



**KTMG LIMITED**

**AND ITS SUBSIDIARIES**

**(Registration No: 197401961C)**

**Unaudited Condensed Interim Financial Statements**

**For the final six months and full year ended 31 December 2025**

**Table of Contents**

A. Condensed Interim Consolidated Income Statement and Statement of Comprehensive Income .....	3
B. Condensed Interim Statements of Financial Position .....	4
C. Condensed Interim Statements of Changes in Equity .....	5
D. Condensed Interim Statements of Cash Flow .....	6
E. Notes to the Condensed Interim Consolidated Financial Statements .....	7
F. Other information required by Listing Rule Appendix 7C .....	15

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

The Group	Note	2H2025 (Unaudited) S\$'000	2H2024 (Unaudited) S\$'000	Change %	FY2025 (Unaudited) S\$'000	FY2024 (Audited) S\$'000	Change %
<b>Revenue</b>	4	28,021	63,605	(55.9)	58,404	104,531	(44.1)
Cost of sales		(27,395)	(60,892)	(55.0)	(53,648)	(97,076)	(44.7)
<b>Gross profit</b>		626	2,713	(76.9)	4,756	7,455	(36.2)
Other income, net		618	1,385	(55.4)	1,599	1,583	1.0
Impairment loss (recognised)/ reversed, net		(25)	52	NM	(15)	29	NM
Administrative and general expenses		(2,585)	(3,291)	(21.5)	(5,940)	(6,678)	(11.1)
Selling and marketing expenses		(708)	(1,180)	(40.0)	(1,549)	(2,057)	(24.7)
Air Freight		(376)	(3,609)	(89.6)	(376)	(3,609)	(89.6)
Finance costs	5	(693)	(687)	0.9	(1,414)	(1,374)	2.9
<b>(Loss) before taxation</b>	6	(3,143)	(4,617)	(31.9)	(2,939)	(4,651)	(36.8)
Income tax expenses	7	(336)	(954)	(64.8)	(425)	(1,008)	(57.8)
<b>Net (loss)</b>		(3,479)	(5,571)	(37.6)	(3,364)	(5,659)	(40.6)
<b>Other comprehensive (loss) / income:</b> <i>Items that may be reclassified subsequently to profit or loss (net of tax)</i>							
Foreign currency translation		832	823	1.1	841	1,049	(19.8)
<b>Total comprehensive (loss) attributable to equity holders of the Company</b>		<b>(2,647)</b>	<b>(4,748)</b>	<b>(44.3)</b>	<b>(2,523)</b>	<b>(4,610)</b>	<b>(45.3)</b>
<b>(Loss) attributable to:</b>							
- Owners of the Company		(3,488)	(5,580)	(37.5)	(3,383)	(5,677)	(40.4)
- Non-controlling interests		9	9	-	19	18	5.6
		<b>(3,479)</b>	<b>(5,571)</b>	<b>(37.6)</b>	<b>(3,364)</b>	<b>(5,659)</b>	<b>(40.6)</b>
<b>Total comprehensive (loss) attributable to:</b>							
- Owners of the Company		(2,656)	(4,757)	(44.2)	(2,542)	(4,628)	(45.1)
- Non-controlling interests		9	9	-	19	18	5.6
		<b>(2,647)</b>	<b>(4,748)</b>	<b>(44.3)</b>	<b>(2,523)</b>	<b>(4,610)</b>	<b>(45.3)</b>
<b>(Loss) per share for profit for the period attributable to the owners of the Company during the year:</b>							
Basic/ diluted (SGD in cent)		(2.06)	(3.29)		(1.99)	(3.35)	

