立德集团有限公司
KTMG LIMITED

MOVING FORWARD WITH CLARITY

SUSTAINABILITY REPORT
2025

MOVING FORWARD WITH CLARITY

In an increasingly complex and competitive global apparel landscape, KTMG remains focused on moving forward with clear direction and disciplined execution. The Group has established a strategic roadmap over the short, medium, and long term, focusing on optimising operational efficiency in Cambodia and improving capacity utilisation in textile manufacturing, leveraging strategic partnerships to enhance sourcing capabilities and expand market reach, prioritising higher value-added activities in key growth regions, and pursuing licensing opportunities with reputable heritage brands to broaden market presence and enhance margins.

Through a multi-pronged strategy, KTMG is reinforcing earnings resilience while strengthening the foundation for sustainable growth. This clarity of direction positions the Group to navigate uncertainty with resilience and deliver lasting value to shareholders.

OUR VISION, MISSION AND CORE VALUES

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 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 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

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

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

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Dear Stakeholders,

I am pleased to present the Sustainability Report of KTMG Limited ("**KTMG**" or the "**Company**", and together with its subsidiaries, the "**Group**") for the financial year ended 31 December 2025 ("**FY2025**").

Sustainability continues to be integral to how the Group operates and plans for long-term value creation. In FY2025, we continued to strengthen our sustainability foundations by enhancing data quality and improving internal systems and processes. These efforts support informed decision-making and enable the Group to contribute meaningfully to the transition towards a lower-carbon and more sustainable future, while creating long-term value for our stakeholders.

Environmental sustainability remains a core focus of our operations. We maintain sustainable manufacturing practices that reduce waste, conserve energy and resources, and minimise environmental impact. Our ongoing commitment is reflected in the use of renewable energy, including solar panels, and in responsible water management practices that safeguard resources. These ongoing initiatives reflect our continued commitment to environmental stewardship and the sustainable operation of the Group.

Climate change is one of the emerging challenges affecting our industry and the global business environment. At KTMG, we take a disciplined approach to managing climate-related risks. During the year, we strengthened the integration of these risks into our risk management framework, ensuring that both transition and physical risks are identified, assessed, and managed alongside other key business risks. This approach enhances the Group's resilience and supports informed decision-making as the regulatory and market environment evolves.

Strong corporate governance continues to underpin our operations and long-term sustainability. The Board and management remain committed to upholding principles of transparency, accountability, and integrity, which support responsible decision-making and reinforce stakeholder confidence. We also recognise the importance of contributing positively to the communities in which we operate. Our corporate social responsibility initiatives adopt a bottom-up approach, empowering staff in each country to lead volunteer efforts and focus on areas most relevant to their communities, including healthcare, charitable contributions, education, and vocational training.

Our people remain central to our operations and long-term sustainability. We continue to provide a safe and supportive work environment that focuses on employee well-being, fair employment practices, and skills development, strengthened by the use of AI tools across the Group. Through clear policies and responsible workforce practices, we aim to engage and retain our employees while supporting stable and sustainable operations.

Sustainability is an ongoing responsibility, and the Board remains committed to providing oversight and guidance as the Group strengthens responsible business practices, enhances internal capabilities, and works responsibly with its stakeholders.

Lastly, I would like to express my sincere thanks to shareholders, employees, customers, suppliers, and communities for their continued support. Together, we will continue to build a resilient and sustainable foundation for the Group, supporting long-term growth and value creation for all stakeholders.

On behalf of the Board,

Mr. Lim Siau Hing
Executive Chairman

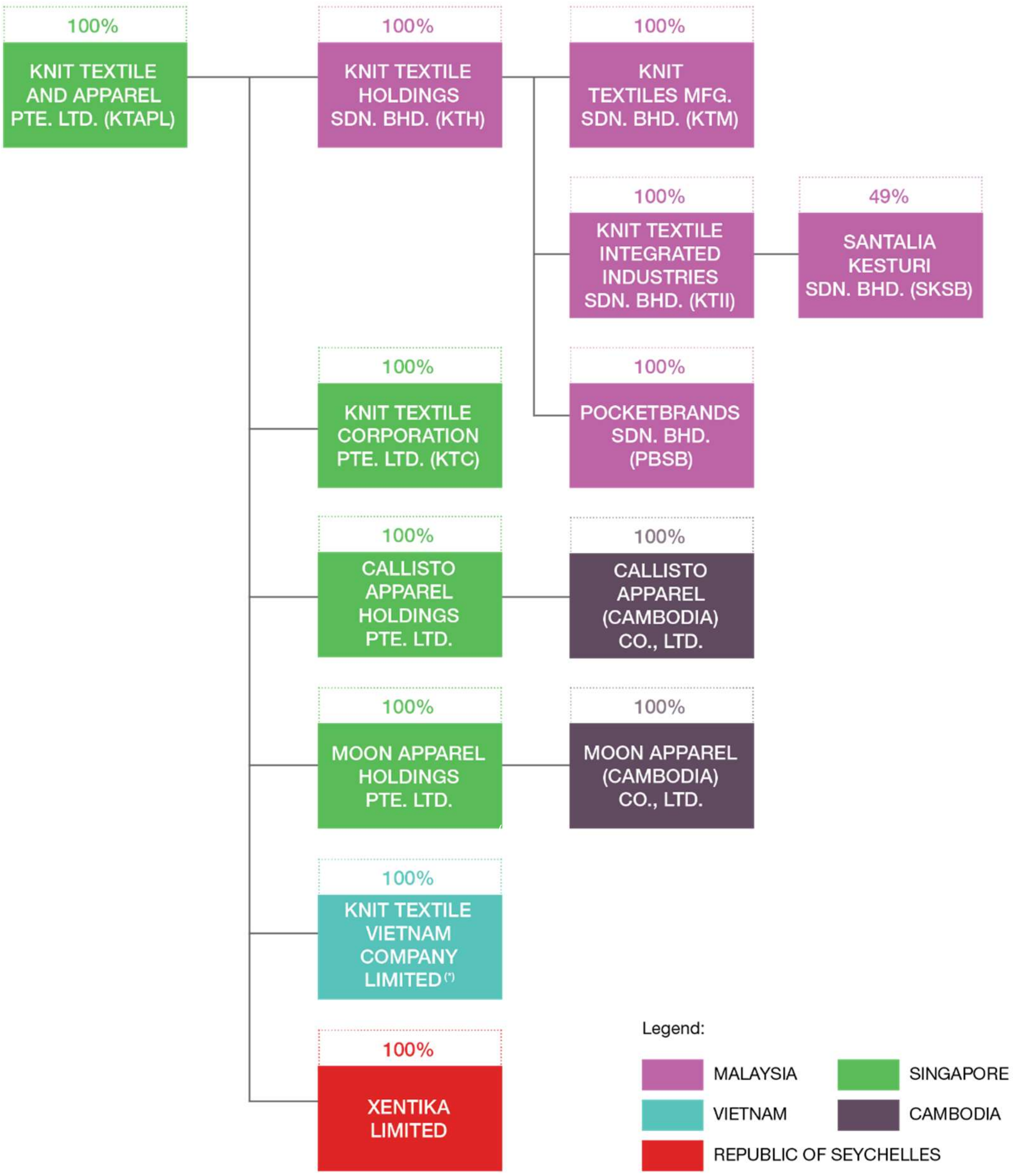
2.0 ABOUT KTMG

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, Japan 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.

Group Structure



(*) Knit Textile Vietnam Company Limited was dissolved on 31 December 2025

Operating Locations and Principal Activities

The Group is a vertically integrated textile and apparel manufacturer. It is headquartered in Malaysia, has operations in Singapore, Malaysia, Cambodia and Republic of Seychelles, and serves the global markets.

The Group is classified as part of the Textiles and Apparel sector, with reference to GRI Sector Standards.

The following are the Group's operating locations and principal activities:

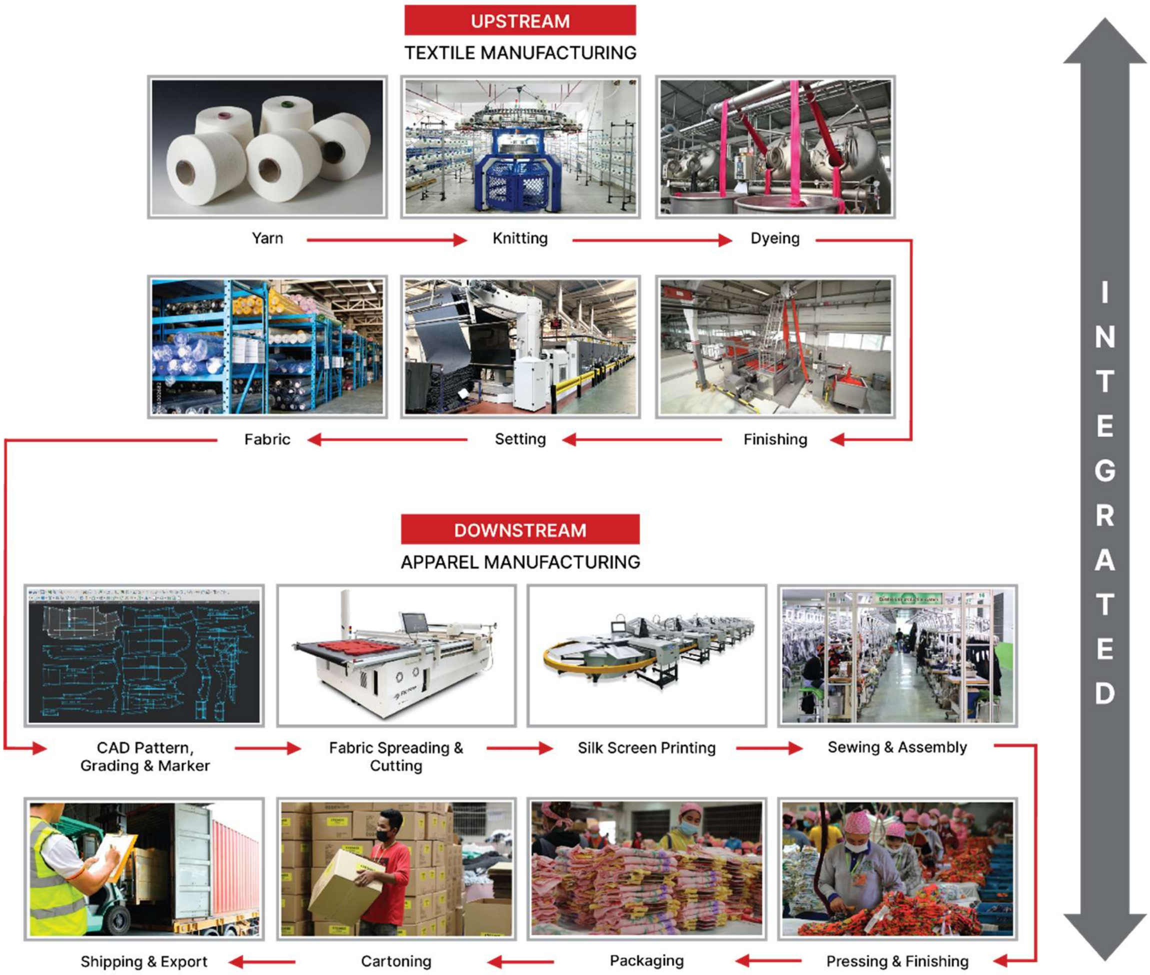
Apparel manufacturing facility, Knit Textiles Mfg. Sdn. Bhd. ("**KTM**"), Batu Pahat, Johor, Malaysia

Textile manufacturing facility, Knit Textile Integrated Industries Sdn. Bhd. ("**KTII**"), Batu Pahat, Johor, Malaysia

Apparel manufacturing facility, Callisto Apparel Co., Ltd ("**CA**"), Phnom Penh, Cambodia

Apparel manufacturing facility, Moon Apparel Co., Ltd ("**MA**"), Phnom Penh, Cambodia

Our Value Chain



KTMG operates a fully integrated production chain, encompassing every stage from fabric manufacturing to finished apparel. By maintaining control over the entire process – from sourcing raw materials to delivering completed products – we are able to enhance operational efficiency, strengthen supply chain coordination, and ensure consistent product quality for our customers.

