



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

Unaudited Condensed Interim Financial Statements
For the final six months and full year ended 31 December 2024

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A. Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income

The Group	Note	2H2024 (Unaudited) S\$'000	2H2023 (Unaudited) S\$'000	FY2024 (Unaudited) S\$'000	FY2023 (Audited) S\$'000
Revenue	4	63,605	59,014	104,531	88,720
Cost of sales		(60,892)	(54,781)	(97,060)	(80,618)
Gross profit		2,713	4,233	7,471	8,102
Other income, net		1,385	502	1,583	728
Impairment loss (recognised)/ reversed, net		52	(19)	29	62
Administrative and general expenses		(3,291)	(3,973)	(6,592)	(7,334)
Selling and marketing expenses		(1,180)	(1,548)	(2,057)	(2,192)
Air Freight		(3,609)	(13)	(3,609)	(13)
Finance costs	5	(687)	(648)	(1,268)	(1,136)
(Loss) before taxation	6	(4,617)	(1,466)	(4,443)	(1,783)
Income tax expenses		(954)	(138)	(1,008)	(169)
Net (loss)		(5,571)	(1,604)	(5,451)	(1,952)
Other comprehensive (loss) / income:					
<i>Items that may be reclassified subsequently to profit or loss (net of tax)</i>					
Foreign currency translation		823	(233)	1,052	(1,187)
Total comprehensive (loss) attributable to equity holders of the Company		(4,748)	(1,837)	(4,399)	(3,139)
(Loss) attributable to:					
- Owners of the Company		(5,580)	(1,611)	(5,469)	(1,969)
- Non-controlling interests		9	7	18	17
		(5,571)	(1,604)	(5,451)	(1,952)
Total comprehensive (loss) attributable to:					
- Owners of the Company		(4,757)	(1,844)	(4,417)	(3,156)
- Non-controlling interests		9	7	18	17
		(4,748)	(1,837)	(4,399)	(3,139)
(Loss) per share for profit for the period attributable to the owners of the Company during the year:					
Basic/ diluted (SGD in cent)		(3.29)	(0.95)	(3.22)	(1.16)

B. Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		31 Dec 2024 (Unaudited)	31 Dec 2023 (Audited)	31 Dec 2024 (Unaudited)	31 Dec 2023 (Audited)
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-current assets					
Subsidiary		-	-	26,400	26,400
Property, plant and equipment	10	13,894	13,780	-	-
Right-of-use assets	11	4,103	2,217	-	-
Deferred tax assets		220	309	-	-
		18,217	16,306	26,400	26,400
Current Assets					
Inventories		13,308	12,542	-	-
Trade and other receivables	12	22,209	18,495	263	282
Prepaid corporate tax		862	1,123	-	-
Cash and bank balances		5,904	7,826	15	16
		42,283	39,986	278	298
Total assets		60,500	56,292	26,678	26,698
Liabilities					
Non-current liabilities					
Borrowings	13	1,552	571	-	-
Lease liabilities		2,206	217	-	-
Deferred tax liabilities		-	10	-	-
		3,758	798	-	-
Current liabilities					
Borrowings	13	21,228	15,764	-	-
Lease liabilities		493	807	-	-
Trade and other payables	14	19,637	18,947	1,859	1,758
Tax payable		146	339	-	-
		41,504	35,857	1,859	1,758
Total liabilities		45,262	36,655	1,859	1,758
Net assets		15,238	19,637	24,819	24,940
Equity and reserves					
Share capital	15	33,201	33,201	33,201	33,201
Retained earnings/ (accumulated losses)		2,854	8,323	(8,953)	(8,832)
Foreign currency translation reserve		(1,353)	(2,405)	-	-
Capital reserve		571	571	571	571
Merger reserve		(20,106)	(20,106)	-	-
Equity attributable to owners of the company		15,167	19,584	24,819	24,940
Non-controlling interests		71	53	-	-
Total equity and reserves		15,238	19,637	24,819	24,940

