KTMG LIMITED

AND ITS SUBSIDIARIES

(Registration No: 197401961C)

Unaudited Condensed Interim Financial Statements

For the half year ended 30 June 2026

Table of Contents

(A) Condensed Interim Consolidated Statement of Comprehensive Income

The Group	**Note**	**1H2026 (Unaudited) S$'000**	**1H2025 (Unaudited) S$'000**	**Change %**
Revenue	4	15,907	30,383	(47.6)
Cost of sales		(15,836)	(26,253)	(39.7)
Gross profit		71	4,130	(98.3)
Other income, net		1,038	981	5.8
Administrative and general expenses		(2,876)	(3,345)	(14.0)
Selling and marketing expenses		(550)	(841)	(34.6)
Finance costs	5	(595)	(721)	(17.5)
(Loss)/ profit before taxation	6	(2,912)	204	NM
Income tax expenses	7	(8)	(89)	(91.0)
Net (loss)/ profit		(2,920)	115	NM
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss (nil of tax)				
Foreign currency translation		89	9	NM
Total comprehensive (loss)/ profit attributable to equity holders of the Company		**(2,831)**	**124**	**NM**
(Loss)/ profit attributable to:				
- Owners of the Company		(2,932)	105	NM
- Non-controlling interests		12	10	20.0
		(2,920)	115	NM
Total comprehensive (loss)/ income attributable to:				
- Owners of the Company		(2,843)	114	NM
- Non-controlling interests		12	10	20.0
		(2,831)	124	NM
(Loss)/ earnings per share for profit attributable to Owners of the Company during the period:				
- Basic/ diluted (loss)/ earnings (SGD in cents)		(1.73)	0.06	NM

NM – Not Meaningful

(B) Condensed Interim Statements of Financial Position

		The Group		The Company	
		30 Jun 2026 (Unaudited)	31 Dec 2025 (Audited)	30 Jun 2026 (Unaudited)	31 Dec 2025 (Audited)
	Note	S$'000	S$'000	S$'000	S$'000
Assets					
Non-current assets					
Subsidiary		**-**	-	**26,400**	26,400
Property, plant and equipment	**10**	**11,108**	13,903	**-**	-
Right-of-use assets	**11**	**2,976**	3,196	**-**	-
Deferred tax assets		**157**	51	**-**	-
		14,241	17,150	**26,400**	26,400
Current Assets					
Inventories		**7,892**	8,872	**-**	-
Trade and other receivables	**12**	**8,198**	8,983	**398**	414
Prepaid corporate tax		**248**	1,101	**-**	-
Cash and bank balances		**4,138**	4,386	**10**	12
		20,476	23,342	**408**	426
Assets held for sale		**1,581**	-	**-**	-
Total assets		**36,298**	40,492	**26,808**	26,826
Liabilities					
Non-current liabilities					
Borrowings	**13**	**2,639**	3,273	**-**	-
Lease liabilities		**1,543**	1,792	**-**	-
Trade and other payables	**14**	**947**	940	**-**	-
Deferred tax liabilities		**108**	-	**-**	-
		5,237	6,005	**-**	-
Current liabilities					
Borrowings	**13**	**15,961**	13,394	**-**	-
Lease liabilities		**572**	501	**-**	-
Trade and other payables	**14**	**4,987**	8,208	**2,317**	2,267
Tax payable		**4**	16	**-**	-
		21,524	22,119	**2,317**	2,267
Total liabilities		**26,761**	28,124	**2,317**	2,267
Net assets		**9,537**	12,368	**24,491**	24,559
Equity and reserves					
Share capital	**15**	**33,201**	33,201	**33,201**	33,201
Retained earnings/ (accumulated losses)		**(3,801)**	(869)	**(9,281)**	(9,213)
Foreign currency translation reserve		**(430)**	(519)	**-**	-
Capital reserve		**571**	571	**571**	571
Merger reserve		**(20,106)**	(20,106)	**-**	-
Equity attributable to Owners of the Company		**9,435**	12,278	**24,491**	24,559
Non-controlling interests		**102**	90	**-**	-
Total equity and reserves		**9,537**	12,368	**24,491**	24,559