Certifications and Memberships

BETTER COTTON INITIATIVE	GLOBAL RECYCLED STANDARD	OEKO-TEX STANDARD 100
WRAP CERTIFIED FACILITY	ILO CERTIFIED FACILITY	BSCI CERTIFIED FACILITY

The Group's manufacturing facilities are fully compliant with the above standards and certifications. We are committed to operating ethically and responsibly, complying with legal requirements, protecting our workers' rights, and meeting our customers' requirements. We strive to promote sustainability within the industry. As at the date of this report, the Group's Malaysian manufacturing subsidiaries, KTM and KTII are also members of the Johor Sustainability Centre, a dedicated organisation established in 2023 for sustainability and climate change adaptation and mitigation in Johor, Malaysia.

3.0 SCOPE OF REPORT

This report details the sustainability efforts and performance of the Group's consolidated entities for FY2025. The reporting entities comprised the Group's headquarters in Malaysia and manufacturing operations in both Malaysia and Cambodia. The content of this report will focus on the combined sustainability performance, activities, and initiatives undertaken by the reporting entities. Material topics described in this report have been selected according to their level of significance within the Group's boundaries, the sustainability context and materiality are reflective of the Group's core business operations.

To improve the relevance and comparability of performance tracking, the Group adopted a revised baseline in the previous reporting cycle by replacing the former FY2020 baseline with a three-year average baseline covering FY2021 to FY2023 ("**New Baseline**"), calculated using the following formula:

New Baseline = (Data of FY2021 + FY2022 + FY2023) ÷ 3

This approach provides a more balanced and representative reference point for monitoring environmental and social performance by averaging data over three financial years, thereby reducing the impact of short-term operational fluctuations.

The data and information presented in this report reflect the Group's sustainability performance for FY2025. The Group remains committed to progressively enhancing the quality, transparency and scope of its sustainability disclosures in future reporting cycles. This Sustainability Report was published on 29 April 2026.

Reporting Methodology

This report is prepared with reference to the requirements of the Global Reporting Initiative's ("**GRI**") Standards 2021, an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. This report is also prepared in compliance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") and is referenced to the guidance set out in SGX-ST's Sustainability Reporting Guide under Practice Note 7F of the Catalist Rules. The Group adopts the precautionary principle to minimise the negative effects of conducting its business whenever feasible (GRI 2-23). With the TCFD framework being integrated into the International Sustainability Standards Board ("**ISSB**") which embeds the TCFD's four core recommendations within the International Financial Reporting Standards ("**IFRS**") S1 and S2, the Group is working towards aligning its climate-related disclosures to the ISSB Standards. The primary components of SGX's sustainability reporting requirements that we have sought to include in this report include the following:

1. **Material environmental, social, and governance ("ESG") factors**

   Material ESG factors are elaborated in Section 4 of this report. The Group conducted a materiality assessment on its internal and external stakeholders to identify material topics that are important to both the Group and its stakeholders.

2. **Policies, practices, and performance**

   The policies, practices, and performance for each material matter shall be discussed in their individual sections below. The Group understands the need to improve on the performance of ESG-related matters and shall be reporting the performance against the new baseline data.

3. **Targets**

   The Group continues to embed ESG considerations into its day-to-day operations, while setting clear strategies and measurable targets to drive ongoing improvement as its sustainability reporting framework evolves.

4. **Sustainability reporting framework**

   This report is prepared with reference to the GRI Standards and Sustainability Reporting Guide published by SGX-ST.

5. **Board Statement**

   The statement from our Executive Chairman highlights how the Board integrates sustainability considerations into the Group's strategic growth. Section 4 on Sustainability Governance further elaborates on how the Board addresses and oversees ESG matters.

This report shall disclose ESG factors related to the course of the Group's business operations. This will allow stakeholders to have a clear view of the Group's business practices and our commitment to deliver values to them.

Contact Information

The Group values stakeholders' feedback on sustainability reporting to assist us in improving our sustainability performance and processes. For comments and feedback, please contact us through email at info@ktmg.sg.

4.0 SUSTAINABILITY APPROACH

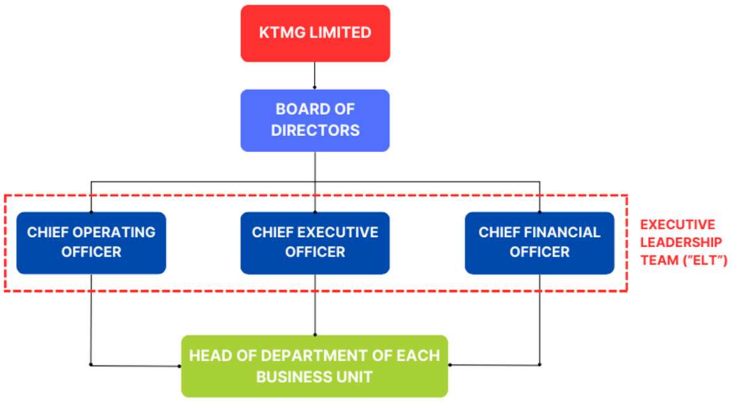
The Group's approach to sustainability is guided by our vision of "creating exceptional apparel, weaving a better future for all, globally". We are committed to the efforts of integrating sustainability considerations into our business operations and corporate strategy, and this has shaped our approach in determining the material topics that are outlined within this report.

Sustainability Governance

Sustainability governance includes the systems and controls in place to manage the Group's sustainability activities. This includes policies, processes and people, which are necessary to meet the expectations of all stakeholders with integrity, respect, transparency, and in a responsible manner.

The Board of Directors ("**BOD**") provides strategic oversight of all sustainability initiatives and climate-related risks and opportunities across the Group. The Executive Leadership Team ("**ELT**"), led by the Chief Executive Officer, is responsible for driving implementation – this includes formulating, approving, and updating the Group's sustainability strategies, policies, and objectives, as well as overseeing the identification and management of climate-related risks and opportunities. Head of Departments across all business units are tasked with executing these initiatives and reporting sustainability performance and practices to the ELT.

The Group's sustainability governance structure is as follows:



The ELT reports to the BOD annually on the Group's environmental and social impacts. The BOD reviews and approves all sustainability-related matters, including initiatives that address climate-related risks and opportunities, as well as proposed action plans presented by the ELT. It also evaluates the effectiveness of these initiatives and provides strategic guidance where necessary. In FY2025, there were no material concerns identified or escalated to the BOD.

The Group's internal sustainability audit function, led by the Chief Operating Officer, conducts regular assessments of sustainability performance across business operations. The data and disclosures presented in this report are derived primarily from internal systems and original records to ensure completeness and accuracy. External assurance was not sought for this reporting period; however, the report underwent an internal review to verify the reliability of the sustainability-related information and processes.

For matters on corporate governance, remuneration, and compensation, please refer to the Group's Annual Report 2025 published on 14 April 2026.

Stakeholder Engagement

The Group focuses on value creation for its stakeholders and is always keen to understand their needs and expectations by facilitating two-way communications. The close interactions between the Group and its stakeholders create a trusting relationship. These engagement programmes aim to identify and address stakeholders' concerns or grievances and provide a way for stakeholders to seek advice and raise concerns about the Group's business conduct. The Group also has a whistleblowing policy and please refer to section "Anti-corruption and Whistleblowing Policy" in this report for further information.

To ensure stakeholder perspectives are effectively captured and addressed, the Group has established the following engagement methods:

Stakeholders and Focus Areas	Engagement Methods	Frequency
Shareholders and Financial Investors: ● Investor relations ● Legal compliance ● Privacy and data protection	Annual general meeting	Annually
	Media releases	On going
	Corporate website	On going
	Regular updates via SGXNet	On going
Employees: ● Code of Conduct ● Training and development ● Occupational Health and Safety (OHS) ● Anti-bribery and corruption	Health and safety briefing	On going
	Corporate/staff memos	On going
	Performance evaluations and career development	Annually
	Regular meetings and open-door policy	On going
	Anti-bribery and corruption briefings	On going
Customers: ● Quality and timeliness of product and service ● Anti-corruption and whistleblowing ● Privacy and data protection	Feedback survey	On going
	Live interactions	On going
	Regular meetings	On going
	Customer site visits	On going
Management: ● Sustainability governance ● Business ethics	Monthly operation reviews	Monthly
	Semi-annual operation review	Semi-annually
	Budget preparation	Annually
Business Partners: (Suppliers, vendors etc.) ● Assessments ● Anti-bribery, corruption and whistleblowing	Evaluation of business partners	On going
	Live interactions	On going
	Anti-bribery and corruption briefings	On going
Local Communities: ● Giving back to the community ● Helping the less privileged	Donation to charitable organisation	On going
	Volunteering initiatives	On going
Government and Regulators: ● Legal compliance on, amongst others, listing regulations, environmental and social matters	Inspections and audits	On going
	Regular tax review, filing and payments	Monthly
	Participation in government or regulator organised events	On going
	Regular updates via SGXNet	On going

Identification of Material Topics

A materiality assessment was last conducted in 2021 for the Group's FY2020 Sustainability Report. In view of the evolving regulatory landscape and the increasing importance of ESG considerations in business decision-making, the Group undertook a materiality reassessment in FY2025 to evaluate the continued relevance of its identified ESG topics. The reassessment confirmed that the existing material ESG topics remain appropriate and relevant to the Group's business operations and stakeholder expectations. As there were no significant structural or operational changes during the year, these topics continue to reflect the Group's key business priorities and the interests of its stakeholders.

