

ANNUAL REPORT  
2024

立德集团有限公司  
**KTMG LIMITED**

BUILDING RESILIENCE

SHAPING **TOMORROW**



# BUILDING RESILIENCE SHAPING TOMORROW

In today's volatile, uncertain, complex and ambiguous environment, where change happens rapidly, resilience and adaptability are essential for sustained success. Our theme, "**Building Resilience, Shaping Tomorrow**," reflects our commitment to strengthening operational and financial resilience while driving long-term growth for our shareholders.

To enhance profitability, we will selectively target higher-margin customers, optimise peak season orders, and improve operational efficiency. At the same time, we will reinforce our financial resilience through disciplined cost management and efficient working capital utilisation.

Leveraging our integrated textile and apparel manufacturing capabilities, we will drive innovation, capture new opportunities, and shape sustainable growth, delivering greater value to our shareholders.

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This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This annual report 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 annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

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

## OUR VISION, MISSION AND CORE VALUES

### OUR MISSION :: 企业使命

We are dedicated to creating responsible apparel, weaving a better future for all, globally.

独衣无二，造服全球

### OUR VISION :: 企业愿景

To be a world-class vertically integrated athleisure wear manufacturer

成为世界级的运动服饰企业

### OUR CORE VALUES :: 企业核心价值观

Customer's interest is our top priority  
客户价值第一

Change is the only constant  
唯一不变的是变化

Simplicity  
化繁为简

No excuses, no mistake and no wastage  
不找借口，不出错，不浪费

The best performance today is the minimum requirement of tomorrow  
今天最好的表现是明天最低的要求

Attitude determines altitude  
态度决定高度

Be consistent  
执行一致性

**TEAM.** Together everyone achieves more  
团队合作，才能得到更多



## AT A GLANCE



立德集团有限公司  
**KTMG LIMITED**

### CORPORATE PROFILE

KTMG Limited (“**KTMG**” and together with its subsidiaries, the “**Group**”) is an integrated textile and apparel manufacturer.

KTMG is a contract manufacturer of apparel specialising in athleisure wear, casual wear, loungewear, and pyjamas for various ages, with facilities in Malaysia and Cambodia. The Group manufactures apparel for retailers in the United Kingdom, United States, European Union, and Canada, who then sell apparel products under their own brands. The Group has a co-creation business model through which it collaborates closely with its customers during the product initiation process, thereby offering customers a one-stop value-added platform.

KTMG also expanded upstream into the knitting, dyeing, and finishing of fabric, with its own textile manufacturing facility in Johor, Malaysia.



### CO-CREATION BUSINESS MODEL



#### CUSTOMERS' NEEDS

Addressing customers' needs by identifying and anticipating fashion trends, market direction and consumer preferences to develop products in accordance with customers' requirements



#### COLLABORATION

Working closely with customers in product initiation, conceptualisation & design, raw material development, prototype making and finalising product specifications for manufacturing



#### VALUE-ADDED PLATFORM

Providing a one-stop value-added platform to customers in an efficient and cost-effective manner, i.e. producing the right product at the right time and at the right cost

## AT A **GLANCE**



### APPAREL MANUFACTURING **FACILITY**

FY2024  
Total  
Production

**24.6**  
million pieces



### TEXTILE MANUFACTURING **FACILITY**

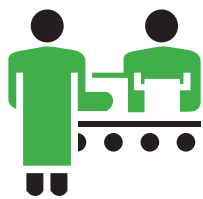
FY2024  
Total  
Production

**2.0**  
million kg



## AT A **GLANCE**

PRODUCTION  
**LINES**



**42**  
apparel

MANUFACTURING  
**FACILITIES**



**3** apparel  
**1** textile

TOTAL **EMPLOYEES**

(As at 31 December 2024)



**126** textile

**2,035** apparel



## CORPORATE MILESTONES

### 1988

Establishment of an apparel manufacturing business by Mr Lim Siau Hing and his wife in a shop house in Batu Pahat



### 2006

Further expansion and relocation to current corporate headquarters and flagship manufacturing facility at Kawasan Perindustrian Sri Gading, Batu Pahat



### 2011

Establishment of first overseas apparel manufacturing facility, Moon Apparel (Cambodia) Co. Ltd, in Phnom Penh



### 2019

Listing on the Catalist Board of the Singapore Exchange

Commencement of operations of KTMG's first textile manufacturing facility in Batu Pahat



### 2022

Establishment of a sourcing office in Ho Chi Minh City, Vietnam



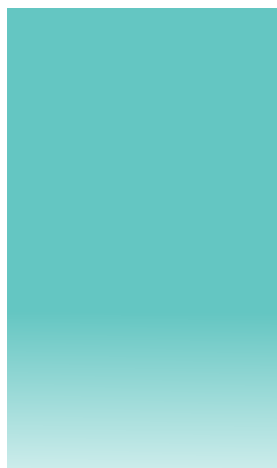
### 1998

Expansion of operations to a bigger manufacturing facility in Batu Pahat



### 2009

Adoption of Co-Creation Business Model



### 2013

Establishment of Callisto Apparel (Cambodia) Co. Ltd, our second apparel manufacturing facility in Phnom Penh

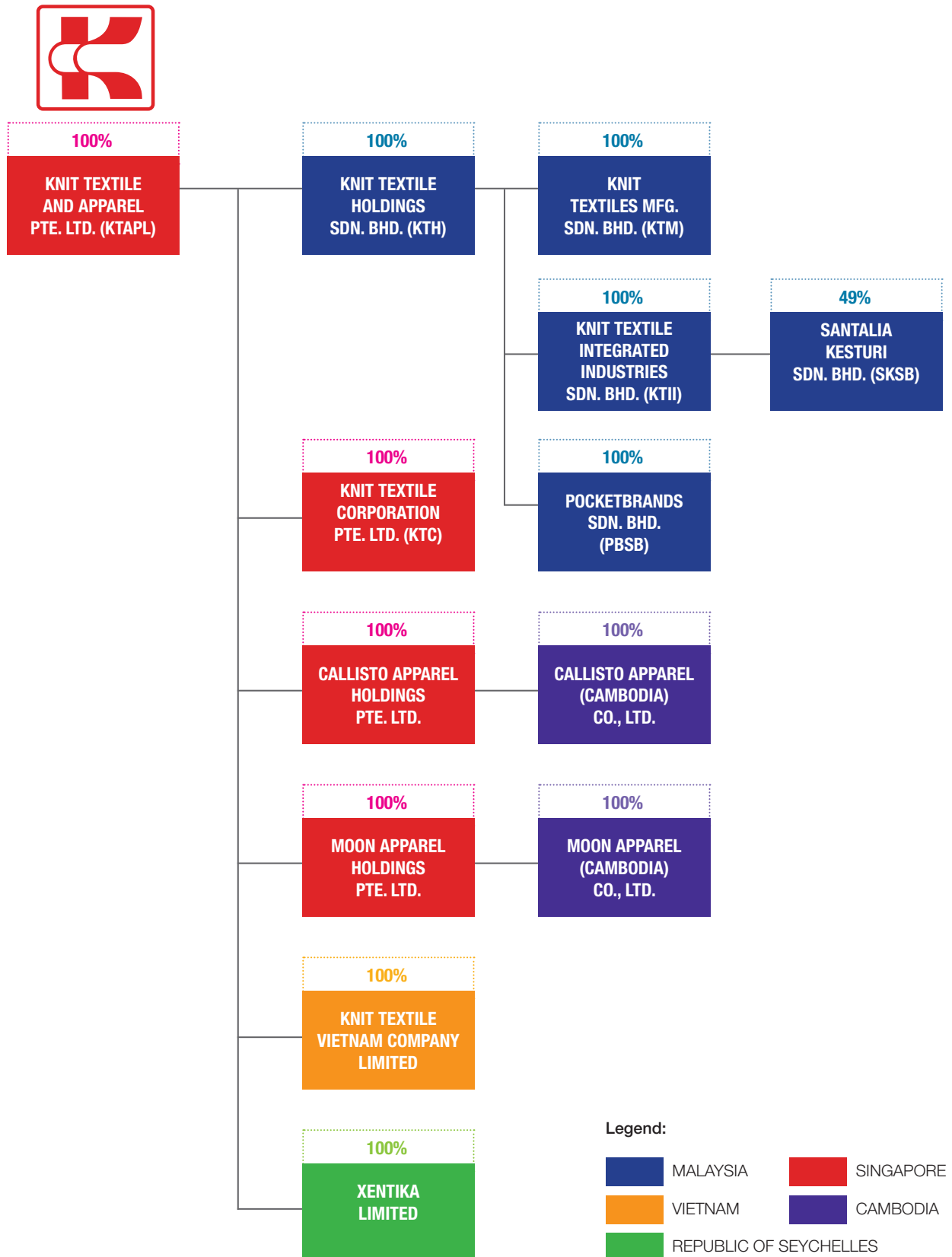


### 2021

Installation of rooftop solar photovoltaic panels at our apparel and textile manufacturing facilities in Batu Pahat



## GROUP STRUCTURE



## GROUP PROPERTIES

As at the date of this Annual Report, KTMG owns 100% of the following properties in Malaysia.

### Location: Batu Pahat, Johor

| Description                                | Land Area<br>(sq. m)    | Tenure                | Expiry<br>Date | Book<br>Value as at<br>31/12/2024<br>(S\$'000) <sup>1</sup> | Open Market<br>Valuation <sup>2</sup><br>(S\$'000) <sup>1</sup><br>Valuation Date:<br>31/12/2024 |
|--|-------------------------|-----------------------|----------------|---|--|
| Industrial land with manufacturing factory | 14,630<br>(Land area)   | Leasehold<br>60 years | 28-Aug-2067    | 951   | 5,386  |
| Industrial land with manufacturing factory | 7,955<br>(Land area)    | Leasehold<br>60 years | 28-Aug-2067    | 1,153   | 3,195  |
| Industrial land                            | 8,684.6<br>(Land area)  | Leasehold<br>60 years | 24-Jan-2067    | 373   | 1,430  |
| Industrial land                            | 4,046.90<br>(Land area) | Leasehold<br>60 years | 6-Apr-2040     | 238   | 253  |
| Industrial land with manufacturing factory | 17,498<br>(Land area)   | Freehold              | -              | 6,224   | 7,182  |
| Industrial land                            | 6,829<br>(Land area)    | Freehold              | -              | 405   | 456  |
| Industrial land                            | 7,841<br>(Land area)    | Freehold              | -              | 466   | 517  |
| Commercial shop lot                        | 42.5<br>(Built-up area) | Freehold              | -              | 49  | 8  |

### Location: Simpang Renggam, Johor

| Description         | Land Area<br>(sq. m) | Tenure   | Expiry<br>Date | Book<br>Value as at<br>31/12/2024<br>(S\$'000) <sup>1</sup> | Open Market<br>Valuation <sup>2</sup><br>(S\$'000) <sup>1</sup><br>Valuation Date:<br>31/12/2024 |
|---------------------|----------------------|----------|----------------|---|--|
| Commercial shop lot | 418.1<br>(Land area) | Freehold | -              | 96  | 218  |

#### Notes:

- Exchange rate: MYR 1 = SGD 0.30
- The valuation was conducted by Messrs Nawawi Tie Leung Property Consultants Sdn. Bhd. in accordance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and in accordance with SFRS(I)/IFRS 13 Fair Value Measurement. Further details of which can be found in Note 3 of Notes to the Financial Statements.

## MESSAGE TO SHAREHOLDERS

“ We remain committed to building resilience, leveraging our integrated textile and apparel manufacturing capabilities to navigate evolving market conditions and drive long-term sustainable growth ”



### DEAR SHAREHOLDERS,

On behalf of the Board of Directors, we hereby present the Annual Report of KTMG Limited (“**KTMG**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) for the financial year ended 31 December 2024 (“**FY2024**”).

We report that our strategic entry into the athleisure market last year has driven solid growth, as evidenced by increased apparel orders. To support this growth, we invested in enhancing our production capabilities to accommodate rising order volumes and manage more intricate designs and complex products. As part of these initiatives, we upgraded our apparel manufacturing facilities in Cambodia by installing new auto-cut and auto-spread machines during the first half of 2024.

However, delays in commissioning of the new auto-cut machines significantly disrupted production, resulting in a shortage of cut pieces for the sewing lines and affecting productivity. Consequently, production capacity was

insufficient to meet demand, leading to order backlogs and missed delivery deadlines. These delays impacted deliveries to key customers with a significant portion of shipments requiring expedited air freight, thereby increasing logistics costs. Additionally, tight delivery schedules resulted in higher labour and production-related expenses.

We swiftly responded to the commissioning delays by accelerating the commissioning process, implementing targeted operational improvements and making necessary technical adjustments. Additionally, we conducted comprehensive staff training to enhance productivity and efficiency in the production process. As a result, the machines are now running efficiently, and the production lines have been optimised to handle both the volume and complexity of orders. With our strengthened production capabilities, we are well-positioned to capitalise on growing demand in the athleisure market and drive sustainable long-term growth.

# MESSAGE TO SHAREHOLDERS

## FINANCIAL HIGHLIGHTS

In FY2024, the Group recorded revenue of S\$104.5 million, an increase of 17.8% from the previous year. This was largely driven by orders from a new customer in Japan amounting to S\$15.1 million. Orders from existing apparel customers also increased, with revenue rising by S\$10.9 million in the United States ("US"), S\$5.8 million in Canada, and S\$2.0 million in the European Union. However, this growth was offset by a significant decline of S\$19.4 million in the United Kingdom, where a key customer experienced weaker sale.

Gross profit declined by 8.0% year-on-year to S\$7.5 million, mainly due to rising raw material costs attributable to changes in the product mix, increased labour costs due to production bottlenecks in the cutting department, caused by delays in commissioning new machinery, which resulted in higher overtime expenses during the peak period, and higher export handling costs resulting from these delays. As a result, the gross profit margin fell from 9.1% in FY2023 to 7.1% in FY2024.

The production delays also impacted logistics costs. To ensure timely fulfilment of customer orders, we used expedited air shipments, resulting in a significant increase in air freight expenses to S\$3.6 million in FY2024 from S\$0.01 million in FY2023.

Consequently, the Group recorded a net loss attributable to shareholders of S\$5.7 million in FY2024.

## LOOKING AHEAD STRATEGICALLY

Looking ahead, we are closely monitoring the potential impact of the reciprocal tariffs announced by the US Trump administration on its major trading partners, including Cambodia and Malaysia, where our production facilities are located. As the US remains one of our key markets for apparel products, the recent development has introduced some uncertainties in the near term. However, we are encouraged by the indicated willingness of the governments in our production base countries to engage in negotiations with the US. We expect greater clarity to emerge in the coming weeks or months, which will help shape a more informed view of the operating environment.

Despite these challenges, we remain committed to building resilience within our operations, leveraging our integrated textile and apparel manufacturing capabilities to navigate evolving market conditions and drive long-term sustainable growth. As the global supply chain adapts in response to the tariffs issue, we anticipate market shifts that may lead to diversification in our customers' sourcing strategies. We will proactively respond to these changes, which we believe may present opportunities to broaden our customer base and strengthen our market position.

As we move forward, we will focus on driving profitability by selectively targeting higher-margin customers based on Customer Lifetime Value (CLV) metrics, optimising orders for the peak seasons, and enhancing operational efficiency. We will also prioritise the timely and effective execution of our order book to ensure smooth operations and meet market demand. At the same time, we will strengthen our financial resilience by improving cost management and optimising working capital utilisation.

To lessen the impact of seasonality and reduce demand fluctuations, we aim to secure consistent orders and production volumes throughout the year by establishing longer-term contracts with certain key customers. This will enhance stability, enabling the Group to navigate market fluctuations more effectively. Additionally, our strategic focus on athleisure and casual wear continues to drive demand, strengthening our long-term growth potential and market resilience.

In the year ahead, we are making a strategic investment to expand our textile manufacturing capabilities through the acquisition of new finishing machines. This investment will enable us to collaborate with a new customer by supplying their best-selling fabric for use in apparel sold in the US market. With enhanced finishing capabilities, we will be equipped to develop and customise fabric to meet the customer's specific requirements. These initiatives are expected to increase production capacity, drive revenue growth, and strengthen customer relationships, reinforcing the Group's foundation for sustained success.

## APPRECIATION

As always, we extend our deepest appreciation to our staff and management team for their tireless efforts and dedication. We also thank our fellow Board members for their invaluable guidance and insights throughout the year in navigating challenges.

Finally, we are grateful to our shareholders, business partners, and customers for their continued trust and confidence in KTMG. We look forward to your ongoing support as we grow stronger and shape the future together.

**Lim Siau Hing**  
*Executive Chairman*

**Damien Lim Vhe Kai**  
*Executive Director and Chief Executive Officer*

## BOARD OF DIRECTORS



1



2



3



4



5

1. **MR. LIM SIAU HING**  
Executive Chairman
2. **MR. DAMIEN LIM VHE KAI**  
Executive Director and Chief Executive Officer
3. **MR. KOH BOON HUAT**  
Non-Executive and Lead Independent Director
4. **MR. OOI JIT HUAT**  
Non-Executive and Independent Director
5. **MR. LAU PING**  
Non-Executive and Independent Director

## DIRECTORS' PROFILE

### MR. LIM SIAU HING

Executive Chairman

Mr. Lim Siau Hing has over 50 years of experience in apparel and textile manufacturing. He is the co-founder of Knit Textiles Industries Sdn. Bhd., a fabric knitting factory, which eventually paved the way for the establishment of Knit Textiles Mfg. Sdn. Bhd. ("KTM") in 1988. He currently serves as Executive Chairman of the Group and is responsible for overseeing the Group's business direction and overall strategy.

Mr. Lim began his career in 1969 as a supervisor in a yarn factory in Taiwan. In 1970, he joined Oriental Industries Private Limited in Singapore as a production manager, where he oversaw the production of synthetic fiber. In 1974, he became a production manager with Syntex Industries Sdn. Bhd. in Malacca.

In 1977, together with a few business partners, Mr. Lim set up Minat Industries Sdn. Bhd., a fabric dyeing factory in Batu Pahat, Malaysia, where he served as a director. In 1981, Mr. Lim left the partnership and founded Knit Textiles Industries Sdn. Bhd. with his wife.

#### Board Committee(s) served on:

Nil

#### Date of first appointment:

18 February 2019

#### Last re-elected:

25 June 2024

#### Academic and Professional Qualifications:

Diploma in Textile Engineering,  
Feng Jia College, Taiwan (1969)

#### Listed Company directorships and other principal commitments:

- Knit Textile & Apparel Pte. Ltd.
- Knit Textile Holdings Sdn. Bhd.
- Moon Apparel Holdings Pte. Ltd.
- Callisto Apparel Holdings Pte. Ltd.
- Knit Textile Corporation Pte. Ltd.
- Knit Textiles Mfg. Sdn. Bhd.
- Knit Textile Integrated Industries Sdn. Bhd.
- Santalia Kesturi Sdn. Bhd.
- Pocketbrands Sdn. Bhd.

### MR. DAMIEN LIM VHE KAI

Executive Director and Chief Executive Officer

Mr. Damien Lim has over 20 years of experience in the apparel manufacturing sector. He currently serves as Executive Director and Chief Executive Officer of the Group and oversees the Group's operations. Mr. Damien Lim is responsible for setting the Group's strategic direction and executing its business strategy.

Mr. Damien Lim began his career as an information technology ("IT") professional upon graduating from his university studies in Canada. Mr. Damien Lim was involved in the planning and implementation of a nationwide customer management system for Telekom Malaysia from 1997 to 1999. In 2000, he joined e-Komoditi.com Sdn. Bhd., an online procurement platform, where he helped to design and set up data centres for the platform in collaboration with Motorola Inc. Mr. Damien Lim was also a Group Network Security consultant for RHB banking group in 2001, where he was responsible in assessing the group's online banking system, its network vulnerabilities and provided technical consultancy on its data center and network infrastructure.

Mr. Damien Lim joined KTM in August 2002 to help his father, Mr. Lim Siau Hing, in the family business.

#### Board Committee(s) served on:

Nil

#### Date of first appointment:

18 February 2019

#### Last re-elected:

27 April 2023

#### Academic and Professional Qualifications:

Bachelor of Science, Computer Information  
Systems (Hons), University of Windsor (1997)

#### Listed Company directorships and other principal commitments:

- Knit Textile Corporation Pte. Ltd.
- Knit Textiles Mfg Sdn. Bhd.
- Knit Textile Integrated Industries Sdn. Bhd.
- Knit Textile Vietnam Company Limited
- Moon Apparel (Cambodia) Co., Ltd.
- Callisto Apparel (Cambodia) Co., Ltd.
- Vertical Delta Sdn. Bhd.
- Xentika Limited
- Pocketbrands Sdn. Bhd.

## DIRECTORS' PROFILE

### MR. KOH BOON HUAT

Non-Executive and  
Lead Independent Director

Mr. Koh Boon Huat has over 40 years of experience in the banking and finance sector. He has extensive knowledge and expertise in banking operations, credit and marketing, compliance, collections and recovery.

He commenced his career in 1974 as a clerk in Malayan Banking Berhad, Batu Pahat. Mr. Koh later served as an officer of Arab-Malaysian Finance Bhd. at Batu Pahat in 1985, before joining First Malaysia Finance Berhad (Batu Pahat) in 1988 as a credit officer. He subsequently joined MBF Finance Berhad (Pontian) in 1991 and MBF Finance Berhad (Batu Pahat) in 1993 as Branch Manager. Between 1995 and 1996, Mr. Koh was the executive assistant to the managing director of S.P.I. Holdings Sdn. Bhd., and resumed his service within the banking industry in 1997 as Branch Manager for Oriental Bank Berhad at Batu Berendam. He subsequently served as Branch Manager for Phileo Allied Bank Berhad at Batu Pahat from 1997 to 2001.

In 2001, Mr. Koh was the branch manager of United Overseas Bank (Malaysia) Berhad at Kluang, Johor, and from 2002 to 2008, he served as Branch Manager of United Overseas Bank (Malaysia) Berhad at Batu Pahat. He last held the position of Area Manager with United Overseas Bank (Malaysia) Berhad, South Area Centre from November 2008 to June 2016, where he was responsible in managing eight branches in Johor and Melaka with a staff force of over 400 employees.

Additionally, Mr. Koh was a committee member of Johor State Asian Institute of Chartered Bankers Advisory Council between August 2011 and June 2016.

#### Board Committee(s) served on:

- Nominating Committee (Chairman)
- Remuneration Committee (Chairman)
- Audit Committee (Member)

#### Date of first appointment:

18 February 2019

#### Last re-appointed:

28 April 2022

#### Academic and Professional Qualifications:

- Diploma in Management, Malaysian Institute of Management (1998)
- Degree in Management (Honours), Multimedia University (2006)

#### Listed Company directorships and other principal commitments:

- Nil

### MR. OOI JIT HUAT

Non-Executive and  
Independent Director

Mr. Ooi is currently the managing partner of a public accounting firm, Russ Ooi & Associates, which he established in 1985. Mr. Ooi began his career with KPMG in Kuala Lumpur and London from 1972 to 1982. He then joined the corporate sector, a Malaysian incorporated company whose holding company was listed on the New York Stock Exchange in the United States of America.

Mr. Ooi has extensive experience in the financial industry, specialising in corporate consultancy, financial management, auditing and investigation, and management information systems. Throughout his career, he has engaged in a wide array of assignments, encompassing due diligence, valuations, initial public offerings, reverse takeover, mergers and acquisitions, and corporate advisory of several listed companies on the Bursa Malaysia Securities.

#### Board Committee(s) served on:

- Audit Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)

#### Date of first appointment:

25 June 2024

#### Academic and Professional Qualifications:

- Fellow of Chartered Tax Institute of Malaysia (1996)
- Chartered Accountant of Malaysian Institute of Accountants (1984)
- Member of Malaysian Institute of Certified Public Accountants (1979)

#### Listed Company directorships and other principal commitments:

- Bintai Kinden Corporation Berhad

### MR. LAU PING

Non-Executive and  
Independent Director

Mr. Lau brings decades of experience in the fashion industry, specialising in strategic sourcing and procurement for apparel, footwear, and accessories. He has a proven track record of driving sales growth through innovative design, precise product creation and development, strategic demand planning, and successful go-to-market initiatives. Throughout his career, he has partnered with industry-leading brands, including Nike, ASICS, J. Crew, Skechers, and Anta.

#### Board Committee(s) served on:

- Audit Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

#### Date of first appointment:

25 June 2024

#### Academic and Professional Qualifications:

- Certificate in Leadership in Applied ESG & Sustainability, The University of Hong Kong (2014)
- Certificate in Sustainable Supply Chain (From Design to Market), University of Oregon (2014)
- Master's Degree in Global Fashion Management, FIT-USA, IFM-France and The Hong Kong Polytechnic University (2011)
- Diploma in Business Management, The Chinese University of Hong Kong (2000)
- Graduate Diploma in Marketing Management, Singapore Institute of Management (1996)
- Higher Diploma in Textile and Merchandising, The Hong Kong Polytechnic University (1994)

#### Listed Company directorships and other principal commitments:

- Nil

## KEY EXECUTIVES



**MR. BONG WEE KHONG**  
Chief Financial Officer

Mr. Bong Wee Khong has more than 20 years of experience in audit, accounts, corporate finance and business operations. He started his career with a big 4 accounting firm and subsequently joined the finance and administration department of companies in Malaysia, including companies listed on the Main Market of Bursa Malaysia. Since 2013, Mr Bong held senior management positions in corporations of various business backgrounds ranging from manufacturing, trading, property development, hospitality and asset management and he last held the position of Chief Operating Officer of a subsidiary of a public-listed company in Main Market of Bursa Malaysia.