(C) Condensed Interim Statements of Changes in Equity

The Group	**Share capital**	**Retained earnings/ (Accumulated losses)**	**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**
As at 1 Jan 2026	33,201	(869)	(519)	571	(20,106)	12,278	90	12,368
Total comprehensive (loss)/ income for the financial period	-	(2,932)	89	-	-	(2,843)	12	(2,831)
As at 30 Jun 2026	**33,201**	**(3,801)**	**(430)**	**571**	**(20,106)**	**9,435**	**102**	**9,537**
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**

The Company	**Share capital**	**(Accumulated losses)**	**Capital reserve**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**
As at 1 Jan 2026	33,201	(9,213)	571	24,559
Total comprehensive loss for the financial period	-	(68)	-	(68)
As at 30 Jun 2026	**33,201**	**(9,281)**	**571**	**24,491**
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**

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	
	1H2026 (Unaudited) S$'000	1H2025 (Unaudited) S$'000
Operating activities		
(Loss)/ profit before tax	(2,912)	204
Adjustment for:		
Bad debts recovered	(4)	(4)
Depreciation of property, plant and equipment and right-of-use assets	790	850
Reversal of impairment losses on trade receivables	(43)	(10)
Interest expense	595	721
Interest income	(34)	(38)
Gain on disposal of property, plant and equipment, net	(326)	(19)
Operating cash flows before working capital changes	(1,934)	1,704
Working capital changes		
Trade and other receivables	895	7,004
Trade and other payables	(2,861)	(3,075)
Inventories	1,031	(5,785)
Cash used in operations	(2,869)	(152)
Interest received	34	38
Net income tax refund/ (paid)	850	(417)
Net cash used in operating activities	**(1,985)**	**(531)**
Investing activities		
Purchase of property, plant and equipment and right-of-use assets	(26)	(423)
Proceeds from disposal of property, plant and equipment	1,124	19
Net cash generated from/ (used in) investing activities	**1,098**	**(404)**
Financing activities		
Proceeds from term loans and other short-term loans	30,140	36,811
Repayment of term loans and other short-term loans	(28,670)	(36,039)
Repayment of principal elements of lease liabilities	(243)	(236)
Repayment of loans to shareholders/ directors	-	-
Interest paid	(595)	(721)
Changes in pledged deposits	523	(225)
Net cash generated from/ (used in) financing activities	**1,155**	**(410)**
Net increase/ (decrease) in cash and cash equivalents	**268**	**(1,345)**
Cash and cash equivalents at the beginning of financial period	1,103	3,627
Effect of exchange rate changes on cash and cash equivalents	(3)	(241)
Cash and cash equivalents at the end of financial period	**1,368**	**2,041**

	The Group	
	1H2026 S$'000	1H2025 S$'000
Cash and cash equivalents in the consolidated statement of cash flows:		
Cash and bank balances	4,138	5,095
Less: Pledged deposits	(2,770)	(3,054)
Cash and cash equivalents	**1,368**	**2,041**

(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 2026 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 2026 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 2025.

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 sustained a loss for the financial period of S$2,920,000 (1H2025: profit of S$115,000) and had net cash outflows from operating activities of S$1,985,000 (1H2025: S$531,000) for the half year ended 30 June 2026.

Notwithstanding this, the Group is still in a net current asset position of S$533,000 as at 30 June 2026 (31 December 2025: S$1,223,000).