The Process

The identification of material topics is guided by a structured assessment process that considers both the significance of the Group's ESG impacts and their influence on stakeholder decision-making. This process involves reviewing internal policies, engaging with key stakeholder groups, and evaluating industry trends and regulatory developments to ensure that the topics selected reflect KTMG's most relevant sustainability priorities.

Step 1
Review
- Business and industry context

Step 2
Engage Stakeholders
- Internal and external

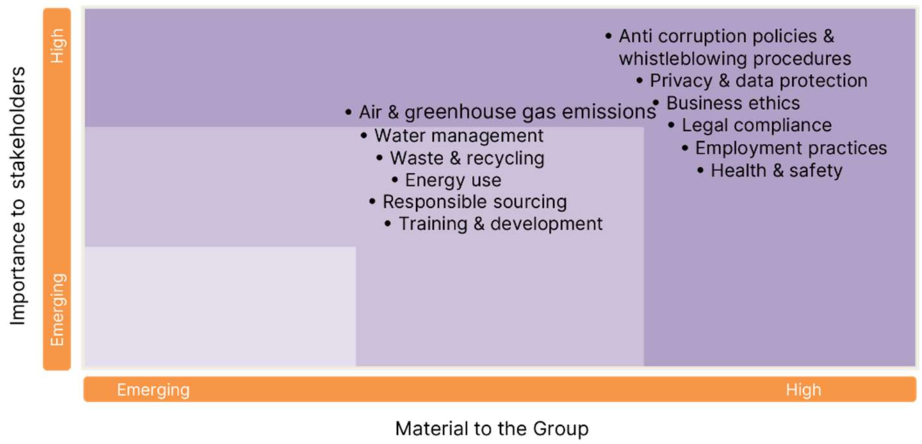
Step 3
Assess ESG Topics
- Based on impact and relevance

Step 4
Validate and Approve
- Reviewed by ELT
- Approved by BOD

Materiality Matrix

The Group's material ESG topics were initially identified in FY2020 through a materiality assessment conducted with reference to the GRI Standards. The assessment considered two key criteria: (i) the significance of the Group's environmental, social and governance ("**ESG**") impacts, and (ii) the influence of these topics on stakeholder assessments and decision-making. Following the materiality reassessment conducted in FY2025 and consultation with the BOD, the Group has determined that the identified material ESG topics remain relevant for the current reporting period.

The materiality assessment continues to guide the Group's sustainability priorities and the integration of ESG considerations into its business strategies and operations. The Group will periodically review its material ESG topics to ensure continued alignment with evolving stakeholder expectations and emerging ESG developments.



Key Material Topics

The Group categorised its ESG disclosures into three sustainability pillars:

GOVERNANCE – **Ethical and Responsible Business**
- Business ethics
- Legal compliance
- Anti-corruption and whistleblowing procedures
- Responsible sourcing (supplier assessments)

ENVIRONMENTAL – **Caring for our Environment**
- Air and greenhouse gas ("**GHG**") emissions
- Waste and recycling
- Water management
- Energy usage

SOCIAL – **Caring for our People & Community**
- Privacy and data protection
- Employment practices
- Occupational health & safety
- Training and development

Alignment with International Initiatives

United Nations Sustainable Development Goals

The United Nations ("**UN**") Sustainable Development Goals ("**SDGs**") are a set of 17 goals established by the UN in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

The Group understands that alignment to the SDGs is becoming increasingly important as stakeholders are placing greater emphasis on social and environmental responsibility. Aligning to the SDGs can also create business value by identifying new opportunities for innovation and reducing risks. We acknowledge that our participation in reaching the SDGs has room for improvement and as we progress on our sustainability journey, we will continue to assess our alignment with the SDGs and whenever possible, redirect our sustainability strategy to address the goals more effectively and comprehensively.

SDG Goals	Our Participation	Sustainability Pillar
3 GOOD HEALTH AND WELL-BEING	• We remain committed to providing a safe and healthy working environment by adhering to established health and safety policies, conducting periodic workplace inspections, and providing annual employee training	Social
5 GENDER EQUALITY	• We strive to promote equal opportunities in recruitment, career advancement, and fair remuneration across all genders • We have high female representation across the Group's workforce	Social
6 CLEAN WATER AND SANITATION	• Continues to maintain in-house water treatment facility for textile operations and monitor water quality • Invest in rainwater harvesting system	Environmental
7 AFFORDABLE AND CLEAN ENERGY	• We have implemented rooftop solar photovoltaic ("**PV**") systems at production facilities in Malaysia to reduce reliance on non-renewable electricity sources	Environmental
8 DECENT WORK AND ECONOMIC GROWTH	• Uphold ethical labour practices; prohibit forced and child labour • Invest in employees' development through KTMG Institute of Management • Continue to recruit people with disabilities with equal pay for work of equal value	Governance and Social
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Monitor and reduce water, energy, and waste intensity • Promote recycling and explore repurposing non-hazardous waste • Integrating sustainability information into our reporting cycle	Governance and Environmental
13 CLIMATE ACTION	• Track Scope 1 and Scope 2 GHG emissions • Strengthening our resilience and adaptive capacity to climate-related hazards and natural disasters by enhancing emergency preparedness and ensuring compliance with environmental protection regulations • Improve education and raise awareness on climate change mitigation, adaptation, impact reduction and early warning	Environmental and Social
16 PEACE, JUSTICE AND STRONG INSTITUTION	• Enforce zero-tolerance policies on bribery, corruption, and unethical practices through a Code of Conduct and Whistleblowing Policy • We are committed to eliminating all forms of abuse, exploitation, trafficking, and violence against children across our operations and supply chain	Governance and Social

5.0 GOVERNANCE

Corporate Governance

At KTMG, robust corporate governance is the cornerstone of our commitment to ethical business practices and long-term sustainability. 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 stakeholders.

For detailed disclosure on the application of our corporate governance practices with reference to the Code, please refer to “Statement of Corporate Governance” section in the Group’s Annual Report 2025.

Policy Commitments

The Group has in place the Code of Conduct and Ethics and Whistleblowing Policy to ensure ethical business practices across all its activities, including business relationships. These policies undergo periodic review and approval by the ELT and the BOD.

The Group ensures that all employees are informed of relevant policies and procedures through structured onboarding programmes and regular training sessions. The ELT and Heads of Departments are responsible for overseeing the effective implementation and communication of strategic and operational policies across all levels of the organisation.

Compliance with Laws and Regulations

Adherence to laws and regulations is critical for the Group's business operations. The Group conducts regular compliance monitoring in accordance with its Code of Conduct and Ethics, policies, and existing applicable laws, rules, and regulations in all locations where it operates.

Non-compliance could have significant consequences for the Group's reputation, including civil and/or criminal actions, damages, fines, and criminal sanctions against the Group and/or its employees. The Group requires all employees to familiarise themselves with the laws relating to their job responsibilities and Group policies.

In FY2025 and FY2024, the Group met all compliance requirements without any offence, and no penalties or fines were incurred. The Group aims to maintain a target of no such incidents of non-compliance in the long term.

	FY2025 Target	FY2025 Performance
Incidents of non-compliance with the Company’s Code of Conduct and Ethics, policies, and existing applicable laws, rules, and regulations in all locations where the Group operates.	Zero incident	Zero incident

Tax Compliance

The Group ensures tax compliance and fully supports the local and national government by filing the appropriate taxes. The ELT and BOD monitors tax compliance. The Group regularly files tax returns, assesses and identifies tax complexities and risks. The Group complies with applicable tax regulations as part of its sustainability commitments. It engages third-party tax consultants to assist in tax management and external auditors to ensure that its financial statements comply with reporting and disclosure requirements.

Economic Performance

For detailed financial results, please refer to the following sections of the Group’s Annual Report 2025:

- Financial Highlights, page 16;
- Financial Review, pages 17 to 18;
- Financial Statements, pages 53 to 57; and
- Notes to the Financial Statements, pages 58 to 105.

Anti-Corruption and Whistleblowing Policy

The Group is committed to upholding the highest standards of corporate governance and aligns its practices with internationally recognised frameworks. Our Anti-Corruption Policy and Whistleblowing Policy reflect this commitment by promoting ethical conduct and integrity throughout the organisation. These policies establish clear guidelines and procedures for the prevention, detection, and reporting of corrupt practices.

Anti-Corruption Policy

This policy applies and is communicated to all employees of the Group, including any associated business partners, agents, contractors, and consultants acting on behalf of the Group. We define corruption as an abuse of entrusted power for personal financial gain and we define bribery as giving, offering, or agreeing to provide benefits to others in order to improperly influence an outcome to obtain or retain an unfair advantage.

The Group ensures that records and accounts are, in reasonable detail, accurately reflecting all transactions and dispositions and requires all individuals associated with the Group to maintain complete and accurate records with respect to all transactions on behalf of the Group. These requirements apply to transactions of any amount, not limited to sums that would be "material" financially.

With a zero-tolerance policy to bribery and corruption, the Group ensures that its monitoring and management control systems are effective in detecting any bribery, fraud or other malpractice. The Group has a designated officer who records issues on ethics and compliance and escalates to the top management where appropriate.

To ensure all employees are informed and comply with the anti-corruption and anti-bribery policies, awareness training was conducted at all regions to all new and existing employees as part of the annual training programme on Code of Conduct and Ethics.

In FY2025 and FY2024, there were no incidents of corruption and bribery noted within the Group. Furthermore, no public legal cases were brought against the Group or its employees within the reporting year on matters involving corruption or bribery. The Group aims to maintain a target of no such incidents in the long term.

	FY2025 Target	FY2025 Performance
Incidents of corruption and bribery reported and noted within the Group.	Zero incident	Zero incident

Whistleblowing Policy

The Group remains committed to upholding the highest standards of integrity, transparency, and accountability in all aspects of its business operations. We are dedicated to conducting our affairs ethically and responsibly. The Whistleblowing Policy provides a formal channel for employees and members of the public to report any suspected misconduct or criminal offences, including the option to report directly to the Chairman of the Audit Committee. The Group actively encourages the use of this whistleblowing channel to ensure concerns are raised and addressed in a secure and confidential manner.

All whistleblowers will be accorded the protection of confidentiality of their identity. However, any employee or member of the public who wishes to report improper conduct will be required to disclose his/her identity to the Group so that we are able to accord any necessary protection of identity.

All disclosures can be submitted via whistleblow@ktmg.sg. Upon completion of the whistleblowing process and procedures, the whistle-blower will be accorded with the privilege of being notified of the outcome of the disclosure.