Mr. Bong holds a Bachelor of Arts degree double majoring in Accounting & Financial Management and Economics from the University of Sheffield, United Kingdom. He is a fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of Malaysian Institute of Accountants (MIA).



**MR. CHEW CHONG KIAT**  
Chief Operating Officer

Mr. Chew Chong Kiat is responsible for the day-to-day operations of the Group, overseeing the human resource, administration, IT and production departments. Mr. Chew has been with the Group since July 2002. Prior to his appointment as COO, he was the general manager of KTM.

Mr. Chew began his career as a credit control officer with Malpac Securities Sdn. Bhd. from March 1996 to December 1998. He then joined Wah Tat Bank Berhad as an operations officer in January 1999, before making a career switch and joining the education sector. In early January 2000, he was a lecturer of Economics at Taylor's College, Subang Jaya. From July 2000 to June 2002, he was a lecturer of Economics at Sepang Institute of Technology, Klang, Malaysia.

Mr. Chew holds a Bachelor of Arts degree from the University of Toronto, Canada, double majoring in Economics and Industrial Relations.

## OUR PEOPLE & COMMUNITY

### OUR COMMITMENT TO TALENT DEVELOPMENT

At KTMG, we recognise our employees as the cornerstone of our success and are committed to nurturing their growth and potential. We believe that cultivating a culture of excellence inspires our people to perform at their best and equips them with the confidence and skills to succeed. By providing opportunities for skill enhancement, we enable our team to achieve exceptional results and drive the business forward.

Our commitment to continuous development is driven by the KTMG Institute of Management (“**KTMG Institute**”), which plays a key role in talent development initiatives aligned with the Group’s objectives. Focused on leadership development, managerial competencies, employee integration, and strategic business partnerships, KTMG Institute conducted a series of programmes throughout the year to equip employees and business partners with the essential knowledge and skills to excel. These programmes included:

- **Executive Leadership Programme** - enhances leadership skills, empowering experienced leaders to navigate complex and evolving business challenges with strategic foresight.
- **Management Foundation Programme** - serves as an induction programme, providing new employees with a strong foundation to support their integration and facilitate their long-term development within the Group.
- **Management Intermediate Programme** - strengthens managerial competencies, supporting ongoing leadership development and preparing managers to lead with confidence in a dynamic environment.
- **Management Programme for Business Partners** - enhances the leadership and managerial capabilities of our business partners, ensuring the continued success of our collaborative relationships.

Upon completing these programmes, employees are empowered to apply their newfound knowledge and skills, driving performance improvements and enhancing operational efficiency. Regular participation in seminars, workshops, and on-the-job training ensures they remain updated on industry developments and emerging trends relevant to their roles. This commitment to continuous learning enhances our employees’ capabilities and fosters teamwork through collaboration and knowledge sharing. Employees are then rewarded with career advancement after meeting pre-determined competency and performance targets.

Our mentorship programmes further demonstrate our commitment to developing future leaders. Through executive coaching and regular engagement with senior management, high-performing employees gain valuable insights and guidance to accelerate their career growth and maximise their potential within the Group.

KTMG remains dedicated to developing our talent and strengthening leadership capabilities to drive the Group’s continued success and future growth.



## OUR PEOPLE & COMMUNITY

### BUILDING STRONGER COMMUNITIES

As a socially responsible organisation, KTMG is committed to enhancing community well-being. In 2024, our corporate social responsibility initiatives focused on supporting healthcare, addressing community needs, and uplifting underprivileged groups through meaningful contributions and engagement.

In July 2024, we organised a blood donation campaign in Batu Pahat, bringing together employees, volunteers, community members, and medical professionals. This initiative supported healthcare services and aimed to save lives, reflecting our commitment to health and well-being.

We also donated 20,000 pieces of personal protective equipment to the Batu Pahat District Health Office, aiding frontline healthcare workers in safeguarding public health.

To strengthen community ties, we visited and presented food supplies to an orphanage managed by a Buddhist temple in Batu Pahat, offering essential support to those in need.

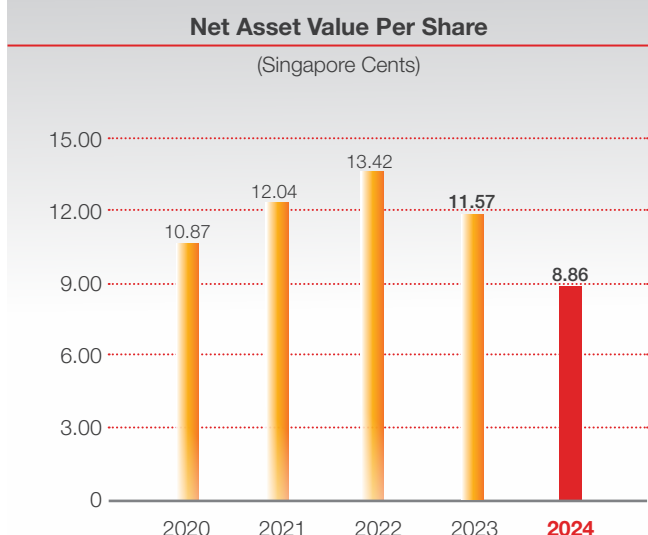
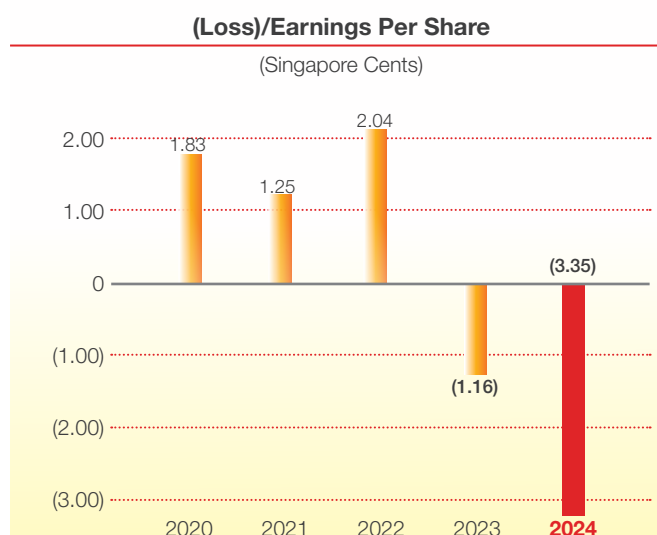
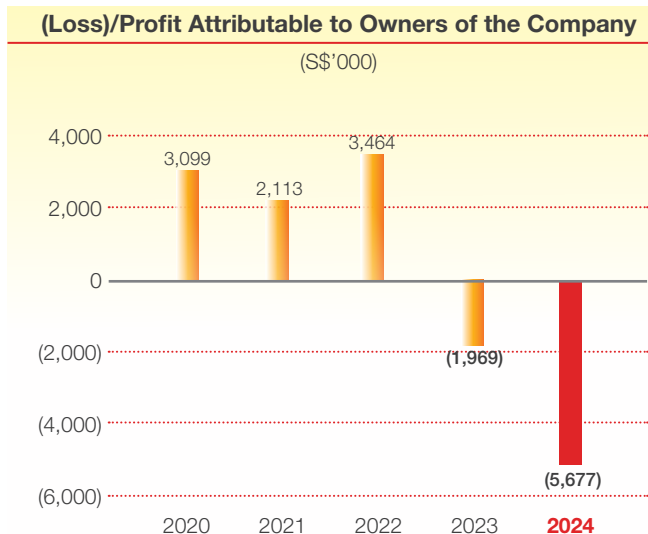
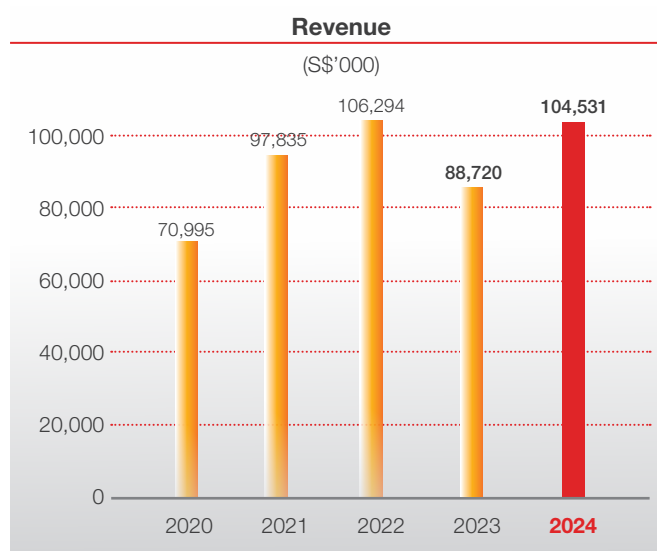
Continuing our annual tradition, we organised a clothing donation trip for children at Don Bosco School in Phnom Penh, Cambodia.

The school, in partnership with the Royal Government of Cambodia, supports underprivileged students through technical programmes aimed at breaking the cycle of poverty and promoting societal development. The curriculum incorporates practical life skills, including home and food management, as well as sewing skills, which we are committed to supporting as needed.

These efforts demonstrate our dedication to serving communities and fostering a culture of care and responsibility. We remain committed to driving positive change wherever we operate.



# FINANCIAL HIGHLIGHTS



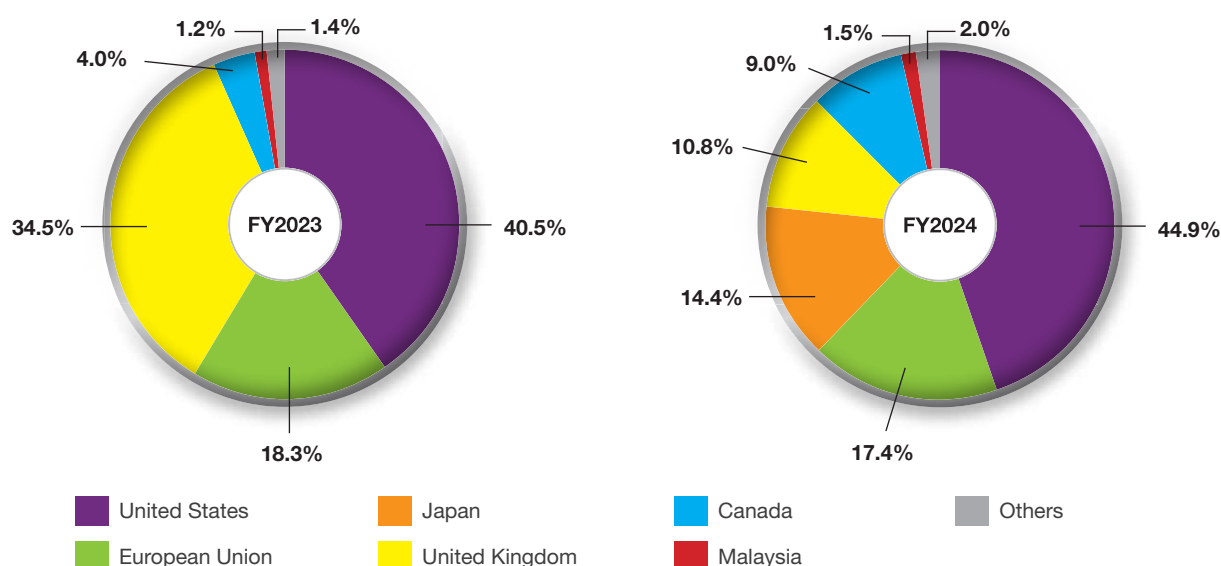
| S\$'000 (unless otherwise stated)   | 2024    | 2023    | 2022     | 2021    | 2020   |
|---|---------|---------|----------|---------|--------|
| Revenue   | 104,531 | 88,720  | 106,294  | 97,835  | 70,995 |
| Gross profit  | 7,455   | 8,102   | 16,115   | 13,593  | 13,166 |
| Earnings before interest, taxes, depreciation and amortisation ("EBITDA") | (1,543) | 1,306   | 7,468    | 6,104   | 7,268  |
| (Loss)/Profit before tax  | (4,651) | (1,783) | 4,356    | 3,199   | 4,223  |
| (Loss)/Profit attributable to owners of the Company                       | (5,677) | (1,969) | 3,464    | 2,113   | 3,099  |
| Gross profit margin (%)   | 7.1     | 9.1     | 15.2     | 13.9    | 18.5   |
| Basic and diluted (loss)/earnings per share (Singapore cents)             | (3.35)  | (1.16)  | 2.04     | 1.25    | 1.83   |
| Non-current assets  | 18,297  | 16,306  | 18,205   | 20,216  | 18,962 |
| Current assets  | 42,283  | 39,986  | 32,721   | 53,539  | 38,071 |
| Non-current liabilities   | 3,901   | 798     | 1,687    | 3,570   | 4,252  |
| Current liabilities   | 41,652  | 35,857  | 26,463   | 49,753  | 34,338 |
| Net asset value   | 15,027  | 19,637  | 22,776   | 20,432  | 18,443 |
| Net asset value per share (Singapore cents)                               | 8.86    | 11.57   | 13.42    | 12.04   | 10.87  |
| Net cash (used in)/generated from operating activities                    | (4,624) | 299     | 15,437   | (1,030) | 2,448  |
| Net cash used in investing activities                                     | (402)   | (795)   | (509)    | (2,619) | (374)  |
| Net cash generated from/(used in) financing activities                    | 2,339   | 1,852   | (12,610) | 2,743   | (583)  |
| Cash and cash equivalents at the end of the financial year                | 3,627   | 5,957   | 4,966    | 2,864   | 3,721  |

# FINANCIAL REVIEW

## PERFORMANCE REVIEW

The Group's revenue increased by 17.8% from S\$88.7 million in FY2023 to S\$104.5 million in FY2024, primarily driven by orders from a new customer in Japan amounting to S\$15.1 million.

The United States ("US"), European Union ("EU"), Japan, and United Kingdom ("UK") were the Group's largest markets, accounting for 44.9%, 17.4%, 14.4%, and 10.8% of total revenue in FY2024, respectively. Geographically, while apparel orders from existing customers increased by S\$10.9 million in the US, S\$5.8 million in Canada, and S\$2.0 million in the EU, this growth was offset by a significant decline of S\$19.4 million in the UK, where a key customer experienced a sales downturn.



Cost of sales increased by 20.4% to S\$97.1 million in FY2024. The increase was primarily due to a S\$9.9 million rise in raw material costs resulting from changes in the product mix, a S\$6.0 million increase in labour costs caused by production bottlenecks in the cutting department due to delays in the commissioning of new machinery, which led to production delays during peak period, resulting in higher overtime expenses, and a S\$0.6 million increase in export handling costs stemming from these delays.

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

Other income rose by 117.4% to S\$1.6 million in FY2024, mainly due to a realised foreign exchange gain from the strengthening of the Malaysian ringgit against the United States dollar, particularly in the second half of the financial year.

Administrative and general expenses decreased by 8.9% to S\$6.7 million in FY2024, primarily due to a reduction in salary and related expenses attributed to the Group's weak performance during the year.

Selling and marketing expenses declined by 6.2% to S\$2.1 million in FY2024, largely due to lower sales commissions paid to the apparel sourcing agent. Meanwhile, air freight expenses surged to S\$3.6 million in FY2024 from S\$0.01 million in FY2023 due to urgent air shipments of apparel to customers following production delays.

Finance costs rose 21.0% to S\$1.4 million in FY2024, due to higher interest expenses on the Group's short-term borrowings as production delays led to a longer cash conversion cycle.

As a result, the Group reported a net loss attributable to shareholders of S\$5.7 million in FY2024, compared to S\$2.0 million in the previous year.

# FINANCIAL REVIEW

## FINANCIAL POSITION

As at 31 December 2024, the Group's net asset value was S\$15.0 million, which translates to a net asset value per share of 8.86 Singapore cents, compared to 11.57 Singapore cents a year ago.

### Non-current assets

Non-current assets increased by 12.2% to S\$18.3 million, primarily due to an increase in right-of-use assets following the 5-year lease renewal of the Group's apparel manufacturing plants in Cambodia. This increase was partially offset by depreciation charges on the Group's property, plant, and equipment and right-of-use assets.

### Current assets

Current assets grew by 5.7% to S\$42.3 million, mainly due to: (i) a slight increase of S\$0.8 million in inventories, which consist primarily of stock fabrics and accessories held to meet the manufacturing of apparel products for delivery to customers in the first quarter of 2025, which is higher compared to the previous year; and (ii) a S\$3.1 million increase in trade and other receivables, largely attributed to higher shipments made to customers toward the end of FY2024 as sales improved. This was partially offset by a decrease in cash and bank balances of S\$1.3 million.

### Non-current liabilities

Non-current liabilities surged by 388.8% to S\$3.9 million, primarily due to: (i) a S\$2.1 million increase in non-current lease liabilities from the 5-year lease renewal of the Group's Cambodia apparel manufacturing plants; and (ii) a S\$1.0 million increase in long-term borrowings from a new 2-year term loan drawn down by the Group's Singapore subsidiary.

### Current liabilities

Current liabilities rose by 16.2% to S\$41.7 million, mainly due to: (i) an increase of S\$5.5 million in short-term borrowings from additional short-term financing utilised to support higher sales volume; and (ii) a S\$0.8 million increase in trade and other payables, in line with the increase in inventories.

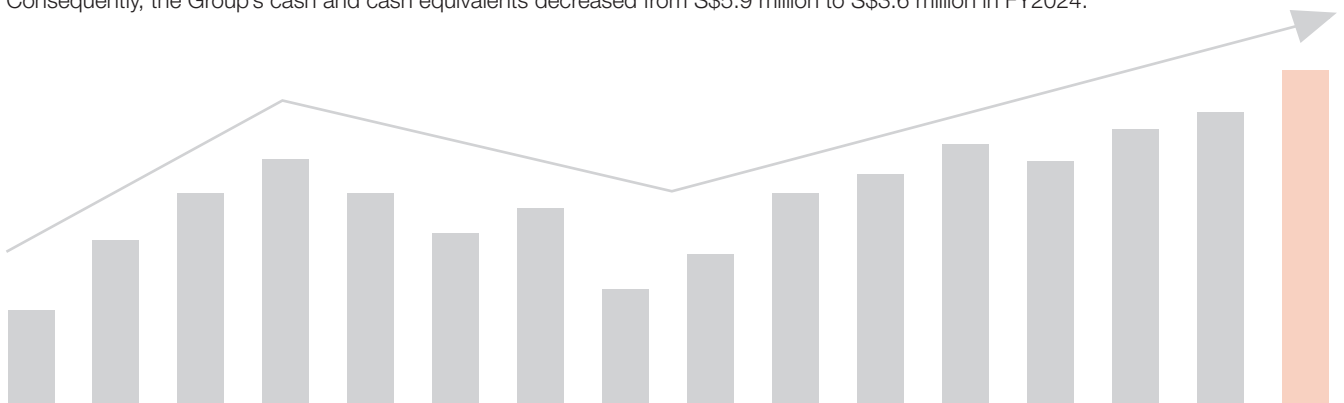
## CASH FLOW

Net cash flow used in operating activities amounted to S\$4.6 million in FY2024, mainly attributed to a loss before tax of S\$4.7 million, arising from production bottlenecks in the cutting department, which resulted in production delays and additional costs during the peak period.

The Group used S\$0.4 million in cash for investing activities, primarily for the acquisition of plant and machinery for its subsidiaries.

Net cash generated from financing activities of S\$2.3 million was mainly due to the drawdown of a new term loan and net proceeds from short-term borrowings. This was partially offset by interest payments, lease liability repayments, director loan repayments, and additional pledged deposit placements.

Consequently, the Group's cash and cash equivalents decreased from S\$5.9 million to S\$3.6 million in FY2024.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Mr Lim Siau Hing**  
*Executive Chairman*

**Mr Damien Lim Vhe Kai**  
*Executive Director and Chief Executive Officer*

**Mr Koh Boon Huat**  
*Non-Executive and Lead Independent Director*

**Mr Ooi Jit Huat** (appointed on 25 June 2024)  
*Non-Executive and Independent Director*

**Mr Lau Ping** (appointed on 25 June 2024)  
*Non-Executive and Independent Director*

## AUDIT COMMITTEE

Mr Ooi Jit Huat (*Chairman*)  
Mr Koh Boon Huat  
Mr Lau Ping

## REMUNERATION COMMITTEE

Mr Koh Boon Huat (*Chairman*)  
Mr Ooi Jit Huat  
Mr Lau Ping

## NOMINATING COMMITTEE

Mr Koh Boon Huat (*Chairman*)  
Mr Ooi Jit Huat  
Mr Lau Ping

## COMPANY SECRETARIES

Ms Chiang Wai Ming (appointed on 17 February 2025)

## SHARE & WARRANT REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services  
9 Raffles Place  
#26-01 Republic Plaza  
Singapore 048619

## INDEPENDENT AUDITOR

Foo Kon Tan LLP  
Public Accountants and Chartered Accountants  
1 Raffles Place  
#04-61 One Raffles Place Tower 2  
Singapore 048616  
Partner-in-charge: Chan Ser  
(Since financial year ended 31 December 2023)

## PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Bhd.  
Standard Chartered Bank Malaysia Berhad  
Malayan Banking Berhad

## REGISTERED OFFICE

9 Raffles Place  
#26-01 Republic Plaza  
Singapore 048619  
Tel: 6236 3459  
Fax: 6236 4399  
Email: info@ktmg.sg

## SPONSOR

SAC Capital Private Limited  
1 Robinson Road  
#21-01 AIA Tower  
Singapore 048542

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# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “**Board**” or “**Directors**”) of KTMG Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is committed to ensuring and maintaining a high standard of corporate governance within the Group to ensure transparency and protection of the interests of the shareholders.

The Group is committed to achieving and maintaining high standards of corporate governance. The Group has substantively complied with the recommendations of the Code of Corporate Governance 2018 (“**Code**”), through effective self-regulatory corporate practices to protect and enhance the interests of its shareholders. The Code aims to promote high levels of corporate governance by putting forth Principles of good corporate governance and Provisions with which companies are expected to comply. The Practice Guidance complements the Code by providing guidance on the application of the Principles and Provisions and setting out best practices for companies.

This report (“**Report**”) describes the Group’s corporate governance processes and activities in conjunction with the requirements of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”) that issuers describe their corporate governance practices with specific reference to the Code in its annual reports.

Pursuant to Rule 710 of the Catalist Rules, the Board confirms that the Company and the Group have complied with and observed the principles set out in the Code of Corporate Governance for the financial year ended 31 December 2024 (“**FY2024**”). The Board also confirms that where there are deviations from the Provisions of the Code, explanations, including the Provision from which the Group has varied, reasons for deviation and how the Group’s practices are consistent with the aim and philosophy of the Principle in question, have been provided in the relevant sections below:–

## BOARD MATTERS

### The Board’s Conduct of Affairs

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

The Board oversees the management of the Company. It sets the corporate strategies of the Group, provides direction and establishes goals for the management. It also supervises the management and monitors performance of these goals to enhance shareholder value. The Board is responsible for the overall corporate governance of the Group.

As at the date of this Report, the members of the Board are as follows:

|                                |  |
|--------------------------------|--|
| Mr Lim Siau Hing @ Lim Kim Hoe | (Executive Chairman)                             |
| Mr Lim Vhe Kai                 | (Executive Director and Chief Executive Officer) |
| Mr Koh Boon Huat               | (Non-Executive and Lead Independent Director)    |
| Mr Ooi Jit Huat                | (Non-Executive and Independent Director)         |
| Mr Lau Ping                    | (Non-Executive and Independent Director)         |

The Board’s principal functions, apart from its statutory duties, are:–

1. Evaluating and approving the Group’s strategic plans, key operational initiatives, major investments and divestments and funding requirements;
2. Reviewing the performance of the business and approving the release of the financial results announcement of the Group to shareholders;
3. Providing guidance in the overall management of the business and affairs of the Group;

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. Overseeing the processes for internal controls, risk management, financial reporting and statutory compliance;
5. Approving the recommended framework of remuneration for the Board and key executives as may be recommended by the Remuneration Committee; and
6. Considering sustainability issues such as environmental and social factors.

Directors are fiduciaries who act objectively in the best interests of the Company and work collaboratively with Management to drive the performance and long-term success of the Group. The Board puts in place a code of conduct and ethics, sets appropriate tone from the top and desired organisational culture, and ensures proper accountability within the Company. Directors who face conflicts of interest will disclose and recuse themselves from related discussions and decision-making processes.

To facilitate effective management, the Board has delegated certain specific responsibilities to three (3) board committees, namely, the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”), and together, the “**Board Committees**”).

The Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. More information on the Board Committees is set out in this Report below. The Board accepts that while the Board Committees have the authority to examine particular issues and will report to the Board their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

Matters which are specifically reserved for decision by the Board include:

- a) Approval and announcement of half-year and full year financial statements results announcements, and the release of the Company’s annual reports;
- b) Convening of shareholders’ meeting and circulars to shareholders to be issued in connection therewith;
- c) Declaration of interim dividends and proposal of final dividends;
- d) Approval of material investments, acquisitions and disposals of assets;
- e) Matters as specified under the SGX-ST’s interested person transaction policy;
- f) Approval of major transactions; and
- g) Approval of corporate or financial structuring, annual budgets, corporate strategy, share issuances, and communications with regulatory authorities and shareholder matters.