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 interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
As at 1 Jan 2024	33,201	8,323	(2,405)	571	(20,106)	19,584	53	19,637
Total comprehensive (loss) for the financial year	-	(5,469)	1,052	-	-	(4,417)	18	(4,399)
As at 31 Dec 2024	33,201	2,854	(1,353)	571	(20,106)	15,167	71	15,238
As at 1 Jan 2023	33,201	10,292	(1,218)	571	(20,106)	22,740	36	22,776
Total comprehensive loss for the financial year	-	(1,969)	(1,187)	-	-	(3,156)	17	(3,139)
As at 31 Dec 2023	33,201	8,323	(2,405)	571	(20,106)	19,584	53	19,637

	Share capital	(Accumulated losses)	Capital reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Company				
As at 1 Jan 2024	33,201	(8,832)	571	24,940
Total comprehensive loss for the financial year	-	(121)	-	(121)
As at 31 Dec 2024	33,201	(8,953)	571	24,819
As at 1 Jan 2023	33,201	(8,667)	571	25,105
Total comprehensive loss for the financial year	-	(165)	-	(165)
As at 31 Dec 2023	33,201	(8,832)	571	24,940

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. Consolidated Interim Statements of Cash Flows

	The Group	
	FY2024	FY2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Operating activities		
(Loss) before tax	(4,443)	(1,783)
Adjustments for:		
Bad debts recovered	(14)	(5)
Depreciation of property, plant and equipment and right-of-use assets	1,716	1,953
Loss on disposal of property, plant and equipment	5	226
(Reversal of impairment losses) on trade receivables, net	(29)	(62)
Interest expense	1,268	1,136
Interest income	(81)	(62)
Operating (loss)/ profit before working capital changes	(1,578)	1,403
Working capital changes		
Trade and other receivables	(3,671)	(3,898)
Inventories	(766)	(1,205)
Trade and other payables	911	5,576
Cash generated from operations	(5,104)	1,876
Interest received	81	62
Income tax paid	(861)	(802)
Net cash (used in)/ generated from operating activities	(5,884)	1,136
Investing activities		
Purchase of property, plant and equipment	(416)	(875)
Proceeds from disposal of property, plant and equipment	14	80
Net cash used in investing activities	(402)	(795)
Financing activities		
Proceeds from term loans and other short-term loans	78,210	56,683
Repayment of term loans and other short-term loans	(71,765)	(52,765)
Repayment of principal elements of lease liabilities	(825)	(908)
Repayment of loan to directors	(220)	(413)
Interest paid	(1,268)	(1,136)
Changes in pledged deposits	(408)	(521)
Net cash generated from financing activities	3,724	940
Net (decrease)/ increase in cash and cash equivalents	(2,562)	1,281
Cash and cash equivalents at the beginning of financial year	5,957	4,966
Effects of exchange rate changes on cash and cash equivalents	232	(290)
Cash and cash equivalents at the end of financial year	3,627	5,957

	The Group	
	FY2024	FY2023
	S\$'000	S\$'000
<u>Cash and cash equivalents in the consolidated statements of cash flows:</u>		
Cash and bank balances	5,904	7,826
Less: Pledged deposits	(2,277)	(1,869)
Cash and cash equivalents	3,627	5,957

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

KTMG Limited (the “**Company**”) is incorporated as a limited liability company and domiciled 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 for the final six months and full year ended 31 December 2024 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 final six months and full year ended 31 December 2024 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 interim financial statements for the period ended 30 June 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 is presented in Singapore Dollar have been recorded to the nearest thousand, unless otherwise stated.

Going concern assessment

As at 31 December 2024, the Group incurred a net loss of S\$5,451,000 (FY2023: S\$1,952,000) and net cash outflows from operating activities of S\$5,884,000 (FY2023: net operating cash inflows of S\$1,136,000).

The condensed interim financial statements for 2024 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. Furthermore, the Group is in a net current asset position as at 31 December 2024. 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 2024:

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-Current
- Amendments to SFRS(I) 1-1: Non-Current Liabilities with Covenants
- Amendments to SFRS(I) 1-6: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

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 2023.

Estimated 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 tests for investment in subsidiary
- 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 year.

