



KTMG LIMITED
AND ITS SUBSIDIARIES
(Registration No: 197401961C)

Unaudited Condensed Interim Financial Statements
For the half year ended 30 June 2025

Table of Contents

A. Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income	3
B. Condensed Interim Statements of Financial Position	4
C. Condensed Interim Statements of Changes in Equity	5
D. Condensed Interim Statement of Cash Flow	6
E. Notes to the Condensed Interim Consolidated Financial Statements	7
Other information required by Listing Rule Appendix 7C	14

(A) Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income

The Group	Note	1H2025 (Unaudited) S\$'000	1H2024 (Unaudited) S\$'000	Change %
Revenue	4	30,383	40,926	(25.8)
Cost of sales		(26,253)	(36,168)	(27.4)
Gross profit		4,130	4,758	(13.2)
Other income, net		981	198	395.5
Administrative and general expenses		(3,345)	(3,324)	0.6
Selling and marketing expenses		(841)	(877)	(4.1)
Finance costs	5	(721)	(581)	24.1
Profit before taxation	6	204	174	17.2
Income tax expenses	7	(89)	(54)	64.8
Net profit		115	120	(4.2)
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss (nil of tax)</i>				
Foreign currency translation		9	229	(96.1)
Total comprehensive profit attributable to equity holders of the Company		124	349	(64.5)
Profit attributable to:				
- Owners of the Company		105	111	(5.4)
- Non-controlling interests		10	9	11.1
		115	120	(4.2)
Total comprehensive income attributable to:				
- Owners of the Company		114	340	(66.5)
- Non-controlling interests		10	9	11.1
		124	349	(64.5)
Earnings per share for profit attributable to Owners of the Company during the period:				
- Basic/ diluted (SGD in cents)		0.06	0.07	(14.3)

(B) Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		30 Jun 2025 (Unaudited)	31 Dec 2024 (Audited)	30 Jun 2025 (Unaudited)	31 Dec 2024 (Audited)
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-current assets					
Subsidiary		-	-	26,400	26,400
Property, plant and equipment	10	13,891	13,894	-	-
Right-of-use assets	11	3,414	4,183	-	-
Deferred tax assets		212	220	-	-
		17,517	18,297	26,400	26,400
Current Assets					
Inventories		19,013	13,308	-	-
Trade and other receivables	12	13,694	21,605	341	263
Prepaid corporate tax		1,187	862	-	-
Cash and bank balances		5,095	6,508	10	15
		38,989	42,283	351	278
Total assets		56,506	60,580	26,751	26,678
Liabilities					
Non-current liabilities					
Borrowings	13	1,058	1,552	-	-
Lease liabilities		1,969	2,349	-	-
Deferred tax liabilities		-	-	-	-
		3,027	3,901	-	-
Current liabilities					
Borrowings	13	21,621	21,228	-	-
Lease liabilities		535	556	-	-
Trade and other payables	14	16,125	19,722	2,081	1,944
Tax payable		47	146	-	-
		38,328	41,652	2,081	1,944
Total liabilities		41,355	45,553	2,081	1,944
Net assets		15,151	15,027	24,670	24,734
Equity and reserves					
Share capital	15	33,201	33,201	33,201	33,201
Retained earnings/ (accumulated losses)		2,751	2,646	(9,102)	(9,038)
Foreign currency translation reserve		(1,347)	(1,356)	-	-
Capital reserve		571	571	571	571
Merger reserve		(20,106)	(20,106)	-	-
Equity attributable to Owners of the Company		15,070	14,956	24,670	24,734
Non-controlling interests		81	71	-	-
Total equity and reserves		15,151	15,027	24,670	24,734

(C) Condensed Interim Statements of Changes in Equity

	Share capital	Retained earnings	Translation reserve	Capital reserve	Merger reserve	Equity attributable to Owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
As at 1 Jan 2025	33,201	2,646	(1,356)	571	(20,106)	14,956	71	15,027
Total comprehensive income for the financial period	-	105	9	-	-	114	10	124
As at 30 Jun 2025	33,201	2,751	(1,347)	571	(20,106)	15,070	81	15,151
As at 1 Jan 2024	33,201	8,323	(2,405)	571	(20,106)	19,584	53	19,637
Total comprehensive income for the financial period	-	111	229	-	-	340	9	349
As at 30 Jun 2024	33,201	8,434	(2,176)	571	(20,106)	19,924	62	19,986

	Share capital	(Accumulated losses)	Capital reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
The Company				
As at 1 Jan 2025	33,201	(9,038)	571	24,734
Total comprehensive loss for the financial period	-	(64)	-	(64)
As at 30 Jun 2025	33,201	(9,102)	571	24,670
As at 1 Jan 2024	33,201	(8,832)	571	24,940
Total comprehensive loss for the financial period	-	(35)	-	(35)
As at 30 Jun 2024	33,201	(8,867)	571	24,905

Capital reserve

The capital reserve represents (i) the gain on extinguishment of the amounts owing to the then controlling shareholder of the Company; and (ii) transactions entered between the Company and the current controlling shareholder on acquisition of Knit Textile and Apparel Pte. Ltd. ("KTAPL").