Please visit https://www.ktmg.sg/whistle-blowing-policy for further information.

Supplier Assessments

As part of its efforts to integrate sustainability across the value chain, the Group embeds responsible business practices within its supplier selection and management processes

All new suppliers are subject to a formal onboarding and assessment process. The Group evaluates key suppliers based on criteria such as product quality, delivery, and service or support. Supplier performance is assessed annually using a rating scale of 1 to 3, where 1 represents unsatisfactory performance and 3 represents performance exceeding expectations. In FY2025, the average scores for textile and garment accessories suppliers across all operating locations were 2 and above (FY2024: 2 and above), indicating satisfactory performance.

In FY2025 and FY2024, the Group did not identify any significant actual negative environmental or social impacts arising from its suppliers. As a Worldwide Responsible Accredited Production ("**WRAP**") certified production facility, the Group expects its suppliers to uphold key principles, including the prohibition of forced and child labour, and adherence to established policies such as the Anti-Bribery and Anti-Corruption Policy. Ongoing assessments are conducted to identify and manage actual or potential ESG-related risks within the value chain.

The Group continues to enhance collaboration with its suppliers through regular engagement to improve transparency and build shared capacity to minimise indirect environmental and social impacts. This includes encouraging the adoption of recognised compliance certifications, such as Business Social Compliance Initiative (BSCI), Customs Trade Partnership Against Terrorism (C-TPAT), and WRAP.

6.0 ENVIRONMENT

The Group has identified the following environmental topics as material to its business operations:

- Air and greenhouse gas emissions (including Scope 1 – fuel consumption and Scope 2 – energy use)
- Water usage
- Waste management

The Group ensures compliance with environmental regulations across all jurisdictions in which it operates, guided by relevant local laws and statutory requirements. Environmental compliance is overseen through internal compliance and audit functions, with monitoring led by Heads of Departments and reporting directed to the ELT, which is accountable to the BOD.

The environmental data presented in the following sections focuses on the Group's manufacturing facilities in Malaysia and Cambodia, which are considered to have the most significant environmental footprint within the Group's operations.

In FY2025 and FY2024, the Group recorded no incidents of non-compliance with environmental regulations. We remain committed to upholding this standard and will continue to implement proactive measures to ensure ongoing compliance across all operations.

	FY2025 Target	FY2025 Performance
Incidents of non-compliance with environmental laws and regulations in all locations where the Group operates.	Zero incident	Zero incident

Energy and Emissions

Greenhouse Gas ("GHG") Emission

The Group seeks to minimise the environmental impact of its business operations and mitigate climate-related risks. In doing so, the Group supports global climate initiatives, including the Paris Agreement and Malaysia's Nationally Determined Contribution.

GHG emissions are measured and reported in accordance with the 2006 Intergovernmental Panel on Climate Change ("**IPCC**") Guidelines for National Greenhouse Gas Inventories and the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. The following approach is applied in accounting for emissions:

- Evaluation of direct emissions from sources owned or controlled by the Group (Scope 1), covering greenhouse gases defined under the Kyoto Protocol;
- Assessment of indirect emissions associated with purchased electricity (Scope 2).

Emissions are reported in carbon dioxide equivalent (CO_2e), which reflects the combined global warming potential of key greenhouse gases, including carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), providing a consistent basis for assessing the Group's climate impact.

The Group's GHG emissions are primarily derived from fuel consumption and electricity usage across its operations in Malaysia and Cambodia. Emissions data is compiled based on operational records, with emission factors applied in accordance with recognised standards.

A summary of the Group's Scope 1 and Scope 2 GHG emissions is presented in the following page.

Scope 1 - Fuel Consumption

The fuel consumption of our operations in both Malaysia and Cambodia is presented below:

Factory, Location	Annual Petrol Consumption (Liters)		Annual Diesel Consumption (Liters)		Annual GHG Emissions (t/CO_2e)[1]	
	New Baseline	FY2025	New Baseline	FY2025	New Baseline	FY2025
Batu Pahat, Johor, Malaysia						
Apparel manufacturing	10,894	10,494	7,677	3,137	44.83	32.49
Textile manufacturing	1,885	2,171	17,042	11,459	47.23	33.88
Phnom Penh, Cambodia,						
Apparel manufacturing	3,253	1,648	8,539	12,001	30.40	35.97
Total	**16,032**	**14,313**	**33,258**	**26,597**	**122.46**	**102.34**
Intensity ratio*	**164.23**	**245.07**	**340.69**	**455.4**	**1.25**	**1.75**
Change in fuel consumption intensity*	**↑80.84**		**↑114.71**		**↑0.50**	
% Change in intensity	**+49%**		**+34%**		**+40%**	

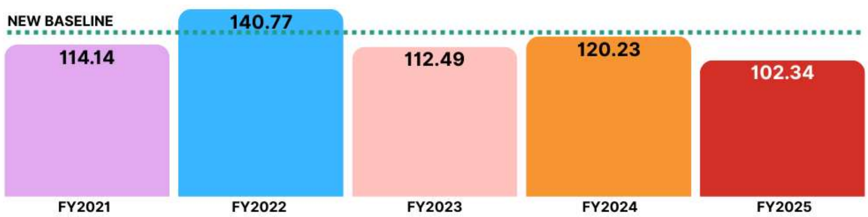
**Per million SGD of revenue*

In FY2025, the Group's total fuel consumption and associated GHG emissions decreased compared with the new baseline. Petrol consumption in Cambodia decreased by **72%** (FY2024: 5,920 liters), primarily due to the transition to electric vehicles in the Group's Cambodia operations. Diesel usage in Malaysia continued to support forklift operations, while in Cambodia diesel was utilised for both forklift operations and power generators due to ongoing power supply instability. These operational factors continue to influence the Group's overall fuel consumption profile.

Despite the reduction in absolute fuel consumption, the Group recorded an increase in fuel consumption intensity per million SGD of revenue in FY2025, primarily attributable to lower revenue during the year. Certain operational fuel usage, including transportation and facility-related activities, represents relatively fixed energy requirements and does not fluctuate directly with revenue levels. As a result, fuel consumption and GHG emissions intensity increased when measured against the lower revenue recorded in FY2025.

The Group will continue to monitor energy consumption and implement efficiency measures to improve operational performance and manage emissions intensity over time.

COMPARISON OF 5-YEAR ANNUAL SCOPE 1 GHG EMISSIONS (t/CO_2e)

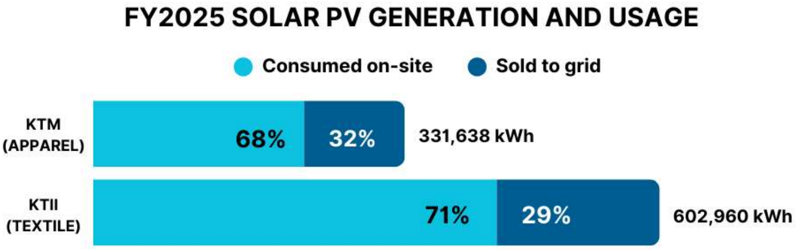


	FY2025 Target	FY2025 Performance
Annual Scope 1 GHG emissions	To maintain or achieve lower Scope 1 GHG emissions against new baseline performance.	On target

[1] Scope 1 emissions are reported in tonnes of CO_2 equivalent (CO_2e) and calculated using region-specific emission factors that reflect the combined global warming potential of CO_2, CH_4, and N_2O. For Malaysia, emission factors are sourced from the Malaysia Green Technology and Climate Change Corporation (MGTC) Low Carbon Operating System (LCOS) calculator (Petrol: 2.34502 kg CO_2e/L; Diesel: 2.51206 kg CO_2e/L) (https://www.mgtc.gov.my/lcos-personal-calculator/?utm). For Cambodia, factors are aligned with the United Nations Development Programme (UNDP)'s garment sector NAMA based on IPCC 2006 guidelines (Petrol: 2.31 kg CO_2e/L; Diesel: 2.68 kg CO_2e/L) (https://www.undp.org/publications/energy-efficiency-nama-garment-industry-cambodia).

Scope 2 - Energy Consumption

Scope 2 emissions represent the GHG emissions associated with the generation of purchased electricity consumed by the Group. A significant portion of energy use arises from the operation of machinery within our textile and apparel manufacturing facilities. As part of our commitment to reducing GHG emissions, the Group has completed the installation of rooftop solar photovoltaic ("**PV**") systems at two key facilities in Malaysia – KTM, our apparel manufacturing facility, and KTII, our textile manufacturing facility. These installations mark a key milestone in our transition toward cleaner energy sources and improved energy efficiency.



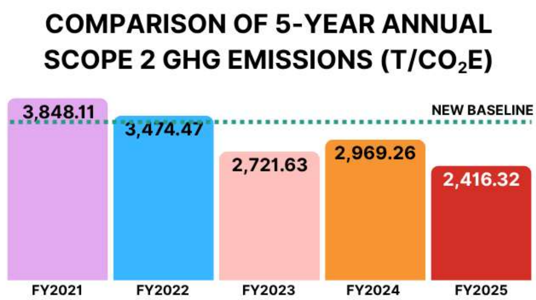
Both systems generated a total of **934,598 kWh** in FY2025, resulting in an estimated carbon offset of **654.22 tonnes of CO_2e**, which is a significant step towards reducing the Group's reliance on grid electricity and lowering its Scope 2 emissions.

The energy consumption purchased from the national grid is presented below:

Factory, Location	Annual Energy Consumption (kWh)		Annual GHG Emissions (t/CO2e)[2]	
	New Baseline	FY2025	New Baseline	FY2025
Batu Pahat, Johor, Malaysia				
Apparel manufacturing	564,377	259,912	394.24	181.94
Textile manufacturing	3,131,021	2,032,477	2,046.35	1,422.73
Phnom Penh, Cambodia,				
Apparel manufacturing	1,374,970	1,508,650	907.48	811.65
Total	**5,070,368**	**3,801,039**	**3,348.07**	**2,416.32**
Intensity ratio*	**51,939.85**	**65,081.83**	**34.30**	**41.37**
Change in energy consumption intensity*	**↑13,141.98**		**↑7.07**	
% Change in intensity	**+25%**		**+21%**	

**Per million SGD of revenue*

In FY2025, the Group's total energy consumption decreased by **18%** (FY2024: 4,650,131 kWh). Despite this reduction, the Group recorded a higher emissions intensity of **41.37 tonnes CO_2e per million SGD of revenue** (FY2024 – 28.41 tonnes CO_2e per million SGD of revenue) due to lower revenue recorded during the year. The Group remains committed to reducing energy consumption and improving energy efficiency by continuously identifying and implementing energy conservation initiatives aimed at minimising its environmental footprint. The Group's five-year energy consumption trend continues to demonstrate a steady decline, reflecting ongoing progress in reducing direct emissions.