NM: Not meaningful

## B. Condensed Interim Statements of Financial Position

	Note	The Group		The Company	
		31 Dec 2025 (Unaudited)	31 Dec 2024 (Audited)	31 Dec 2025 (Unaudited)	31 Dec 2024 (Audited)
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Subsidiary		-	-	26,400	26,400
Property, plant and equipment	10	13,903	13,894	-	-
Right-of-use assets	11	3,196	4,183	-	-
Deferred tax assets		167	220	-	-
		<b>17,266</b>	<b>18,297</b>	<b>26,400</b>	<b>26,400</b>
<b>Current Assets</b>					
Inventories		8,897	13,308	-	-
Trade and other receivables	12	8,984	21,605	414	263
Prepaid corporate tax		1,095	862	-	-
Cash and bank balances		4,386	6,508	12	15
		<b>23,362</b>	<b>42,283</b>	<b>426</b>	<b>278</b>
<b>Total assets</b>		<b>40,628</b>	<b>60,580</b>	<b>26,826</b>	<b>26,678</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	13	3,273	1,552	-	-
Lease liabilities		1,792	2,349	-	-
Trade and other payables	14	940	-	-	-
		<b>6,005</b>	<b>3,901</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Borrowings	13	13,394	21,228	-	-
Lease liabilities		501	556	-	-
Trade and other payables	14	8,208	19,722	2,267	1,944
Tax payable		16	146	-	-
		<b>22,119</b>	<b>41,652</b>	<b>2,267</b>	<b>1,944</b>
<b>Total liabilities</b>		<b>28,124</b>	<b>45,553</b>	<b>2,267</b>	<b>1,944</b>
<b>Net assets</b>		<b>12,504</b>	<b>15,027</b>	<b>24,559</b>	<b>24,734</b>
<b>Equity and reserves</b>					
Share capital	15	33,201	33,201	33,201	33,201
Retained earnings/ (accumulated losses)		(737)	2,646	(9,213)	(9,038)
Foreign currency translation reserve		(515)	(1,356)	-	-
Capital reserve		571	571	571	571
Merger reserve		(20,106)	(20,106)	-	-
<b>Equity attributable to owners of the company</b>		<b>12,414</b>	<b>14,956</b>	<b>24,559</b>	<b>24,734</b>
Non-controlling interests		90	71	-	-
<b>Total equity and reserves</b>		<b>12,504</b>	<b>15,027</b>	<b>24,559</b>	<b>24,734</b>

### C. Condensed Interim Statements of Changes in Equity

The Group	Share capital	Retained earnings	Translation reserve	Capital reserve	Merger reserve	Equity attributable to owners of the company	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 1 Jan 2025</b>	33,201	2,646	(1,356)	571	(20,106)	14,956	71	15,027
Total comprehensive loss for the financial year	-	(3,383)	841	-	-	(2,542)	19	(2,523)
<b>As at 31 Dec 2025</b>	<b>33,201</b>	<b>(737)</b>	<b>(515)</b>	<b>571</b>	<b>(20,106)</b>	<b>12,414</b>	<b>90</b>	<b>12,504</b>
<b>As at 1 Jan 2024</b>	33,201	8,323	(2,405)	571	(20,106)	19,584	53	19,637
Total comprehensive loss for the financial year	-	(5,677)	1,049	-	-	(4,628)	18	(4,610)
<b>As at 31 Dec 2024</b>	<b>33,201</b>	<b>2,646</b>	<b>(1,356)</b>	<b>571</b>	<b>(20,106)</b>	<b>14,956</b>	<b>71</b>	<b>15,027</b>

<u>Company</u>	Share capital	(Accumulated losses)	Capital reserve	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 1 Jan 2025</b>	33,201	(9,038)	571	24,734
Total comprehensive loss for the financial year	-	(175)	-	(175)
<b>As at 31 Dec 2025</b>	<b>33,201</b>	<b>(9,213)</b>	<b>571</b>	<b>24,559</b>
<b>As at 1 Jan 2024</b>	33,201	(8,832)	571	24,940
Total comprehensive loss for the financial year	-	(206)	-	(206)
<b>As at 31 Dec 2024</b>	<b>33,201</b>	<b>(9,038)</b>	<b>571</b>	<b>24,734</b>

Capital reserve

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

Merger reserve

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



## **E. Notes to the Condensed Interim Consolidated Financial Statements**

### **1. Corporate information**

KTMG Limited (the “**Company**”) is incorporated as a limited liability company and domiciled in Singapore. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at for the final six months and full year ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are:

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

### **2. Basis of Preparation**

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

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

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

#### Going concern assessment

As at 31 December 2025, the Group incurred a net loss of \$3,364,000 (FY2024: \$5,659,000) but generated net cash flow from operating activities of \$6,097,000 (FY2024: net operating cash outflows of \$4,624,000).