The Board ensures that newly appointed Directors are given comprehensive and tailored induction training on joining the Board including onsite visits, if necessary, to familiarise them with the Group’s business operations and the corporate governance practices of the Group upon their appointment, thereby facilitating their effectiveness in discharging their duties.

All Directors are regularly updated by Management and the Corporate Secretary on the industry, business, operations and corporate governance practices of the Group. The Company will, from time to time, invite Directors to attend seminars and briefing sessions to keep pace with financial, corporate governance, regulatory and other changes at the Company’s expense.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Majority of the Directors are members of the Singapore Institute of Directors (“**SID**”), and eligible to receive updates and training from SID. Directors and Senior Management are encouraged to attend relevant courses and subscribe for journal updates on matters of topical interest.

The Board as a whole is kept up-to date from time to time on pertinent business developments in the business and industry, as well as key changes in the relevant regulatory requirements and financial reporting standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority (“**ACRA**”) and news articles/reports (including analyst reports) which are relevant to the Group’s business are regularly circulated to all the directors.

The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management, including attending training in relation to the updates of SFRS(I). In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

All newly appointed Directors who have no prior experience as directors of a listed company in Singapore will undergo training courses organised by the SID on the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST, pursuant to Rule 406(3)(a) of the Catalist Rules. During the year, Mr Ooi Jit Huat and Mr Lau Ping, first time Directors of an SGX-ST listed company, were appointed to the Board as Non-Executive and Independent Directors on 25 June 2024 and Mr Koh Boon Huat, the existing Non-Executive and Independent Director, has been re-designated as the Non-Executive and Lead Independent Director of the Company. The Company will make the necessary arrangements for Mr Ooi Jit Huat and Mr Lau Ping to undergo the mandatory training prescribed by the SGX-ST within 1 year from their date of appointment.

With effect from 1 January 2022, all Directors are required to undergo training on sustainability matters. All the Directors save for Mr Ooi Jit Huat and Mr Lau Ping, have completed the mandated sustainability training course as required by the enhanced SGX sustainability reporting rules. The Company will arrange for Mr Ooi Jit Huat and Mr Lau Ping to attend course(s) on sustainability matters as prescribed by Singapore Exchange Regulation Pte Ltd (“**SGX RegCo**”) in 2025.

The Executive Directors are appointed by way of service agreements, while the Independent Directors will be appointed by way of letters of appointments. The duties and responsibilities of Directors are clearly set out on these service agreements and letters of appointments.

The Board meets regularly at least twice a year, with Board and AC meetings being held at least twice a year, and RC and NC meetings held at least once a year. Informal meetings will also be held to discuss and update on corporate and commercial matters where necessary, or as warranted by circumstances to deliberate on urgent substantive matters or when required to address any specific significant matters that may arise from time to time. Regulation 108(1) of the Company’s Constitution allows for participation in board meetings via telephone conference and other electronic or telegraphic means.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Directors' attendance at Board and Board Committee Meetings held for FY2024 up to the date of this Report is tabulated below:–

| Types of Meetings           | Board                |                          | Audit Committee      |                          | Nominating Committee |                          | Remuneration Committee |                          |
|-----------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|------------------------|--------------------------|
|                             | No. of Meetings Held | No. of Meetings Attended | No. of Meetings Held | No. of Meetings Attended | No. of Meetings Held | No. of Meetings Attended | No. of Meetings Held   | No. of Meetings Attended |
| <b>Names of Directors</b>   |                      |                          |                      |                          |                      |                          |                        |                          |
| Lim Siau Hing @             |                      |                          |                      |                          |                      |                          |                        |                          |
| Lim Kim Hoe                 | 2                    | 2                        | 3*                   | 3*                       | 1*                   | 1*                       | 1*                     | 1*                       |
| Lim Vhe Kai                 | 2                    | 2                        | 3*                   | 3*                       | 1*                   | 1*                       | 1*                     | 1*                       |
| Goh Yeow Tin <sup>(1)</sup> | 2                    | 1                        | 3                    | 1                        | 1                    | 1                        | 1                      | 1                        |
| Yap Boh Pin <sup>(1)</sup>  | 2                    | 1                        | 3                    | 1                        | 1                    | 1                        | 1                      | 1                        |
| Koh Boon Huat               | 2                    | 2                        | 3                    | 3                        | 1                    | 1                        | 1                      | 1                        |
| Ooi Jit Huat <sup>(2)</sup> | 2                    | 1                        | 3                    | 2                        | 1                    | N.A.                     | 1                      | N.A.                     |
| Lau Ping <sup>(2)</sup>     | 2                    | 1                        | 3                    | 2                        | 1                    | N.A.                     | 1                      | N.A.                     |

\* By Invitation

(1) Goh Yeow Tin and Yap Boh Pin retired as the Non-Executive and Lead Independent Director and Non-Executive and Independent Director of the Company on 25 June 2024 respectively.

(2) Ooi Jit Huat and Lau Ping were appointed as the Non-Executive and Independent Directors of the Company on 25 June 2024.

N.A. Not Applicable

When a director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a director of the Company. For FY2024, the NC is of the view that Directors with multiple board representations and other principal commitments, have ensured that sufficient time and attention are given to the affairs of each company. The Board has not fixed the maximum number of listed company board representations and other principal commitments which any Director may hold. Further details of which is set out under Principle 4 of this Report.

The Management provides the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis to ensure that the Directors are able to fulfil its duties and responsibilities and make informed decision. Management also provides periodic reports on material operational and financial matters of the Company and of the Group.

As a general rule, the Board papers are required to be sent by Management to Directors at least seven (7) days before the Board and Board Committee meetings so that the members may better understand the matters before the meetings and discussion may be focused on questions that the Board has.

On an ongoing basis, the information provided to the Board include financial management reports, reports on performance of the Group against the budget with notes on any significant variances, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group. Thereafter, the Company circulates copies of the minutes of the meetings of all Board and Board Committees to all members of the Board to keep them informed of on-going developments within the Group.

The Directors have separate and independent access to the Company's Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. The Board has the right to seek independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors of the Company, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of the Company.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Company Secretary or their respective representatives administer, attend and prepare minutes of Board and Board Committee meetings as well as shareholders' meetings. They assist the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure effective functioning of the Board, and that the Company's Constitution and relevant rules and regulations, including requirements of the Companies Act 1967 (the "**Companies Act**") and the Catalyst Rules are complied with. They also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes with a view of enhancing long-term shareholders' value. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

## Board Composition and Guidance

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

The Board currently comprises five (5) Directors of whom, three (3) are Non-Executive and Independent Directors. The current Chairman of the Board and the Chief Executive Officer ("**CEO**") are immediate family members, and both are Controlling Shareholders of the Company. Hence, the Executive Chairman and the CEO are not independent. In compliance with Provisions 2.2 and 2.3 of the Code, majority of the Board is made up of Non-Executive and Independent Directors as the Chairman is not independent. Accordingly, the independent element on the Board is strong, where the Non-Executive and Independent Directors have been able to exercise objective judgement independently from the Management and substantial shareholders and no individual or small group of individuals dominate the decisions of the Board.

The NC and the Board has adopted the Code's criteria in its review of the independence of an independent director. An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgment in the best interests of the Company.

The independence of each Director will be reviewed annually by the NC and the Board. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines set out in the 2018 Code and the Catalyst Rules. An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company.

The NC and the Board have considered the following to ascertain the independence of the Independent Directors according to the 2018 Code, its Practice Guidance and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalyst Rules:

- (a) the Independent Directors: (i) are not employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC;
- (b) none of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organization which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered;
- (c) none of the Independent Directors are directly associated with a substantial shareholder of the Company; and
- (d) none of the Independent Directors have been appointed to the Board for an aggregate period of more than nine years.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience and collectively possess the necessary core competencies for effective functioning and informed decision-making. In reviewing the composition of the Board and the Board Committees, the NC considers the benefits of Board diversity from various aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. In addition, all Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective. The NC has opined that the current size of the Board is appropriate, taking into account the nature and scope of the Group's operations.

The Board is made up of Directors who are qualified and experienced in various fields as demonstrated in the table below. The Board considers that its composition of Directors is well-balanced, with an appropriate mix of knowledge, business network and commercial experience. The profiles of each of the Directors are provided in pages 10 to 12 of this Annual Report.

The current Board composition provides a diversity of background, knowledge and experience to as follows:-

## Balance and Diversity of the Board

| Core Competencies                         | Number of Directors | Proportion of Board |
|---|---------------------|---------------------|
| Accounting or finance                     | 2                   | 40%                 |
| Business management                       | 5                   | 100%                |
| Legal or corporate governance             | 5                   | 100%                |
| Relevant industry knowledge or experience | 3                   | 60%                 |
| Strategic planning experience             | 3                   | 60%                 |
| Customer based experience or knowledge    | 3                   | 60%                 |

The Group is committed to building a diverse, inclusive and collaborative culture. It recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In view of the Rule 710A of the Catalist Rules and the revised Code, the Company has adopted a board diversity policy ("**Board Diversity Policy**") with NC responsible to review and monitor its implementation.

The NC will take into consideration the following factors to ensure diversity of thought and experiences on Board:

- Age;
- Gender;
- Skills;
- Experience; and
- Background;

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Group's targets with respect to Board diversity are:

- To ensure that the Board is made up of at least half independent directors. Based on the current board composition, comprising one (1) Executive Chairman, one (1) Executive Director and Chief Executive Officer, one (1) Non-Executive and Lead Independent Director and two (2) Non-Executive and Independent Directors, the Board composition of having three (3) IDs making up more than 50% of the entire Board is met and remains a constant ongoing target for the Group;
- To have on Board individuals from various backgrounds, experience, age and gender to provide valuable insights across relevant industries, domain and fields. As demonstrated in the table above, the Board comprises individuals who bring a wealth of experience in various areas. This allows for robust discussions between Board members during decision making processes.

All Board appointments will be based on merit and measured against objective criteria with due regard for the benefits of diversity on Board. The NC will review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

To facilitate a more effective check on the Management, the Non-Executive and Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Executive Chairman, as appropriate.

## Chairman and Chief Executive Officer

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

The Company believes that a clear division of responsibilities between the Executive Chairman and CEO ensures proper balance of power, increased accountability and greater capacity of the Board for independent decision-making. The positions of the Executive Chairman and CEO are held by Mr Lim Siau Hing @ Lim Kim Hoe and Mr Lim Vhe Kai respectively. Mr Lim Siau Hing is the father of Mr Lim Vhe Kai. Notwithstanding that the Executive Chairman and CEO are related, as the AC, NC and RC consist of all Non-Executive and Independent Directors, the Board believes that there are strong independent elements and adequate safeguards in place to ensure that the process of decision making is independent, based on collective decisions without any individual or group of individuals being able to exercise considerable concentration of power or influence.

The Executive Chairman's duties and responsibilities, among others, include:–

- to lead and set the agenda for the Board to ensure its effectiveness;
- scheduling meetings to enable the Board to perform its duties responsibly;
- preparing meeting agenda in consultation with the CEO;
- ensuring the proper conduct of meetings and accurate documentation of the proceedings;
- ensuring smooth and timely flow of information between the Board and Management and between the Company and its shareholders;
- facilitating the effective contribution of the Independent Directors;
- promoting high standards of corporate governance; and
- ensuring compliance with internal policies and guidelines of the Company.

# STATEMENT OF CORPORATE GOVERNANCE

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The CEO's duties and responsibilities, amongst other things, include:-

- improving, developing, extending, maintaining, advising and promoting the Group's businesses to protect and further the reputation, interest and success of the Company and the Group;
- undertaking such duties and exercising such powers in relation to the Company, the Group and their businesses as the Board shall from time to time properly assign to or vest in him in his capacity as CEO and all other matters incidental to the same; and
- overseeing, formulating and implementing corporate strategies and directions for the affairs of the Group.

In view that the Executive Chairman is not independent, Mr Koh Boon Huat as Lead Independent Director will be available to Shareholders where they have concerns for which contact through normal channels of communication with the Executive Chairman or Management are inappropriate or inadequate. In addition to the above, when it is necessary, the Independent Directors shall meet without the presence of the Executive Directors and the Lead Independent Director shall provide feedback to the Board or Executive Chairman, as appropriate, after such meetings.

## Board Membership

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

The NC comprises the following members, all of whom are Non-Executive and Independent. The Lead Independent Director is also the Chairman of the NC.

|                  |  |
|------------------|--|
| Mr Koh Boon Huat | (Chairman of NC and Non-Executive & Lead Independent Director) |
| Mr Ooi Jit Huat  | (Member and Non-Executive & Independent Director)              |
| Mr Lau Ping      | (Member and Non-Executive & Independent Director)              |

The NC's key terms of reference, describing its responsibilities, include:-

- (a) Reviewing succession plans for the Directors, in particular, the appointment and/or replacement of the Executive Chairman, CEO and Management;
- (b) Reviewing and recommending the appointment and re-appointment of the Directors having regard to the Director's contribution and performance, including attendance, preparedness and participation;
- (c) Determining on an annual basis whether or not a Director is independent in accordance to the Code;
- (d) Reviewing the training and professional development programs for the Board;
- (e) Reviewing a Director's multiple board representations on various companies and deciding whether or not such Director is able to and has been adequately carrying out his duties as director; and
- (f) Deciding on how the performance of the Board, its Board Committee and its Directors is to be evaluated and proposing objective performance criteria subject to the approval by the Board.

As described under Principle 2 of this Report, the independence of each Director is reviewed annually, or as and when circumstances require, by the NC based on the guidelines set out in the Code and the Catalist Rules. The NC's assessment of the independence of a director is guided by the Code and takes into account factors such as relationship with the Company, its related corporations, its substantial shareholders or its officers and whether these relationships interfere with his business judgements. The NC has reviewed the independence of Mr Koh Boon Huat, Mr Ooi Jit Huat and Mr Lau Ping and is satisfied that there are no relationships which would deem any of them not to be independent.

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Pursuant to the Constitution of the Company, at each AGM one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retain office under the close of the meeting, whether adjourned or not. All directors, including the CEO, submit themselves for re-nomination and re-election at regular intervals of at least once every three years. In addition, a newly appointed director must retire from office and submit for re-election at the next following AGM.

The NC ensures that any newly-appointed directors are aware of their duties and obligations as a director of the Company. When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a director of the Company. The list of listed company directorships and principal commitments of each director is set out under the “Board of Directors” section of this annual report.

For FY2024, the NC is of the view that Directors with multiple board representations and other principal commitments, have also ensured that sufficient time and attention are given to the affairs of each company. Accordingly, as the NC is of the view that the multiple board directorships and principal commitments do not impede their respective performance in carrying out their duties towards the Company, the Board, with the concurrence of the NC, has not fixed the maximum number of listed company board representations and other principal commitments which any Director may hold. It will do so when deemed necessary.

The search and nomination process for new Directors, if any, will be conducted in the following manner:

- a) identify the competencies required to enable the Board to fulfil its responsibilities;
- b) seek external assistance, if the need arises, by approaching relevant institutions such as the Singapore Institute of Directors, search companies or via public advertisements to search for suitable candidates. The search for suitable candidates could also be drawn from the contacts and network of the existing Directors and senior management;
- c) conduct formal interviews of short-listed candidates to assess suitability and to ensure that the candidates are aware of the expectations and the level of commitment required of them; and
- d) make recommendations to the Board for approval.

When considering the re-nomination of a Director for re-election, the NC will consider the Directors' overall contribution and performance (such as the time commitment by the Board members with multiple board representations, attendance, preparedness, participation and candour) with reference to the results of the assessment of the performance of the individual director by his peers. Upon review, the Directors are recommended to the Board for re-appointment.

Each member of the NC shall abstain from deliberations and voting on any resolutions in respect of the assessment of his performance, appointment or re-appointment as a Director.

The following Directors will stand for re-election and/or appointment at the forthcoming AGM of the Company to be convened on 30 April 2025:–

- (i) Pursuant to Regulation 118 & 119 of the Company's Constitution:
  - Mr Lim Vhe Kai
  - Mr Koh Boon Huat

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The requirements under Rule 720(5) of the Catalist Rules are stipulated in the table below:

|   | MR LIM VHE KAI  | MR KOH BOON HUAT   |
|---|---|--|
| Date of Appointment   | 18 February 2019  | 18 February 2019   |
| Date of last re-appointment   | 27 April 2023   | 28 April 2022  |
| Age   | 50  | 71   |
| Country of principal residence  | Malaysia  | Malaysia   |
| The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) | The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contributions, qualifications, work experience and suitability of Mr Lim Vhe Kai for re-appointment as Executive Director and Chief Executive Officer of the Company. The Board has reviewed and concluded that Mr Lim Vhe Kai possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. | The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the contributions, qualifications, work experience and suitability of Mr Koh Boon Huat for re-appointment as Non-Executive and Lead Independent Director of the Company, Chairman of the Nominating and Remuneration Committees and Member of the Audit Committee. The Board has reviewed and concluded that Mr Koh Boon Huat possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. |
| Whether appointment is executive, and if so, the area of responsibility   | Executive   | Non-Executive  |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)   | Executive Director and CEO  | Non-Executive and Lead Independent Director, Chairman of the Nominating and Remuneration Committees and Member of the Audit Committee.   |
| Professional qualifications   | Mr Lim Vhe Kai graduated with a Bachelor of Science, Computer Information Systems (Honours) from the University of Windsor, Ontario, Canada in 1997.  | In February 1998, Mr Koh Boon Huat obtained his Diploma in Management from Malaysian Institute of Management, and in April 2006, he graduated with a degree in Management (Honours) from Multimedia University.  |
| Working experience and occupation(s) during the past 10 years   | Knit Textiles Mfg. Sdn. Bhd. (August 2002 – Present) – Marketing Director   | United Overseas Bank (Malaysia) Bhd (March 2001 to June 2016) – Manager  |
| Shareholding interest in the listed issuer and its subsidiaries   | Indirect Interest: 85,000,000 ordinary shares<br><br>Pursuant to Section 4 of the Securities and Futures Act 2001, Mr Lim Vhe Kai is treated as having an interest in the shares of KTMG Limited held by Wyandotte Capital Limited because the entire issued and paid-up share capital of Wyandotte Capital Limited is held by Lion Trust (Singapore) Limited for a family trust of which Mr Lim Vhe Kai is a beneficiary.  | Nil  |

# STATEMENT OF CORPORATE GOVERNANCE

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|  | MR LIM VHE KAI   | MR KOH BOON HUAT   |
|--|--|--|
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries   | Mr Lim Vhe Kai is the son of Mr Lim Siau Hing @ Lim Kim Hoe, the Executive Chairman of the Company.  | No   |
| Conflict of Interest (including any competing business)  | No   | No   |
| Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer  | Yes  | Yes  |
| Other Principal Commitments*<br>Including Directorships#   |  |  |
| Past (for the last 5 years)  | <u>Past 5 Years</u> <ul style="list-style-type: none"> <li>– High Essential Sdn. Bhd.</li> <li>– Kaji Sdn. Bhd,</li> <li>– Precise Action Sdn. Bhd.</li> <li>– Haruaki Ventures Sdn. Bhd.<br/>(struck off on 26 February 2020)</li> </ul>  | <u>Past 5 Years</u> <ul style="list-style-type: none"> <li>– Acoustech Bhd.</li> </ul> |
| Present  | <u>Present</u> <ul style="list-style-type: none"> <li>– Knit Textile Corporation Pte. Ltd.</li> <li>– Knit Textiles Mfg. Sdn. Bhd.</li> <li>– Knit Textile Integrated Industries Sdn. Bhd.</li> <li>– Knit Textile Vietnam Company Limited</li> <li>– Moon Apparel (Cambodia) Co., Ltd.</li> <li>– Callisto Apparel (Cambodia) Co., Ltd.</li> <li>– Xentika Limited</li> <li>– Pocketbrands Sdn. Bhd.</li> <li>– Vertical Delta Sdn. Bhd.</li> </ul> | <u>Present</u> <ul style="list-style-type: none"> <li>– Nil</li> </ul>                 |
| a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No   | No   |

# STATEMENT OF CORPORATE GOVERNANCE

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|  | MR LIM VHE KAI | MR KOH BOON HUAT |
|--|----------------|------------------|
| b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No             | No               |
| c) Whether there is any unsatisfied judgment against him?  | No             | No               |
| d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?  | No             | No               |
| e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?  | No             | No               |

# STATEMENT OF CORPORATE GOVERNANCE

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|   | MR LIM VHE KAI | MR KOH BOON HUAT |
|---|----------------|------------------|
| f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No             | No               |
| g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?  | No             | No               |
| h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?   | No             | No               |
| i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?  | No             | No               |

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|   | MR LIM VHE KAI                          | MR KOH BOON HUAT                        |
|---|---|---|
| <p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p> | <p>No</p> <p>No</p> <p>No</p> <p>No</p> | <p>No</p> <p>No</p> <p>No</p> <p>No</p> |
| <p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>   | <p>No</p>                               | <p>No</p>                               |

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|  | MR LIM VHE KAI | MR KOH BOON HUAT |
|--|----------------|------------------|
| Any prior experience as a director of a listed company?  | N.A.           | N.A.             |
| If yes, please provide details of prior experience.  |                |                  |
| If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.       |                |                  |
| Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). |                |                  |

## Board Performance

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

The NC is responsible for assessing the effectiveness of the Board as a whole and its Board Committees, as well as the contribution of each individual director to the effectiveness of the Board. In respect of which, the NC has adopted guidelines for a formal annual assessment and has established a review process and performance criteria which are approved by the Board.

In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria. The performance criteria for the Board and its Board Committees' evaluations were in respect of size and composition, processes, information, performance, meeting attendance, participation and contributions of the Board and its Board Committees in relation to discharging its principal functions and responsibilities and targets. The results of the assessment checklists are collated by the Company Secretary and presented to the NC for review, before submission to the Board. These performance criteria used has been approved by the Board and will not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the Board will then justify the decision for such change.

The Board, together with the NC, reviews each individual Board member's performance and effectiveness, as well as the performance and effectiveness of the Board Committees and the Board are undertaken on a continuous basis by the NC with inputs from the various Board members.

Based on the above review, the NC is satisfied that the Board, as a whole, and its Board Committees, has been effective, and that each Director has contributed sufficiently to the effective functioning of the Board.

The Chairman of the NC will also take into consideration the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board, or seek the resignation of directors.

No external facilitators were used in the performance assessment for FY2024.

# STATEMENT OF CORPORATE GOVERNANCE

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## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

The RC comprises entirely of Non-Executive Directors, all of whom, including the Chairman of the RC, are independent:–

|                  |  |
|------------------|--|
| Mr Koh Boon Huat | (Chairman of RC and Non-Executive & Lead Independent Director) |
| Mr Ooi Jit Huat  | (Member and Non-Executive & Independent Director)              |
| Mr Lau Ping      | (Member and Non-Executive & Independent Director)              |

The RC's key terms of reference, describing its responsibilities, include:–

- To review and recommend to the Board all matters relating to the specific remuneration packages, including but not limited to directors' fees, salaries, allowances, bonuses and benefits-in-kind, of the Directors and key management personnel as well as to ensure the termination terms are fair;
- To review and make recommendations to the Board on the implementation of any appropriate long term incentive schemes for the Directors and employees of the Group;
- To review remuneration of all managerial staff that are related to any of the Directors, the CEO and any substantial shareholder of the Company;
- To review and recommend the remuneration framework, as well as the terms of employment of the Executive Directors and key management personnel, and to ensure that the level and structure of their remuneration should be aligned with the long-term interest and risk policies of the Company;
- To structure a significant and appropriate proportion of Executive Directors' and key management personnel's remuneration so as to link rewards to corporate and individual performances. Such remuneration should also be aligned with the interests of shareholders and promote the long-term success of the Company; and
- To review and ensure that the remuneration of Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the directors and they should not be over-compensated to the extent that their independence may be compromised.

The RC is responsible for ensuring a formal and transparent procedure for developing an appropriate executive remuneration policy and a competitive framework. In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

The RC has recommended to the Board a framework of remuneration which covers various aspects of remuneration, including, but not limited to, salaries, allowances, bonuses, and benefits-in-kind, and the specific remuneration packages for each Executive Director and key management personnel in order to retain and motivate each of them to run the business and operations successfully.

The RC's recommendations are submitted for endorsement by the entire Board. No director is involved in the reviewing, deliberating or voting on any resolutions in respect of his own remuneration package or that of any employees who are related to him. External remuneration consultant's advice will be sought, where necessary, when a major remuneration review is conducted. For FY2024, no external remuneration consultant was appointed.

# STATEMENT OF CORPORATE GOVERNANCE

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## Level and Mix of Remuneration

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

In recommending a remuneration framework, the RC takes into account the performance of the Group as well as that of the Directors and key management personnel, aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks, and aims to promote the long-term success of the Group.

Accordingly, the remuneration package of the Executive Directors and key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance.