	FY2025 Target	FY2025 Performance
Annual Scope 2 GHG emissions	To maintain or achieve lower Scope 2 GHG emissions against new baseline performance	On target

[2] The Malaysia grid emission factor of 0.7 kg CO_2e/kWh is based on values referenced in the MGTC's LCOS calculator, which aligns with international standards such as DEFRA and IPCC guidelines. The Cambodia grid emission factor of 0.538 kg CO_2e/kWh is derived from assessments by the UNDP and Cambodia's National Council for Sustainable Development (NCSD), as referenced in national climate and energy planning documents.

Water Management

The Group is committed to responsible water sourcing and usage, recognising the importance of reducing water consumption and taking proactive steps to achieve this goal. Although the Group does not operate in areas classified as water-stressed, it remains vigilant in managing water use and strives to minimise its water footprint through ongoing water-saving initiatives. These efforts include detecting and repairing leaks, promoting water-efficient practices among employees, and raising awareness about the importance of water conservation.

All water used in the Group's operations is supplied by local municipalities and drawn from local freshwater sources. Water consumption for the Group's operations is presented below:

	Annual Water Consumption (m^3)	
	New Baseline	FY2025
Total for all activities and locations (m^3)	708,754	142,542
Intensity ratio*	**7,260.34**	**2,440.62**
Change in water consumption intensity*	**↓4,819.72**	
% Change in intensity	**-66%**	

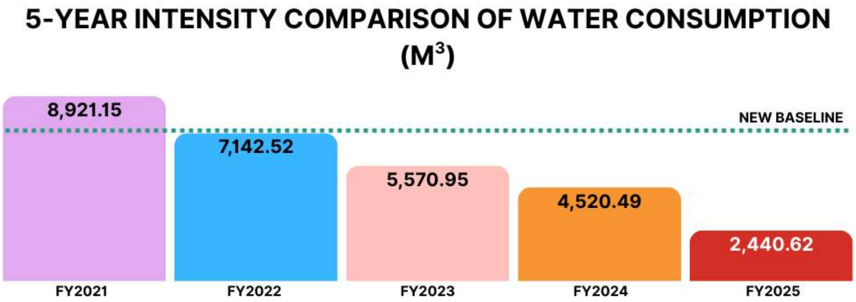
**Per million SGD of revenue*

The Group's total water consumption in FY2025 decreased by **70%** (FY2024 – 472,531 m^3) mainly due to lower production capacity utilisation during the year. The Group's textile manufacturing facility accounted for **81%** of total water consumption for the year, compared with **93%** in FY2024 – a decrease of 12 percentage points. This trend is consistent with the reduction in production output during the reporting period. Water consumption in textile manufacturing is typically higher than in apparel manufacturing, as textile dyeing and finishing processes require substantial volumes of water. As such, water usage at the textile manufacturing facility is closely correlated with the level of capacity utilisation.

Industrial wastewater and effluents are primarily generated from the Group's textile manufacturing operations. All wastewater is treated at the facility's on-site treatment plant prior to being discharged into the public sewage system, in full compliance with regulatory requirements. The Group also conducts weekly wastewater quality testing at the textile facility, with results reported to the Department of Environment (Malaysia) on a regular basis. In contrast, water usage across the Group's apparel manufacturing operations is minimal and mainly limited to employee consumption and general facility maintenance.

Since FY2022, the Group has invested in a rainwater harvesting system to support its textile dyeing operations. During FY2025, approximately 308,000 m^3 of water was collected through the system and utilised to support textile production. Looking ahead, the Group aims to further optimise water usage and reduce overall consumption by exploring additional water harvesting technologies and sustainable water management solutions.

The Group's five-year water consumption intensity shows a consistent decline, reflecting ongoing progress in improving water efficiency and reducing overall water consumption.



	FY2025 Target	FY2025 Performance
Intensity of water consumption	To maintain or achieve lower intensity of water consumption against new baseline performance	On target

Waste

The Group is committed to minimising waste generation and reducing its environmental impact through the application of the reduce, reuse, and recycle principles. Efforts are made to improve overall waste management practices across operations. Hazardous and non-hazardous waste are properly labelled, stored, and disposed of in accordance with applicable regulatory requirements and through licensed waste management contractors.

Responsible waste practices are promoted among employees through regular awareness initiatives conducted by the in-house environmental committee. Effective waste management remains an integral part of the Group's approach to managing its environmental footprint.

Non-Hazardous Waste

As part of the manufacturing process, the Group produces fabric waste, paper waste, and plastic waste. All non-recycled waste generated will be disposed of through the local municipal councils on a weekly basis. We captured the data of non-hazardous waste through real-time weighbridge measurement provided during disposal of the waste.

Factory, Location	Amount of non-hazardous waste produced (tonnes)		Amount of non-hazardous waste recycled (tonnes)		Percentage of non-hazardous waste recycled	
	New Baseline	FY2025	New Baseline	FY2025	New Baseline	FY2025
Batu Pahat, Johor, Malaysia						
Apparel manufacturing	38.67	27.99	29.67	7.51	71%	27%
Textile manufacturing	45.67	52.87	6.67	6.37	17%	12%
Phnom Penh, Cambodia						
Apparel manufacturing	672.33	703.38	259.67	364.03	43%	52%
Total	**756.67**	**784.24**	**296.00**	**377.91**	**39%**	**48%**
Intensity ratio*	**7.75**	**13.43**	**3.03**	**6.47**	**39.95**	**81.18**
Change in non-hazardous waste intensity*	**↑5.68**		**↑3.44**		**↑41.23**	
% Change in intensity	**+73%**		**+114%**		**+103%**	

***** *Per million S$ of revenue*

In FY2025, the percentage of non-hazardous waste recycled improved by **8 percentage points**, compared with **40% in FY2024**. Despite this improvement, the Group recorded a higher waste intensity per million SGD of revenue in FY2025, mainly due to lower revenue and reduced capacity utilisation during the year.

At the Group's facilities in Malaysia, it is standard practice to accumulate recyclable materials until a set volume is reached before sending them to certified recycling facilities. As a result, the amount of waste recycled during the reporting period appears lower, reflecting the timing of collection rather than a decline in recycling efforts.

The Group remains committed to increasing the recycling rate of its non-hazardous waste and is actively exploring alternative approaches such as repurposing, in addition to conventional recycling. Moving forward, the Group aims to collaborate with specialised agencies and partners capable of repurposing non-hazardous waste materials into useful products or raw inputs for other industries. Potential initiatives include converting fabric offcuts into insulation materials, or engaging in take-back programmes with recycling-focused NGOs or social enterprises. These efforts align with the Group's broader ambition to advance circularity and reduce overall waste sent to landfills.

	FY2025 Target	FY2025 Performance
Total non-hazardous waste produced and recycled	• To maintain or achieve lower non-hazardous waste produced against new baseline • To achieve higher non-hazardous recycled against new baseline	• Non-hazardous waste produced – Not on target • Percentage of non-hazardous waste recycled – On target

Hazardous Waste

Hazardous waste production is limited to the Group's textile manufacturing facility, KTII. The factory produced scheduled waste as detailed below:

1) SW204 – Sludge that contains metals such as chromium, copper, nickel, zinc, lead, and cadmium; and
2) SW309 – Oil-water mixture such as ballast water
3) SW409 – Disposed containers, bags, or equipment contaminated with chemicals, pesticides, mineral oil, or other scheduled wastes

In FY2025, the Group disposed of **41.2 metric tonnes** of **SW204** hazardous waste (FY2024: 36.2 metric tonnes) and **3.8 metric tonnes** of **SW309** (FY2024: Nil). No SW409 hazardous waste was generated during the reporting period (FY2024: 2.6 metric tonnes). The Group ensures full compliance with Malaysia's Environmental Quality (Scheduled Waste) Regulations 2005 and Environmental Quality (Industrial Effluent) Regulations 2009 in the management, storage, and disposal of hazardous waste.

The sludge produced is a by-product of wastewater as a result of our textile manufacturing activities. For the disposal of scheduled waste, companies in Malaysia may only engage contractors approved by the Department of Environment to ensure that all scheduled waste is being disposed of in an appropriate manner. All hazardous waste produced onsite will be held in on-site wastewater storage tanks prior to further treatment and/or disposal by our contractors. These wastes can be processed in a licensed facility to recover metals such as chromium, copper, nickel, zinc, lead, and cadmium for reuse as raw materials in other industries.

7.0 SOCIAL

At KTMG, we recognise that our achievements and success are made possible by the dedication and contributions of our employees. In appreciation of their role, we are committed to continuously enhancing our human capital practices, including recruitment, retention, training, and employee engagement. We also invest in internal social programmes that foster a supportive and inclusive workplace culture. The Group remains dedicated to upholding equal rights and providing equal opportunities for all employees, regardless of background or role.

The Group's employment practices are embodied in the formal Code of Conduct and Ethics, whereby acceptable requirements of fair treatment of legitimate employees are specified for strict compliance.

The Group has identified the following social sustainability matters as material to our business operation:

- Employment practices
- Occupational health and safety
- Training and development
- Privacy and data protection

The Group ensures compliance with all applicable employment laws and regulations in the jurisdictions where we operate. Social compliance matters are managed internally through established compliance and audit committees, with oversight by the respective Heads of Departments. These matters are regularly reported to the ELT, which holds accountability to the BOD.

In FY2025 and FY2024, the Group recorded no incidents of non-compliance with social matters within the organisation. We remain committed to upholding this standard and will continue to implement proactive measures to ensure ongoing compliance across all operations.

	FY2025 Target	FY2025 Performance
Incidents of non-compliance with employment laws and regulations in all locations where the Group operates.	Zero incident	Zero incident

Our Employees

Policies

Our employment practices focus on providing equal opportunities for all, and we uphold standards that are strictly based on merit and performance. While our BOD has set the direction of our stance on our employee policies, our internal compliance departments ensure that our standards are upheld throughout the Group, and any incidents of non-compliance are investigated and resolved.

Anti-Discrimination, Anti-Child Labour, and Anti-Forced Labour

The Group takes strict measures so that no discrimination, child labour, or forced labour occurs within our operations. In Malaysia, this is aligned with local regulations, such as the Malaysian Employment Act 1955, which has set statutory requirements for the minimum age for workers. In our Cambodia operations, we have strict anti-human trafficking, anti-forced labour, and anti-child labour policies to uphold our commitment to human rights.

In FY2025 and FY2024, there were no reported instances of discrimination, child labour, nor forced labour within the Group and within our value chain. The Group aims to maintain a target of no such incidents in the long term.

Human Rights

The Group is committed to prioritising human rights and promoting a workplace culture built with mutual respect, and eliminating all forms of harassment, threats, intimidation, violence, or misconduct against all employees.