The condensed interim financial statements for FY2025 have been prepared on a going concern basis. The management has prepared cash flow forecast for the next 12 months. Based on the forecast, the directors believe the Group has sufficient working capital and financial resources to enable them to meet their liabilities as and when they fall due and continue as going concern for at least 12 months from the end of the reporting period. Furthermore, the Group is in a net current asset position as at 31 December 2025. Accordingly, the directors are of the view that the going concern assumption is appropriate for the presentation of these financial statements.

#### **2.1 New and amended standards adopted by the Group**

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

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

## 2.2 Use of judgements and estimates

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

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

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

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

## 3. Seasonal operations

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

## 4. Segment and revenue information

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

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

### Geographical Information

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

Revenue	2H2025 (Unaudited)	2H2024 (Unaudited)	31 Dec 2025 (Unaudited)	31 Dec 2024 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>				
United States	7,805	30,415	18,292	46,883
European Union	6,576	10,782	16,782	18,236
Japan	2,331	9,865	7,057	15,102
United Kingdom	2,349	5,714	3,065	11,235
Canada	4,572	5,583	6,222	9,412
Malaysia	9	100	1,312	1,588
Cambodia	4,125	-	4,125	-
Others	254	1,146	1,549	2,075
	<b>28,021</b>	<b>63,605</b>	<b>58,404</b>	<b>104,531</b>

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

A breakdown of sales as follows:

	<b>The Group</b>		<b>increase/ (decrease)</b>
	<b>FY2025 (Unaudited)</b>	<b>FY2024 (Audited)</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(a) Sales reported for first half year	30,383	40,926	(25.8)
(b) Operating profit / (loss) after tax before deducting non-controlling interests reported for first half year	115	120	(4.2)
c) Sales reported for second half year	28,021	63,605	(55.9)
d) Operating (loss) after tax before deducting non-controlling interests reported for second half year	(3,479)	(5,779)	(39.8)

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

<b>Non-current assets</b>	<b>The Group</b>	
	<b>As at 31 Dec 2025 (Unaudited)</b>	<b>As at 31 Dec 2024 (Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Malaysia	13,684	13,692
Cambodia	3,582	4,605
	<b>17,266</b>	<b>18,297</b>

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

<b>Non-current assets</b>	<b>The Group</b>	
	<b>As at 31 Dec 2025 (Unaudited)</b>	<b>As at 31 Dec 2024 (Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Property, plant and equipment	13,903	13,894
Right-of-use assets	3,196	4,183
Deferred tax assets	167	220
	<b>17,266</b>	<b>18,297</b>

## 5. Finance Cost

<b>The Group</b>	<b>2H2025</b>	<b>2H2024</b>	<b>FY2025</b>	<b>FY2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Interest expenses on:				
- Term loans	46	20	115	39
- Other short-term loans	525	653	1,040	1,154
- Lease liabilities	122	14	259	181
	<b>693</b>	<b>687</b>	<b>1,414</b>	<b>1,374</b>

**6. Loss before tax for the period/ year**

<b>The Group</b>	<b>2H2025</b> <b>(Unaudited)</b> <b>S\$'000</b>	<b>2H2024</b> <b>(Unaudited)</b> <b>S\$'000</b>	<b>FY2025</b> <b>(Unaudited)</b> <b>S\$'000</b>	<b>FY2024</b> <b>(Audited)</b> <b>S\$'000</b>
(Loss) before tax for the period/ year included the following items -				
Depreciation expenses:				
Property, plant and equipment	(552)	(587)	(1,094)	(1,027)
Right-of-use assets	(293)	(331)	(602)	(707)
Foreign currency exchange gain	152	1,321	596	1,183
Legal and other professional fees	208	(408)	(114)	(705)
Gain / (loss) on disposal of property, plant and equipment	20	(30)	38	(5)