The remunerations of the Non-Executive and Independent Directors are set out in accordance with a framework comprising a basic directors' fees, in addition to Board Committees' fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent, and responsibilities of Directors are taken into account. The Company believes that the current remuneration of the Independent Directors is at a level that will not compromise the independence of the Directors. Directors' fees are paid subject to approval of shareholders at each AGM.

There are no contractual provisions to allow the Company to reclaim incentive components of remunerations from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The Company entered into separate service agreements (the "**Service Agreements**") with Mr Lim Siau Hing @ Lim Kim Hoe and Mr Lim Vhe Kai as the Executive Chairman, and Executive Director and CEO of the Company respectively. The Service Agreements were established for an initial period of three years and upon the expiry of such period, the employment of Mr Lim Siau Hing @ Lim Kim Hoe and Mr Lim Vhe Kai shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree, provided any variation of the terms shall be subject to the approval of the RC and the Board.

The remuneration of the Executive Directors includes, among others, a fixed salary, a fixed annual bonus of three (3) months' salary and an annual variable performance bonus determined on an annual profit-sharing basis, which is intended to spur the Executive Directors on to further optimise their performance and efficiency and to reward them for their significant contributions to the Group. There are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the Executive Directors. Further details of the Services Agreements are set out under Principle 8 of this Report.

The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors to provide good stewardship of the Group and key management personnel to successfully manage the Group for the long term.

# STATEMENT OF CORPORATE GOVERNANCE

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## Disclosure on Remuneration

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

Details of the remuneration of the Directors and key management personnel of the Group for FY2024 are set out below:

| Directors                      | Fees    | Salary  | Benefits-in-kind | Bonus   | Total   |
|--------------------------------|---------|---------|------------------|---------|---------|
|                                | S\$'000 | S\$'000 | S\$'000          | S\$'000 | S\$'000 |
| Lim Siau Hing @ Lim Kim Hoe    | –       | 263     | 3                | 46      | 312     |
| Lim Vhe Kai                    | –       | 246     | 8                | 37      | 291     |
| Mr Goh Yeow Tin <sup>(1)</sup> | 13      | –       | –                | –       | 13      |
| Mr Yap Boh Pin <sup>(1)</sup>  | 14      | –       | –                | –       | 14      |
| Koh Boon Huat <sup>(2)</sup>   | 29      | –       | –                | –       | 29      |
| Ooi Jit Huat <sup>(3)</sup>    | 16      | –       | –                | –       | 16      |
| Lau Ping <sup>(3)</sup>        | 13      | –       | –                | –       | 13      |

Notes:

- (1) Goh Yeow Tin and Yap Boh Pin retired as the Non-Executive and Lead Independent Director and Non-Executive and Independent Director of the Company on 25 June 2024 respectively.
- (2) Koh Boon Huat was re-designated as the Non-Executive and Lead Independent Director of the Company on 25 June 2024.
- (3) Ooi Jit Huat and Lau Ping were appointed as the Non-Executive and Independent Directors of the Company on 25 June 2024.

| Key Management  | Designation             | Breakdown of Remuneration in Percentage (%) |                  |       |       |        |
|-----------------|-------------------------|---|------------------|-------|-------|--------|
|                 |                         | Salary                                      | Benefits-in-kind | Bonus | Total |        |
|                 |                         | %   | %                | %     | %     |        |
| Chew Chong Kiat | Chief Operating Officer | 87.4  | 3.7              | 8.9   | 100   | Band B |
| Bong Wee Khong  | Chief Financial Officer | 89.9  | 0.7              | 9.4   | 100   | Band B |

- Band A: Compensation from S\$100,000 and below per annum  
 Band B: Compensation between S\$100,001 and S\$200,000 per annum  
 Band C: Compensation between S\$200,001 and S\$300,000 per annum  
 Band D: Compensation between S\$300,001 and S\$400,000 per annum

The aggregate amount of the total remuneration paid to the Key Management Personnel (who are not Directors or CEO) is S\$267,000 in FY2024. For FY2024, there are only two Key Management Personnel of the Group, excluding the Executive Chairman and the CEO.

In line with Provision 8.1(b) of the Code, the Company discloses the remuneration of its Key Management Personnel in salary bands and aggregate amount of remuneration paid to Key Management Personnel. The Board is of the view that such disclosure provides sufficient transparency to enable shareholders to understand the Company's remuneration policies in relation to its Key Management Personnel.

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Save as disclosed, there are no termination, retirement and post-employment benefits that may be granted to the Directors and key management personnel.

Ms Lim Sin Jet, who is the daughter of the Executive Chairman, Mr Lim Siau Hing @ Lim Kim Hoe and sister of the CEO, Mr Lim Vhe Kai, holds the position of Corporate Communications Manager of the Company, with a remuneration band of below S\$100,000. The RC is of the view that her remuneration is in line with Company's staff remuneration guidelines and commensurate with her job scopes and level of responsibilities.

Save for which, there are no full-time employees who are substantial shareholders, or are immediate family members of the Directors, the CEO or substantial shareholders, and whose remuneration exceeds S\$100,000 during FY2024.

The remuneration package for the Executive Directors is based on the terms stipulated in their Service Agreements. Besides the monthly salary, Mr Lim Siau Hing @ Lim Kim Hoe and Mr Lim Vhe Kai's remuneration includes a performance-related annual profit-sharing scheme designed to align the interests with those of the shareholders. The amount of annual variable bonus will be calculated based on the Group's profit before tax and determined as follows:

| PBT   | Amount of variable bonus |
|---|--------------------------|
| Where PBT does not exceed RM7.0 million                             | Nil                      |
| Where PBT exceeds RM7.0 million but does not exceed RM10.0 million  | 3.0% of the PBT          |
| Where PBT exceeds RM10.0 million but does not exceed RM13.0 million | 3.5% of the PBT          |
| Where PBT exceeds RM13.0 million                                    | 4.0% of the PBT          |

Pursuant to the Service Agreements, the Executive Directors will be provided a private vehicle in Malaysia and the Company shall be responsible for all road taxes and expenses incurred in respect of such car, including petrol, insurance, maintenance, operating and repair expenses. All travelling, accommodation, meals, entertainment expenses, mobile phone and other out-of-pocket expenses reasonably incurred by the Executive Directors in the proper performance of their duties will be borne by the Company.

The Company has adopted a remuneration policy for staff comprising a fixed (basic salary) and variable (bonus) components. The variable component is linked to both the performance of the Company and that of the individual. RC has also reviewed the remuneration packages of employees who are related to Directors, substantial shareholders or Management, and has compared with those of their peers to ensure that they are treated fairly and without undue favouritism.

## ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

The Board is responsible for presenting a balanced and understandable assessment of the Company's performance, position and prospects. The Company is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with the statutory requirements and the Catalist Rules.

The Company recognises the importance of providing the Board with accurate and relevant information on a timely basis so that it may effectively discharge its duties.

# STATEMENT OF CORPORATE GOVERNANCE

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The Management provides the Board members with the Company's financial results at each half yearly Board meeting, as well as relevant updates, background information and documents relating to the items of business to be discussed at each Board meeting, such as copies of disclosure documents, budgets, forecasts, are circulated to the Board in advance of the scheduled meeting.

The Board is also provided with such financial information, updates and explanations to safeguard the Company's utilisation of cash and make informed decisions on a regular basis.

## Risk Management and Internal Controls

The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board acknowledges that it is responsible for the overall internal control framework but recognises that no internal control system will preclude all errors and irregularities. The Board has ensured that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest while also overseeing management in the area of risk management and internal controls. Notwithstanding the aforesaid, procedures are in place to identify major business risks and evaluate potential financial effects.

In addition, the AC conducts an annual review and evaluation of the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance, including sanctions-related risks and information technology controls and risk management. The AC and Board are responsible for the Group's risk management and internal controls system, including financial, operational, compliance, including sanctions-related risks and information technology controls.

The external auditors conduct, in the course of their statutory audit, an annual review of the effectiveness of the Company's material internal controls in accordance with the scope outlined in their audit plan. Material internal control weaknesses noted during their audit (if any) and the auditors' recommendations are reported to the Board and the AC. Appropriate remedial actions are taken to address them. For FY2024, no material internal control weaknesses were noted by the external auditors.

In view of the above and based on the internal controls established and maintained by the Group, work performed by the internal auditors, statutory audits conducted by the external auditors and reviews performed and assurance by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls in place are adequate and effective to provide reasonable assurance of achieving its internal control objectives and to address the Company's financial, operational, compliance and information technology risks, and risk management systems.

Taking into consideration the current operations of the Group and the size and composition of the Board, the Board collectively oversees risk management and does not have a separate risk committee.

The Board has also received assurance from Mr Lim Vhe Kai, the CEO, and Mr Bong Wee Khong, the Chief Financial Officer that:-

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) that the Group's risk management and internal control systems are effective and adequate.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## Audit Committee

### Principle 10: The Board has an Audit Committee (“AC”) which discharges its duties objectively.

The AC comprises three members, all of whom are Non-Executive and Independent Directors:–

|                  |   |
|------------------|---|
| Mr Ooi Jit Huat  | (Chairman of AC and Non-Executive and Independent Director) |
| Mr Koh Boon Huat | (Member and Non-Executive and Lead Independent Director)    |
| Mr Lau Ping      | (Member and Non-Executive and Independent Director)         |

The members of the AC have many years of experience in business management and financial services. The Chairman of the AC is a very experienced and qualified accountant and the other members have significant experience in financial management. As such, the Board views all members of the AC to have recent and relevant accounting or related financial management expertise and experience to discharge their responsibilities properly.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to and the co-operation of Management and the full discretion to invite any Director or executive officer to attend its meetings and has reasonable resources to enable it to discharge its functions properly.

The AC’s scope of work is governed by written terms of reference. Specifically, the AC meets, at least half-yearly, on a periodic basis, or as and when appropriate, to perform the following functions:

- (a) Review the interim financial results and annual financial statements and the external auditors’ report on the annual financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgments, compliance with Singapore Financial Reporting Standards (International) as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management to ensure the integrity of the financial statements of the Group and any announcements relating to the financial performance, where necessary, before submission to the Board for approval;
- (b) Review the policy and arrangements by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC, concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be safely raised and independently investigated, and for appropriate follow-up action to be taken;
- (c) Review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company’s financial performance;
- (d) Review the assurance from the CEO and the Financial Controller on the financial records and financial statements;
- (e) Review at least annually the adequacy and effectiveness of the Company’s internal controls and risk management systems;
- (f) Assist the Board of Directors in the identification and monitoring of areas of significant business risks with the help of internal and external auditors;
- (g) Review the effectiveness of the financial and accounting control systems and management of financial and business risks;
- (h) Review and approve the Group’s transfer pricing policy and hedging policy (if any), and conduct periodic reviews of the transfer pricing policy and hedging policy, together with the foreign exchange transactions and hedging activities undertaken by the Group;

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

- (i) Review compliance with the Catalist Rules and the Code of Corporate Governance;
- (j) Review with the external and internal auditors their respective audit plans, reports and their evaluation of the adequacy and effectiveness of the Group's system of risk management and internal controls;
- (k) Make recommendations on the appointment and removal of external auditors and to review the level of audit fees and terms of engagement of the external auditors;
- (l) Review the independence of the Company's external and internal auditors on an annual basis;
- (m) Review the adequacy, effectiveness, scope and results of the external audit, and the Company's internal audit function; and
- (n) Review interested person transactions in accordance with the requirements of the Catalist Rules.

The AC has reviewed and is satisfied with the level of co-operation provided by Management to the external auditors. The AC is also of the view that the scope of audit, experience levels of the audit staff and quality of the audits are adequate. The AC also convenes meetings with the external auditors and internal auditors without the presence of Management to discuss matters relating to the audits, at least on an annual basis.

## Key Audit Matters

In its review of the financial statements of the Group for FY2024, the AC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the financial statements. The AC also met with the external auditors to discuss the audit findings as well as their audit. During the audit of the financial statements for FY2024, two key audit matters ("**KAM**") were reported by the external auditors and is set out on page 50 to 52 of this Annual Report, being recoverability on trade receivables and impairment testing of non-financial assets. The AC reviewed the KAM and concurred with the external auditor and Management on their assessments, judgements and estimates on the significant matters reported by the external auditor. Taking into consideration, inter alia, the approach and methodology used, as well as the engagement of independent valuation specialists to act as Management's expert in relation to the valuation of the Group's property, plant and equipment and right-of-use assets, the AC is of the view that the KAM have been properly addressed.

The AC reviews all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the auditors. The fees payable to the External Auditors of the Group for statutory audit services were S\$105,000 in respect of FY2024. During the year, no non-audit fee were paid to the External Auditors.

The AC has recommended that Foo Kon Tan LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the AC considered and reviewed a number of key factors, including among other things, adequacy of the resources and experience of supervisory and professional staff as well as the audit engagement partner assigned to the audit, the size and complexity of the Group and its businesses and operations.

Where the external auditors raise any significant issues (e.g. adjustments) which have a material impact on the interim financial statement or financial updates previously announced by the Company, the AC will bring this to the Board's attention, and the Board will then consider whether an immediate announcement under Rule 703 of the Catalist Rules are necessary. The AC will also advise the Board on any necessary changes to improve the quality of future interim financial statements or financial updates.

No former partner or director of Company's existing auditing firm, Foo Kon Tan LLP, has acted as a member of the Company's AC: (a) within a period of two (2) years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for so long as he has any financial interest in the auditing firm or auditing corporation.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Foo Kon Tan LLP as the auditors of the Company and its significant subsidiary.

## Internal Audit

The Company outsources the internal audit function to an external professional firm to perform the review and test of controls of the Group's processes. The Company has appointed CLA Global TS Risk Advisory Pte. Ltd. ("**CLA Global TS**") (formerly known as Nexia TS) as the internal auditor to review the internal control processes of the Group. CLA Global TS is an independent network member of CLA Global and each CLA Global network member is a member of CLA Global Limited, a UK private company limited by guarantee. CLA Global TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The current engagement team assigned comprises of 3 members and is led by Ms Pamela Chen who has over 15 years of experience in performing internal audits for listed companies. The primary reporting line of the internal auditors is to the AC. The AC also decides on the appointment, termination and remuneration of the internal auditors.

The internal auditors plan its internal audit schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC will review the activities of the internal auditors, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified. The internal auditors carry out their work in accordance with International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, and has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company. During the financial year, no material weaknesses were highlighted by the internal auditors in its review. Accordingly, the AC is satisfied that the internal audit function has adequate resources to perform its function effectively, has appropriate standing within the Company and is independent of the activities it audits. The AC is also satisfied that the IA function is staffed by suitably qualified and experience professionals with the relevant experience.

## Whistle-blowing Policy

The Group has established a whistle-blowing framework, endorsed by AC, which provides an avenue for employees of the Group and the members of the public (e.g., suppliers, vendors, associated stakeholders and customers of the Group) may, in confidence, raise genuine concerns about possible corporate malpractices and improprieties in financial reporting or any other wrongdoings within the Group directly to Mr Ooi Jit Huat, Chairman of the AC.

The whistle-blowing policy is publicly disclosed on the Company's website, and the procedures for raising such concerns as well as the designated whistle-blowing communication channel, i.e., email address, are clearly communicated to employees. The objective of this arrangement is to ensure independent investigation of such matters raised and for appropriate follow-up action, and to provide assurance on the confidentiality of the identity of the whistle-blower as well as to protect the whistle-blower against adverse and detrimental actions for whistle blowing in good faith.

As anonymous reports may be difficult to act upon effectively, whistle-blowers are encouraged to identify themselves to facilitate the investigation of the matters reported. However, an anonymous reporting may still be considered, subject to the severity and credibility of the issues raised and the likelihood of confirmation of the allegation from attributable sources.

The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant and effective.

There was no whistle-blowing report received during FY2024 and until the date of this Annual Report.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### Shareholder Rights and Conduct of General Meetings

**Principle 11:** The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

### Engagement with Shareholders

**Principle 12:** The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

It is the Group's intention to ensure that all shareholders are treated fairly and equitably to ensure their ownership rights are met. Timely and transparent disclosures are made to ensure all shareholders are informed of any changes in the Group or its business which would be likely to materially affect the price or value of the Company's shares.

The Company's AGM are the principal forum for dialogue with shareholders and to understand the views of the shareholders and also for the shareholders to ask the Board questions regarding the Company. Shareholders are encouraged to attend the AGMs and extraordinary general meetings, where they are given the opportunity to attend and participate effectively in and vote at general meetings. Notice of such meetings will be advertised in newspapers and announced on SGXNet.

The rules, including voting procedures, that govern general meetings of shareholders are also clearly communicated to the shareholders. Separate resolutions on each substantially separate issue are tabled at general meetings, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

The Company conducts voting by poll and makes announcement on the detailed results showing the number of votes cast for and against each resolution and the respective percentages. At present, the Company does not conduct voting by electronic polling as shareholders turn-out at AGM has been manageable.

Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, a member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act. Provision 11.4 of the Code states that the Company's Constitution should allow for absentia voting at general meetings of shareholders. However, the Company is not implementing absentia-voting methods such as by mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved.

At general meetings, shareholders of the Company will be given the opportunity to present their views and to put questions regarding the Group to Directors and Management. All Directors and Management will be present at these meetings to address any questions that shareholders may have. The external auditors will also be present to assist the Board in addressing queries by shareholders relating to audit matters.

For FY2024, all Directors were present at the last AGM held on 25 June 2024. Save for the aforementioned general meeting, no other general meeting were held during FY2024.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes of the last AGM held on 25 June 2024 were published by the Company on SGXNet and its corporate website on 25 July 2024. The Company also will be publishing the minutes of the forthcoming AGM on SGXnet and on its corporate website within a month of the date of the AGM.

The Company also ensures that timely and adequate disclosures of information on matters of material impact or significance relating to the Group are made to shareholders of the Company through SGXNet and other information channels, in compliance with the requirements set out in the Catalist Rules, with particular reference to the Corporate Disclosure Policy set out therein. The Company does not practice selective disclosure and all material and price sensitive information are publicly released via SGXNet either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

All half yearly and full year results announcements, annual reports, dividend declaration and notices of book closure are announced via SGXNet or issued within the prescribed period under the Catalist Rules.

The Board notes that Provision 11.6 of the Code sets out that the company should have a dividend policy and communicates it to shareholders. However, in line with the Group's strategy of maintaining a strong balance sheet with sufficient resources for future investment purposes for long-term and sustainable growth, the Group does not presently have a prescribed dividend policy. Nonetheless, the Company is of the view that the following disclosure would constitute a balanced and understandable assessment of its position on a dividend policy, and such practice is consistent with the intent of Principle 11 of the Code. Additionally, the Company also discloses the reasons for the decision of the Board not to declare or recommend a dividend, together with the announcement of the financial statements, which is in line with Rule 704(23) of the Catalist Rules.

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.

Ms Lim Sin Jet, the daughter of Mr Lim Siau Hing @ Lim Kim Hoe (Executive Chairman) and sister of Mr Lim Vhe Kai (Executive Director and Chief Executive Officer) is the Corporate Communications Manager of the Company, to support the Group in facilitating communications with shareholders.

In order to allow for an ongoing exchange of views, and to actively engage and promote regular, effective and fair communication with shareholders, the Company has listed a designated email address, [ir@ktmg.sg](mailto:ir@ktmg.sg), on the 'Investor Relations' page of its corporate website, [www.ktmg.sg](http://www.ktmg.sg). Through this email address, shareholders may directly engage the Company's corporate communications team, which is headed by Ms Lim Sin Jet, with enquiries. Through which, the corporate communications team may also respond to such questions.

## MANAGING STAKEHOLDERS RELATIONSHIPS

### Engagement with Stakeholders

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Group has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations.

# STATEMENT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Company takes its corporate social responsibility seriously and it is not involved nor does it have any legal violation pertaining to labour, employment, consumer, insolvency, commercial, competition or environmental issues.

The Company maintains a corporate website at [www.ktmg.sg](http://www.ktmg.sg) to communicate and engage with stakeholders.

## DEALING IN SECURITIES

The Company has internal compliance policies to provide guidance to its officers with regard to dealing in its securities. Officers are advised not to deal in the Company's securities on short-term considerations.

The Company has established an internal policy to inform its directors and employees not to deal in the Company's shares whilst they are in possession of unpublished material price-sensitive or trade-sensitive information and also during the period commencing one (1) month prior to the announcement of the Group's half-yearly and full year results. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading periods.

## INTERESTED PERSON TRANSACTIONS

The Group has not obtained a shareholder's mandate pursuant to Rule 920 of the Catalist Rules of the SGX-ST. There were no interested person transactions conducted during FY2024 which exceeds S\$100,000 in value.

## MATERIAL CONTRACTS

Save for the Service Agreements entered into between the Executive Directors and the Company, there were no other material contracts entered into by the Company or its subsidiaries, involving the interests of the CEO or any director or controlling shareholder either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

## SUSTAINABILITY REPORT

Pursuant to Rule 711B(3) of the Catalist Rules of the SGX-ST, it requires Issuers to conduct an internal review of their sustainability reporting process to increase stakeholder confidence in the accuracy and reliability of the sustainability information disclosed. Accordingly, the internal auditor reviewed processes in relation to its sustainability reporting which included in their internal audit plan for FY2024.

The Company is in the midst of finalising its Sustainability Report for FY2024 which will be identifying and assessing the material environmental, social and governance factors by taking into consideration their relevance to the business, strategy, business model and key stakeholders. It will be made available to the shareholders on the SGXNet and the Company's website on a standalone basis by 30 April 2025.

## NON-SPONSORSHIP FEES

There was no non-sponsor fees paid to the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**") for FY2024.

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors submit this statement to the members together with the audited consolidated financial statements of KTMG Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2024.

In the opinion of the directors,

- (a) the accompanying financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2024 in accordance with the provisions of the Singapore Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, as disclosed in Note 1.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## Names of directors

The directors of the Company in office at the date of this report are:

Lim Siau Hing @ Lim Kim Hoe  
 Lim Vhe Kai  
 Koh Boon Huat  
 Ooi Jit Huat (appointed on 25 June 2024)  
 Lau Ping (appointed on 25 June 2024)

## Directors' interest in shares, debentures, warrants or options

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares, debentures, warrants or options of the Company or its related corporations, except as follows:

|                                       | Number of ordinary shares                    |                     |                    |   |                     |                    |
|---------------------------------------|--|---------------------|--------------------|---|---------------------|--------------------|
|                                       | Shares registered<br>in the name of director |                     |                    | Shares in which director is<br>deemed to have an interest |                     |                    |
|                                       | As at<br>1.1.2024                            | As at<br>31.12.2024 | As at<br>21.1.2025 | As at<br>1.1.2024   | As at<br>31.12.2024 | As at<br>21.1.2025 |
| <b>The Company –<br/>KTMG Limited</b> |  |                     |                    |   |                     |                    |
| Lim Siau Hing @<br>Lim Kim Hoe        | 47,750,000                                   | 47,750,000          | 47,750,000         | 85,000,000  | 85,000,000          | 85,000,000         |
| Lim Vhe Kai                           | –  | –                   | –                  | 85,000,000  | 85,000,000          | 85,000,000         |

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## Directors' interest in shares, debentures, warrants or options (Continued)

By virtue of Section 7 of the Act, Mr. Lim Siau Hing @ Lim Kim Hoe and Mr. Lim Vhe Kai are deemed to have interests in the shares of the Company held by Wyandotte Capital Limited, as the entire issued and paid-up share capital of Wyandotte Capital Limited is held by a family trust of which Mr. Lim Siau Hing @ Lim Kim Hoe and Mr. Lim Vhe Kai are the beneficiaries, by virtue of their interests of not less than 20% of the issued share capital of the Company, are deemed to have an interest in the whole of the share capital of the Company's wholly owned subsidiaries.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or related corporations, either at the beginning or at the end of the financial year.

## Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

Ooi Jit Huat (Chairman)  
Lau Ping  
Koh Boon Huat

The Audit Committee performs the functions set out in Section 201B(5) of the Act, the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**") and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the following:

- (i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;
- (ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (iii) the half yearly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 as well as the auditor's report thereon;
- (iv) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;
- (v) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;
- (vi) reviewed legal and regulatory matters that may have a material impact to the financial statements, related compliance policies and programmes and any reports received from regulators;
- (vii) reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- (viii) reviewed the nature and extent of non-audit services provided by the external auditor;

# DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## Audit Committee (Continued)

- (ix) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- (x) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate;
- (xi) reviewed with the Board of Directors and management the possible risks or exposures that may exist and identifying the necessary steps to take in order to minimise such risks to the Company; and
- (xii) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Catalist Rules).

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the Audit Committee are provided in the Statement of Corporate Governance.