In FY2025 and FY2024, there were no reported instances of human rights violations within the Group and our value chain. The Group aims to maintain a target of no such incidents in the long term.

KTMG Workforce Profile

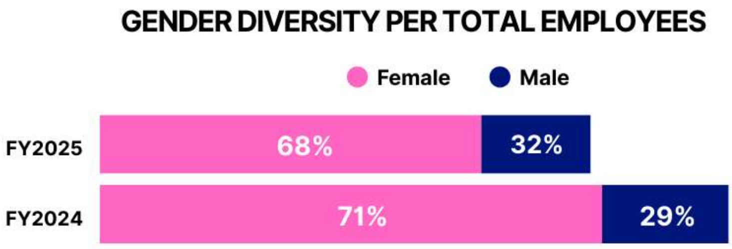
People are our most valuable asset, and the key to the Group's long-term growth and success. We have a diverse workforce comprising employees across different regions. In FY2025, our total headcount decreased by approximately 22% to 1,687 as compared to 2,161 in FY2024. We also welcomed 273 new employees, which comprised 99% or 271 textile and apparel manufacturing workers and 1% or 2 at our operations headquarters.

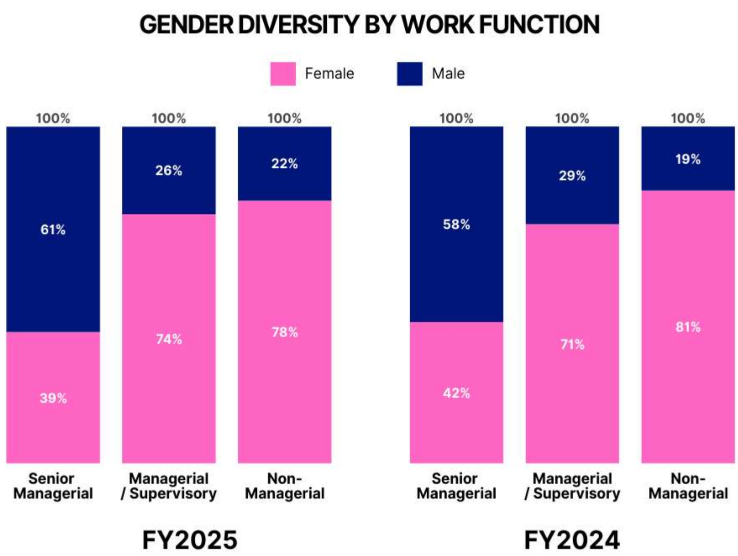
In FY2025, 100% of the Group's employees are full-time permanent and worked in accordance with the standard full-time hours as defined by the labour law of each region where the Group operates. This is consistent with FY2024 and FY2023. Out of the Group's total workforce, 84% or 1,418 employees are employed in Cambodia, where the majority of our apparel manufacturing is based in, and 16% or 269 employees are employed in Malaysia.

Diversity and Inclusion

At 31 December 2025, the Group has the following workforce diversity statistics:

- Total employees: 1,311 (78%) female employees and 376 (22%) male employees
- Employees categorised by age:
    - Below 30 years old : 632 (37%) employees
    - Between 31 to 50 years old : 966 (57%) employees
    - Above 51 years old : 89 (5%) employees
- Employees categorised by work function:
    - Senior managerial function : 7 (39%) female employees and 11 (61%) male employees
    - Managerial or supervisory function : 82 (74%) female employees and 29 (26%) male employees
    - Non-managerial function : 1,222 (78%) female employees and 336 (22%) male employees





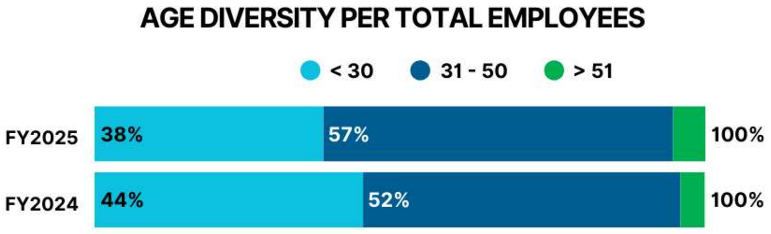
Overall, the Group continued to maintain high levels of female representation throughout its workforce.

In FY2025, our female employees in Cambodia contributed approximately 70% or 1,174 employees of the Group's total workforce which remains consistent with 73% in FY2024 and FY2023.

While the underrepresentation of women in senior managerial roles remains a global challenge, the Group is committed to providing equal opportunities for female employees to advance into leadership positions across the organisation.

At our operations headquarter in Malaysia, all head of departments are Malaysians, recruited from the local community. Similarly in Cambodia, most of our workforce comprises Cambodian nationals, also hired locally. This reflects the Group's ongoing efforts to support local employment and promote inclusive growth.

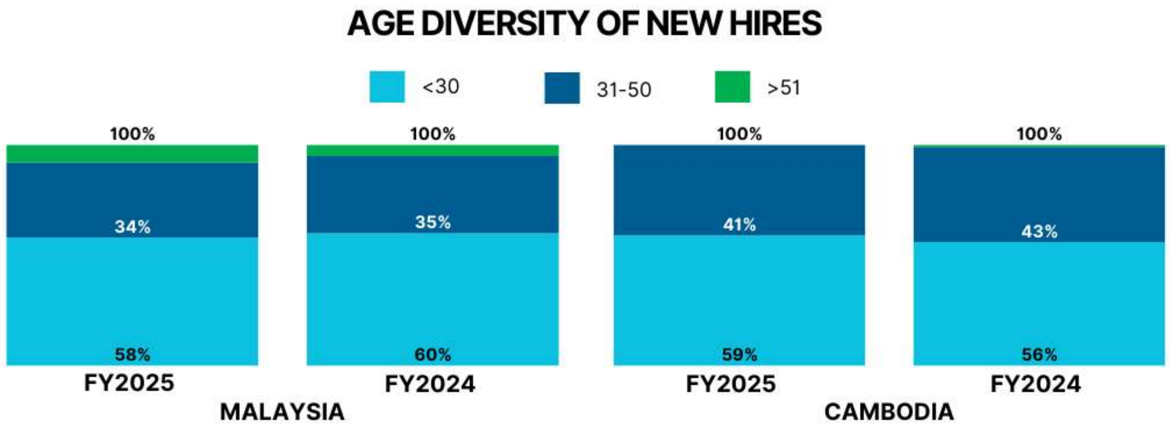
Across all operating locations, the majority of the Group's employees fall within the 31–50 age range, reflecting a mature and experienced workforce that supports the continuity and stability of our business operations.

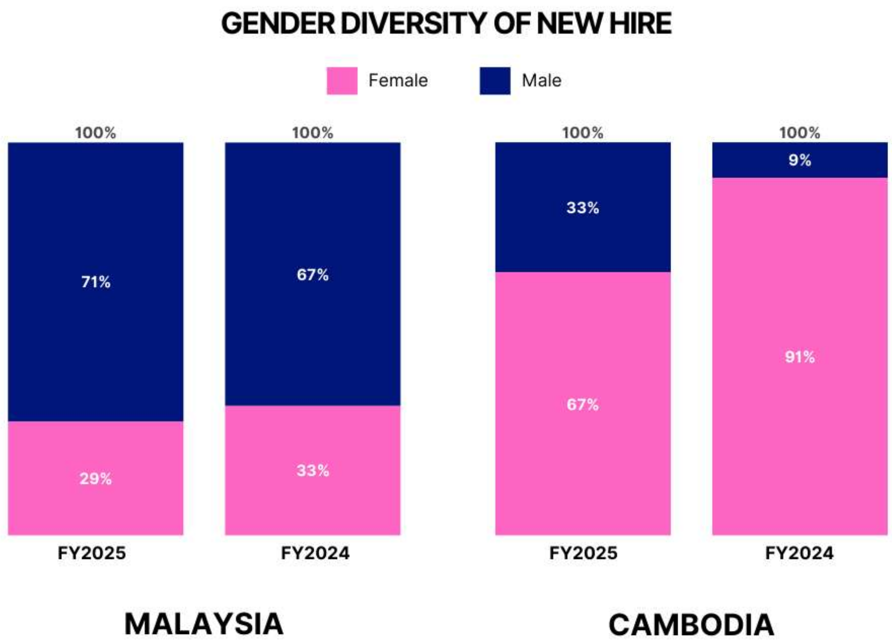


New Hires

In FY2025, there are 273 new hires that joined the Group (FY2024 – 484) to facilitate the continuous growth of our manufacturing operations. Out of the total new hires in FY2025, 249 or 91% (FY2024 – 91%) are from our apparel manufacturing facilities in Cambodia. This is consistent with FY2024 as the Group is constantly seeking talent and skilled workers to join our manufacturing workforce.

The demographic of our new employees is presented below by region.



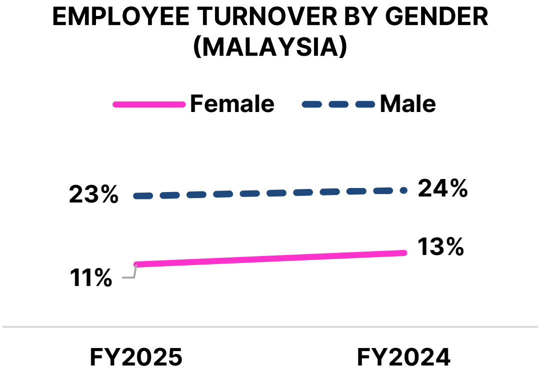


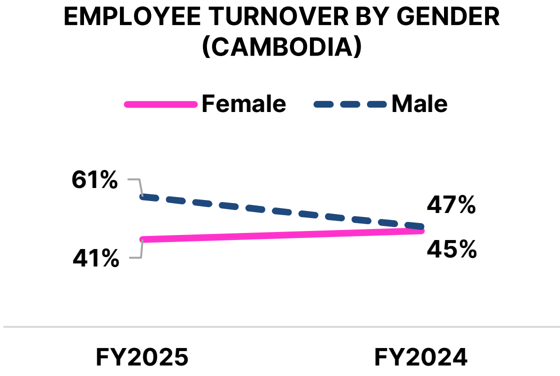
In FY2025, the trend in our new hires remains consistent with FY2024 and FY2023. Overall, we have observed an increase of new male employees across our business operations at both Malaysia and Cambodia.

Employee Turnover

Employee turnover rates serve as a key indicator of workforce satisfaction, and the Group remains committed to being an attractive employer for both current and prospective employees. By measuring and monitoring turnover trends, we are better positioned to assess our workplace culture and practices, implement targeted improvements, and enhance talent retention over the long term.