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 2026:

- Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvement to SFRS(I) - Volume 11
- Amendment to SFRS(I) 1: Hedge Accounting by a First-time Adopter
- Amendment to SFRS(I) 7: Gain or Loss on Derecognition
- Amendment to SFRS(I) 7: Disclosure of Deferred Difference between Fair Value and Transaction Price
- Amendment to SFRS(I) 7: Introduction and Credit Risk Disclosures
- Amendment to SFRS(I) 9: Lessee Derecognition of Lease Liabilities
- Amendment to SFRS(I) 9: Transaction Price
- Amendment to SFRS(I) 10: Determination of a 'De Facto Agent'
- Amendment to SFRS(I) 1-7: Cost Method
- Amendment to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity

The application 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 2025.

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 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 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**		
	1H2026 (Unaudited)	**1H2025 (Unaudited)**	**Change**
	S$'000	**S$'000**	**%**
United States	1,908	10,487	(81.8)
European Union	7,596	10,206	(25.6)
Japan	2,895	4,726	(38.7)
Canada	252	1,650	(84.7)
United Kingdom	99	716	(86.2)
Malaysia	829	1,303	(36.4)
Others	2,328	1,295	79.8
	15,907	30,383	(47.6)

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 2026 (Unaudited)	**As at 30 Jun 2025 (Unaudited)**
	S$'000	**S$'000**
Malaysia	11,776	13,553
Cambodia	2,465	3,964
	14,241	**17,517**

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 2026 (Unaudited)	**As at 30 Jun 2025 (Unaudited)**
	S$'000	**S$'000**
Property, plant and equipment	11,108	13,891
Right-of-use assets	2,976	3,414
Deferred tax assets	157	212
	14,241	**17,517**

5. Finance Cost

	The Group	
	1H2026 (Unaudited) S$'000	**1H2025 (Unaudited) S$'000**
Interest expenses on:		
- Term loans	162	69
- Other short-term loans	324	515
- Lease liability	109	137
	595	**721**

6. (Loss)/ Profit before tax for the period

	The Group	
	1H2026 (Unaudited) S$'000	**1H2025 (Unaudited) S$'000**
(Loss)/ profit before tax for the period included the following items:-		
Depreciation expenses:		
Property, plant and equipment	(503)	(542)
Right-of-use assets	(287)	(308)
Foreign exchange (loss)/ gain, net	(75)	444
Legal and other professional fees	(243)	(322)
Reversal of impairment losses on trade receivables	43	10
Gain on disposal of property, plant and equipment (net)	326	19

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	
	1H2026 (Unaudited) S$'000	**1H2025 (Unaudited) S$'000**
Current taxation		
- Current period	5	94
Deferred tax expense		
- Origination and reversal of temporary differences	3	(5)
	8	89

	2026	**2025**
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 2026 (Unaudited) S$'000	**31 Dec 2025 (Audited) S$'000**	**30 Jun 2026 (Unaudited) S$'000**	**31 Dec 2025 (Audited) S$'000**
Financial Assets				
Trade and other receivables (1)	6,388	8,288	389	411
Cash and bank balances	4,138	4,386	10	12
	10,521	**12,674**	**399**	**423**
Financial Liabilities				
Borrowings	18,600	16,667	-	-
Lease liabilities	2,115	2,293	-	-
Trade and other payables (2)	5,934	9,148	2,317	2,267
	26,649	**28,108**	**2,317**	**2,267**

(1) Excluded prepayments and net input GST/VAT receivables
(2) Excluded provision for sales rebates

10. Property, plant and equipment

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

	The Group	
	30 Jun 2026 (Unaudited) S$'000	**31 Dec 2025 (Audited) S$'000**
Cost		
Opening balance	28,112	27,174
Additions	26	429
Reclassification from ROU assets on full repayment of lease liabilities	-	476
Reclassification to assets held for sales	(3,690)	-
Disposals / written-off	(1,910)	(252)
Translation differences on consolidation	165	285
Closing balance	**22,703**	**28,112**
Accumulated depreciation		
Opening balance	14,209	13,280
Depreciation charge	503	1,094
Reclassification from ROU assets on full repayment of lease liabilities	-	164
Reclassification to assets held for sales	(2,095)	-
Disposals / written-off	(1,112)	(251)
Translation differences on consolidation	90	(78)
Closing balance	**11,595**	**14,209**
Carrying amount	**11,108**	**13,903**