In appointing auditors of the Company and its subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

## Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the directors

.....  
LIM SIAU HING @ LIM KIM HOE

.....  
LIM VHE KAI

Dated: 11 April 2025

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KTMG LIMITED

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of KTMG Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSA**”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### (i) Recoverability of trade receivables

As disclosed in Note 8 to the consolidated financial statements, the Group’s trade receivables as at 31 December 2024 amounted to \$19.9 million, representing 33% of the Group’s total assets. The collectability of trade receivables is a key element of the Group’s working capital management, which is managed on an ongoing basis by management. Management determines impairment of trade receivables by making debtor-specific assessment for credit-impaired debtors. For the remaining group of debtors, management provides lifetime expected credit losses using a provision matrix. The provision rates are determined based on the Group’s historical default rates analysed in accordance to days past due by grouping customers based on the customer profiles, adjusted for current and forward-looking information. This area is a key audit matter due to the amounts involved, as well as the inherent subjectivity that was involved in making judgement by the management in relation to assumptions used in the expected credit loss (“**ECL**”) model such as forward-looking macroeconomic factors.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KTMG LIMITED

## Key Audit Matters (Continued)

### (i) Recoverability of trade receivables (Continued)

#### *Our response and work performed:*

As part of our audit, we assessed the Group's processes and key controls relating to the monitoring of trade receivables including the process in determining whether a debtor is credit-impaired and the Group's processes in collating the key data sources and assumptions for data used in the ECL model. We have reviewed the key data sources and assumptions for data used in the determination of default rate and the correlation between the default rate and the current and forward-looking adjustment factor. We have also considered the age of the debts as well as the trend of collections to identify the collection risks. We have reviewed for collectability by way of obtaining evidence of receipts from the debtors on a sampling basis subsequent to the balance sheet date. We also considered the disclosures in the financial statements about the extent of estimation and judgement involved in determining allowance for doubtful debts.

Disclosure of the pertinent information has been set out in Notes 8 and 22 to the financial statements.

### (ii) Impairment testing of non-financial assets (the Group's property, plant and equipment and right-of-use assets and the Company's investment in a subsidiary)

In view of the losses sustained by the Group for the current financial year, management has assessed that there are indicators of impairment for the property, plant and equipment and right-of-use assets of the Group and the investment in a subsidiary of the Company. Accordingly, these assets are tested for impairment.

The impairment testing of the Group's property, plant and equipment and right-of-use assets and the investment in a subsidiary of the Company is considered to be a significant risk area due to the judgemental nature of key assumptions and the significance of the carrying amounts of these assets in the consolidated statement of financial position of the Group and the statement of financial position of the Company.

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of value in use and fair value less costs of disposal.

Fair value less costs of disposal encompass estimating the expected selling prices of the underlying assets by identifying the comparable assets and determining the current market prices of these assets. Input inaccuracies or inappropriate assumptions used to determine the level of impairment, including the comparables used in the fair value measurements, could result in material misstatement in the financial statements.

The valuation techniques and inputs to the impairment tests based on fair value less costs of disposal are disclosed in Notes 3, 4 and 5 to the financial statements.

#### *Our response and work performed:*

Our procedures in relation to management's testing of impairment and determination of the recoverable amount of the Group's property, plant and equipment and right-of-use assets and the Company's investment in a subsidiary based on fair value less costs of disposal included:

- a. Assessed the methodologies and appropriateness of the key assumptions used by the management's experts;
- b. Obtained an understanding and reviewed the key assumptions in the input data from management and the management's experts through discussions, comparisons to independent external data sources, and agreed to supporting documentation; and
- c. Evaluated the competence, capabilities and objectivity of the management's experts.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KTMG LIMITED

## Key Audit Matters (Continued)

- (ii) Impairment testing of non-financial assets (the Group's property, plant and equipment and right-of-use assets and the Company's investment in a subsidiary) (Continued)

We involved our auditor's expert to assist us in the above. We evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the experts. We also considered the adequacy of disclosures in the financial statements, describing the methodologies used, degree of subjectivity and key assumptions used in the estimates.

Disclosure of the pertinent information has been set out in Notes 3, 4 and 5 to the financial statements.

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting processes.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KTMG LIMITED

## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KTMG LIMITED

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## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ser.

Foo Kon Tan LLP  
Public Accountants and  
Chartered Accountants

Singapore, 11 April 2025

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

|  |      | The Group   |             | The Company |             |
|--|------|-------------|-------------|-------------|-------------|
|  |      | 31 December | 31 December | 31 December | 31 December |
|  |      | 2024        | 2023        | 2024        | 2023        |
|  | Note | \$'000      | \$'000      | \$'000      | \$'000      |
| <b>ASSETS</b>                                |      |             |             |             |             |
| <b>Non-current Assets</b>                    |      |             |             |             |             |
| Property, plant and equipment                | 3    | 13,894      | 13,780      | –           | –           |
| Right-of-use assets                          | 4    | 4,183       | 2,217       | –           | –           |
| Subsidiary                                   | 5    | –           | –           | 26,400      | 26,400      |
| Deferred tax assets                          | 6    | 220         | 309         | –           | –           |
|  |      | 18,297      | 16,306      | 26,400      | 26,400      |
| <b>Current Assets</b>                        |      |             |             |             |             |
| Inventories                                  | 7    | 13,308      | 12,542      | –           | –           |
| Trade and other receivables                  | 8    | 21,605      | 18,495      | 263         | 282         |
| Prepaid corporate tax                        |      | 862         | 1,123       | –           | –           |
| Cash and bank balances                       | 9    | 6,508       | 7,826       | 15          | 16          |
|  |      | 42,283      | 39,986      | 278         | 298         |
| <b>Total assets</b>                          |      | 60,580      | 56,292      | 26,678      | 26,698      |
| <b>EQUITY AND LIABILITIES</b>                |      |             |             |             |             |
| <b>Capital and Reserves</b>                  |      |             |             |             |             |
| Share capital                                | 10   | 33,201      | 33,201      | 33,201      | 33,201      |
| Reserves                                     | 11   | (18,245)    | (13,617)    | (8,467)     | (8,261)     |
| Equity attributable to owners of the Company |      | 14,956      | 19,584      | 24,734      | 24,940      |
| Non-controlling interests                    |      | 71          | 53          | –           | –           |
| <b>Total equity</b>                          |      | 15,027      | 19,637      | 24,734      | 24,940      |
| <b>LIABILITIES</b>                           |      |             |             |             |             |
| <b>Non-current liabilities</b>               |      |             |             |             |             |
| Borrowings                                   | 12   | 1,552       | 571         | –           | –           |
| Lease liabilities                            | 13   | 2,349       | 217         | –           | –           |
| Deferred tax liabilities                     | 6    | –           | 10          | –           | –           |
|  |      | 3,901       | 798         | –           | –           |
| <b>Current Liabilities</b>                   |      |             |             |             |             |
| Borrowings                                   | 12   | 21,228      | 15,764      | –           | –           |
| Lease liabilities                            | 13   | 556         | 807         | –           | –           |
| Trade and other payables                     | 14   | 19,722      | 18,947      | 1,944       | 1,758       |
| Tax payable                                  |      | 146         | 339         | –           | –           |
|  |      | 41,652      | 35,857      | 1,944       | 1,758       |
| <b>Total liabilities</b>                     |      | 45,553      | 36,655      | 1,944       | 1,758       |
| <b>Total equity and liabilities</b>          |      | 60,580      | 56,292      | 26,678      | 26,698      |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|   |             | Year ended<br>31 December<br>2024<br>\$'000 | Year ended<br>31 December<br>2023<br>\$'000 |
|---|-------------|---|---|
| <b>The Group</b>  | <b>Note</b> |   |   |
| Revenue   | 15          | 104,531                                     | 88,720                                      |
| Cost of sales   |             | (97,076)                                    | (80,618)                                    |
| Gross profit  |             | 7,455                                       | 8,102                                       |
| Other income  |             | 1,583                                       | 728   |
| Impairment loss reversed  |             | 29  | 62  |
| Administrative and general expenses                                 |             | (6,678)                                     | (7,334)                                     |
| Selling and marketing expenses                                      |             | (2,057)                                     | (2,192)                                     |
| Air freight   |             | (3,609)                                     | (13)  |
| Finance costs   | 16          | (1,374)                                     | (1,136)                                     |
| Loss before taxation  | 17          | (4,651)                                     | (1,783)                                     |
| Taxation  | 18          | (1,008)                                     | (169)                                       |
| Loss for the year   |             | (5,659)                                     | (1,952)                                     |
| <b>Other comprehensive income/(loss), net of nil tax:</b>           |             |   |   |
| <b>Item that may be reclassified subsequently to profit or loss</b> |             |   |   |
| Currency translation differences arising from foreign operations    |             | 1,049                                       | (1,187)                                     |
| <b>Total comprehensive loss for the year</b>                        |             | <b>(4,610)</b>                              | <b>(3,139)</b>                              |
| Loss for the year attributable to:                                  |             |   |   |
| – Owners of the Company   |             | (5,677)                                     | (1,969)                                     |
| – Non-controlling interests   |             | 18  | 17  |
|   |             | <b>(5,659)</b>                              | <b>(1,952)</b>                              |
| Total comprehensive loss attributable to:                           |             |   |   |
| – Owners of the Company   |             | (4,628)                                     | (3,156)                                     |
| – Non-controlling interests   |             | 18  | 17  |
|   |             | <b>(4,610)</b>                              | <b>(3,139)</b>                              |
| Loss per share (cents)  |             |   |   |
| – Basic/diluted loss per share                                      | 19          | (3.35)                                      | (1.16)                                      |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|  | Share<br>capital<br>\$'000 | Capital<br>reserve<br>\$'000 | Merger<br>reserve<br>\$'000 | Translation<br>reserve<br>\$'000 | Retained<br>earnings<br>\$'000 | Attributable<br>to owners<br>of the<br>Company<br>\$'000 | Non-<br>controlling<br>interests<br>\$'000 | Total<br>equity<br>\$'000 |
|--|----------------------------|------------------------------|-----------------------------|----------------------------------|--------------------------------|--|--|---------------------------|
| Balance at 1 January 2023                | 33,201                     | 571                          | (20,106)                    | (1,218)                          | 10,292                         | 22,740   | 36   | 22,776                    |
| Loss for the year                        | –                          | –                            | –                           | –                                | (1,969)                        | (1,969)  | 17   | (1,952)                   |
| Other comprehensive loss                 | –                          | –                            | –                           | (1,187)                          | –                              | (1,187)  | –  | (1,187)                   |
| Total comprehensive loss<br>for the year | –                          | –                            | –                           | (1,187)                          | (1,969)                        | (3,156)  | 17   | (3,139)                   |
| Balance at 31 December 2023              | 33,201                     | 571                          | (20,106)                    | (2,405)                          | 8,323                          | 19,584   | 53   | 19,637                    |
| Loss for the year                        | –                          | –                            | –                           | –                                | (5,677)                        | (5,677)  | 18   | (5,659)                   |
| Other comprehensive income               | –                          | –                            | –                           | 1,049                            | –                              | 1,049  | –  | 1,049                     |
| Total comprehensive loss<br>for the year | –                          | –                            | –                           | 1,049                            | (5,677)                        | (4,628)  | 18   | (4,610)                   |
| <b>Balance at 31 December<br/>2024</b>   | <b>33,201</b>              | <b>571</b>                   | <b>(20,106)</b>             | <b>(1,356)</b>                   | <b>2,646</b>                   | <b>14,956</b>  | <b>71</b>                                  | <b>15,027</b>             |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

|   |        | Year ended<br>31 December<br>2024<br>\$'000 | Year ended<br>31 December<br>2023<br>\$'000<br>(restated) |
|---|--------|---|---|
|   | Note   |   |   |
| <b>Cash Flows from Operating Activities</b>                   |        |   |   |
| Loss before taxation  |        | (4,651)                                     | (1,783)   |
| Adjustments for:  |        |   |   |
| Bad debts recovered   | 17     | (14)  | (5)   |
| Depreciation of property, plant and equipment                 | 3      | 1,027                                       | 1,217   |
| Depreciation of right-of-use assets                           | 4      | 707   | 736   |
| Loss on disposal of property, plant and equipment             | 17     | 5   | 226   |
| Reversal of impairment loss on trade receivables, net         | 8      | (29)  | (62)  |
| Interest expense  | 16     | 1,374                                       | 1,136   |
| Interest income   | 17     | (81)  | (62)  |
| Operating (loss)/profit before working capital changes        |        | (1,662)                                     | 1,403   |
| Changes in trade and other receivables                        |        | (2,207)                                     | (4,683)   |
| Changes in inventories  |        | (16)  | (1,908)   |
| Changes in trade and other payables                           |        | (24)  | 6,253   |
| Cash (used in)/generated from operations                      |        | (3,909)                                     | 1,065   |
| Interest received   |        | 81  | 62  |
| Income tax paid   |        | (796)                                       | (828)   |
| Net cash (used in)/generated from operating activities        |        | (4,624)                                     | 299   |
| <b>Cash Flows from Investing Activities</b>                   |        |   |   |
| Purchase of property, plant and equipment                     | 3      | (416)                                       | (875)   |
| Proceeds from disposal of property, plant and equipment       |        | 14  | 80  |
| Net cash used in investing activities                         |        | (402)                                       | (795)   |
| <b>Cash Flows from Financing Activities</b>                   |        |   |   |
| Proceeds from term loan and other short-term loans            | Note A | 77,357                                      | 56,683  |
| Repayment of term loans and other short-term loans            | Note A | (71,644)                                    | (51,991)  |
| Repayment of principal elements of lease liabilities          | Note A | (708)                                       | (835)   |
| Repayment of amounts due to directors/shareholders            | Note A | (280)                                       | (348)   |
| Interest paid   | Note A | (1,374)                                     | (1,136)   |
| Changes in pledged deposits                                   |        | (1,012)                                     | (521)   |
| Net cash generated from financing activities                  |        | 2,339                                       | 1,852   |
| Net (decrease)/increase in cash and cash equivalents          |        | (2,687)                                     | 1,356   |
| Effects of exchange rate changes on cash and cash equivalents |        | 357   | (365)   |
| Cash and cash equivalents at beginning of the year            |        | 5,957                                       | 4,966   |
| Cash and cash equivalents at end of the year                  | 9      | 3,627                                       | 5,957   |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Reconciliation of liabilities arising from financing activities excluding equity items:

|  | <b>Borrowings<br/>\$'000<br/>(Note 12)</b> | <b>Lease<br/>liabilities<br/>\$'000<br/>(Note 13)</b> | <b>Amount due<br/>to directors/<br/>shareholders<br/>\$'000<br/>(Note 14)</b> | <b>Total<br/>\$'000</b> |
|--|--|---|---|-------------------------|
| At 1 January 2023  | 12,417                                     | 1,754   | 1,610   | 15,781                  |
| Cash flows from financing activities (Note A):               |  |   |   |                         |
| – Repayment of directors/shareholders loan                   | –  | –   | (348)   | (348)                   |
| – Proceeds from other short-term loans                       | 56,683                                     | –   | –   | 56,683                  |
| – Repayment of term loans                                    | (1,313)                                    | –   | –   | (1,313)                 |
| – Repayment of other short-term loans                        | (50,678)                                   | –   | –   | (50,678)                |
| – Repayment of principal elements of lease liabilities       | –  | (835)   | –   | (835)                   |
| – Interest paid  | (979)                                      | (157)   | –   | (1,136)                 |
|  | 3,713                                      | (992)   | (348)   | 2,373                   |
| Non-cash changes:  |  |   |   |                         |
| – New leases acquired during the financial year (Note 4)     | –  | 178   | –   | 178                     |
| – Interest expense (Note 16)                                 | 979  | 157   | –   | 1,136                   |
| – Foreign exchange movement                                  | (774)                                      | (73)  | (65)  | (912)                   |
|  | 205  | 262   | (65)  | 402                     |
| At 31 December 2023  | 16,335                                     | 1,024   | 1,197   | 18,556                  |
| Cash flows from financing activities (Note A):               |  |   |   |                         |
| – Repayment of directors/shareholders loan                   | –  | –   | (280)   | (280)                   |
| – Proceeds from other short-term loans                       | 75,392                                     | –   | –   | 75,392                  |
| – Proceeds from term loan                                    | 1,965                                      | –   | –   | 1,965                   |
| – Repayment of other short-term loans                        | (71,513)                                   | –   | –   | (71,513)                |
| – Repayment of term loan                                     | (131)                                      | –   | –   | (131)                   |
| – Repayment of principal elements of lease liabilities       | –  | (708)   | –   | (708)                   |
| – Interest paid  | (1,193)                                    | (181)   | –   | (1,374)                 |
|  | 4,520                                      | (889)   | (280)   | 3,351                   |
| Non-cash changes:  |  |   |   |                         |
| – Lease modification (Note 4)                                | –  | 2,522   | –   | 2,522                   |
| – New leases entered into during the financial year (Note 4) | –  | 74  | –   | 74                      |
| – Early lease termination                                    | –  | (67)  | –   | (67)                    |
| – Interest expense (Note 16)                                 | 1,193                                      | 181   | –   | 1,374                   |
| – Foreign exchange movement                                  | 732  | 60  | 60  | 852                     |
|  | 1,925                                      | 2,770   | 60  | 4,755                   |
| <b>At 31 December 2024</b>                                   | <b>22,780</b>                              | <b>2,905</b>  | <b>977</b>  | <b>26,662</b>           |

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 1 GENERAL INFORMATION

The financial statements of the Group and the Company for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

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**").

The registered office of the Company is located at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

The principal place of business of the Group is located at No. 3A, Jalan Wawasan 16, Kawasan Perindustrian Sri Gading, 83300 Batu Pahat, Johor, Malaysia.

The Group was formed pursuant to a reverse acquisition by Knit Textile and Apparel Pte. Ltd. ("**KTAPL**") and subsidiaries (the "**KTAPL Group**") which was completed on 18 February 2019.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

### 1.1 Going concern assessment

For the financial year ended 31 December 2024, the Group incurred a net loss of \$5,659,000 (2023: \$1,952,000) and had net cash outflows from operating activities of \$4,624,000 (2023: net operating cash inflows of \$299,000). Notwithstanding this, the Group is still in a net current asset position of \$631,000 (2023: \$4,129,000) as at the reporting date. Nonetheless, the directors are of the view that the going concern assumption is appropriate for the preparation of the financial statements, due to the following:

- (i) Letter of undertaking from the directors, to not demand repayment of the amount owing by the Group to the directors for the next 12 months from the date of the financial statements where required.
- (ii) As at the end of the reporting period, the Group's secured order book, based on confirmed purchase orders for Quarter 1 FY 2025, stood at S\$15.29 million.
- (iii) Unutilised credit facilities of S\$10.87 million yet to be drawn down by the Group.

In assessing whether the Group can meet its debt obligations for at least 12 months from the end of the reporting period, management has prepared cash flow forecast for the financial year ending 31 December 2025. Based on the forecast and having regard to the above, the directors believe that the Group has sufficient working capital and financial resources to enable it to meet its liabilities as and when they fall due and continue on a going concern basis for at least 12 months from the date of the financial statements.

## 2(A) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)s**"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

The accounting policies have been applied consistently to all years presented in these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(A) BASIS OF PREPARATION (CONTINUED)

The preparation of the financial statements in conformity with SFRS(I)s requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### **Significant accounting estimates and judgement**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements.

#### ***(a) Significant judgement made in applying accounting policies***

##### ***(i) Determination of functional currency***

The functional currency for each entity in the Group is the currency of the primary economic environment in which it operates. Determination of the functional currency involves significant judgement and other companies may make different judgements based on similar facts. Management reconsiders the functional currency if there is a change in the underlying transactions, events and conditions which determines its primary economic environment.

The determination of functional currency affects the carrying amount of the non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the statement of profit or loss and other comprehensive income. It also impacts the exchange gains and losses included in the statement of profit or loss and other comprehensive income.

##### ***(ii) Determination of the lease term of right-of-use assets (Note 4)***

In determining the lease term of right-of-use assets, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of land, factory premises, plant and machinery and motor vehicles, the following factors are normally the most relevant:

- (a) If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- (b) If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not to terminate);
- (c) Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(A) BASIS OF PREPARATION (CONTINUED)

### **Significant accounting estimates and judgement** (Continued)

#### **(a) Significant judgement made in applying accounting policies** (Continued)

##### (iii) Control over Santalia Kesturi Sdn Bhd ("SKSB") (Note 5)

The Group determines if it has control, or not, over SKSB based on whether the Group has the practical ability to direct the relevant activities significantly affecting SKSB's returns. Although the Group owns only 49% of the voting rights of SKSB, the Group is exposed to and has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity through its control of the composition of the board of directors by virtue of the shareholders' agreements. Consequently, management consolidates the investment in this entity as a subsidiary of the Group.

##### (iv) Income taxes (Note 18)

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the provision for income tax. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### **(b) Critical sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Management based its assumptions and estimate on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumption when they occur.

##### (i) Depreciation of property, plant and equipment and right-of-use assets (Notes 3 and 4)

The cost of property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A reduction in the estimated useful lives of plant and equipment and right-of-use assets would increase depreciation expense and decrease non-current assets.

##### (ii) Provision for expected credit losses on trade receivables (Note 8)

The Group uses a provision matrix to calculate expected credit losses ("ECL") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At the end of each reporting period, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historically observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information relating to ECLs on the Group's trade receivables is disclosed in Note 8. A reasonably possible change in default rates will not lead to any significant further expected credit loss allowance on the Group's trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(A) BASIS OF PREPARATION (CONTINUED)

### **Significant accounting estimates and judgement** (Continued)

#### **(b) Critical sources of estimation uncertainty** (Continued)

##### (iii) Estimation of the incremental borrowing rate ("IBR") (Notes 4 and 13)

For the purpose of calculating the right-of-use asset and its related lease liability, the Group applies the interest rate implicit in the lease ("IRIL") and, if the IRIL is not readily determinable, it shall use its IBR applicable to the lease asset. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

For most of the leases whereby the Group is the lessee, the IRIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as the Group's credit rating). The carrying amount of the Group's right-of-use assets and lease liabilities are disclosed in Notes 4 and 13 respectively. A reasonably possible change in the estimated IBR does not have a material impact on the Group's right-of-use assets and lease liabilities as at the balance sheet date.

##### (iv) Impairment of non-financial assets (the Group's property, plant and equipment, right-of-use assets and the Company's investment in a subsidiary (Notes 3, 4 and 5))

The Group assesses at the end of each reporting period whether there is any indication that the property, plant and equipment, right-of-use assets and the Company's investment in subsidiary may be impaired. If any such indication exists, the recoverable amounts of the assets are estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and value in use. Such impairment loss is recognised in profit or loss.

Significant judgement and estimates by management are required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by its market value based on comparable assets or the net present value of future cash flows which are estimated based on the continued use of the asset in the business; and (iii) the appropriate valuation techniques and inputs used in fair value measurement and the key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are extrapolated using a suitable growth rate and then discounted using an appropriate discount rate. Changing the assumptions selected by management to determine the level of impairment could materially affect the recoverable amount determined in the impairment test and as a result may potentially affect the Group's results.

A reasonably possible change in key assumptions used in determining the recoverable amount of the assets, would not result in any impairment since the estimated recoverable amount is still higher than its carrying value. The carrying amount of the Group's property, plant and equipment, right-of-use assets and the investment in subsidiary at the end of the reporting period and the basis used to determine the recoverable amount are disclosed in Notes 3, 4 and 5 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(B) ADOPTION OF NEW AND REVISED SFRS(I) EFFECTIVE FOR THE CURRENT FINANCIAL YEAR

On 1 January 2024, the Group and the Company have adopted all the new and revised SFRS(I)s, SFRS(I) interpretations (“**SFRS(I) INT**”) and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

| Reference                                  | Description  | Effective date<br>(Annual periods<br>beginning<br>on or after) |
|--|--|--|
| Amendments to SFRS(I) 1-1                  | <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2024   |
| Amendments to SFRS(I) 1-1                  | <i>Non-current Liabilities with Covenants</i>                  | 1 January 2024   |
| Amendments to SFRS(I) 16                   | <i>Lease Liability in a Sale and Leaseback</i>                 | 1 January 2024   |
| Amendments to SFRS(I) 1-7 and<br>SFRS(I) 7 | <i>Supplier Finance Arrangements</i>                           | 1 January 2024   |

### Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

There is no impact to the financial statements on initial application.

### Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date and therefore must be considered in assessing the classification of the liability as current or non-current. Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.

The right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

There is no impact to the financial statements on initial application.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(B) ADOPTION OF NEW AND REVISED SFRS(I) EFFECTIVE FOR THE CURRENT FINANCIAL YEAR (CONTINUED)

### Amendments to SFRS(I) 16 *Lease Liability in a Sale and Leaseback*

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability applying the general requirements. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

There is no impact to the financial statements on initial application.

### Amendments to SFRS(I) 1-7 and SFRS(I) 7 *Supplier Finance Arrangements*

The amendments clarify the characteristics of supplier finance arrangements and introduce additional disclosure requirements. The disclosure requirements are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

There are specific transition provisions in the first annual reporting period in which the entity applies the amendments, including available reliefs with respect to disclosure of comparative information, disclosure of certain opening balances, and interim financial statements.

There is no impact to the financial statements on initial application.