**7. Taxation**

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

	<b>The Group</b>			
	<b>2H2025</b> <b>(Unaudited)</b> <b>S\$'000</b>	<b>2H2024</b> <b>(Unaudited)</b> <b>S\$'000</b>	<b>FY2025</b> <b>(Unaudited)</b> <b>S\$'000</b>	<b>FY2024</b> <b>(Audited)</b> <b>S\$'000</b>
Current taxation				
Current period/ year	342	159	436	441
Under/ (over) provision in respect prior financial year	(59)	602	(59)	488
Deferred tax expense				
Origination and reversal of temporary differences	53	193	48	79
Income tax expense recognised in profit or loss	336	954	425	1,008

	<b>2025</b>	<b>2024</b>
<b>Tax rates</b>	<b>%</b>	<b>%</b>
Cambodia	20	20
Malaysia	24	24
Singapore	17	17

**8. Related party transactions**

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

**9. Financial assets and financial liabilities**

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 2025 (Unaudited) S\$'000</b>	<b>31 Dec 2024 (Audited) S\$'000</b>	<b>31 Dec 2025 (Unaudited) S\$'000</b>	<b>31 Dec 2024 (Audited) S\$'000</b>
<b>Financial Assets</b>				
Trade and other receivables <sup>1</sup>	8,288	20,915	411	255
Cash and bank balances	4,386	6,508	12	15
	<b>12,674</b>	<b>27,423</b>	<b>423</b>	<b>270</b>
<b>Financial Liabilities</b>				
Borrowings	16,667	22,780	-	-
Lease liabilities	2,293	2,905	-	-
Trade and other payables <sup>2</sup>	9,148	19,712	2,267	1,944
	<b>28,108</b>	<b>45,397</b>	<b>2,267</b>	<b>1,944</b>

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

(2) Excluded provision for sales rebates

**10. Property, plant and equipment**

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

	<b>The Group</b>	
	<b>31 Dec 2025 (Unaudited) S\$'000</b>	<b>31 Dec 2024 (Audited) S\$'000</b>
<b>Cost</b>		
Beginning of the financial year	27,174	25,651
Additions	429	416
Reclassification from ROU assets upon full repayment of lease liabilities	476	-
Disposals / written-off	(252)	(207)
Translation differences on consolidation	285	1,314
<b>End of the financial year</b>	<b>28,112</b>	<b>27,174</b>
<b>Accumulated depreciation</b>		
Beginning of the financial year	13,280	11,871
Depreciation charge	1,094	1,027
Reclassification from ROU assets upon full repayment of lease liabilities	164	-
Disposals / written-off	(251)	(188)
Translation differences on consolidation	(78)	570
<b>End of the financial year</b>	<b>14,209</b>	<b>13,280</b>
<b>Carrying amount</b>	<b>13,903</b>	<b>13,894</b>

**11. Right-of-use assets**

	<b>The Group</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cost</b>		
Beginning of the financial year	7,528	5,167
New leases entered during the period	11	74
Lease modification	-	2,522
Early termination/ end of lease	-	(123)
Derecognition	(11)	(377)
Reclassification to "property, plant and equipment" on full repayment of lease liabilities	(476)	-
Translation differences on consolidation	(202)	265
<b>End of the financial year</b>	<b>6,850</b>	<b>7,528</b>
<b>Accumulated depreciation</b>		
Beginning of the financial year	3,345	2,950
Depreciation charge	602	707
Early termination/ end of lease	-	(56)
Derecognition	(11)	(377)
Reclassification to "property, plant and equipment" on full repayment of lease liabilities	(164)	-
Translation differences on consolidation	(118)	121
<b>End of the financial year</b>	<b>3,654</b>	<b>3,345</b>
<b>Carrying amount end of the financial year</b>	<b>3,196</b>	<b>4,183</b>

**12. Trade and other receivables**

	<b>The Group</b>	
	<b>31 Dec 2025</b>	<b>31 Dec 2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Trade receivables	7,598	20,145
Allowance for impairment loss	(226)	(205)
<b>Net trade receivables</b>	<b>7,372</b>	<b>19,940</b>
Other receivables	69	90
Deposits	847	885
<b>Financial assets at amortised cost</b>	<b>8,288</b>	<b>20,915</b>
Prepayments	317	317
Net input GST/ VAT recoverable	379	373
<b>Total trade and other receivables</b>	<b>8,984</b>	<b>21,605</b>