11. Right-of-use assets

	The Group	
	30 Jun 2026 (Unaudited) S$'000	**31 Dec 2025 (Audited) S$'000**
Cost		
Opening balance	6,850	7,528
New leases entered during the period	48	11
Reclassification from ROU to PPE	-	(476)
Derecognition	-	(11)
Translation differences on consolidation	48	(202)
Closing balance	**6,946**	**6,850**
Accumulated depreciation		
Opening balance	3,654	3,345
Depreciation charge	287	602
Reclassification from ROU to PPE	-	(164)
Derecognition	-	(11)
Translation differences on consolidation	29	(118)
Closing balance	**3,970**	**3,654**
Carrying amount	**2,976**	**3,196**

12. Trade and other receivables

	The Group	
	30 Jun 2026 (Unaudited) S$'000	**31 Dec 2025 (Audited) S$'000**
Trade receivables	4,533	7,598
Allowance for impairment loss	(183)	(226)
Net trade receivables	4,350	7,372
Other receivables	1,182	69
Deposits	856	847
Financial assets at amortised cost	**6,388**	**8,288**
Prepayments	1,405	316
Net input GST/ VAT recoverable	405	379
Total trade and other receivables	**8,198**	**8,983**

13. Borrowings

	Maturity on borrowings	The Group 30 Jun 2026 (Unaudited) S$'000	The Group 31 Dec 2025 (Audited) S$'000
Secured			
Term loans:			
- Floating rate	2026 - 2033	3,885	4,897
Other short-term loans:			
- Trust receipts	On demand	6,720	3,438
- Bankers' acceptance	On demand	4,489	4,405
- Export invoice financing (EIF)	On demand	299	1,569
- Invoice financing	On demand	3,207	2,358
		14,715	11,770
		18,600	16,667
Presented as:			
- Non-current		2,639	3,273
- Current		15,961	13,394
		18,600	16,667

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 2026 (Unaudited) S$'000	The Group 31 Dec 2025 (Audited) S$'000
Trade payables	2,346	5,596
Amounts due to directors/ shareholders (non-trade)	967	960
Accrued operating expenses	794	821
Accrued salaries and wages	980	899
Other payables	795	872
Miscellaneous creditors	52	-
Financial liabilities at amortised cost	**5,934**	**9,148**
Total trade and other payables	**5,934**	**9,148**

Notes:

(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.

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 2025 up to 30 June 2026.

The Company did not have any convertible securities, treasury shares and subsidiary holdings as at 30 June 2026 and 31 December 2025.

Ordinary Shares	**No. of shares ('000)**	**Issued and paid-up share capital of the Company (S$'000)**
As at 30 June 2026 and 31 December 2025	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 30 Jun 2026	As at 31 Dec 2025
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 2026 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 2025 ("**FY2025**") 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 2026 ("**1H2026**") as those applied in the preparation of the audited financial statements for FY2025.

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	
	1H2026	**1H2025**
(Loss)/ profit attributable to Owners of the Company (S$'000)	(2,932)	105
Weighted average number of ordinary shares in issue ('000)	169,682	169,682
Basic and diluted (loss)/ earnings per share ("EPS") (SGD cents)	(1.73)	0.06

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 2026 (Unaudited)	**31 Dec 2025 (Audited)**	**30 Jun 2026 (Unaudited)**	**31 Dec 2025 (Audited)**
Net asset value (S$'000)	9,537	12,368	24,491	24,559
Number of ordinary shares in issue ('000)	169,682	169,682	169,682	169,682
Net asset value per ordinary share (SGD cents)	5.62	7.29	14.43	14.47

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.