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, United Kingdom, Canada, 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	2H2024	2H2023	31 Dec 2024	31 Dec 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
The Group				
United States	30,415	26,775	46,883	35,965
European Union	10,782	10,421	18,236	16,261
Japan	9,865	-	15,102	-
United Kingdom	5,714	20,430	11,235	30,622
Canada	5,583	701	9,412	3,584
Malaysia	100	614	1,588	1,063
Others	1,146	73	2,075	1,225
	63,605	59,014	104,531	88,720

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 exported.

A breakdown of sales as follows:

	FY2024	The Group	increase/
	(Unaudited)	FY2023	(decrease)
	S\$'000	(Audited)	%
(a) Sales reported for first half year	40,926	29,706	37.8
(b) Operating profit / (loss) after tax before deducting non-controlling interests reported for first half year	120	(348)	NM
c) Sales reported for second half year	63,605	59,014	7.8
d) Operating (loss) after tax before deducting non-controlling interests reported for second half year	(5,571)	(1,604)	NM

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 31 Dec 2024	As at 31 Dec 2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Malaysia	13,692	13,694
Cambodia	4,525	2,467
Singapore	-	145
	18,217	16,306

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 31 Dec 2024 (Unaudited) S\$'000	As at 31 Dec 2023 (Audited) S\$'000
Property, plant and equipment	13,894	13,780
Right-of-use assets	4,103	2,217
Deferred tax assets	220	309
	18,217	16,306

5. Finance Cost

The Group	2H2024 (Unaudited) S\$'000	2H2023 (Unaudited) S\$'000	FY2024 (Unaudited) S\$'000	FY2023 (Audited) S\$'000
Interest expenses on:				
- Term loans	20	33	39	86
- Other short-term loans	653	559	1,178	921
- Lease liabilities	14	56	51	129
	687	648	1,268	1,136

6. Profit before tax for the period/ year

The Group	2H2024 (Unaudited) S\$'000	2H2023 (Unaudited) S\$'000	FY2024 (Unaudited) S\$'000	FY2023 (Audited) S\$'000
(Loss) before tax for the period/ year included the following items -				
Depreciation expenses:				
Property, plant and equipment	(530)	(587)	(1,027)	(1,217)
Right-of-use assets	(331)	(344)	(689)	(736)
Foreign currency exchange gain/ (losses), net	1,321	(266)	1,079	(397)
Legal and other professional fees	(408)	(287)	(705)	(551)
(Loss)/ gain on disposal of property, plant and equipment	(30)	(108)	(5)	(226)

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 profit or loss are:

	The Group			
	2H2024	2H2023	FY2024	FY2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Current taxation				
Current period/ year	159	374	317	470
Under/ (over) provision in respect prior financial year ⁽¹⁾	602	(107)	602	(107)
Deferred tax expense				
Origination and reversal of temporary differences	193	(129)	89	(194)
Income tax expense recognised in profit or loss	954	138	1,008	169

⁽¹⁾ The under provision in respect of prior financial year in FY2024 was mostly attributable to the one-off additional assessment notices issued by tax authority on a subsidiary in Malaysia upon reaching settlement of the said subsidiary's prior years' tax audit.

	2024	2023
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 year.

9. Financial assets and financial liabilities

	The Group		The Company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets				
Trade and other receivables ⁽¹⁾	21,519	18,005	263	269
Cash and bank balances	5,904	7,826	15	16
	27,423	25,831	278	285
Financial Liabilities				
Borrowings	22,780	16,335	-	-
Lease liabilities	2,699	1,024	-	-
Trade and other payables	19,627	18,866	1,859	1,758
	45,106	36,225	1,859	1,758

⁽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	
	31 Dec 2024	31 Dec 2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Cost		
Beginning of the financial year	25,651	27,539
Additions	416	875
Reclassification from ROU assets upon full repayment of lease liabilities	-	173
Disposals / written-off	(207)	(1,664)
Translation differences on consolidation	1,315	(1,272)
End of the financial year	27,175	25,651
Accumulated depreciation		
Beginning of the financial year	11,871	12,428
Depreciation charge	1,027	1,217
Reclassification from ROU assets upon full repayment of lease liabilities	-	99
Disposals / written-off	(188)	(1,358)
Translation differences on consolidation	571	(515)
End of the financial year	13,281	11,871
Carrying amount	13,894	13,780