Merger reserve

The merger reserve represents the differences between the cost of investment recorded at the fair value of the equity shares issued by the Company and the share capital of the entity under common control.

(D) Condensed Interim Statement of Cash Flows

	The Group	
	1H2025	1H2024
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Operating activities		
Profit before tax	204	174
Adjustment for:		
Bad debts recovered	(4)	-
Depreciation of property, plant and equipment and right-of-use assets	850	855
Impairment loss (reversed) / recognised on receivables, net	(10)	23
Interest expense	721	581
Interest income	(38)	(43)
(Gain) on disposal of property, plant and equipment, net	(19)	(25)
Operating cash flows before working capital changes	1,704	1,565
Working capital changes		
Trade and other receivables	7,004	(1,615)
Trade and other payables	(3,075)	12,143
Inventories	(5,785)	(19,716)
Cash used in operations	(152)	(7,623)
Interest received	38	43
Income tax paid	(417)	(475)
Net cash used in operating activities	(531)	(8,055)
Investing activities		
Purchase of property, plant and equipment and right-of-use assets	(423)	(347)
Proceeds from disposal of property, plant and equipment	19	31
Net cash used in investing activities	(404)	(316)
Financing activities		
Proceeds from term loans and other short-term loans	36,811	32,551
Repayment of term loans and other short-term loans	(36,039)	(27,767)
Repayment of principal elements of lease liabilities	(236)	(399)
Repayment of loans to shareholders/ directors	-	(241)
Interest paid	(721)	(581)
Changes in pledged deposits	(225)	(72)
Net cash (used in) / generated from financing activities	(410)	3,491
Net change in cash and cash equivalents	(1,345)	(4,880)
Cash and cash equivalents at the beginning of financial period	3,627	5,957
Effect of exchange rate changes on cash and cash equivalents	(241)	130
Cash and cash equivalents at the end of financial period	2,041	1,207

	The Group	
	1H2025	1H2024
	S\$'000	S\$'000
<u>Cash and cash equivalents in the consolidated statement of cash flows:</u>		
Cash and bank balances	5,095	3,148
Less: Pledged deposits	(3,054)	(1,941)
Cash and cash equivalents	2,041	1,207

(E) Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

KTMG Limited (the “**Company**”) is incorporated as a limited liability company and domiciles in Singapore. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the first six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are:

- (a) Apparel manufacturing
- (b) Operation of a fabric knitting, dyeing and finishing plant
- (c) Investment holding

2. Basis of Preparation

The condensed interim financial statements for the first six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar which is the Company’s functional currency. All financial information presented in Singapore Dollar have been recorded to the nearest thousand, unless otherwise stated.

The Group had net cash outflows from operating activities of S\$530,000 (1H 2024: net operating cash outflows of S\$8,056,000) for the half year ended 30 June 2025.

Notwithstanding this, the Group is still in a net current asset position of S\$661,000 as at 30 June 2025 (31 December 2024: S\$631,000).

The condensed interim financial statements have been prepared on a going concern basis. The management has prepared cash flow forecast for the next 12 months. Based on the forecast, the directors believe the Group has sufficient working capital and financial resources to enable them to meet their liabilities as and when they fall due and continue as going concern for at least 12 months from the end of the reporting period. Accordingly, the directors are of the view that the going concern assumption is appropriate for the presentation of these financial statements.

2.1 New and amended standards adopted by the Group

The Group has applied the following amendments to SFRS(I) that are mandatory for accounting period beginning 1 January 2025:

- Amendments to SFRS(I) 1-21: Lack of Exchangeability

Management anticipates that the adoption of these amendments to standard does not have a material effect on the financial statements of the Group.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of functional currency
- Determination of the lease term of right-of-use assets
- Control over Santalia Kesturi Sdn Bhd
- Income taxes
- Depreciation of property, plant and equipment and right-of-use assets
- Provision for expected credit losses on trade receivables
- Estimation of the incremental borrowing rate ("IBR")
- Impairment of non-financial assets (the Group's property, plant and equipment, right-of-use assets and the Company's investment in a subsidiary)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into business units based on its services and has one reportable operating segment – the Apparel business segment. Revenue is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance has been satisfied.