## 2(C) NEW AND REVISED SFRS(I) ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective. Management anticipates that the adoption of these relevant new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's financial statements in the period of their initial application.

| Reference                                     | Description  | Effective date<br>(Annual periods<br>beginning<br>on or after) |
|---|--|--|
| Amendments to SFRS(I) 1-21                    | <i>Lack of Exchangeability</i>   | 1 January 2025   |
| Amendments to SFRS(I) 9 and<br>SFRS(I) 7      | <i>Classification and Measurement of Financial<br/>Instruments</i>                               | 1 January 2026   |
| Amendments to SFRS(I) 9<br>and SFRS(I) 7      | <i>Contracts Referencing Nature-dependent Electricity</i>  | 1 January 2026   |
| Annual Improvements to SFRS(I)<br>– Volume 11 |  | 1 January 2026   |
| SFRS(I) 18                                    | <i>Presentation and Disclosure in Financial Statements</i>                                       | 1 January 2027   |
| SFRS(I) 19                                    | <i>Subsidiaries without Public Accountability: Disclosures</i>                                   | 1 January 2027   |
| Amendments to SFRS(I) 10 and<br>SFRS(I) 1-28  | <i>Sale or Contribution of Assets between an Investor and<br/>its Associate or Joint Venture</i> | Yet to be<br>determined  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION

### Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

### Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if, and only if, the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### **Consolidation** (Continued)

#### Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

#### Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

#### Loss of control

When the Group loses control of a subsidiary, a gain or loss is recognised in the statement of profit or loss and other comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### Reverse acquisition

The acquisition of the entire issued and paid-up share capital of KTAPL in FY2019 had been accounted for as a reverse acquisition.

In the Company's separate financial statements, the investment in a subsidiary is stated at cost less allowance for any impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

|   |            |
|---|------------|
| Buildings                                   | : 50 years |
| Plant and machinery                         | : 10 years |
| Electrical installation                     | : 10 years |
| Office equipment and furniture and fittings | : 10 years |
| Motor vehicles                              | : 5 years  |
| Renovations                                 | : 50 years |

Freehold land and assets under construction are not depreciated.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before that expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal, respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of profit or loss and other comprehensive income.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

### Leases

#### The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets.

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (Continued)

#### The Group as a lessee (Continued)

##### (a) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognises those lease payments in the statement of profit or loss and other comprehensive income in the periods that trigger those lease payments. For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component. The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the statement of profit or loss and other comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Leases (Continued)

#### The Group as a lessee (Continued)

##### (b) Right-of-use assets

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

|                             |   |                                     |
|-----------------------------|---|-------------------------------------|
| Leasehold land              | : | Over the lease term of 60 years     |
| Factory and office premises | : | Over the lease term of 5 to 6 years |
| Plant and machinery         | : | Over the lease term of 4 to 5 years |
| Motor vehicles              | : | Over the lease term of 4 to 5 years |

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

### Impairment of non-financial assets

As at each reporting date, the Group and the Company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Impairment of non-financial assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs in bringing the inventories to their present location and condition. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

### Financial instruments

Financial instruments carried on the statement of financial position include financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These are recognised on the Group's and the Company's statement of financial position when the Group and the Company become a party to the contractual provisions of the instrument. Disclosures of the Group's and the Company's financial risk management objectives and policies are provided in Note 22.

### Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial assets (Continued)

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL

The Group and the Company do not hold any financial assets at FVOCI or financial assets at FVTPL.

Subsequent measurement of debt instruments depends on the Group's and the Company's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the assets are derecognised or impaired, and through amortisation process.

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group's and the Company's financial assets at amortised cost comprise trade and other receivables and cash and bank balances.

#### Impairment of financial assets

The Group and the Company assesses on a forward-looking basis, the expected credit losses ("ECLs") associated with its debt instrument assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

For trade receivables, the Group and the Company measure the loss allowance at an amount equal to lifetime ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Financial assets (Continued)

#### Impairment of financial assets (Continued)

For all other receivables, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The Group and the Company consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company.

At the end of each reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Write-off Policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss and other comprehensive income.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

### Financial liabilities

#### Initial recognition and measurement

The Group and the Company determine the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value less in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

Borrowings to be settled within the Group's normal operating cycle are considered as "current". Other borrowings due to be settled more than 12 months after the reporting date are included in "non-current" borrowings in the statement of financial position. Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

#### Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, and through the amortisation process.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

### Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

#### Provision for sales rebate

The Group provides retrospective volume rebates to a customer once the value of apparel products purchased during the financial year exceeds a threshold specified in the sales contract.

The rebates will be set-off against future invoices for meeting contractually agreed sales volumes.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### **Borrowing costs**

Borrowing costs are recognised in the statement of profit or loss and other comprehensive income as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

### **Employee benefits**

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore and Employees Provident Fund in Malaysia, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions to national pension schemes are charged to the statement of profit or loss and other comprehensive income in the year to which the contributions relate.

#### Employee leave entitlements

Employee leave entitlements to annual leave are recognised when they accrue to the employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting year.

### **Revenue**

Revenue from sale of goods is recognised when the Group satisfies a performance obligation “PO” by transferring control of a promised goods to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods. The individual standalone selling price of a good that has not been previously sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Revenue (Continued)

When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance has been satisfied.

### Government grant

Government grants received are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

### Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Company or a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and the fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third party and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Related parties (Continued)

#### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

### Income taxes

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither the accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from lease liabilities.

Deferred income tax is provided in full, using the liability method, on temporary differences at the statement of financial position between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- (i) Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting nor taxable profit or loss;
- (ii) In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- (iii) In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that future taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Income taxes (Continued)

Current and deferred income taxes are recognised as income or expense in the profit or loss except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### Functional currencies

#### Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The functional currency of the Company is Singapore Dollar.

The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore Dollar. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

### Conversion of foreign currencies

#### Foreign currency transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the statement of profit or loss and other comprehensive income, unless they arise from net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the statement of profit or loss and other comprehensive income as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 2(D) MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### Conversion of foreign currencies (Continued)

#### Group entities

The results and financial position of all the Group entities (*none of which has the currency of a hyperinflationary economy*) and the Company that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of transactions; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

### Earnings per share

The Group presents basic and diluted earnings per share (“**EPS**”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, including share options granted to employees.

### Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer has been identified as the chief operating decision-maker who makes strategic resources allocation decisions.

Additional disclosures on operating segments are shown in Note 21 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information. Segment results that are reported to Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3 PROPERTY, PLANT AND EQUIPMENT

| The Group   | Freehold land | Buildings    | Plant and machinery | Electrical installation | Office equipment and fittings | Motor vehicles | Renovations  | Assets under construction | Total         |
|---|---------------|--------------|---------------------|-------------------------|-------------------------------|----------------|--------------|---------------------------|---------------|
|   | \$'000        | \$'000       | \$'000              | \$'000                  | \$'000                        | \$'000         | \$'000       | \$'000                    | \$'000        |
| <u>Cost</u>   |               |              |                     |                         |                               |                |              |                           |               |
| At 1 January 2023   | 2,941         | 7,477        | 10,634              | 1,215                   | 2,757                         | 621            | 1,798        | 96                        | 27,539        |
| Additions   | -             | 63           | 601                 | 11                      | 131                           | -              | 69           | -                         | 875           |
| Reclassification from "right-of-use assets" upon full repayment of lease liabilities (Note 4) | -             | -            | -                   | -                       | -                             | 173            | -            | -                         | 173           |
| Disposals/written-off   | -             | -            | (1,474)             | -                       | (95)                          | (95)           | -            | -                         | (1,664)       |
| Translation differences   | (169)         | (433)        | (410)               | (43)                    | (130)                         | (34)           | (47)         | (6)                       | (1,272)       |
| At 31 December 2023   | 2,772         | 7,107        | 9,351               | 1,183                   | 2,663                         | 665            | 1,820        | 90                        | 25,651        |
| Additions   | -             | 15           | 346                 | -                       | 45                            | 2              | 8            | -                         | 416           |
| Disposals/written-off   | -             | -            | (69)                | -                       | (20)                          | (59)           | (59)         | -                         | (207)         |
| Translation differences   | 165           | 423          | 431                 | 51                      | 138                           | 35             | 65           | 6                         | 1,314         |
| <b>At 31 December 2024</b>  | <b>2,937</b>  | <b>7,545</b> | <b>10,059</b>       | <b>1,234</b>            | <b>2,826</b>                  | <b>643</b>     | <b>1,834</b> | <b>96</b>                 | <b>27,174</b> |
| <u>Accumulated depreciation</u>   |               |              |                     |                         |                               |                |              |                           |               |
| At 1 January 2023   | -             | 1,326        | 6,727               | 865                     | 1,484                         | 587            | 1,439        | -                         | 12,428        |
| Depreciation  | -             | 149          | 738                 | 72                      | 214                           | 9              | 35           | -                         | 1,217         |
| Reclassification from "right-of-use assets" upon full repayment of lease liabilities (Note 4) | -             | -            | -                   | -                       | -                             | 99             | -            | -                         | 99            |
| Disposals/written-off   | -             | -            | (1,258)             | -                       | (80)                          | (20)           | -            | -                         | (1,358)       |
| Translation differences   | -             | (80)         | (274)               | (33)                    | (65)                          | (32)           | (31)         | -                         | (515)         |
| At 31 December 2023   | -             | 1,395        | 5,933               | 904                     | 1,553                         | 643            | 1,443        | -                         | 11,871        |
| Depreciation  | -             | 143          | 615                 | 41                      | 189                           | 10             | 29           | -                         | 1,027         |
| Disposals/written-off   | -             | -            | (62)                | -                       | (8)                           | (59)           | (59)         | -                         | (188)         |
| Translation differences   | -             | 91           | 278                 | 41                      | 81                            | 33             | 46           | -                         | 570           |
| <b>At 31 December 2024</b>  | <b>-</b>      | <b>1,629</b> | <b>6,764</b>        | <b>986</b>              | <b>1,815</b>                  | <b>627</b>     | <b>1,459</b> | <b>-</b>                  | <b>13,280</b> |
| <u>Carrying amount</u>  |               |              |                     |                         |                               |                |              |                           |               |
| <b>At 31 December 2024</b>  | <b>2,937</b>  | <b>5,916</b> | <b>3,295</b>        | <b>248</b>              | <b>1,011</b>                  | <b>16</b>      | <b>375</b>   | <b>96</b>                 | <b>13,894</b> |
| At 31 December 2023   | 2,772         | 5,712        | 3,418               | 279                     | 1,110                         | 22             | 377          | 90                        | 13,780        |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation included in the consolidated statement of profit or loss and other comprehensive income is as follows:

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>The Group</b>                              |                |                |
| Cost of sales (Note 17)                       | 938            | 1,099          |
| Administrative and general expenses (Note 17) | 89             | 118            |
|   | <u>1,027</u>   | <u>1,217</u>   |

As at 31 December 2024, the Group's property, plant and equipment amounting to \$8,759,000 (2023: \$8,385,000) are pledged as collaterals for bank borrowings as disclosed under Note 12. Assets under construction relate to the Group's proposed construction of staff hostel in Batu Pahat, Malaysia, awaiting approval from the Malaysian authorities.

As at 31 December 2024, the Group's land and buildings held by the Group's wholly owned subsidiaries as disclosed in property, plant and equipment (Note 3) and right-of-use assets (Note 4) mainly comprise:

- 4 plots of freehold land with land area between 400 sqm and 18,000 sqm, located in Batu Pahat, Malaysia, on which one of the Group's factory premises has been built upon;
- 4 plots of leasehold land with land area between 4,000 sqm and 15,000 sqm, located in Batu Pahat, Malaysia with remaining tenure between 15 years and 42 years (2023: 16 years and 43 years), on which the Group's factory premises are built upon;
- 2 leases of factory premises with floor area of 14,000 sqm and 18,000 sqm, respectively, located in Phnom Penh, Cambodia. Both leases have a remaining tenure of 5 years and were renewed on 2 July 2024 (2023: 1 year); and
- A lease of an office premise with floor area of less than 186 sqm, located in Singapore was terminated during the year (2023: 2 years).

### Impairment testing of property, plant and equipment and right-of-use assets

In view of the losses sustained by the Group for the financial year ended 31 December 2024, management has assessed that there are indicators of impairment for the Group's property, plant and equipment and right-of-use assets. Accordingly, the assets are tested for impairment. Management has engaged independent professional valuers to carry out valuations on the property, plant and equipment and right-of-use assets to determine their recoverable amount based on fair value less costs of disposal, having considered the appropriate professional qualifications and recent experience of the valuers in the location and category of the property, plant and equipment and right-of-use assets being valued. In determining the fair value of the assets under valuation as tabled below, the valuer used the direct comparison approach and depreciated replacement cost method of valuation. Accordingly, no impairment loss was recognised for property, plant and equipment and right-of-use assets for the current financial year since the recoverable amount is higher than the carrying amount of the assets at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the Level 3 fair value hierarchy, as well as the significant unobservable inputs used:

| Valuation method   | Key unobservable inputs   | Inter-relationship between key unobservable inputs and fair value measurement  |
|--|---|--|
| Knit Textiles Mfg. Sdn. Bhd. ("KTMSB")<br>Direct comparison approach |   |  |
| Leasehold land in Malaysia   | <b>31/12/2024 – \$15 to \$16 psf</b><br>(31/12/2023 – \$14 to \$15 psf)                               | <i>The estimated fair value would increase/(decrease) if:</i><br>Transacted price per square feet (" <b>psf</b> ") of comparable properties was higher (lower);<br>Size was smaller (larger);<br>Tenure was longer (shorter);<br>Land improvement was superior (inferior). |
| Commercial shop lot in Malaysia                                      | <b>31/12/2024 – \$24 psf</b><br>(31/12/2023 – \$23 psf)   | Transacted price per square feet (" <b>psf</b> ") of comparable properties was higher (lower);<br>Situating at corner (intermediate);<br>Location was superior (inferior);<br>Shop lot area was larger (smaller);<br>Building condition was superior (inferior).           |
| Plant and Machinery in Malaysia                                      | <b>31/12/2024 – Selling price of comparables</b><br>(31/12/2023 – Selling price of comparables)       | Country of origin was advanced (developing);<br>Technology used/Model was superior (inferior);<br>Market conditions was favourable (unfavourable);<br>Year of manufacture was later (earlier).   |
| <u>Depreciated Replacement Cost Method of Valuation</u>              |   |  |
| Factory building in Malaysia   | Estimated building cost less 1.50% depreciation per annum   | Estimated building cost of comparable properties was higher (lower).   |
| Commercial shop lot in Malaysia                                      | Estimated building cost less 1.50% depreciation per annum   | Estimated building cost of comparable properties was higher (lower).   |
| Plant and Machinery in Malaysia                                      | <b>31/12/2024 – Replacement cost of comparables</b><br>(31/12/2023 – Replacement cost of comparables) | Market conditions was favourable (unfavourable);<br>Estimated economic useful lives is longer (shorter).   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Valuation techniques and significant unobservable inputs (Continued)

The following table shows the valuation techniques used in measuring the Level 3 fair value hierarchy, as well as the significant unobservable inputs used: (Continued)

| Valuation method   | Key unobservable inputs   | Inter-relationship between key unobservable inputs and fair value measurement   |
|--|---|---|
| <u>Knit Textile Integrated Industries Sdn. Bhd. ("KTIISB")</u> |   |   |
| <u>Direct Comparison Approach</u>                              |   |   |
| Freehold and leasehold land in Malaysia                        | <b>31/12/2024 – \$6 to \$15 psf</b><br>(31/12/2023 – \$6 to \$14 psf)                                 | Transacted price per square feet ("psf") of comparable properties was higher (lower);<br>Size was smaller (larger);<br>Location was superior (inferior);<br>Tenure was longer (shorter);<br>Land improvement was superior (inferior).   |
| Plant and Machinery in Malaysia                                | <b>31/12/2024 – Selling price of comparables</b><br>31/12/2023 – Selling price of comparables         | Country of origin was advanced (developing);<br>Technology used/Model was superior (inferior);<br>Market conditions was favourable (unfavourable);<br>Year of manufacture was later (earlier).  |
| <u>Depreciated Replacement Cost Method of Valuation</u>        |   |   |
| Factory building in Malaysia                                   | Estimated building cost less 1.50% depreciation per annum   | Estimated building cost of comparable properties was higher (lower).  |
| Plant and Machinery in Malaysia                                | <b>31/12/2024 – Replacement cost of comparables</b><br>(31/12/2023 – Replacement cost of comparables) | Market conditions was favourable (unfavourable);<br>Estimated economic useful lives is longer (shorter).  |
| <u>Santalia Kesturi Sdn. Bhd. ("SKSB")</u>                     |   |   |
| <u>Direct Comparison Approach</u>                              |   |   |
| Freehold land in Malaysia                                      | <b>31/12/2024 – \$6 psf</b><br>(31/12/2023 – \$6 psf)   | Transacted price per square feet ("psf") of comparable properties was higher (lower);<br>Location was superior (inferior);<br>Accessibility was superior (inferior);<br>Size was smaller (larger);<br>Shape was irregular (regular);<br>Frontage was superior (inferior);<br>Zoning was permissive (restrictive). |
| <u>Callisto Apparel (Cambodia) Co. Ltd.</u>                    |   |   |
| <u>Direct Comparison Approach</u>                              |   |   |
| Plant and Machinery in Cambodia                                | <b>31/12/2024 – Selling price of comparables</b><br>(31/12/2023 – Selling price of comparables)       | Country of origin was advanced (developing);<br>Technology used/Model was superior (inferior);<br>Market conditions was favourable (unfavourable);<br>Year of manufacture was later (earlier).  |
| <u>Depreciated Replacement Cost Method of Valuation</u>        |   |   |
| Plant and Machinery in Cambodia                                | <b>31/12/2024 – Replacement cost of comparables</b><br>(31/12/2023 – Replacement cost of comparables) | Market conditions was favourable (unfavourable);<br>Estimated economic useful lives is longer (shorter).  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 4 RIGHT-OF-USE ASSETS

| The Group  | Leasehold<br>land<br>\$'000 | Factory<br>and office<br>premises<br>\$'000 | Plant and<br>machinery<br>\$'000 | Motor<br>vehicles<br>\$'000 | Total<br>\$'000 |
|--|-----------------------------|---|----------------------------------|-----------------------------|-----------------|
| <u>Cost</u>  |                             |   |                                  |                             |                 |
| At 1 January 2023  | 1,596                       | 2,807                                       | 477                              | 484                         | 5,364           |
| New leases   | –                           | 178   | –                                | –                           | 178             |
| End of lease   | –                           | (2)   | –                                | –                           | (2)             |
| Reclassification to “property,<br>plant and equipment” upon<br>full repayment of lease<br>liabilities (Note 3) | –                           | –   | –                                | (173)                       | (173)           |
| Translation differences  | (90)                        | (56)  | (28)                             | (26)                        | (200)           |
| At 31 December 2023  | 1,506                       | 2,927                                       | 449                              | 285                         | 5,167           |
| New lease  | –                           | –   | –                                | 74                          | 74              |
| Lease modification   | –                           | 2,522                                       | –                                | –                           | 2,522           |
| Early lease termination  | –                           | (123)                                       | –                                | –                           | (123)           |
| Derecognition  | –                           | (377)                                       | –                                | –                           | (377)           |
| Translation differences  | 89                          | 128   | 27                               | 21                          | 265             |
| <b>At 31 December 2024</b>   | <b>1,595</b>                | <b>5,077</b>                                | <b>476</b>                       | <b>380</b>                  | <b>7,528</b>    |
| <u>Accumulated depreciation</u>  |                             |   |                                  |                             |                 |
| At 1 January 2023  | 371                         | 1,777                                       | 78                               | 149                         | 2,375           |
| Depreciation   | 35                          | 570   | 46                               | 85                          | 736             |
| End of lease   | –                           | (2)   | –                                | –                           | (2)             |
| Reclassification to “property,<br>plant and equipment” upon<br>full repayment of lease<br>liabilities (Note 3) | –                           | –   | –                                | (99)                        | (99)            |
| Translation differences  | (22)                        | (24)  | (5)                              | (9)                         | (60)            |
| At 31 December 2023  | 384                         | 2,321                                       | 119                              | 126                         | 2,950           |
| Depreciation   | 35                          | 556   | 46                               | 70                          | 707             |
| Early lease termination  | –                           | (56)  | –                                | –                           | (56)            |
| Derecognition  | –                           | (377)                                       | –                                | –                           | (377)           |
| Translation differences  | 25                          | 77  | 8                                | 11                          | 121             |
| <b>At 31 December 2024</b>   | <b>444</b>                  | <b>2,521</b>                                | <b>173</b>                       | <b>207</b>                  | <b>3,345</b>    |
| <u>Carrying amount</u>   |                             |   |                                  |                             |                 |
| <b>At 31 December 2024</b>   | <b>1,151</b>                | <b>2,556</b>                                | <b>303</b>                       | <b>173</b>                  | <b>4,183</b>    |
| At 31 December 2023  | 1,122                       | 606   | 330                              | 159                         | 2,217           |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 4 RIGHT-OF-USE ASSETS (CONTINUED)

On 2 July 2024, the Group's subsidiaries, Moon Apparel (Cambodia) Co., Ltd and Callisto Apparel (Cambodia) Co., Ltd, entered into new lease agreements for premises located at Trapiang Krasaing Commune, Por Sen Chey District, Phnom Penh Capital, and Phum Srae Reacheak, Sangkat Samrong Krom, Khan Por Sen Chey, 120901, Phnom Penh, Cambodia, respectively. These new agreements modify existing lease arrangements with the landlord, and the lease term is extended till 31 December 2029.

The Group assessed the changes as a lease modification as the extension of the lease term was not part of the original terms and conditions of the lease. The Group determined that the lease modification does not result in a separate lease since the modification did not increase the scope of the lease by adding the right-of-use one or more underlying assets.

The Group recognised a remeasurement of the lease liability and a corresponding adjustment to the right-of-use asset at the effective date of the modification.

Depreciation included in the consolidated statement of profit or loss and other comprehensive income is as follows:

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>The Group</b>                              |                |                |
| Cost of sales (Note 17)                       | 542            | 528            |
| Administrative and general expenses (Note 17) | 165            | 208            |
|   | <u>707</u>     | <u>736</u>     |

As at 31 December 2024, the Group's right-of-use assets amounting to \$909,000 (2023: \$877,000) are pledged as collaterals for bank borrowings as disclosed under Note 12.

## 5 SUBSIDIARY

|                                     | 2024<br>\$'000 | 2023<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>The Company</b>                  |                |                |
| Unquoted equity investment, at cost | <u>26,400</u>  | <u>26,400</u>  |

During the year, impairment test on the investment in a subsidiary was triggered due to the loss making position of the subsidiary. The subsidiary is identified as a specific cash-generating unit ("CGU"). The recoverable amount of the investment is determined based on the revalued net assets of the subsidiary at the reporting date. Based on management's assessment, no impairment loss was recognised for the investment in a subsidiary for the current financial year since the recoverable amount is still higher than its carrying value.

The recoverable amount is determined based on the revalued net assets of the subsidiary. In deriving the revalued net assets of the subsidiary, the fair values of the underlying assets are estimated based on their expected selling prices or realisable amounts, and the fair values of the underlying liabilities are based on the estimated cash outflows to settle the obligations. Management had considered the underlying assets and liabilities of the investees held by the subsidiary, including the engagement of independent valuers to determine the fair values of the freehold & leasehold land and buildings located in Malaysia, and plant and machinery located in Malaysia and Cambodia.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 5 SUBSIDIARY (CONTINUED)

The details of the subsidiaries are as follow:

| Name  | Country of<br>incorporation/<br>principal place<br>of business | Percentage<br>of equity held |      | Principal activities                                   |
|---|--|------------------------------|------|--|
|   |  | 2024                         | 2023 |  |
| <u>Held by the Company</u>  |  |                              |      |  |
| Knit Textile and Apparel Pte. Ltd.<br>("KTAPL") <sup>(1)</sup>            | Singapore  | 100                          | 100  | Investment holding                                     |
| <u>Held by KTAPL</u>  |  |                              |      |  |
| Knit Textile Holdings Sdn. Bhd. ("KTHSB") <sup>(2)</sup>                  | Malaysia   | 100                          | 100  | Investment holding                                     |
| Callisto Apparel Holdings Pte. Ltd<br>("CAHPL") <sup>(1)</sup>            | Singapore  | 100                          | 100  | Investment holding                                     |
| Moon Apparel Holdings Pte.<br>Ltd. ("MAHPL") <sup>(1)</sup>               | Singapore  | 100                          | 100  | Investment holding                                     |
| Knit Textile Corporation Pte. Ltd.<br>("KTCPL") <sup>(1)</sup>            | Singapore  | 100                          | 100  | Manufacturing of<br>apparel products                   |
| Knit Textile Vietnam Company Limited<br>("KTVCL") <sup>(4)</sup>          | Vietnam  | 100                          | 100  | Management consulting<br>services                      |
| Xentika Limited ("Xentika") <sup>(2)</sup>                                | Seychelles   | 100                          | 100  | International business                                 |
| <u>Held by KTHSB</u>  |  |                              |      |  |
| Knit Textiles Mfg. Sdn. Bhd ("KTMSB") <sup>(2)</sup>                      | Malaysia   | 100                          | 100  | Apparel manufacturing                                  |
| Knit Textile Integrated Industries Sdn. Bhd.<br>("KTIISB") <sup>(2)</sup> | Malaysia   | 100                          | 100  | Operation of a fabric<br>dyeing and finishing<br>plant |
| Pocketbrands. Sdn. Bhd. <sup>(2)(6)</sup>                                 | Malaysia   | 100                          | 100  | Retail sales or trading<br>of garment                  |
| <u>Held by KTIISB</u>   |  |                              |      |  |
| Santalia Kesturi Sdn Bhd ("SKSB") <sup>(2)(5)</sup>                       | Malaysia   | 49                           | 49   | Property holding and<br>investment holding             |
| <u>Held by CAHPL</u>  |  |                              |      |  |
| Callisto Apparel (Cambodia) Co. Ltd. <sup>(3)</sup>                       | Cambodia   | 100                          | 100  | Apparel manufacturing                                  |
| <u>Held by MAHPL</u>  |  |                              |      |  |
| Moon Apparel (Cambodia) Co. Ltd. <sup>(3)</sup>                           | Cambodia   | 100                          | 100  | Apparel manufacturing                                  |

(1) Audited by Foo Kon Tan LLP

(2) Audited by a member firm of HLB International, HLB Ler Lum Chew PLT

(3) Audited by BG Associates Ltd, a member firm of Moore Global Network Limited

(4) Audited by Thuy Chung Auditing Ltd., a member firm of Great South Auditing & Information Technology Solution Co., Ltd.