11. Right-of-use assets

	The Group	
	31 Dec 2024	31 Dec 2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Cost		
Beginning of the financial year	5,167	5,364
New leases entered during the period	2,500	178
Early termination/ end of lease	(2,886)	(2)
Reclassification to "property, plant and equipment" on full repayment of lease liabilities	-	(173)
Translation differences on consolidation	152	(200)
End of the financial year	4,933	5,167
Accumulated depreciation		
Beginning of the financial year	2,950	2,375
Depreciation charge	689	736
Early termination/ end of lease	(2,886)	(2)
Reclassification to "property, plant and equipment" on full repayment of lease liabilities	-	(99)
Translation differences on consolidation	77	(60)
End of the financial year	830	2,950
Carrying amount end of the financial year	4,103	2,217

12. Trade and other receivables

	The Group	
	31 Dec 2024	31 Dec 2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Trade receivables	20,145	17,275
Allowance for impairment loss	(205)	(222)
Net trade receivables	19,940	17,053
Other receivables	90	62
Deposits	1,489	890
Financial assets at amortised cost	21,519	18,005
Prepayments	317	202
Net input GST/ VAT recoverable	373	288
Total trade and other receivables	22,209	18,495

13. Borrowings

		The Group	
	Maturity on	31 Dec 2024	31 Dec 2023
	borrowings	(Unaudited)	(Audited)
		S\$'000	S\$'000
<u>Secured</u>			
Term loans:			
- Floating rate	2026 – 2033	2,605	700
Other short-term loans:			
- Trust receipts	On demand	13,760	9,250
- Bankers' acceptance	On demand	4,309	3,877
- Invoice financing	On demand	2,106	2,508
		20,175	15,635
		22,780	16,335
Presented as:			
- Non-current		1,552	571
- Current		21,228	15,764
		22,780	16,335

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

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

14. Trade and other payables

	The Group	
	31 Dec 2024	31 Dec 2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Trade payables	14,833	13,157
Amounts due to directors/ shareholders (non-trade) ⁽¹⁾	977	1,197
Accrued operating expenses	1,265	1,622
Accrued salaries and wages	1,224	1,391
Other payables	1,003	1,218
Miscellaneous creditors	325	281
Financial liabilities at amortised cost	19,627	18,866
Provision for sales rebates	10	81
	19,637	18,947

Note:

⁽¹⁾ 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. During the financial period under review, the Company had repaid S\$0.2 million to the director. The Audit Committee is satisfied that the repayment will not adversely affect the ongoing working capital or liquidity requirements and the financial position of the Group.

15. Share Capital

There have been no changes to the Company's issued and paid-up share capital since the end of the previous period reported on.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 31 December 2024 and 31 December 2023.

	No. of shares	Issued and paid-up share capital
	('000)	of the Company (S\$'000)
Ordinary Shares		
As at 31 December 2024 and 31 December 2023	169,682	33,201

16. 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 31 Dec 2024	As at 31 Dec 2023
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 statement of financial position of the Company and its subsidiaries as at 31 December 2024 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the final six-months and full year 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.**

Not applicable.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

Not applicable.

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 financial year ended 31 December 2024 ("FY2024") as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2023 ("FY2023").

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.

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	
	FY2024	FY2023
Loss attributable to owners of the Company (S\$'000)	(5,469)	(1,969)
Weighted average number of ordinary shares in issue ('000)	169,682	169,682
Basic and diluted earnings per share ("EPS") (Singapore cents)	(3.22)	(1.16)

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	
	31 Dec 2024 (Unaudited)	31 Dec 2023 (Audited)	31 Dec 2024 (Unaudited)	31 Dec 2023 (Audited)
Net asset value (S\$'000)	15,238	19,637	24,819	24,940
Number of ordinary shares in issue ('000)	169,682	169,682	169,682	169,682
Net asset value per ordinary share (Singapore cents)	8.98	11.57	14.63	14.70

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 (FY2024 vs FY2023)

The Group's revenue increased by approximately S\$15.8 million or 17.8% from S\$88.7 million in FY2023 to S\$104.5 million in FY2024. The increase in revenue was mainly contributed by orders from a new customer in Japan amounting to S\$15.1 million. While apparel orders from existing customers rose by S\$10.9 million in the United States, S\$5.8 million in Canada, and S\$2.0 million in the European Union, this growth was offset by a significant drop of S\$19.4 million in the United Kingdom, where a key customer faced a sales decline.