The Apparel business segment relates to revenue generated from the manufacture and sales of apparel products to customers located in the United States, European Union, Japan, Canada, United Kingdom, Malaysia and other countries.

Geographical Information

The revenue and non-current assets are grouped into country or region that exhibit similar economic environment. Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

Revenue	The Group		
	1H2025	1H2024	Change
	(Unaudited)	(Unaudited)	%
	S\$'000	S\$'000	
United States	10,487	16,468	(36.3)
European Union	10,206	7,454	36.9
Japan	4,726	5,237	(9.8)
Canada	1,650	3,829	(56.9)
United Kingdom	716	5,521	(87.0)
Malaysia	1,303	1,488	(12.4)
Others	1,295	929	39.4
	30,383	40,926	(25.8)

The Group trades with customers in the countries shown above. In presenting information on the basis of geographical segments, segment revenue is based on the countries in which goods are delivered.

Non-current assets information presented for each national jurisdiction is presented in the consolidated statement of financial position:

Non-current assets	The Group	
	As at 30 Jun 2025	As at 30 Jun 2024
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Malaysia	13,553	13,501
Cambodia	3,964	2,469
Singapore	-	98
	17,517	16,068

Non-current assets information presented above consists of the following items as presented in the consolidated statement of financial position:

Non-current assets	The Group	
	As at 30 Jun 2025	As at 30 Jun 2024
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Property, plant and equipment	13,891	13,705
Right-of-use assets	3,414	1,949
Deferred tax assets	212	414
	17,517	16,068

5. Finance Cost

	The Group	
	1H2025	1H2024
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Interest expenses on:		
- Term loans	69	19
- Other short-term loans	515	525
- Lease liability	137	37
	721	581

6. Profit before tax for the period

	The Group	
	1H2025	1H2024
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Profit before tax for the period		
included the following items:-		
Depreciation expenses:		
Property, plant and equipment	(542)	(497)
Right-of-use assets	(308)	(358)
Foreign exchange gain / (loss), net	444	(242)
Legal and other professional fees	(322)	(297)
Reversal of/ (allowance of) impairment loss		
on trade receivables, net	10	(23)
Gain on disposal of property, plant and equipment (net)	19	25

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expenses in the condensed interim consolidated statement of comprehensive income are:

	The Group	
	1H2025	1H2024
	(Unaudited)	(Unaudited)
	S\$'000	S\$'000
Current taxation		
- Current period	94	158
Deferred tax expense		
- Origination and reversal of temporary differences	(5)	(104)
	89	54
	2025	2024
Tax rates	%	%
Cambodia	20	20
Malaysia	24	24
Singapore	17	17

8. Related party transactions

There were no material related party transactions during the financial period.

9. Financial assets and financial liabilities

	The Group		The Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Trade and other receivables ⁽¹⁾	13,122	20,915	333	255
Cash and bank balances	5,095	6,508	10	15
	18,217	27,423	343	270
Financial Liabilities				
Borrowings	22,679	22,780	-	-
Lease liabilities	2,504	2,905	-	-
Trade and other payables	16,125	19,712	2,081	1,944
	41,308	45,397	2,081	1,944

⁽¹⁾ Excluded prepayments and net input GST/VAT receivables

10. Property, plant and equipment

The movement in property, plant and equipment is as follows:

	The Group	
	30 Jun 2025	31 Dec 2024
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Cost		
Opening balance	27,174	25,651
Additions	423	416
Reclassification from ROU assets on full repayment of lease liabilities	472	-
Disposals / written-off	(201)	(207)
Translation differences on consolidation	(637)	1,314
Closing balance	27,231	27,174
Accumulated depreciation		
Opening balance	13,280	11,871
Depreciation charge	542	1,027
Reclassification from ROU assets on full repayment of lease liabilities	163	-
Disposals / written-off	(201)	(188)
Translation differences on consolidation	(444)	570
Closing balance	13,340	13,280
Carrying amount	13,891	13,894