The Group's employee turnover rate is presented below by region and gender:





In FY2025, the employee turnover rate at the Group's operations in Malaysia declined compared to FY2024, reflecting the Group's continued emphasis on fostering a safe, stable, and inclusive work environment. In Cambodia, the turnover rate for female employees remained relatively stable as compared with the previous year, while the turnover rate for male employees increased. This was in line with the Group's continued implementation of its performance evaluation system since FY2023, which aims to retain high-performing employees while attracting new talent with updated skills and capabilities to strengthen the production workforce.

Occupational Health and Safety

The Group is committed to ensuring the health and safety of all employees, contractors, visitors, and communities impacted by our operations. We believe that injuries, incidents, and infectious diseases are preventable through the implementation of effective health and safety management practices.

Our Health and Safety Policy ("**the Policy**") applies across all operational sites and covers all employees, activities, and workplaces. It is distributed organisation-wide and translated into multiple local languages to ensure accessibility and understanding. To enforce the Policy, each operating location is overseen by the Group Health and Safety Committee, comprising representatives from various departments. The Committee is responsible for:

- Maintaining safe and healthy working conditions in accordance with applicable laws and industry standards;
- Promoting compliance with occupational health and safety regulations in all regions where we operate;
- Identifying and mitigating workplace hazards to minimise health and safety risks;
- Continuously improving the Group's health and safety management systems; and
- Providing consultation and promoting health and safety awareness throughout the organisation.

The Policy is designed to ensure that all operational activities are conducted in compliance with legal requirements while minimising the occurrence of industrial accidents. It aligns with Malaysia's Occupational Safety and Health Act 1994 (Act 514) and Cambodia's Labour Law of 1997, Chapter VIII – Health and Safety of Workers. It also includes procedures for responding to emergencies such as fires, hazardous leaks, workplace accidents, and other life-threatening situations.

To further uphold workplace safety, all factories and offices perform regular inspections and maintenance of safety equipment, including fire extinguishers and emergency lighting. Machinery is serviced according to a scheduled maintenance programme, and operators are trained in relevant safety protocols to minimise the risk of accidents.

In FY2025 and FY2024, there were no reported incidents of work-related accidents or injuries resulting in lost workdays. Moving forward, the Group aims to continuously improve and maintain high standards of health and safety across all its business operations.

	FY2025 Target	FY2025 Performance
Incidents of work-related accidents and injuries in all locations where the Group operates.	Zero incident	Zero incident

Training and Development

The Group places strong emphasis on two key training categories: **1) Health and Safety** and **2) Skills Development**. Through regular and targeted training programmes, we aim to cultivate a workforce that is skilled, motivated, competitive, and productive, with capabilities that are essential for achieving the Group's strategic goals.

The Human Resources ("**HR**") department is primarily responsible for all the training needs of our employees. All new employees undergo a structured onboarding programme covering Health and Safety, the Group's Code of Conduct and Ethics, and other foundational topics. This ensures that every new hire is familiar with the Group's safety standards and professional expectations when engaging with both internal and external stakeholders.

In addition, the HR department collaborates closely with Heads of Departments across all business units to assess training requirements. Where appropriate, the Group engages external service providers to deliver training programmes that equip employees with the necessary skills and knowledge to excel in their roles.

As part of its long-term commitment to human capital development, the Group established the KTMG Institute of Management in March 2022, as a platform to identify and develop leadership capabilities. Complementing this initiative, a mentorship programme has been implemented to support high-potential employees in their career development and retention within the organisation.

In FY2025, the Group recorded internal and external training totalling **2,727 hours** (FY2024: 4,570 hours) for an average workforce of **1,639 employees**, equivalent to **1.66 hours per employee** (FY2024: 2.04 hours). The reduction in training hours was primarily attributable to the Group prioritising labour resources to fulfil expedited orders from customers in the United States. Accordingly, training activities during the year were focused on mandatory health and safety modules, including those aligned with WRAP and BSCI principles. The Group remains committed to strengthening its training programmes and will continue to invest in workforce upskilling to support long-term development.

The table below indicates the total and average training hours for FY2025 and FY2024.

	FY2025			FY2024		
	Female	Male	Total	Female	Male	Total
Total training hours	1,510	1,217	2,727	3,123	1,447	4,570
Average training hours per employee	1.38	2.24	1.66	1.74	3.25	2.04

	FY2025 Target	FY2025 Performance
Internal and external training opportunities	To continue providing internal and external training courses to our employees.	On target

Employee Feedback and Communication

The Group recognises the importance of employee feedback and effective communication in fostering a positive work environment, enhancing performance, and supporting continuous improvement. Employee engagement is facilitated through established communication channels and supported by initiatives such as team-building activities, Employee Appreciation Day, and festive events.

Employees are regularly informed of operational updates through internal memoranda and a messaging application accessible across all operating locations. Significant policy changes are communicated in a timely manner, with at least one month's notice provided prior to implementation.

Employee Appraisal and Recognition

The Group provides employees with structured opportunities for career development and progression. Annual performance appraisals are conducted to assess employee performance against established goals, with Heads of Department providing constructive feedback to support individual development. The outcomes of these appraisals are used to identify training needs and inform the Group's training and development initiatives.

In addition, the Group implements a Mentorship Programme for non-managerial employees, where experienced mentors provide guidance and support to mentees in their professional and personal development within the organisation.

Privacy and Data Protection

The Group recognises the importance of safeguarding personal and confidential data of its stakeholders. The Group is guided by its internal Data Protection Policy, which sets out the procedures and standards for employees to adhere to in protecting the privacy of suppliers, customers, shareholders, and employees. The policy is communicated to all employees as part of onboarding training.

Data privacy matters are monitored and reviewed on an ongoing basis, with feedback or concerns raised by stakeholders or the public assessed and addressed where necessary.

In FY2025 and FY2024, there were no substantiated complaints concerning breaches of data privacy or loss of data, and no reported incidents of cyber-attacks. The Group aims to maintain this record and continues to strengthen its data protection practices.

Communities

At KTMG, contributing to society is a core part of our corporate values. Through our community engagement initiatives, we strive to support and uplift the communities in which we operate, driving positive change through purposeful engagement.

We continued our support for underprivileged children through a clothing donation initiative at Don Bosco School in Phnom Penh, Cambodia. In partnership with the Royal Government of Cambodia, the school provides technical education programmes aimed at breaking the cycle of poverty and promoting long-term social development. Its curriculum covers a range of practical life skills, including sewing, which is an area where we continue to provide ongoing support.

In November 2025, our annual blood donation drive in Batu Pahat mobilised employees, volunteers, and medical professionals in support of local healthcare services. This initiative underscored our commitment to community well-being and the collaborative efforts that advance our social responsibility goals.

We are also committed to fostering vocational development and supporting the local educational ecosystem. By offering internships in textile manufacturing, we help bridge the gap between academic theory and technical industry skills.

Through these efforts, KTMG demonstrates our sustained commitment to supporting communities and promoting social well-being. We aim to create a meaningful impact and cultivate a more inclusive and resilient society through purposeful engagement and ongoing contributions.

Customers

Guided by its core value of placing customers' interests as a priority, the Group remains committed to delivering products that meet expectations in terms of quality, reliability, and safety.

The Group recognises the importance of maintaining strong customer relationships and adopts a structured approach to understanding customer requirements and feedback. This enables effective responses and ensures that products meet applicable standards and customer specifications.

The Group conducts quality and safety assessments on its products to ensure compliance with relevant requirements and to safeguard end-user well-being. In FY2025 and FY2024, there were no reported incidents of product safety issues or non-compliance with applicable product health and safety regulations.

CLIMATE CHANGE RISKS AND OPPORTUNITIES

KTMG recognises that climate change presents both risks and opportunities to its long-term resilience and operational sustainability. In line with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") and evolving ISSB (IFRS S2) climate disclosure requirements, the Group continues to assess and manage climate-related risks and opportunities across its business strategy, financial planning, and risk management processes.

Identified Climate-Related Risks and Opportunities

Risk Category	Location	Time Horizon	Description	Potential Financial / Operational Impact	Mitigation & Transition Plan	Priority
Transition (Market)	Worldwide	Short to medium term	Shift in consumer preference towards sustainable clothing, increasing expectations from global brands for low-carbon and responsibly sourced products	Potential revenue exposure from inability to meet customer sustainability requirements, particularly in export markets	Expand sourcing of certified sustainable raw material and ongoing engagement with customers on sustainability requirements to maintain market competitiveness	Medium
Transition (Policy and Legal)	Malaysia and Singapore	Medium term (3–5 years)	Introduction of stricter emissions regulations and carbon pricing mechanisms	Estimated increase in operating costs of approximately SGD126,000[3] annually (based on FY2025 Scope 1 and Scope 2 emissions) under a carbon price of SGD50/tCO_2e	Installation of solar PV systems at Malaysia operations, contributing to reduction of approximately 654.22 tCO_2e in FY2025; ongoing energy efficiency initiatives and evaluation of renewable energy expansion in Cambodia	High
Physical	Malaysia and Cambodia	Medium term	Increased frequency of extreme weather events, including prolonged dry seasons leading to water scarcity	Increased water procurement costs and potential operational disruption during periods of limited water availability	Implementation of rainwater harvesting systems and water reuse initiatives; continued operation of in-house wastewater treatment facilities to optimise water efficiency	Medium
Physical	Malaysia and Cambodia	Long term (6–10 years)	Rising temperatures and increased frequency of heatwaves impacting workforce productivity and operational stability	Potential production disruption costs are estimated at SGD201,000[4] per day, based on average daily output, under severe weather scenarios	Facility adaptation measures including improved ventilation and cooling systems, alongside contingency planning to minimise operational downtime	High
Opportunity	Malaysia and Cambodia	Short to medium term	Growing demand for low-carbon manufacturing and sustainable supply chains	Potential to capture new revenue streams and strengthen customer retention through enhanced sustainability positioning	Marketing of sustainable manufacturing capabilities, supported by ongoing investments in renewable energy and resource efficiency improvements	Medium

[3] Based on KTMG's FY2025 Scope 1 and Scope 2 GHG emissions of 2,518.67 tCO_2e, the carbon pricing of SGD50/tCO_2e would result in a projected annual carbon tax cost of SGD 126,000

[4] Based on estimated daily output, which is FY2025 revenue ÷ 290 working days per year (assuming 6-day operations), the Group estimates a potential financial impact of approximately SGD 201,000 for one (1) day of production disruption

Climate Scenario Analysis (Preliminary)

The Group continues to utilise climate scenario analysis as a tool to assess resilience under different climate pathways, referencing scenarios aligned with the Network for Greening the Financial System ("**NGFS**") and International Energy Agency ("**IEA**").