The Group's cost of sales increased by approximately S\$16.5 million or 20.4% from S\$80.6 million in FY2023 to S\$97.1 million in FY2024. This increase was mostly driven by rise of S\$9.9 million in raw materials cost due to changes in product mix, S\$6.0 million in labour cost caused by production bottlenecks in the cutting department due to delays in the commissioning of new machinery, leading to production delays during the peak period hence resulting in higher overtime emoluments and S\$0.6 million in export handling cost stemming from these delays.

Accordingly, the Group's gross profit margin dropped by 2.0 percentage points from approximately 9.1% in FY2023 to approximately 7.1% in FY2024.

The Group's other income increased by approximately S\$0.9 million or 117.4% from S\$0.7 million in FY2023 to S\$1.6 million in FY2024 primarily due to the realised foreign exchange gain following the strengthening of MYR against USD, particularly during the second half of the current financial year.

The Group's administrative and general expenses decreased by approximately S\$0.7 million or 10.1% from S\$7.3 million in FY2023 to S\$6.6 million in FY2024. The decrease was primarily due to S\$0.5 million decrease in salary and related expenses attributed to the Group's weak performance during the year, the absence of foreign exchange losses amounting to S\$0.4 million that was recorded in FY2023 and decrease in loss on disposal of property, plant and equipment amounting to S\$0.2 million. This was offset by an increase in legal and professional fees of S\$0.1 million.

Meanwhile, the Group's selling and marketing expenses decreased by approximately S\$0.1 million or 6.2% from S\$2.2 million in FY2023 to S\$2.1 million in FY2024. The decrease was mainly due to lower sales commission paid to the apparel sourcing agent. Additionally, air freight expenses jumped to S\$3.6 million in FY2024 from S\$0.01 million in FY2023 caused by urgent air shipments of apparel to customers following production delays.

The Group's finance costs increased by approximately S\$0.2 million or 11.6% from S\$1.1 million in FY2023 to S\$1.3 million in FY2024 principally due to higher interest expenses incurred on the Group's short-term borrowings as production delays led to a longer cash conversion cycle.

As a result of the above, the Group recorded a net loss after tax of approximately S\$5.5 million in FY2024.

Consolidated Statement of Financial Position

Non-Current Assets

Non-current assets increased by approximately S\$1.9 million from S\$16.3 million as at 31 December 2023 to S\$18.2 million as at 31 December 2024 mainly due to increase in right-of-use assets following 5-year lease renewal of the Group's Cambodia apparel manufacturing plants, partially offset by depreciation charge on the Group's property, plant and equipment and right-of-use assets.

Current Assets

Current assets increased by S\$2.3 million from S\$40.0 million as at 31 December 2023 to S\$42.3 million as at 31 December 2024.

Inventories increased slightly by S\$0.8 million from S\$12.5 million as at 31 December 2023 to S\$13.3 million as at 31 December 2024. The Group's inventories, which consists primarily of stock fabrics and accessories held to cater for the manufacturing of apparel products to be delivered to the Group's customers in the first quarter of the financial year ending 31 December 2025 ("**1QFY2025**"), which is comparatively higher than the previous year.

Trade and other receivables also increased by approximately S\$3.7 million from S\$18.5 million as at 31 December 2023 to S\$22.2 million as at 31 December 2024. The increase was mainly driven by higher shipments made to customers towards the end of FY2024 as sales improved.

Cash and bank balances decreased by approximately S\$1.9 million from S\$7.8 million as at 31 December 2023 to S\$5.9 million as at 31 December 2024.

Non-Current Liabilities

Non-current liabilities increased by approximately S\$3.0 million from S\$0.8 million as at 31 December 2023 to S\$3.8 million as at 31 December 2024.

Long-term borrowings increased by approximately S\$1.0 million from S\$0.6 million as at 31 December 2023 to S\$1.6 million as at 31 December 2024 due to a new 2-year term loan drawdown by the Group's Singapore subsidiary.