(5) Although the Group owns only 49% of the voting rights of SKSB, the Group is exposed to and has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity through its control of the composition of the board of directors by virtue of the shareholders' agreements. Consequently, management consolidates the investment in this entity as a subsidiary of the Group.

(6) Incorporated in Malaysia in 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 6 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The carrying amounts of deferred tax assets and liabilities, determined after appropriate offsetting, are shown on the statement of financial position, as follows:

|                           | 2024<br>\$'000 | 2023<br>\$'000 |
|---------------------------|----------------|----------------|
| Deferred tax assets       | 1,000          | 1,007          |
| Deferred tax liabilities  | (780)          | (698)          |
| Deferred tax assets – net | 220            | 309            |

The movement in deferred tax assets and liabilities (prior to offsetting of balances) are as follows:

| The Group                  | Tax<br>losses<br>\$'000 | Lease<br>liabilities<br>\$'000 | Capital<br>allowances<br>\$'000 | Green tax<br>allowances<br>\$'000 | Others<br>\$'000 | Total<br>\$'000 |
|----------------------------|-------------------------|--------------------------------|---------------------------------|-----------------------------------|------------------|-----------------|
| Deferred tax assets        |                         |                                |                                 |                                   |                  |                 |
| At 1 January 2023          | 177                     | 195                            | 303                             | 83                                | 293              | 1,051           |
| Credited/(Charged) to:     |                         |                                |                                 |                                   |                  |                 |
| – profit or loss (Note 18) | 28                      | (5)                            | 168                             | (83)                              | (152)            | (44)            |
| At 31 December 2023        | 205                     | 190                            | 471                             | –                                 | 141              | 1,007           |
| Credited/(Charged) to:     |                         |                                |                                 |                                   |                  |                 |
| – profit or loss (Note 18) | (205)                   | (22)                           | 168                             | –                                 | 52               | (7)             |
| <b>At 31 December 2024</b> | <b>–</b>                | <b>168</b>                     | <b>639</b>                      | <b>–</b>                          | <b>193</b>       | <b>1,000</b>    |

| The Group                  | Property,<br>plant and<br>equipment<br>\$'000 | Right-of-use<br>assets<br>\$'000 | Total<br>\$'000 |
|----------------------------|---|----------------------------------|-----------------|
| Deferred tax liabilities   |   |                                  |                 |
| At 1 January 2023          | (743)   | (203)                            | (946)           |
| Credited/(Charged) to:     |   |                                  |                 |
| – profit or loss (Note 18) | 236   | 2                                | 238             |
| At 31 December 2023        | (507)   | (201)                            | (708)           |
| Credited/(Charged) to:     |   |                                  |                 |
| – profit or loss (Note 18) | (109)   | 37                               | (72)            |
| <b>At 31 December 2024</b> | <b>(616)</b>                                  | <b>(164)</b>                     | <b>(780)</b>    |

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at the reporting date, no deferred tax liabilities has been recognised for the withholding tax that will be payable on unremitted earnings of the Malaysian and Cambodian subsidiaries when remitted as dividends to the Company, as the Group is in a position to control the timing of the receipt of the distributable earnings.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 7 INVENTORIES

|                           | 2024<br>\$'000 | 2023<br>\$'000 |
|---------------------------|----------------|----------------|
| <b>The Group</b>          |                |                |
| Raw materials, at cost    | 4,598          | 5,993          |
| Work-in-progress, at cost | 2,567          | 3,349          |
| Finished goods, at cost   | 6,143          | 3,200          |
|                           | <u>13,308</u>  | <u>12,542</u>  |

The cost of inventories recognised as an expense and included in “cost of sales” line item in the consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2024 amounted to \$60,080,000 (2023: \$50,198,000). There was no write-down in value of inventories nor inventories write-off during the current and previous financial years.

## 8 TRADE AND OTHER RECEIVABLES

|                                    | <b>The Group</b> |                | <b>The Company</b> |                |
|------------------------------------|------------------|----------------|--------------------|----------------|
|                                    | 2024<br>\$'000   | 2023<br>\$'000 | 2024<br>\$'000     | 2023<br>\$'000 |
| Trade receivables                  | 20,145           | 17,275         | –                  | –              |
| Allowance for impairment loss      | (205)            | (222)          | –                  | –              |
| Net trade receivables              | 19,940           | 17,053         | –                  | –              |
| Other receivables                  | 90               | 62             | 255                | 269            |
| Deposits                           | 885              | 890            | –                  | –              |
| Financial assets at amortised cost | 20,915           | 18,005         | 255                | 269            |
| Prepayments                        | 317              | 202            | 1                  | 11             |
| Net input GST/VAT recoverable      | 373              | 288            | 7                  | 2              |
|                                    | <u>21,605</u>    | <u>18,495</u>  | <u>263</u>         | <u>282</u>     |

As at 1 January 2024, the Group's gross trade receivables related to revenue from contracts with customers due from external parties amounted to \$17,275,000 (1 January 2023: \$13,526,000).

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) credit term.

The movement of allowance for impairment losses is as follows:

|                                 | 2024<br>\$'000 | 2023<br>\$'000 |
|---------------------------------|----------------|----------------|
| <b>The Group</b>                |                |                |
| At the beginning of the year    | 222            | 364            |
| Impairment loss recognised      | 23             | 38             |
| Impairment loss reversed        | (52)           | (100)          |
| Impairment loss (reversed), net | (29)           | (62)           |
| Impairment loss utilised        | –              | (80)           |
| Translation differences         | 12             | –              |
| At the end of the year          | <u>205</u>     | <u>222</u>     |

The Company's other receivables are due from subsidiaries which comprise unsecured, non-trade, non-interest bearing advances extended to subsidiaries and are repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 8 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables (excluding prepayments and net input GST/VAT recoverable) are denominated in the following currencies:

|                      | The Group     |               | The Company |            |
|----------------------|---------------|---------------|-------------|------------|
|                      | 2024          | 2023          | 2024        | 2023       |
|                      | \$'000        | \$'000        | \$'000      | \$'000     |
| Singapore dollar     | –             | 32            | 255         | 269        |
| United States dollar | 20,521        | 17,499        | –           | –          |
| Malaysian ringgit    | 394           | 474           | –           | –          |
|                      | <u>20,915</u> | <u>18,005</u> | <u>255</u>  | <u>269</u> |

The Group's and the Company's exposure to credit risk and currency risk is disclosed in Note 22 to the financial statements.

## 9 CASH AND BANK BALANCES

|   | The Group    |              | The Company |           |
|---|--------------|--------------|-------------|-----------|
|   | 2024         | 2023         | 2024        | 2023      |
|   | \$'000       | \$'000       | \$'000      | \$'000    |
| Cash on hand  | 4            | 34           | –           | –         |
| Cash at bank  | 4,227        | 5,923        | 15          | 16        |
| Fixed deposits  | 2,277        | 1,869        | –           | –         |
| Cash and bank balances                                      | 6,508        | 7,826        | <u>15</u>   | <u>16</u> |
| Less: Deposits pledged                                      | (2,881)      | (1,869)      |             |           |
| Cash and cash equivalents<br>in the statement of cash flows | <u>3,627</u> | <u>5,957</u> |             |           |

As at 31 December 2024, fixed deposits of the Group amounting to \$2,277,000 (2023: \$1,869,000) are pledged to secure bank borrowings (refer Note 12).

Included in cash at bank is an amount of \$604,000 retained as a security deposit and held by a financial institution pursuant to a secured term loan agreement entered into during the financial year. The deposit serves as collateral for the Group's obligations under the loan and related financing documents. In the event of default or if the Group's obligations become due and payable, the lender may, without objection, apply the security deposit against any outstanding amounts. The deposit is non-interest bearing and will be refunded upon full settlement of the loan, provided that the Group repays the loan in accordance with the agreed loan repayment schedule and no default events occur.

Cash and bank balances are denominated in the following currencies:

|                      | The Group    |              | The Company |           |
|----------------------|--------------|--------------|-------------|-----------|
|                      | 2024         | 2023         | 2024        | 2023      |
|                      | \$'000       | \$'000       | \$'000      | \$'000    |
| Singapore dollar     | 788          | 77           | 15          | 16        |
| United States dollar | 2,665        | 5,536        | –           | –         |
| Malaysian ringgit    | 3,041        | 2,184        | –           | –         |
| Others               | 14           | 29           | –           | –         |
|                      | <u>6,508</u> | <u>7,826</u> | <u>15</u>   | <u>16</u> |

The Group's and Company's exposure to credit risks, interest rate risks and currency risks is disclosed in Note 22.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 10 SHARE CAPITAL

|   | Number of<br>ordinary<br>shares<br>'000 | Amount<br>\$'000 |
|---|---|------------------|
| <b>The Company</b>  |   |                  |
| <b>Ordinary shares issued and fully paid with no par value:</b> |   |                  |
| At 1 January 2023, at 31 December 2023 and 31 December 2024     | 169,682                                 | 33,201           |

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at the meetings of the Company. All share rank equally with regards to the Company's residual assets.

## 11 RESERVES

|  | <b>The Group</b> |                 | <b>The Company</b> |                |
|--|------------------|-----------------|--------------------|----------------|
|  | <b>2024</b>      | <b>2023</b>     | <b>2024</b>        | <b>2023</b>    |
|  | <b>\$'000</b>    | <b>\$'000</b>   | <b>\$'000</b>      | <b>\$'000</b>  |
| Capital reserve                        | 571              | 571             | 571                | 571            |
| Merger reserve                         | (20,106)         | (20,106)        | –                  | –              |
| Translation reserve                    | (1,356)          | (2,405)         | –                  | –              |
| Retained earnings/(accumulated losses) | 2,646            | 8,323           | (9,038)            | (8,832)        |
|  | <u>(18,245)</u>  | <u>(13,617)</u> | <u>(8,467)</u>     | <u>(8,261)</u> |

### 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 the acquisition of 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.

### Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 12 BORROWINGS

| <b>The Group</b>        | <b>Maturity of borrowings</b> | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> |
|-------------------------|-------------------------------|------------------------|------------------------|
| <b>Secured</b>          |                               |                        |                        |
| Term loans:             |                               |                        |                        |
| – Floating rate         | 2025 – 2033                   | 2,605                  | 700                    |
|                         |                               | 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                 |
| <b>Presented as:</b>    |                               |                        |                        |
| Non-current             |                               | 1,552                  | 571                    |
| Current                 |                               | 21,228                 | 15,764                 |
|                         |                               | 22,780                 | 16,335                 |

Borrowings are denominated in the following currencies:

| <b>The Group</b>     | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> |
|----------------------|------------------------|------------------------|
| United States dollar | 15,298                 | 11,168                 |
| Singapore Dollar     | 2,000                  | –                      |
| Malaysian ringgit    | 5,482                  | 5,167                  |
|                      | 22,780                 | 16,335                 |

The weighted average effective interest rates at the reporting date for bank loans are as follows:

| <b>The Group</b>     | <b>2024<br/>%</b> | <b>2023<br/>%</b> |
|----------------------|-------------------|-------------------|
| Trust receipts       | 5.03% – 6.42%     | 4.80% – 7.94%     |
| Bankers' acceptances | 3.66% – 5.03%     | 3.57% – 5.05%     |
| Invoice financing    | 6.08% – 6.30%     | 7.19% – 7.27%     |
| Term loans           | 6.06% – 6.39%     | 1.91% – 6.31%     |

The remaining maturities of the bank loans at the end of the reporting period are as follows:

| <b>The Group</b>                        | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> |
|---|------------------------|------------------------|
| On demand or within one year            | 21,228                 | 15,764                 |
| More than 1 year but less than 2 years  | 1,058                  | 51                     |
| More than 2 years but less than 5 years | 195                    | 173                    |
| More than 5 years                       | 299                    | 347                    |
|   | 22,780                 | 16,335                 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 12 BORROWINGS (CONTINUED)

The secured term loans of the Group are secured by legal charges over the Group's freehold land and buildings, leasehold land and pledged deposits as disclosed in Notes 3, 4 and 9 respectively.

The carrying amounts of short-term borrowings and those repayable on demand approximate their fair values. The carrying amounts and fair values of long-term borrowings at the end of the reporting period are as follows:

|                   | 2024<br>\$'000 | 2023<br>\$'000 |
|-------------------|----------------|----------------|
| <b>The Group</b>  |                |                |
| Term loan         |                |                |
| – Carrying amount | 1,552          | 571            |

The carrying value of long-term borrowing is an approximation to their fair values since these are floating rate instruments that are re-priced to market interest rates on or near the reporting date. The interest rate changes based on the contractual repricing dates at the end of the reporting period is 6 months to 1 year. The fair values are determined from the discounted cash flow analysis, using the discount rates of 4.49% – 6.14% (2023: 4.49% – 5.10%) based on the borrowing rates which the directors expect would be available to the Group at the end of the reporting period.

In the last financial year ended 31 December 2023, one of the subsidiaries had breached its loan covenant as the consolidated gross debt to earnings before interest, taxes, depreciation and amortisation ratio is not maintained. The related bank borrowings of \$81,673 was classified within current liability on the statement of financial position. However, the outstanding balance of this particular borrowing had been subsequently settled after the year end.

## 13 LEASE LIABILITIES

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>The Group</b>                        |                |                |
| Undiscounted lease payments due:        |                |                |
| – Within one year                       | 856            | 914            |
| – In the second to fifth year inclusive | 2,986          | 365            |
|   | 3,842          | 1,279          |
| Less: Future interest costs             | (937)          | (255)          |
|   | 2,905          | 1,024          |
| Presented as:                           |                |                |
| – Non-current                           | 2,349          | 217            |
| – Current                               | 556            | 807            |
|   | 2,905          | 1,024          |

Lease liabilities are denominated in the following currencies:

|                      | 2024<br>\$'000 | 2023<br>\$'000 |
|----------------------|----------------|----------------|
| <b>The Group</b>     |                |                |
| Singapore dollar     | –              | 135            |
| United States dollar | 2,675          | 593            |
| Malaysian ringgit    | 230            | 296            |
|                      | 2,905          | 1,024          |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 13 LEASE LIABILITIES (CONTINUED)

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

The Group leases factory premises, plant and machinery and motor vehicles for operation purposes.

Total cash flows for all leases in the current financial year amounted to \$889,000 (2023: \$992,000).

Interest expense on lease liabilities of \$181,000 (2023: \$157,000) is recognised within "finance costs" in the consolidated statement of profit or loss and other comprehensive income.

In the current financial year, there were no leases of low-value assets nor short-term leases recognised in the consolidated statement of profit or loss and other comprehensive income.

## 14 TRADE AND OTHER PAYABLES

|   | The Group     |               | The Company  |              |
|---|---------------|---------------|--------------|--------------|
|   | 2024          | 2023          | 2024         | 2023         |
|   | \$'000        | \$'000        | \$'000       | \$'000       |
| Trade payables                                    | 14,833        | 13,157        | 24           | 2            |
| Amounts due to directors/shareholders (non-trade) | 977           | 1,197         | –            | –            |
| Amount due to subsidiaries (non-trade)            | –             | –             | 1,767        | 1,595        |
| Accrued operating expenses                        | 1,350         | 1,622         | 153          | 152          |
| Accrued salaries and wages                        | 1,224         | 1,391         | –            | 9            |
| Other payables                                    | 1,328         | 1,499         | –            | –            |
| Financial liabilities at amortised cost           | 19,712        | 18,866        | 1,944        | 1,758        |
| Provision for sales rebates                       | 10            | 81            | –            | –            |
|   | <u>19,722</u> | <u>18,947</u> | <u>1,944</u> | <u>1,758</u> |

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 120 days (2023: 30 to 120 days).

The non-trade amounts due to directors/shareholders and subsidiaries are loan advances which are unsecured, interest-free and repayable on demand.

Provision for sales rebate relate to rebates extended to a customer of the Group which will be set-off against future invoices for meeting contractually agreed sales volumes. The movement during the year is summarised as follows:

|                        | 2024      | 2023      |
|------------------------|-----------|-----------|
|                        | \$'000    | \$'000    |
| <b>The Group</b>       |           |           |
| At 1 January           | 81        | 287       |
| Provision for the year | 10        | 81        |
| Provision utilised     | (81)      | (287)     |
| At 31 December         | <u>10</u> | <u>81</u> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 14 TRADE AND OTHER PAYABLES (CONTINUED)

Financial liabilities at amortised cost are denominated in the following currencies:

|                      | The Group      |                | The Company    |                |
|----------------------|----------------|----------------|----------------|----------------|
|                      | 2024<br>\$'000 | 2023<br>\$'000 | 2024<br>\$'000 | 2023<br>\$'000 |
| Singapore dollar     | 236            | 1,872          | 1,944          | 1,758          |
| United States dollar | 17,728         | 12,486         | –              | –              |
| Malaysian ringgit    | 1,748          | 4,508          | –              | –              |
|                      | 19,712         | 18,866         | 1,944          | 1,758          |

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 22.

## 15 REVENUE

|                                   | 2024<br>\$'000 | 2023<br>\$'000 |
|-----------------------------------|----------------|----------------|
| <b>The Group</b>                  |                |                |
| Sale of goods, at a point in time | 104,531        | 88,720         |

## 16 FINANCE COSTS

|                               | 2024<br>\$'000 | 2023<br>\$'000 |
|-------------------------------|----------------|----------------|
| <b>The Group</b>              |                |                |
| Interest expenses on:         |                |                |
| – Term loans                  | 39             | 86             |
| – Other short-term loans      | 1,154          | 893            |
|                               | 1,193          | 979            |
| – Lease liabilities (Note 13) | 181            | 157            |
|                               | 1,374          | 1,136          |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 17 (LOSS) BEFORE TAXATION

| The Group   | 2024<br>\$'000  | 2023<br>\$'000  |
|---|-----------------|-----------------|
| <b>Included in "other income":</b>                        |                 |                 |
| Bad debts recovered                                       | 14              | 5               |
| Foreign currency exchange gain, net                       | 1,183           | –               |
| Interest income   | 81              | 62              |
| Subcontract income earned from value-added services       | 129             | 216             |
| <b>Included in "cost of sales":</b>                       |                 |                 |
| Depreciation of property, plant and equipment (Note 3)    | 938             | 1,099           |
| Depreciation of right-of-use assets (Note 4)              | 542             | 528             |
| Cost of goods purchased (Note 7)                          | 60,080          | 50,198          |
| Freight and delivery charges                              | 2,540           | 1,625           |
| Repair and maintenance costs                              | 851             | 931             |
| Salary and related costs                                  | 13,306          | 12,217          |
| Defined contribution plan                                 | 882             | 813             |
|   | <b>**14,188</b> | <b>**13,030</b> |
| Subcontractor charges                                     | 15,855          | 9,102           |
| Utility charges   | 1,541           | 1,717           |
| <b>Included in "administrative and general expenses":</b> |                 |                 |
| Depreciation of property, plant and equipment (Note 3)    | 89              | 118             |
| Depreciation of right-of-use assets (Note 4)              | 165             | 208             |
| Directors' fees   | 85              | 85              |
| Foreign exchange losses, net                              | –               | 397             |
| Repair and maintenance costs                              | 96              | 118             |
| Legal and professional fees                               | 705             | 551             |
| Salary and related costs*                                 | 3,764           | 4,269           |
| Defined contribution plan*                                | 243             | 301             |
|   | <b>**4,007</b>  | <b>**4,570</b>  |
| Loss on disposal of property, plant and equipment         | 5               | 226             |
| Travelling and transport expenses                         | 12              | 15              |
| Utility charges   | 93              | 107             |
| Bank charges  | 129             | 106             |
| Penalties   | 185             | 142             |
| Audit fees:   |                 |                 |
| – auditor of the Company                                  | 77              | 74              |
| – other auditors – network firms                          | 28              | 27              |
|   | 105             | 101             |
| Quality assurance expenses                                | 330             | 142             |
| <b>Included in "selling and marketing expenses":</b>      |                 |                 |
| Entertainment expenses                                    | 75              | 78              |
| Travelling and transport expenses                         | 156             | 188             |
| Sampling and commission paid                              | 1,361           | 1,479           |
| Sample courier expenses                                   | 312             | 291             |

\* Included in the above is key management personnel compensation, excluding directors' fees paid to non-executive directors, which is disclosed in Note 20.

\*\* Included in costs of sales and administrative and general expenses are employee benefit expenses which amounted to \$18,195,000 (2023: \$17,600,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 18 TAXATION

The tax expense on results of the financial year varies from the amount of income tax determined by applying the rate of income tax applicable to the respective group entities as a result of the following:

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>The Group</b>                                    |                |                |
| Current tax expense                                 |                |                |
| – Current year                                      | 441            | 470            |
| – Under/(over) provision in respect of prior years  | 488            | (107)          |
|   | 929            | 363            |
| Deferred tax expense/(credit) (Note 6)              |                |                |
| – Origination and reversal of temporary differences | 43             | (4)            |
| – Under/(over) provision in respect of prior years  | 36             | (190)          |
| Income tax expense recognised in profit or loss     | 1,008          | 169            |

### Reconciliation of effective rate

|   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| <b>The Group</b>  |                |                |
| Loss before taxation  | (4,651)        | (1,783)        |
| Tax at domestic rates applicable to countries in which the Group entities operate | (875)          | (399)          |
| Non-deductible expenses <sup>(a)</sup>  | 195            | 575            |
| Effect of partial tax exemption and tax relief and rebate                         | (57)           | (57)           |
| Deferred tax assets not recognised  | 1,221          | 347            |
| Under/(over) provision in respect of prior years                                  | 524            | (297)          |
| Income tax expense recognised in profit or loss                                   | 1,008          | 169            |

(a) Expenses not deductible for tax purposes relate mainly to depreciation and amortisation of non-qualifying assets and other disallowed expenses incurred in the ordinary course of business.

Deferred tax assets have not been recognised in the current year in respect of unabsorbed tax losses of \$7,598,000 (2023: \$1,736,000), since it is not probable that sufficient future taxable profits will be available for utilisation. The ability to carry forward these unutilised tax losses is subject to conditions imposed by law. Under Cambodian tax regulations, unutilised tax losses can be carried forward for up to five years. In Malaysia, unutilised losses in a year of assessment can only be carried forward for a maximum period of ten consecutive years of assessment from the year the loss is incurred.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The tax rates of the major jurisdictions that the Group operates in are as follows:

|                  | 2024<br>% | 2023<br>% |
|------------------|-----------|-----------|
| <b>The Group</b> |           |           |
| Cambodia         | 20        | 20        |
| Malaysia         | 24        | 24        |
| Seychelles       | –         | –         |
| Singapore        | 17        | 17        |
| Vietnam          | 20        | 20        |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 19 LOSS PER SHARE

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The number of ordinary shares outstanding from the completion date to the end of the period is the weighted average number of ordinary shares of the Company outstanding during the period.

| The Group  | 2024    | 2023    |
|--|---------|---------|
| Loss for the year attributable to owners of the Company (\$'000)                           | (5,677) | (1,969) |
| Weighted average number of ordinary shares for basic and diluted earnings per share ('000) | 169,682 | 169,682 |
| Basic and diluted loss per share (cents)   | (3.35)  | (1.16)  |

Diluted loss per share are the same as basic earnings per shares as there were no potential dilutive ordinary shares existing during the current and prior periods.

## 20 RELATED PARTY TRANSACTIONS

### Compensation of key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors are considered as key management personnel of the Group.

The key management personnel compensation comprises:

| The Group                                   | 2024<br>\$'000 | 2023<br>\$'000 |
|---|----------------|----------------|
| Short term employee benefits                | 807            | 1,035          |
| Contributions to defined contribution plans | 63             | 118            |
|   | 870            | 1,153          |

## 21 OPERATING SEGMENTS

The Group is engaged in the apparel manufacture and trading business. Management has determined the operating segment based on the reports reviewed by the chief operating decision maker. For management purposes, the Group is organised into business units based on its services and has one reportable operating segment – the Apparel business segment.

Information reported to the Group's management for the purpose of resources allocation and performance assessment represents the operating results of the Group as a whole because the Group's resource are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Management considers the business from both geographical and business segment perspective. Geographically, management manages and monitors the business from Malaysia and Cambodia.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 21 OPERATING SEGMENTS (CONTINUED)

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

### Geographical Information

For management purposes, 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 exports and assets respectively is as follows:

| <b>The Group</b> | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> |
|------------------|------------------------|------------------------|
| <b>Revenue</b>   |                        |                        |
| United Kingdom   | 11,235                 | 30,622                 |
| United States    | 46,883                 | 35,965                 |
| European Union   | 18,236                 | 16,261                 |
| Canada           | 9,412                  | 3,584                  |
| Malaysia         | 1,588                  | 1,063                  |
| Japan            | 15,102                 | –                      |
| Others           | 2,075                  | 1,225                  |
|                  | <u>104,531</u>         | <u>88,720</u>          |

Included in the Group's consolidated revenue are sales of approximately \$75.2 million (2023: \$66.6 million) to 5 customers (2023: 3 customers) who contributed at least 10% of the Group's revenue each for FY2024 and FY2023 respectively.