11. Right-of-use assets

	The Group	
	30 Jun 2025	31 Dec 2024
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Cost		
Opening balance	7,528	5,167
New leases entered during the period	6	74
Early lease termination	-	(123)
Lease modification	-	2,522
Reclassification from ROU to PPE	(472)	-
Derecognition	(6)	(377)
Translation differences on consolidation	(329)	265
Closing balance	6,727	7,528
Accumulated depreciation		
Opening balance	3,345	2,950
Depreciation charge	308	707
Early lease termination	-	(56)
Reclassification from ROU to PPE	(163)	-
Derecognition	(6)	(377)
Translation differences on consolidation	(171)	121
Closing balance	3,313	3,345
Carrying amount	3,414	4,183

12. Trade and other receivables

	The Group	
	30 Jun 2025	31 Dec 2024
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Trade receivables	12,390	20,145
Allowance for impairment loss	(189)	(205)
Net trade receivables	12,201	19,940
Other receivables	51	90
Deposits	870	885
Financial assets at amortised cost	13,122	20,915
Prepayments	202	317
Net input GST/ VAT recoverable	370	373
Total trade and other receivables	13,694	21,605

13. Borrowings

		The Group	
		30 Jun 2025	31 Dec 2024
		(Unaudited)	(Audited)
		S\$'000	S\$'000
<u>Secured</u>			
Term loans:			
- Floating rate	2025 - 2033	2,075	2,605
Other short-term loans:			
- Trust receipts	On demand	9,081	13,760
- Bankers' acceptance	On demand	4,369	4,309
- Bill Purchase	On demand	5,013	-
- Invoice financing	On demand	2,141	2,106
		20,604	20,175
		22,679	22,780
Presented as:			
- Non-current		1,058	1,552
- Current		21,621	21,228
		22,679	22,780

Borrowings are secured by bank guarantees and legal charges over the Group's freehold and leasehold land, buildings and pledged deposits with licensed banks.

The Group's obligations under lease liabilities are secured by the lessors' title to the leased assets.

14. Trade and other payables

		The Group	
		30 Jun 2025	31 Dec 2024
		(Unaudited)	(Audited)
		S\$'000	S\$'000
Trade payables		11,342	14,833
Amounts due to directors/ shareholders (non-trade)		939	977
Accrued operating expenses		1,093	1,350
Accrued salaries and wages		979	1,224
Other payables		1,374	1,003
Miscellaneous creditors		398	325
Financial liabilities at amortised cost		16,125	19,712
Provision for sales rebates		-	10
Total trade and other payables		16,125	19,722

Notes:

Amounts due to directors/shareholders (non-trade) are unsecured, interest-free and repayable on demand. The amounts relate to dividends payable to directors/shareholders that were declared prior to the completion of the Reverse Takeover exercise on 18 February 2019.

15. Share Capital

There have been no changes to the Company's issued and paid-up share capital since the end of the previous financial year ended 31 December 2024 up to 30 June 2025.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 30 June 2025, 31 December 2024 and 30 June 2024.

	No. of shares (‘000)	Issued and paid-up share capital of the Company (S\$'000)
Ordinary Shares As at 30 June 2025 and 31 December 2024	169,682	33,201

16. Acquisition/ incorporation of subsidiary

There was no acquisition/ incorporation of subsidiary during the financial period under review.

17. Subsequent events

There are no known material subsequent events which have resulted in adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7C

- 1(d)(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 30 Jun 2025	As at 31 Dec 2024
Total issued shares (excluding treasury shares)	169,681,544	169,681,544

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

Not applicable. The Company does not have any treasury shares.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company does not have any subsidiary holdings.

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

The consolidated statements of financial position of the Company and its subsidiaries as at 30 June 2025 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the first six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable. The figures have not been audited or reviewed by the Company's auditor.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements for the financial year ended 31 December 2024 ("FY2024") are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been complied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the first 6-month financial period ended 30 June 2025 ("1H2025") as those applied in the preparation of the audited financial statements for FY2024.

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.

Please refer to Section 4 above.

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.