Non-current lease liabilities increased by approximately S\$2.0 million from S\$0.2 million as at 31 December 2023 to S\$2.2 million as at 31 December 2024. This was mainly due to the 5-year lease renewal of the Group's Cambodia apparel manufacturing plants.

Current Liabilities

Current liabilities climbed by S\$5.6 million from S\$35.9 million as at 31 December 2023 to S\$41.5 million as at 31 December 2024.

Short-term borrowings increased by approximately S\$5.4 million from S\$15.8 million as at 31 December 2023 to S\$21.2 million as at 31 December 2024 mainly due to additional short-term financing utilised during the financial year to cater for higher sales volume.

In line with the increase in inventories, trade and other payables rose similarly by approximately S\$0.7 million from S\$18.9 million as at 31 December 2023 to approximately S\$19.6 million as at 31 December 2024.

Review of Statement of Cash Flows

The Group's net cash flow used in operating activities amounted to approximately S\$5.9 million in FY2024, mainly attributed to loss before tax of S\$4.4 million during the year caused by production bottlenecks in the cutting department which resulted in production delays and additional costs during the peak period.

The Group's net cash flows used in investing activities in FY2024 amounted to approximately S\$0.4 million mainly due to the acquisition of plant and machinery for the subsidiaries of the Group.

The Group's net cash flows generated from financing activities in FY2024 amounted to approximately S\$3.7 million primarily due to drawdown of a new term loan and net proceeds from short-term borrowings, partially offset by interest paid, repayments of lease liabilities and loans to directors and additional pledged deposits placements.

As a result of the above, there was a net decrease of S\$2.6 million in cash and cash equivalents during the financial year.

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

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 known factors or events that may affect the group in the next reporting period and the next 12 months.

Going forward, we remain mindful of the challenges ahead, given the headwinds from the escalating trade tensions between the United States of America ("US") and its main trading partners, which have led to new tariffs and possible retaliatory measures. These trade measures may disrupt global supply chains, contributing to higher inflation, increased production costs, reduced consumer spending, and heightened market uncertainty.

As China-US trade tensions persist, the Group anticipates a continued shift in US apparel brands sourcing from China to Southeast Asia. Amid ongoing economic instability, political uncertainty, and disruptions such as labour strikes and infrastructure challenges in Bangladesh, European apparel brands are exploring alternative sourcing options. These shifts are driving diversification in sourcing strategies, creating new opportunities for the Group to expand its customer base.

In the future, the Group's strategy will focus on driving profitability by selectively targeting higher-margin customers, optimising order sizes for peak seasons, and strengthening operational efficiency. Additionally, the Group will prioritise the timely and effective execution of its order book, while enhancing cost management and working capital utilisation.

To mitigate volatility and reduce the impact of seasonality, we intend to secure consistent orders and production volumes throughout the year by establishing longer-term contracts with certain key customers. This approach will provide greater stability, enabling the Group to navigate market fluctuations more effectively. Additionally, the Group's strategic focus on athleisure and casual wear continues to bolster its order book for the first half of 2025.

The Group plans to expand its textile manufacturing capabilities by investing in new finishing machines to support collaboration with a new customer. Under this collaboration, the Group will supply the customer's best-selling fabric for use in their apparel sold in the US market. This investment in finishing capabilities will enable the Group to develop the fabric to meet the customer's specifications. These initiatives are expected to enhance production capacity, deepen customer relationships, and position the Group for sustained growth and long-term success.

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 financial position and to cater to the progressive capacity / automation upgrades on identified production processes in both the apparel manufacturing plants in Cambodia and textile manufacturing plant in Malaysia.

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 Catalyst 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 Catalyst Rules. There were 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 Catalyst 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 Catalyst Rules.

15. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with any director and/ or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Lim Sin Jet	39	Daughter of Mr. Lim Siau Hing (Executive Chairman) and sister of Mr. Lim Vhe Kai (Executive Director and Chief Executive Officer)	Corporate Communications Manager since 2020	Nil

16. Disclosures on Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

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 year.

BY ORDER OF THE BOARD

Damien Lim Vhe Kai
Chief Executive Officer

27 February 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.

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