In presenting information on the basis of geographical segments, segment revenue is based on the countries in which the goods are exported.

| <b>The Group</b>          | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> |
|---------------------------|------------------------|------------------------|
| <b>Non-current assets</b> |                        |                        |
| Malaysia                  | 13,692                 | 13,694                 |
| Cambodia                  | 4,605                  | 2,467                  |
| Singapore                 | –                      | 145                    |
|                           | <u>18,297</u>          | <u>16,306</u>          |

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

| <b>The Group</b>              | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> |
|-------------------------------|------------------------|------------------------|
| Property, plant and equipment | 13,894                 | 13,780                 |
| Right-of-use assets           | 4,183                  | 2,217                  |
| Deferred tax assets           | 220                    | 309                    |
|                               | <u>18,297</u>          | <u>16,306</u>          |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no significant change in the Group's exposure to these risks or the manner in which it manages and measures risks.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

### Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group.

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all new customers.

The carrying amounts of the financial assets in the statement of financial position represent the Group's maximum exposure to credit risk before taking into account any collateral held. The Group and the Company do not require any collateral in respect of their financial assets.

At reporting date, the Group has concentration of credit risk with 3 customers (2023: 3 customers) accounting for approximately 60% (2023: 75%) of the total trade receivables.

The Group uses an allowance matrix to measure the ECLs of trade receivables.

As at the end of the reporting period, the age analysis of trade receivables past due but not impaired was as follows:

| <b>The Group</b>            | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> |
|-----------------------------|------------------------|------------------------|
| Past due less than 1 month  | 7,647                  | 2,652                  |
| Past due 1 to 2 months      | 4,268                  | 117                    |
| Past due over 2 to 3 months | 56                     | 52                     |
| Past due over 3 months      | 19                     | 15                     |

Loss rates are based on actual credit loss experience over the past periods. These rates are adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. These scalar factors are calculated using statistical models that determine numeric correlation of loss rates with relevant economic variables. The expected credit losses recognised during the financial year is disclosed in Note 8 to the financial statements.

Cash and bank balances are held with reputable banks and financial institutions which are regulated. Cash and bank balances are subject to immaterial credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to changes in interest rates primarily due to the Group's loans and borrowings which are subject to variable interest rates. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

|                                  | 2024<br>\$'000 | 2023<br>\$'000 |
|----------------------------------|----------------|----------------|
| <b>The Group</b>                 |                |                |
| <b>Fixed rate instruments</b>    |                |                |
| Trust receipts (Note 12)         | 13,760         | 9,250          |
| Bankers' acceptance (Note 12)    | 4,309          | 3,877          |
| Invoice financing (Note 12)      | 2,106          | 2,508          |
| Fixed deposits (Note 9)          | (2,277)        | (1,869)        |
|                                  | <u>17,898</u>  | <u>13,766</u>  |
|                                  |                |                |
|                                  | 2024<br>\$'000 | 2023<br>\$'000 |
| <b>The Group</b>                 |                |                |
| <b>Variable rate instruments</b> |                |                |
| Floating rate loans (Note 12)    | <u>2,605</u>   | <u>700</u>     |

### Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect the consolidated statement of profit or loss and other comprehensive income.

### Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, a 100 basis points ("bp") change in interest rates at the reporting date would not have a material impact on the (loss)/profit before tax and equity. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

The Group's policy is to obtain the most favourable interest rates available without increasing its interest exposure.

### Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's entities are exposed to foreign currency risk on trade and other receivables, cash and bank balances, borrowings and trade and other payables that are denominated in currencies other than their respective functional currencies. The currency giving rise to this risk is mainly the United States dollar ("USD").

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Foreign currency risk (Continued)

There is no formal hedging policy with respect to the foreign exchange exposure. Exposure to exchange risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level. As at the reporting date, the Company is not significantly exposed to any foreign currency risk.

The Group's exposure to foreign currency risk is as follows:

|                                  | 2024<br>\$'000 | 2023<br>\$'000 |
|----------------------------------|----------------|----------------|
| <b>The Group</b>                 |                |                |
| Trade and other receivables      | 7,986          | 9,509          |
| Cash and bank balances           | 2,037          | 4,150          |
| Borrowings                       | (15,297)       | (11,168)       |
| Trade and other payables         | (14,011)       | (12,409)       |
| Net currency exposure            | (19,285)       | (9,918)        |
| <u>Sensitivity analysis</u>      |                |                |
| Strengthened by 10% (2023 – 10%) | (1,929)        | (992)          |
| Weakened by 10% (2023 – 10%)     | 1,929          | 992            |

A 10% strengthening/weakening of the USD against the functional currencies of the respective entities within the Group at the reporting date would (decrease)/increase the results before tax by the amounts above.

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables in particular interest rates, remain constant. The analysis is performed on the same basis for 2024 and 2023, albeit that the reasonably possible foreign exchange rate variances may have been different.

### Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

To ensure the continuity of funding, the Group's policy is to use a mix of long-term and short-term financing. Short-term funding is obtained through bankers' acceptance, invoice financing and trust receipts. Long-term funding is primarily used for acquisition of property, plant and equipment. The Group evaluates various alternative financing arrangements to balance its debt leverage.

The Group monitors current and expected liquidity requirements to ensure that it maintains sufficient working capital and adequate external financing to meet its liquidity requirements in the short and longer term. The sources of liquidity and funding available to the Group are the financing from various financial institutions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Liquidity risk (Continued)

#### Analysis of financial instruments by remaining contractual maturities

The following are the contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude impact of netting agreements:

|  |                              | Contractual undiscounted cash flows |                            |                                    |                                |
|--|------------------------------|-------------------------------------|----------------------------|------------------------------------|--------------------------------|
|  | Carrying<br>amount<br>\$'000 | Total<br>\$'000                     | Within<br>1 year<br>\$'000 | Between<br>2 and 5 years<br>\$'000 | More than<br>5 years<br>\$'000 |
| <b>The Group</b>                                     |                              |                                     |                            |                                    |                                |
| <b>31 December 2024</b>                              |                              |                                     |                            |                                    |                                |
| Term loans – Floating rate<br>(Note 12)              | 2,605                        | 2,928                               | 1,181                      | 1,392                              | 355                            |
| Other short-term loans<br>(Note 12)                  | 20,175                       | 20,175                              | 20,175                     | –                                  | –                              |
|  | 22,780                       | 23,103                              | 21,356                     | 1,392                              | 355                            |
| Lease liabilities (Note 13)                          | 2,905                        | 3,842                               | 856                        | 2,986                              | –                              |
| Trade and other payables<br>(Note 14) <sup>(1)</sup> | 19,712                       | 19,712                              | 19,712                     | –                                  | –                              |
|  | 45,397                       | 46,657                              | 41,924                     | 4,378                              | 355                            |
| <b>31 December 2023</b>                              |                              |                                     |                            |                                    |                                |
| Term loans – Floating rate<br>(Note 12)              | 700                          | 905                                 | 167                        | 340                                | 398                            |
| Other short-term loans<br>(Note 12)                  | 15,635                       | 15,635                              | 15,635                     | –                                  | –                              |
|  | 16,335                       | 16,540                              | 15,802                     | 340                                | 398                            |
| Lease liabilities (Note 13)                          | 1,024                        | 1,279                               | 914                        | 365                                | –                              |
| Trade and other payables<br>(Note 14) <sup>(1)</sup> | 18,866                       | 18,866                              | 18,866                     | –                                  | –                              |
|  | 36,225                       | 36,685                              | 35,582                     | 705                                | 398                            |
| <b>The Company</b>                                   |                              |                                     |                            |                                    |                                |
| <b>31 December 2024</b>                              |                              |                                     |                            |                                    |                                |
| Trade and other payables<br>(Note 14)                | 1,944                        | 1,944                               | 1,944                      | –                                  | –                              |
| <b>31 December 2023</b>                              |                              |                                     |                            |                                    |                                |
| Trade and other payables<br>(Note 14)                | 1,758                        | 1,758                               | 1,758                      | –                                  | –                              |

(1) Excluded provision for sales rebates

The maturity analysis shows the contractual undiscounted cash flows of the Group's and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 23 FINANCIAL INSTRUMENTS BY CATEGORY

### Fair values

The carrying amounts of the financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

The Group and the Company do not anticipate that the carrying amounts recorded at end of the reporting year would be significantly different from the values that would eventually be received or settled.

The fair values of the Group's non-current borrowings are disclosed in Note 12 to the financial statements.

### Lease liabilities

The fair value disclosure of lease liabilities is not required.

### Accounting classification of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

|   | <b>The Group</b> |               | <b>The Company</b> |               |
|---|------------------|---------------|--------------------|---------------|
|   | <b>2024</b>      | <b>2023</b>   | <b>2024</b>        | <b>2023</b>   |
|   | <b>\$'000</b>    | <b>\$'000</b> | <b>\$'000</b>      | <b>\$'000</b> |
| <b>Financial assets at amortised cost</b>           |                  |               |                    |               |
| Trade and other receivables (Note 8) <sup>(1)</sup> | 20,915           | 18,005        | 255                | 269           |
| Cash and bank balances (Note 9)                     | 6,508            | 7,826         | 15                 | 16            |
|   | <u>27,423</u>    | <u>25,831</u> | <u>270</u>         | <u>285</u>    |
| <b>Financial liabilities at amortised cost</b>      |                  |               |                    |               |
| Borrowings (Note 12)                                | 22,780           | 16,335        | –                  | –             |
| Lease liabilities (Note 13)                         | 2,905            | 1,024         | –                  | –             |
| Trade and other payables (Note 14) <sup>(2)</sup>   | 19,712           | 18,866        | 1,944              | 1,758         |
|   | <u>45,397</u>    | <u>36,225</u> | <u>1,944</u>       | <u>1,758</u>  |

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

(2) Excluded provision for sales rebates

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 24 CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are:

- (a) To safeguard the Group's and the Company's ability to continue as a going concern;
- (b) To support the Group's and the Company's stability and growth; and
- (c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

The Group and the Company monitor capital using Gearing Ratio, which is net debt divided by total capital. Total capital represents net debt plus total equity attributable to owners of the Company. Net debt represents total borrowings less cash and bank balances.

There were no changes in the Group's and the Company's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements except for 1 (2023: 2) subsidiaries whose loan facilities require it to maintain its financial position in excess of specified financial thresholds at all times.

The gearing ratio is calculated as net debt divided by total capital as follows:

|  | The Group |         | The Company |        |
|--|-----------|---------|-------------|--------|
|  | 2024      | 2023    | 2024        | 2023   |
|  | \$'000    | \$'000  | \$'000      | \$'000 |
| Borrowings (Note 12)                               | 22,780    | 16,335  | –           | –      |
| Lease liabilities (Note 13)                        | 2,905     | 1,024   | –           | –      |
| Trade and other payables (Note 14)                 | 19,722    | 18,947  | 1,944       | 1,758  |
| Less: Cash and bank balances (Note 9)              | (6,508)   | (7,826) | (15)        | (16)   |
| Net debt   | 38,899    | 28,480  | 1,929       | 1,742  |
| Total equity attributable to owners of the Company | 14,956    | 19,584  | 24,734      | 24,940 |
| Total capital                                      | 53,855    | 48,064  | 26,663      | 26,682 |
| Net debt-to-adjusted capital ratio                 | 72%       | 59%     | 7%          | 7%     |

## 25 COMPARATIVE INFORMATION

Certain changes were made to the Consolidated Statement of Cash Flows for the financial year ended 31 December 2023 to reflect the effects of translation movement to the cash flows. These changes have been made to enhance comparability with the current year's financial statements.

# SHAREHOLDING STATISTICS

## SHARE CAPITAL INFORMATION

|                                  |   |                    |
|----------------------------------|---|--------------------|
| Issued and fully paid-up capital | : | \$33,201,000.00    |
| Number of Shares                 | : | 169,681,544        |
| Class of shares                  | : | Ordinary Shares    |
| Voting rights                    | : | One vote per share |

The Company does not have any treasury shares and subsidiary holdings.

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 21 March 2025, approximately 21.77% of the issued Ordinary Shares of the Company is being held by the public and therefore, Rule 723 of Section B: Rules of Catalist of the SGX-ST Listing Manual (the “**Catalist Rules**”) has been complied with.

## SUBSTANTIAL SHAREHOLDERS AS AT 21 MARCH 2025

|  | <u>Direct Interest</u> | <u>%</u> | <u>Deemed Interest</u> | <u>%</u> |
|--|------------------------|----------|------------------------|----------|
| Lim Siau Hing @ Lim Kim Hoe <sup>(1)</sup> | 47,750,000             | 28.14    | 85,000,000             | 50.09    |
| Lim Vhe Kai <sup>(2)</sup>                 | –                      | –        | 85,000,000             | 50.09    |
| Wyandotte Capital Limited                  | 85,000,000             | 50.09    | –                      | –        |

### Notes:

- (1) Pursuant to Section 4 of the Securities and Futures Act 2001, Lim Siau Hing @ Lim Kim Hoe is treated as having an interest in the shares of KTMG Limited held by Wyandotte Capital Limited because the entire issued and paid-up share capital of Wyandotte Capital Limited is held by Lion Trust (Singapore) Limited for a family trust of which Lim Siau Hing @ Lim Kim Hoe is a beneficiary.
- (2) Pursuant to Section 4 of the Securities and Futures Act 2001, Lim Vhe Kai is treated as having an interest in the shares of KTMG Limited held by Wyandotte Capital Limited because the entire issued and paid-up share capital of Wyandotte Capital Limited is held by Lion Trust (Singapore) Limited for a family trust of which Lim Vhe Kai is a beneficiary.

# SHAREHOLDING STATISTICS

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 21 MARCH 2025

| Size of Shareholdings | No. of Shareholders | %             | No. of Shares      | %             |
|-----------------------|---------------------|---------------|--------------------|---------------|
| 1-99                  | 2,644               | 62.62         | 74,141             | 0.04          |
| 100-1,000             | 1,331               | 31.53         | 405,932            | 0.24          |
| 1,001-10,000          | 185                 | 4.38          | 499,347            | 0.30          |
| 10,001-1,000,000      | 55                  | 1.30          | 5,208,678          | 3.07          |
| 1,000,001 and above   | 7                   | 0.17          | 163,493,446        | 96.35         |
| Total                 | <b>4,222</b>        | <b>100.00</b> | <b>169,681,544</b> | <b>100.00</b> |

## LIST OF TWENTY LARGEST SHAREHOLDERS AS AT 21 MARCH 2025

| No.    | Name   | No. of Shares      | %            |
|--------|--|--------------------|--------------|
| 1      | WYANDOTTE CAPITAL LIMITED                    | 85,000,000         | 50.09        |
| 2      | LIM SIAU HING @ LIM KIM HOE                  | 47,750,000         | 28.14        |
| 3      | UOB KAY HIAN PTE LTD                         | 18,880,268         | 11.13        |
| 4      | SUN CONTINENTAL INVESTMENT & TRADING PTE LTD | 4,250,000          | 2.50         |
| 5      | YANG SU HUA                                  | 3,950,000          | 2.33         |
| 6      | SUN JIANWEI                                  | 2,500,000          | 1.47         |
| 7      | DBS NOMINEES PTE LTD                         | 1,163,178          | 0.69         |
| 8      | YEO CHUN HEONG                               | 700,000            | 0.41         |
| 9      | GOH YEOW TIN                                 | 503,857            | 0.30         |
| 10     | YAP BOH PIN                                  | 500,000            | 0.29         |
| 11     | KONG CHEE KEONG                              | 300,000            | 0.18         |
| 12     | LIAN YU HOLDINGS PTE LTD                     | 250,000            | 0.15         |
| 13     | PHILLIP SECURITIES PTE LTD                   | 239,812            | 0.14         |
| 14     | ABN AMRO CLEARING BANK N.V.                  | 213,550            | 0.13         |
| 15     | TAN KOK SEONG                                | 200,000            | 0.12         |
| 16     | PRISCILLA TAN KIM HUA                        | 200,000            | 0.12         |
| 17     | GOH BOON CHYE                                | 200,000            | 0.12         |
| 18     | CHONG KAR HUA                                | 200,000            | 0.12         |
| 19     | LIM YING HUI                                 | 200,000            | 0.12         |
| 20     | GOH KIM HUAT VINCENT                         | 199,400            | 0.12         |
| Total: |  | <b>167,400,065</b> | <b>98.67</b> |

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of the Company will be held at Imagination Room, Level 5, National Library Singapore, 100 Victoria St, Singapore 188064 on Wednesday, 30 April 2025 at 10:30 a.m. to transact the following business:-

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Auditors’ Report thereon.  
**(Resolution 1)**
2. To re-elect Mr Lim Vhe Kai as a Director of the Company pursuant to Regulations 118 and 119 of the Company’s Constitution.  
*[See Explanatory Note 1]*  
**(Resolution 2)**
3. To re-elect Mr Koh Boon Huat as Director of the Company pursuant to Regulations 118 and 119 of the Company’s Constitution.  
*[See Explanatory Note 2]*  
**(Resolution 3)**
4. To approve the Directors’ fees of S\$85,157 for the financial year ended 31 December 2024. (31 December 2023: S\$85,000).  
**(Resolution 4)**
5. To re-appoint Messrs Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration.  
**(Resolution 5)**
6. To transact any other business which may be properly transacted at an AGM.

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

### 7. RENEWAL OF SHARE ISSUE MANDATE

“That pursuant to Section 161 of the Companies Act 1967 and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options or convertible securities (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares:

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit;

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), issue Shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided always that:
  - (i) the aggregate number of Shares and convertible securities to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), and provided further that where shareholders of the Company (“**Shareholders**”) are not given the opportunity to participate in the same on a pro-rata basis, then the Shares and convertible securities to be issued under such circumstances shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of the issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution, after adjusting for:

- (1) new Shares arising from the conversion or exercise of convertible securities,
- (2) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (3) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with (1) or (2) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and
- (iv) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note 3]

**(Resolution 6)**

BY ORDER OF THE BOARD

Chiang Wai Ming  
Company Secretary  
15 April 2025

## Explanatory Notes:-

1. Mr Lim Vhe Kai, upon re-election as a Director of the Company, will continue to serve as Executive Director and Chief Executive Officer of the Company.

Detailed information of Mr Lim Vhe Kai can be found under the "Board of Directors" and "Statement of Corporate Governance" sections in the Company's Annual Report 2024.

2. Mr Koh Boon Huat, upon re-election as a Director of the Company, will continue to serve as Non-Executive and Lead Independent Director of the Company, the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee. The Board considers Mr Koh Boon Huat to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information of Mr Koh Boon Huat, can be found under the "Board of Directors" and "Statement of Corporate Governance" sections in the Company's Annual Report 2024

3. The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of this meeting until the date of the next AGM of the Company, or the date by which the next AGM is required by law to be held or when varied or revoked by the Company in the general meeting, whichever is the earlier, to allot and issue shares and/or convertible securities in the Company at any time. The number of shares and/or convertible securities that the Directors may allot and issue under this resolution shall not exceed 100% of the issued share capital (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, at the time the resolution is passed.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:-

1. The AGM of the Company will be held physically with no option for members to participate virtually. Printed copies of the Annual Report 2024 will not be sent to members. Instead, shareholders may access the Annual Report 2024 by electronic means via the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.ktmg.sg/announcements>.
2. Printed copies of this Notice of AGM, the Proxy Form, and Request Form will be sent to members by post. The Proxy Form, and Request Form may be downloaded from the Company's website at the URL <https://www.ktmg.sg/announcements> or, the SGXNet. For Shareholders who prefer to receive a printed copy of the Annual Report 2024, please refer to the Request Form on how to make a request.
3. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the items on the agenda of the AGM by:-
  - submitting questions via mail to the Company's corporate office at 138 Market Street, #24-01 CapitaGreen, Singapore 048946 or email to [agm2025@ktmg.sg](mailto:agm2025@ktmg.sg) in advance of the AGM latest by 22 April 2025; or
  - "live Question and Answer" at the physical AGM.

When sending questions, members should also provide their full name as it appears on the CDP/CPF/SRS records, address, contact number, email address, number of shares in the Company and the manner in which the shares are held in the Company (e.g., via CDP, CPF or SRS) for verification.

Shareholders are encouraged to submit their questions latest by 22 April 2025, as this will allow the Company sufficient time to address and respond to substantial and relevant questions relating to the agenda of the AGM by 25 April 2025 after trading hours (at least 48 hours prior to the closing date and time for the lodgment of the proxy form). The responses will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

4. A member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy to attend, speak and vote at the AGM, he shall specify in the form of proxy the proportion of the shareholding concerned to be represented by each proxy.
5. A member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number or the proportion of shareholdings in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

6. A proxy need not be a Member of the Company.
7. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
  - a) if sent personally or by post, must be left at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
  - b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com)
 in either case, by 10.30 a.m. on 27 April 2025

A member who wishes to submit an instrument of proxy must download the proxy form, then complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

8. Investors who hold their shares through relevant intermediaries (including CPF or SRS investors) and who wish to exercise their votes by appointing the AGM Chairman as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Operators) to submit their voting instructions by 10.30 a.m. on 21 April 2025 (being at least seven (7) working days prior to the date of the AGM).

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This notice 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 notice, including the correctness of any of the statements or opinions made or reports contained in this notice. The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.*

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# PROXY FORM

## KTMG LIMITED

(Incorporated in the Republic of Singapore)  
(Registration No. 197401961C)

### IMPORTANT

1. The Annual General Meeting ("AGM") is being convened and will be held physically with no option for shareholders to participate virtually. This Notice of AGM and the accompanying proxy form will be made available by electronic means via publication on the Company's website at the URL <https://www.ktmg.sg/announcements>, as well as on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice, Proxy Form and Annual Report Request Form will be sent to members.
2. This Proxy Form is not valid for use by CPF investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors may attend and cast their votes at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the respective CPF Investors and/or SRS Investors shall be precluded from attending the AGM.
4. CPF/SRS investors who wish to appoint proxy(ies) should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.30 a.m. on 21 April 2025 (being at least seven working days before the AGM).
5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2025.
6. Please read the notes overleaf which contain instructions.

I/We, ..... (Name) NRIC/Passport No./Company

Registration No. ....

of .....

(Address) being a member/members of KTMG LIMITED (the "Company"), hereby appoint:

| Name | Address | NRIC/<br>Passport No. | Proportion of<br>Shareholdings to be<br>represented by proxy (%) |
|------|---------|-----------------------|--|
|      |         |                       |  |

and/or (delete as appropriate)

| Name | Address | NRIC/<br>Passport No. | Proportion of<br>Shareholdings to be<br>represented by proxy (%) |
|------|---------|-----------------------|--|
|      |         |                       |  |

as my proxy/our proxies, to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Imagination Room, Level 5, National Library Singapore, 100 Victoria St, Singapore 188064 on Wednesday, 30 April 2025 at 10:30 a.m. and at any adjournment thereof.

I/We direct my proxy/our proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

Voting will be conducted by poll. Please indicate your vote "For" or "Against" with a tick (X) within the box provided.

| No. | Ordinary Resolutions  | For | Against | Abstain |
|-----|---|-----|---------|---------|
| 1.  | To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 and the Auditors' Report thereon. |     |         |         |
| 2.  | To re-elect Mr Lim Vhe Kai as a Director of the Company pursuant to Regulations 118 and 119 of the Company's Constitution.  |     |         |         |
| 3.  | To re-elect Mr Koh Boon Huat as Director of the Company pursuant to Regulations 118 and 119 of the Company's Constitution.  |     |         |         |
| 4.  | To approve the Directors' fees of S\$85,157 for the financial year ended 31 December 2024. (31 December 2023: S\$85,000)  |     |         |         |
| 5.  | To re-appoint Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration.  |     |         |         |
| 6.  | To authorise Directors to issue shares pursuant to Section 161 of the Companies Act 1967.   |     |         |         |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Signature of Shareholder(s) or,  
Common Seal of Corporate Shareholder

| Total number of Shares in | Number of Shares |
|---------------------------|------------------|
| (a) CDP Register          |                  |
| (b) Register of Members   |                  |

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM**

**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
  2. A member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy to attend, speak and vote at the AGM, he shall specify in the form of proxy the proportion of the shareholding concerned to be represented by each proxy.
  3. A member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
4. A proxy need not be a Member of the Company.

*Fold along this line*

**Affix  
Postage  
Stamp  
Here**

**KTMG LIMITED**  
Company's Share Registrar  
Tricor Barbinder Share Registration Services  
9 Raffles Place  
#26-01 Republic Plaza  
Singapore 048619

*Fold along this line*

5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
  - a) if sent personally or by post, must be left at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
  - b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com)in either case, by 10.30 a.m. on 27 April 2025.

A member who wishes to submit an instrument of proxy must download the proxy form, then complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**Personal Data Protection:**

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.