### 13. Borrowings

	Maturity on borrowings	The Group	
		31 Dec 2025 (Unaudited) S\$'000	31 Dec 2024 (Audited) S\$'000
<b>Secured</b>			
Term loans:			
- Floating rate	2026 – 2033	4,897	2,605
Other short-term loans:			
- Trust receipts	On demand	3,438	13,760
- Bankers' acceptance	On demand	4,405	4,309
- EIF	On demand	1,569	-
- Invoice financing	On demand	2,358	2,106
		11,770	20,175
		<b>16,667</b>	<b>22,780</b>
Presented as:			
- Non-current		3,273	1,552
- Current		13,394	21,228
		<b>16,667</b>	<b>22,780</b>

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

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

### 14. Trade and other payables

	The Group	
	31 Dec 2025 (Unaudited) S\$'000	31 Dec 2024 (Audited) S\$'000
Trade payables	5,596	14,833
Amounts due to directors/ shareholders (non-trade)	960	977 <sup>(1)</sup>
Accrued operating expenses	821	1,350
Accrued salaries and wages	899	1,224
Other payables	872	1,328
Financial liabilities at amortised cost	<b>9,148</b>	<b>19,712</b>
Provision for sales rebates	-	10
	<b>9,148</b>	<b>19,722</b>

**Notes:**

*Amounts due to directors/shareholders (non-trade) are unsecured, interest-free and repayable on demand. The amounts relate to dividends payable to directors/shareholders that were declared prior to the completion of the Reverse Takeover exercise on 18 February 2019. During the financial period under review, the Company had repaid S\$0.2 million to the director. The Audit Committee is satisfied that the repayment will not adversely affect the ongoing working capital or liquidity requirements and the financial position of the Group.*

## 15. Share Capital

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

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

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

## 16. Subsequent events

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

## **Other Information Required by Listing Rule Appendix 7C**

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 31 Dec 2025</b>	<b>As at 31 Dec 2024</b>
<b>Total issued shares (excluding treasury shares)</b>	169,681,544	169,681,544

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

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

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

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

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

The consolidated statement of financial position of the Company and its subsidiaries as at 31 December 2025 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the final six-months and full year ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

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

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

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

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

Not applicable.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the financial year ended 31 December 2025 (“FY2025”) as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2024 (“FY2024”).

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Refer to Section 4 above.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>The Group</b>	
	<b>FY2025</b>	<b>FY2024</b>
Loss attributable to owners of the Company (S\$’000)	(3,383)	(5,677)
Weighted average number of ordinary shares in issue (’000)	169,682	169,682
<b>Basic and diluted loss per share (“EPS”) (Singapore cents)</b>	<b>(1.99)</b>	<b>(3.35)</b>

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

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

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

	<b>The Group</b>		<b>The Company</b>	
	<b>31 Dec 2025 (Unaudited)</b>	<b>31 Dec 2024 (Audited)</b>	<b>31 Dec 2025 (Unaudited)</b>	<b>31 Dec 2024 (Audited)</b>
Net asset value (S\$’000)	12,504	15,027	24,559	24,734
Number of ordinary shares in issue (’000)	169,682	169,682	169,682	169,682
<b>Net asset value per ordinary share (Singapore cents)</b>	<b>7.37</b>	<b>8.86</b>	<b>14.47</b>	<b>14.58</b>

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss: -**

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

**Consolidated Statement of Comprehensive Income (FY2025 vs FY2024)**

The Group's revenue decreased by approximately S\$46.1 million or 44.1% from S\$104.5 million in FY2024 to S\$58.4 million in FY2025. The decline in revenue was mainly driven by lower apparel orders by existing customers in the Group's key markets, particularly in the United States (S\$28.6 million), United Kingdom (S\$8.2 million) and Japan (S\$8.1 million). Additionally, a subsidiary in Cambodia accepted order whereby raw materials (fabric, accessories and embellishments) were provided directly by the customer, thus resulting in lower billings to the said customer.

