group's trade receivables as at 30 June 2025 was past due for more than 30 days, as shown in the table. We perform credit assessment, set credit limits, monitor collection cycles, initiate collection procedures. In certain cases, we require security deposit and advance payments to be made; and / or take our export credit insurance, as applicable. For past due receivables, provisions may be made under the Expected Credit Loss assessment, the accounting policies of which will be disclosed in the Annual Report, if applicable.

***Q3**. The company's sustainability report, found on pages 24 to 79 of the annual report, identifies 15 material topics and sets 10 strategic ESG targets to be achieved by FY2030.*

Environmental Targets	Unit	FY2022 (Base Year)	FY2025 (Current Year)	FY2030 (Target Year)
GHG Emission Intensity	tCO2e/US$1 Million Revenue	72.44	122.51	65.20
Energy Consumption				
Fuel Consumption Intensity	Litre/US$1 Million Revenue	1,347.50	2,511.63	1,212.75
Electricity Consumption Intensity	MWh/US$1 Million Revenue	95.39	139.64	85.85
Waste Generated				
Waste Intensity	Tonnes (t)/US$1 Million Revenue	15.94	20.38	14.34
Water Consumption				
Water Intensity	Cubic Meters (m^3)/US$1 Million Revenue	1,116.56	1,319.69	1,004.90

Social Targets	Unit	FY2022 (Base Year)	FY2025 (Current Year)	FY2030 (Target Year)
Turnover				
Employee Turnover	Percentage (%)	32.9%	25.3%	29.6%
Health and Safety Incidents – Number of Cases				
Recordable Injuries	Number of Cases	20	21	18

(Adapted from company annual report; emphasis added)

(i)** **Given that sustainability has been a strategic focus for several years, can the board or sustainability committee explain why the group's GHG emission intensity, fuel consumption intensity, and electricity consumption intensity have all increased from the base year, in some cases by as much as 86%?

(ii)** **Has the board provided adequate oversight to ensure the group's sustainability initiatives are both effective and aligned with stated targets? Does the board intend to intensify the group's efforts, given that current performance in some areas is double the FY2030 targets?

The FY2030 targets were set by aiming for a 10% improvement from the FY2022 level.

(iii) Can the board elaborate on its target-setting approach, specifically how it incorporates materiality, demonstrates ambition and credibility, and avoids a formulaic or mechanical approach?

(iv) Can the board clarify whether maintaining a non-zero target for recordable injuries is acceptable from a governance and ethical standpoint, and how it balances its duty of care to employees against operational efficiency and profitability objectives?

Company's Response:

(i) and (ii) The higher intensity ratios in FY2025 were mainly due to lower revenue in 2025 compared to the base year 2022, which made the ratios appear higher even though most of our absolute consumption levels declined. In fact, our electricity, water, and waste levels fell compared to the base year, while GHG emissions and fuel rose. The increase was also partly attributable to greater transportation and logistics activities during the year. The Board, through the Sustainability Committee, continue to oversee the Group's sustainability strategy, including existing energy efficiency, cleaner technologies investment, and processes optimisation; and believe that the progress toward the FY2030 targets remain realistic, barring unforeseen circumstances.

(iii) The Group's FY2030 environmental targets were set using FY2022 as the baseline, with a 10% improvement benchmark that balances ambition and practicality. The targets focus on the most significant environmental and social impacts identified through stakeholder engagement and internal assessments, and are aligned with the Group's long-term business strategy and regulatory developments, such as Singapore's Green Plan and other global sustainability frameworks.

While initially formula-based, the targets are regularly reviewed by Management and the Board to ensure they remain relevant to current operations, ambitious enough to drive continuous improvement, and responsive to evolving environmental and market conditions.

(iv) Safety and employee well-being are top priorities for the Group. While our long-term goal is zero workplace injuries, we maintain a non-zero interim target to reflect the practical realities of running large-scale manufacturing operations. This allows us to set measurable goals, monitor performance, and drive continuous improvement.

Our efforts have contributed to a strong safety record, with no reported cases of serious injuries, fatalities, or occupational illnesses for FY2025. We implement ongoing training, inspections, and risk assessments, and incidents are thoroughly investigated with lessons applied across all facilities. Maintaining this target responsibly balances our duty of care to employees with operational efficiency, while fostering a strong safety culture that supports both employee well-being and business continuity.