<u>Consolidated Statement of Comprehensive Income (1H2026 vs 1H2025)</u>

The Group's revenue decreased by approximately S$14.5 million or 47.6% from S$30.4 million in 1H2025 to S$15.9 million in 1H2026. The decline in revenue was mainly driven by lower apparel orders by existing customers in the United States (S$8.6 million), European Union (S$2.6 million), Japan (S$1.8 million) and Canada (S$1.4 million) as the Group was gradually affected by geopolitical tensions and uncertain trade policies. Additionally, there was a change in use of a subsidiary's production capacity in Cambodia whereby approximately half of the order received during the period has lower billings to customers whereby raw materials (fabric, accessories and embellishments) were provided directly by customers.

The Group's cost of sales decreased by approximately S$10.5 million or 39.7% from S$26.3 million in 1H2025 to S$15.8 million in 1H2026, in line with revenue decline. This was mainly contributed by savings of S$5.9 million in raw material costs and S$3.5 million in labour costs.

The Group's gross profit margin declined by 13.2 percentage points from approximately 13.6% in 1H2025 to approximately 0.4% in 1H2026. The decrease in margin was mostly attributed to lower utilisation and reduced operational efficiency across the Group's manufacturing plants during the period.

The Group's other income remained relatively stable at S$1.0 million in both 1H2025 and 1H2026. In the current period, the Group's other income mainly comprise of income from sub-contracting works done by a Malaysian subsidiary of S$0.3million, gain on disposal of property, plant and equipment of S$0.3 million in relation to the Group's asset rationalisation initiative and realised foreign exchange gain of S$0.3 million following the strengthening of US Dollar (USD) against Malaysian Ringgit (MYR), particularly in early 1H2026.

The Group's administrative and general expenses decreased by approximately S$0.4 million or 14.0% from S$3.3 million in 1H2025 to S$2.9 million in 1H2026 primarily due to lower staff salary and related expenses.

Meanwhile the Group's selling and marketing expenses decreased by approximately S$0.3 million or 34.6% from S$0.9 million in 1H2025 to S$0.6 million in 1H2026 principally attributed to lower buyer agent commission of S$0.2 million and courier samples fee of S$0.1 million.

The Group's finance costs decreased by approximately S$0.1 million or 17.5% from S$0.7 million in 1H2025 to S$0.6 million in 1H2026 principally due to overall average utilisation of short-term financing across the entire 1H2026 remained lower than in 1H2025, resulting in a net decrease in finance costs.

As a result of the above, the Group recorded a net loss after tax of S$2.9 million in 1H2026.

Consolidated Statement of Financial Position

Non-Current Assets

Non-current assets decreased by approximately S$3.0 million from S$17.2 million as at 31 December 2025 to S$14.2 million as at 30 June 2026 mainly due to S$1.6 million of reclassification to assets held for sales, S$0.8 million disposal of property, plant and equipment and S$0.5 million depreciation charge.

Current Assets

Current assets decreased by approximately S$2.8 million from S$23.3 million as at 31 December 2025 to S$20.5 million as at 30 June 2026.

The decline was led by decrease in inventories of S$1.0 million, prepaid corporate tax of S$0.9 million, and trade and other receivables of S$0.8 million in tandem with decline in revenue.

Cash and bank balances decreased by approximately S$0.3 million from S$4.4 million as at 31 December 2025 to S$4.1 million as at 30 June 2026 as the Group deployed fund for early settlement of a term loan during the period.

The Group's assets held for sales increased by S$1.6 million in relation to the Group's asset rationalisation initiative whereby specific plant and machineries have been identified for disposal.

Non-Current Liabilities

Non-current liabilities decreased by approximately S$0.8 million from S$6.0 million as at 31 December 2025 to S$5.2 million as at 30 June 2026.