Scenario[5]	Description	Estimated Financial Impact (Annual)
2°C World (Orderly Transition)	Implementation of strong climate policies, including carbon pricing mechanisms	+SGD 126,000 carbon tax cost[6] -SGD 33,000 carbon tax savings (at present year) from solar energy utilisation[7]
4°C World (Hot House World)	Limited climate action resulting in severe physical risks, including extreme weather and supply chain disruptions	-SGD 201,000 per day of production loss from heatwaves, flooding or supply chain disruptions[8]

Climate Risk Management and Transition Approach

The Group strives to respond proactively to identified climate-related risks. Given the energy-intensive nature of its manufacturing operations, managing GHG emissions remains a key priority.

During FY2025, the Group continued to advance its transition towards lower-carbon operations through:

- Investment in solar PV systems at its Malaysia facilities, with ongoing expansion plans in Cambodia
- Implementation of energy efficiency initiatives to optimise electricity consumption
- Adoption of water management practices, including wastewater treatment and reuse systems

These initiatives support the Group's efforts to mitigate exposure to carbon pricing, reduce operational risks associated with climate change, and strengthen its positioning as a sustainable manufacturing partner.

[5] The preliminary climate scenario analysis was conducted in alignment with the recommendations of the TCFD. It draws on climate pathways from the NGSF and the IEA. Carbon pricing assumptions are based on Singapore's carbon tax trajectory of SGD45/tCO_2e by 2026–2027 and up to SGD50–80/tCO_2e by 2030, as published by the National Climate Change Secretariat

[6] Based on KTMG's FY2025 Scope 1 and Scope 2 GHG emissions of 2,518.67 tCO_2e, the carbon pricing of SGD50/tCO_2e would result in a projected annual carbon tax cost of SGD 126,000

[7] Based on estimated carbon offset of 654.22t/CO_2e in FY2025 from the utilisation of solar energy

[8] Based on estimated daily output, which is FY2025 revenue ÷ 290 working days per year (assuming 6-day operations), the Group estimates a potential financial impact of approximately SGD 201,000 for one (1) day of production disruption

TCFD DISCLOSURES

Code	TCFD Recommendations	Actions
Governance		
1)(a)	Board oversight	The Board oversees climate-related risks and opportunities through the Group's sustainability governance framework, with periodic updates on environmental performance and regulatory developments to support strategic and capital allocation decisions.
1)(b)	Management's role	The Executive Leadership Team is responsible for assessing and managing climate-related risks, including monitoring GHG emissions, energy consumption, and water usage, and implementing mitigation measures where necessary.
Strategy		
2(a)	Climate-related risks and opportunities	The Group has identified key transition and physical risks across short, medium, and long-term horizons, including carbon pricing exposure and extreme weather disruptions, as set out in the "Climate Change Risks and Opportunities" section (page 28-29).
2(b)	Impact on business, strategy and financial planning	Climate-related risks may lead to increased operating costs and operational disruptions, including potential carbon-related costs and production losses under adverse weather scenarios. These are considered in operational and investment planning.
Risk Management		
3(a)	Identification and assessment	Climate-related risks are identified and assessed as part of the Group's existing risk management framework, which includes consideration of environmental data such as emissions, energy, and water usage. Risks are evaluated based on their likelihood and potential impact on operations.
3(b)	Management of risks	The Group manages risks through renewable energy investments, energy efficiency measures, and water management initiatives.
3(c)	Integration	Climate-related risks are integrated into overall risk management and considered alongside other business risks.
Metrics and Targets		
4(a)	Metrics used	The Group monitors key environmental metrics, including electricity consumption (kWh), fuel consumption (liters), Scope 1 and Scope 2 GHG emissions (tCO_2e), and water consumption (m^3). These metrics support the assessment of climate-related risks and operational performance.
4(b)	Emissions disclosure	Scope 1 and Scope 2 emissions are disclosed in the "6.0 Environment" section (page 16-21).
4(c)	Targets and performance	The Group aims to improve energy efficiency and manage emissions intensity. Renewable energy initiatives, including solar PV systems, contribute to emissions reduction and ongoing performance monitoring.

GRI CONTENT INDEX

Statement of use	The information presented in this GRI Content Index covers the period from 1 January 2025 to 31 December 2025 and has been prepared with reference to the GRI Standards
GRI 1 referenced	GRI 1: Foundation 2021

GRI Disclosures		**Section Reference**
2 – General Disclosures		
2-1	Organisational details	About KTMG
2-2	Entities included in the organisation's sustainability reporting	Group Structure Scope of Report
2-3	Reporting period, frequency and contact point	Scope of Report Contact Information
2-4	Restatements of information	Calculations for Scope 1 – Fuel Consumption under GHG Emissions is restated due to calculation error
2-5	External assurance	This report was not externally assured.
2-6	Activities, value chain and other business relationships	Operating Locations and Principal Activities Our Value Chain
2-7	Employees	Employees Diversity and Inclusion
2-8	Workers who are not employees	Employees Diversity and Inclusion
2-9	Governance structure and composition	Sustainability Governance Refer to the Corporate Governance section of the Annual Report 2025
2-10	Nomination and selection of the highest governance body	Refer to the Corporate Governance section of the Annual Report 2025
2-11	Chair of the highest governance body	Refer to the Corporate Governance section of the Annual Report 2025
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Stakeholder Engagement Refer to the Corporate Governance section of the Annual Report 2025
2-13	Delegation of responsibility for managing impacts	Sustainability Governance Refer to the Corporate Governance section of the Annual Report 2025
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance Refer to the Corporate Governance section of the Annual Report 2025
2-15	Conflicts of interest	Refer to the Corporate Governance section of the Annual Report 2025
2-16	Communication of critical concerns	Sustainability Governance Refer to the Corporate Governance section of the Annual Report 2025
2-17	Collective knowledge of the highest governance body	Refer to the Corporate Governance section of the Annual Report 2025
2-18	Evaluation of the performance of the highest governance body	Refer to the Corporate Governance section of the Annual Report 2025
2-19	Remuneration policies	Refer to the Corporate Governance section of the Annual Report 2025
2-20	Process to determine remuneration	Refer to the Corporate Governance section of the Annual Report 2025
2-21	Annual total compensation ratio	Refer to the Corporate Governance section of the Annual Report 2025
2-22	Statement on sustainable development strategy	Statement from the Executive Chairman
2-23	Policy commitments	Refer to the Corporate Governance section of the Annual Report 2025 Policy Commitments Anti-Corruption and Whistleblowing Policy Supplier Assessments Human Rights
2-24	Embedding policy commitments	Refer to the Corporate Governance and other sections of the Annual Report 2025
2-25	Processes to remediate negative impacts	Stakeholder Engagement
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement
2-27	Compliance with laws and regulations	Compliance with Laws and Regulations

GRI Disclosures		Section Reference
2-28	Membership associations	Our Value Chain
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	Not applicable. No collective bargaining agreements are in place.
3 – Material Topics		
3-1	Process to determine material topics	Identification of Material Topics
3-2	List of material topics	Identification of Material Topics
201 – Economic Performance		
201-1	Direct economic value generated and distributed	Refer to the Notes to the Financial Statements and other sections of the Annual Report 2025
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Risks and Opportunities
205 – Anti-corruption		
3-3	Management of material topics	Anti-Corruption, and Whistleblowing Policy
205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption, and Whistleblowing Policy
205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption, and Whistleblowing Policy
207 – Tax		
3-3	Management of material topics	Identification of Material Topics
207-1	Approach to tax	Compliance with Laws and Regulations
207-2	Tax governance, control, and risk management	Compliance with Laws and Regulations
207-3	Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement
207-4	Country-by-country reporting	Refer to the Notes to the Financial Statements and other sections of the Annual Report 2025 Compliance with Laws and Regulations Operating Locations and Principal Activities Our Employees
302 – Energy		
3-1	Management of material topics	Environment
302-1	Energy consumption within the organisation	Energy and Emissions
302-3	Energy intensity	Energy and Emissions
303 – Water and Effluents		
3-3	Management of material topics	Water Management
303-5	Water consumption	Water Management
305 – Emissions		
3-3	Management of material topics	Energy and Emissions
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions
305-4	GHG emissions intensity	Energy and Emissions
306 – Waste		
3-3	Management of material topics	Waste
306-3	Waste generated	Waste
308 – Supplier Environmental Assessment		
3-3	Management of material topics	Supplier Assessments
308-1	New suppliers that were screened using environmental criteria	Supplier Assessments
401 – Employment		
3-3	Management of material topics	Our Employees
401-1	New employee hires and employee turnover	Diversity and Inclusion
402 – Labour/Management relations		
3-3	Management of material topics	Our Employees
402-1	Minimum notice periods regarding operational changes	Employee Feedback and Communication

GRI Disclosures		Section Reference
403 – Occupational health and safety		
3-3	Management of material topics	Occupational Health and Safety
403-1	Occupational health and safety management system	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Training and Development
403-9	Work-related injuries	Occupational Health and Safety
404 – Training and Education		
3-3	Management of material topics	Training and Development
404-1	Average hours of training per year per employee	Training and Development
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Feedback and Communication
405 – Diversity and Equal Opportunity		
3-3	Management of material topics	Diversity and Inclusion
405-1	Diversity of governance bodies and employees	Diversity and Inclusion
413 – Local Communities		
3-3	Management of material topics	Communities
413-1	Operations with local community engagement, impact assessments, and development programs	Communities
418 – Customer privacy		
3-3	Management of material topics	Customers
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and Data Protection

LEGAL DISCLAIMER

This Report contains forward-looking statements concerning the financial condition, results of operations and businesses of the Group. All statements other than statements of historical fact are or may be deemed to be forward-looking statements. Forward-looking statements are statements of future expectations based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements. Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates," and words of similar import.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. They are based on numerous assumptions regarding the Group's current and future business strategies and the environment in which it will operate. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside the Group's control. These include changes in the political, social, and regulatory framework in which the Group will operate or in economic, technological trends or conditions; the success of the business and operating initiatives; the actions of regulators; legislative, fiscal, and regulatory developments, including regulatory measures addressing climate change; the behavior of other market participants; competitive product and pricing pressures; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations; changes in the level of capital investment; the impact of any acquisitions, disposals or similar transactions; the outcome of any litigation; the risk of doing business in countries subject to international sanctions; environmental and physical risks; risks associated with the impact of pandemics. Other unknown or unpredictable factors could cause actual results and developments to differ materially from those in forward-looking statements.

Neither the Group nor any of its subsidiaries provide any representation, assurance, or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Report will occur. Neither the Group nor its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events, or other information. Each forward-looking statement speaks only as of the date of this report, i.e., 29 April 2026.

In light of these risks, results could differ materially from those stated, implied, or inferred from the forward-looking statements contained in this report. No materials in this Report constitute an offer, solicitation, or recommendation to purchase or sell securities or make investments. Readers should not place undue reliance on forward-looking statements.