	The Group	
	1H2025	1H2024
Profit attributable to Owners of the Company (S\$'000)	105	111
Weighted average number of ordinary shares in issue ('000)	169,682	169,682
Basic and diluted earnings per share ("EPS") (SGD cents)	0.06	0.07

The basic EPS and the diluted EPS are the same as the Company has no potentially dilutive ordinary shares in issue as at the end of the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: -

- (a) Current period reported on; and
(b) Immediately preceding financial year

	The Group		The Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value (S\$'000)	15,151	15,027	24,670	24,734
Number of ordinary shares in issue ('000)	169,682	169,682	169,682	169,682
Net asset value per ordinary share (SGD cents)	8.93	8.86	14.54	14.58

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: -

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated Statement of Comprehensive Income (1H2025 vs 1H2024)

The Group's revenue decreased by approximately S\$10.5 million or 25.8% from S\$40.9 million in 1H2024 to S\$30.4 million in 1H2025. The decline in revenue was mainly driven by lower apparel orders by existing customers in the United States (S\$6.0 million), United Kingdom (S\$4.8 million) and Canada (S\$2.2 million) as the Group gradually shifts back its pivot to the European Union which saw revenue increasing by S\$2.8 million to S\$10.2 million in 1H2025. Additionally, a subsidiary in Cambodia also accepted a year-round major order which utilised up to a quarter of its capacity in the early of the financial period whereby raw materials (fabric, accessories and embellishments) were provided directly by the customer, thus resulting in lower billings to the said customer.

The Group's cost of sales decreased by approximately S\$9.9 million or 27.4% from S\$36.2 million in 1H2024 to S\$26.3 million in 1H2025, in line with the decline in revenue. This was mainly contributed by reduction of S\$7.2 million in raw material costs, S\$2.2 million in labour costs, S\$0.3 million in export handling expenses and S\$0.2 million in factory overhead.

Accordingly, the Group's gross profit margin improved by 2.0 percentage points from approximately 11.6% in 1H2024 to approximately 13.6% in 1H2025.

The Group's other income increased by approximately S\$0.8 million or 395.5% from S\$0.2 million in 1H2024 to S\$1.0 million in 1H2025. This increase was primarily attributed to realised foreign exchange gain of S\$0.6 million following the strengthening of US Dollar (USD) against Malaysian Ringgit (MYR), particularly in early 1H2025, supported by S\$0.2 million rise in income from sub-contracting works done by a Malaysian subsidiary.

The Group's administrative and general expenses and selling and marketing expenses remained stable at approximately S\$3.3 million and S\$0.9 million respectively in 1H2025 as compared to 1H2024.

The Group's finance costs increased by approximately S\$0.1 million or 24.1% from S\$0.6 million in 1H2024 to S\$0.7 million in 1H2025 principally due to higher interest expenses incurred on the Group's lease liabilities following 5 years lease renewal of the Group's Cambodia apparel manufacturing plants in 2H2024.

As a result of the above, the Group recorded a net profit after tax of S\$0.1 million in 1H2025, consistent with 1H2024.

Consolidated Statement of Financial Position

Non-Current Assets

Non-current assets decreased by approximately S\$0.8 million from S\$18.3 million as at 31 December 2024 to S\$17.5 million as at 30 June 2025 mainly due to depreciation charge on the Group's property, plant and equipment and right-of-use assets, and translation differences on consolidation, partially offset by new acquisitions of plant and machinery by subsidiaries of the Group.

Current Assets

Current assets decreased by approximately S\$3.3 million from S\$42.3 million as at 31 December 2024 to S\$39.0 million as at 30 June 2025.

The decline was led by decrease in trade and other receivables by approximately S\$7.9 million from S\$21.6 million as at 31 December 2024 to S\$13.7 million as at 30 June 2025 primarily due to overall lower revenue generated in 1H2025 coupled with lower billings to a specific customer that provided raw materials directly to the Group.

This was partially offset by the increase in inventories of S\$5.7 million from S\$13.3 million as at 31 December 2024 to S\$19.0 million as at 30 June 2025. Consisting mainly of stock fabric and other raw materials, the inventories will be utilised to cater for the manufacturing of apparel products to be delivered to the Group's customers in the second half of the current financial year ending 31 December 2025 ("2H2025") as key customers restock for the year-end festive season.

Cash and bank balances decreased by approximately S\$1.4 million from S\$6.5 million as at 31 December 2024 to S\$5.1 million as at 30 June 2025 as the Group deployed funds to support inventories build-up mentioned above.

Non-Current Liabilities

Non-current liabilities decreased by approximately S\$0.9 million from S\$3.9 million as at 31 December 2024 to S\$3.0 million as at 30 June 2025.

Long-term borrowings decreased by approximately S\$0.5 million from S\$1.6 million as at 31 December 2024 to S\$1.1 million as at 30 June 2025 mainly due to the reclassification of term loans from "non-current" to "current".

Likewise, non-current lease liabilities also decreased by approximately S\$0.3 million from S\$2.3 million as at 31 December 2024 to S\$2.0 million as at 30 June 2025 mainly due to the reclassification of lease liabilities from "non-current" to "current".