Long-term borrowings decreased by approximately S$0.7 million from S$3.3 million as at 31 December 2025 to S$2.6 million as at 30 June 2026 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$1.8 million as at 31 December 2025 to S$1.5 million as at 30 June 2026 mainly due to the reclassification of lease liabilities from "non-current" to "current".

Current Liabilities

Current liabilities declined by S$0.6 million from S$22.1 million as at 31 December 2025 to S$21.5 million as at 30 June 2026.

Short-term borrowings increased by S$2.6 million from S$13.4 million as at 31 December 2025 to S$16.0 million as at 30 June 2026. This was mainly due to drawdowns increased towards the end of the reporting period to finance short-term operational material purchases for the peak season in Q32026.

Trade and other payables decreased by approximately S$3.2 million from S$8.2 million as at 31 December 2025 to approximately S$5.0 million as at 30 June 2026 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$2.0 million in 1H2026. This was mainly due to S$2.9 million decrease in trade and other payables, offset against net income tax refund of S$0.9 million.

The Group's net cash flows generated from investing activities in 1H2026 amounted to approximately S$1.1 million, mostly attributed to the proceed from disposal of plant and machinery by a subsidiary of the Group as part of planned asset replacement and/ or betterment project.

The Group's net cash flows generated from financing activities in 1H2026 amounted to approximately S$1.2 million, primarily attributed to net proceeds from short-term borrowings offset against repayments of term loans and interest paid.

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.

The global apparel manufacturing industry continues to operate in a challenging environment, with geopolitical tensions and evolving trade policies leading to cautious consumer spending and subdued demand. The evolving tariff environment, particularly in the United States ("**US**"), has led customers to reassess their sourcing strategies and supply chains to take advantage of competitive pricing from countries with structural excess capacity. As a result, the Group continues to navigate a competitive environment across its principal markets, particularly the US, Europe, and the United Kingdom.

Geopolitical developments in the Middle East have added further pressure to the global operating environment. The Group's main base in Cambodia experienced higher energy and logistics costs. In addition, the Group incurred the cost of a temporary US$2.50 monthly transport allowance for employees, introduced by the National Minimum Wage Council[1], to help offset commuting cost increases. While the Group has not experienced any material disruption to its operations arising from these developments to date, it will continue to monitor the situation closely and take appropriate measures as necessary.

The Group remains focused on improving the performance of its existing operations through better capacity utilisation and operational efficiency. It will leverage on its integrated textile and apparel manufacturing capabilities to shorten its customers' time to market and sharpen its competitive edge.

The Group will also continue to strengthen customer relationships and selectively pursue new business opportunities, while actively exploring higher-value-added activities, potential licensing arrangements, and strategic collaborations to enhance sourcing capabilities and production flexibility.

The Group remains cautious about the near-term outlook given the uncertain external environment and cautious customer sentiment.

1 https://www.business-humanrights.org/en/latest-news/cambodia-garment-workers-to-receive-transport-allowance-amid-rising-fuel-prices/

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/recommended, 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.

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 2026 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 was no acquisition / incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during FY2026, save for the incorporation of an indirect wholly-owned subsidiary as follows:

On 29 April 2026, the Company’s wholly-owned subsidiary, Knit Textile Holdings Sdn. Bhd. (“**KTH**”) has incorporated a wholly-owned subsidiary in Malaysia, known as Banyan Retail Sdn. Bhd. (“**BRSB**”) with a total issued and paid-up share capital of MYR100 comprising 100 ordinary shares, with its principal activity being retail sales of clothing and apparel. BRSB was incorporated to engage in off price retail business in Malaysia, focusing primarily on selling surplus merchandise sourced from manufacturers in Cambodia.

The incorporation of BRSB is funded through internal resources and not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ended 31 December 2026.

BY ORDER OF THE BOARD

Damien Lim Vhe Kai
Chief Executive Officer

6 August 2026

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 Mr. Bernard Lim (Tel: (65) 6232 3232) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.