Current Liabilities

Current liabilities declined by S\$3.4 million from S\$41.7 million as at 31 December 2024 to S\$38.3 million as at 30 June 2025.

Short-term borrowings increased marginally by S\$0.4 million from S\$21.2 million as at 31 December 2024 to S\$21.6 million as at 30 June 2025. This was mainly attributable to the utilisation of a subsidiary's new banking facilities to support inventory purchases for 2H2025.

Trade and other payables decreased by approximately S\$3.6 million from S\$19.7 million as at 31 December 2024 to approximately S\$16.1 million as at 30 June 2025, primarily due to decline in cost of sales.

Review of Statement of Cash Flows

The Group's net cash flows used in operating activities amounted to approximately S\$0.5 million in 1H2025. Despite registering a positive operating cash flows before working capital changes of approximately S\$1.7 million, the increase in inventories, decrease in trade and other payables, coupled with income tax paid turned it negative despite being partially offset by decrease in trade and other receivables and interest income received.

The Group's net cash flows used in investing activities in 1H2025 amounted to approximately S\$0.4 million, mostly attributed to the acquisition of plant and machinery by subsidiaries of the Group.

The Group's net cash flows used in financing activities in 1H2025 amounted to approximately S\$0.4 million, primarily attributed to net proceeds from short-term borrowings offset against interest paid, repayments of lease liabilities and pledged deposits placed with a financial institution as collateral for the Group's banking facilities.

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

Not applicable.

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

Looking ahead, we are cautiously optimistic about the recent reduction in tariff rates announced by the United States ("US") administration, which has improved the competitive position of our manufacturing bases in Cambodia and Malaysia. Effective 1 August 2025, products from Cambodia and Malaysia will be subject to a tariff rate of 19%, compared to 20% imposed on competing products from Vietnam and Bangladesh¹. This adjustment establishes a more equitable environment for sourcing, which could encourage US buyers to maintain or increase orders from our manufacturing bases. We remain well-positioned to capitalise on these improved trade conditions to support our operations and continue delivering value to our shareholders.

The Group continues to focus on driving profitability by selectively targeting higher-margin customers using Customer Lifetime Value (CLV) metrics, optimising orders for peak seasons, and enhancing operational efficiency. Opportunities have been identified in markets such as the European Union and

¹ <https://www.whitehouse.gov/presidential-actions/2025/07/further-modifying-the-reciprocal-tariff-rates/>

Japan, where our production base in Cambodia offers competitive advantages, including preferential tariffs and strategic location, over competing markets. Additionally, the recent US tariff reduction has broadened our access to the US market. The Group is also engaged in active discussions with potential new buyers in the United Kingdom, as the region shows signs of economic recovery.

To reduce the impact of seasonality and better manage demand fluctuations, the Group aims to secure more consistent orders and production volumes by entering into longer-term contracts with selected key customers. In 1H2025, a major order was awarded to our Cambodian subsidiary by a customer's approved supplier, utilising up to a quarter of the subsidiary's production capacity in off-peak months during the period. All raw materials, including fabric, accessories, and embellishments, were supplied directly by the customer. This order has since been extended into 2H2025, supporting sustained capacity utilisation and operational stability.

The Group has also expanded its textile manufacturing capabilities through the acquisition of new finishing machines. This enhancement enabled a new collaboration with the aforementioned customer, allowing us to supply their best-selling fabric used in apparel sold in the US to their approved supplier in the African region starting in 2H2025. This strategic approach demonstrates the Group's resilience and agility in navigating global trade dynamics, enabling the Group to serve the US market while mitigating tariff impacts.

11. Dividend

(a) Current Financial Period Reported On: Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year. Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable:

Not applicable.

(d) Book closure date:

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for the current financial period reported on as the Group is focusing on conserving cash to strengthen its working capital.

- 13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.**

Not applicable. The Group does not have a general mandate from shareholders for IPTs pursuant to Rule 920(1)(a)(ii) of the Catalist Rules. There are no IPTs of S\$100,000 or more during the financial period under review.

- 14. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

- 15. Negative Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules.**

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the period ended 30 June 2025 to be false or misleading in any material aspect.

- 16. Disclosures on Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules.**

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the current financial period.

BY ORDER OF THE BOARD

Damien Lim Vhe Kai
Chief Executive Officer

13 August 2025

This announcement has been reviewed by the Company's sponsor SAC Capital Private Limited (the “**Sponsor**”). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor Ms. Lim Qi Fang (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.