The Group's cost of sales decreased by approximately S\$43.4 million or 44.7% from S\$97.1 million in FY2024 to S\$53.6 million in FY2025, in line with the decline in revenue. This was mainly contributed by reductions of S\$27.9 million in raw material cost, S\$13.7 million in labour costs and S\$1.4 million in export handling expenses.

Accordingly, the Group's gross profit margin improved by 1.0 percentage point from approximately 7.1% in FY2024 to approximately 8.1% in FY2025. The slight increase in margin was recorded despite the Group incurring higher labour and production costs arising from the expedited fulfilment of certain orders for customers in the United States ahead of the implementation of the 19% reciprocal tariff on Cambodian-manufactured products, effective 1 August 2025 (following the expiry of the tariff pause period). This expedited fulfilment also led to lower utilisation and reduced operational efficiency across the Group's manufacturing plants in the subsequent months.

The Group's other income remained relatively stable at S\$1.6 million in both FY2024 and FY2025. In the current year, the Group's other income comprised mainly of realised exchange gain amounting to S\$0.6 million, income from sub-contracting works done by a Malaysian subsidiary of S\$0.4 million and unrealised exchange gain of S\$0.3 million (as the Malaysian Ringgit strengthened against US Dollar) towards the year-end.

The Group's administrative and general expenses decreased by approximately S\$0.8 million or 11.1% from S\$6.7 million in FY2024 to S\$5.9 million in FY2025. The decrease was primarily due to decline in professional fees of S\$0.6 million following reversal of provisions for tax consultancy services no longer required.

Meanwhile, the Group's selling and marketing expenses decreased by approximately S\$0.5 million or 24.7% from S\$2.1 million in FY2024 to S\$1.5 million in FY2025. The decrease was mainly due to lower sample development cost of S\$0.2 million, courier samples fee of S\$0.2 million and labtest expenses of S\$0.1 million, in tandem with decline in revenue. The Group also recorded a significant decrease in air freight expenses of S\$3.2 million or 89.6% from S\$3.6 million in FY2024 to S\$0.4 million in FY2025, driven by improved production planning leading to more timely product deliveries.

The Group's finance costs remained stable at S\$1.4 million in both FY2024 and FY2025.

As a result of the above, the Group recorded a net loss after tax of approximately S\$3.4 million in FY2025.

## **Consolidated Statement of Financial Position**

### **Non-Current Assets**

Non-current assets decreased by approximately S\$1.0 million from S\$18.3 million as at 31 December 2024 to S\$17.3 million as at 31 December 2025 mainly due to amortisation of right-of-use assets and depreciation of property, plant and equipment.

### **Current Assets**

Current assets decreased by S\$18.9 million from S\$42.3 million as at 31 December 2024 to S\$23.4 million as at 31 December 2025.

Inventories decreased by approximately S\$4.4 million from S\$13.3 million as at 31 December 2024 to S\$8.9 million as at 31 December 2025. The Group's inventories, which consists primarily of stock fabrics and accessories held to cater for the manufacturing of apparel products to be delivered to the Group's customers in the first quarter of the financial year ending 31 December 2026, is comparatively lower than the previous year as raw materials (fabric, accessories and embellishments) for certain orders were provided directly by the customer.

Trade and other receivables also declined by approximately S\$12.6 million from S\$21.6 million as at 31 December 2024 to S\$9.0 million as at 31 December 2025. The decrease was primarily due to overall lower revenue generated in 2H2025 and timing differences (arising from absence of delayed shipments in the current year whereby sales proceeds could only be received after year-end).

Cash and bank balances decreased by approximately S\$2.1 million from S\$6.5 million as at 31 December 2024 to S\$4.4 million as at 31 December 2025.

### **Non-Current Liabilities**

Non-current liabilities increased by approximately S\$2.1 million from S\$3.9 million as at 31 December 2024 to S\$6.0 million as at 31 December 2025.

Long-term borrowings increased by approximately S\$1.7 million from S\$1.6 million as at 31 December 2024 to S\$3.3 million as at 31 December 2025 due to a new 3-year term loan drawdown by the Group's Malaysia subsidiary.

Non-current lease liabilities decreased by approximately S\$0.5 million from S\$2.3 million as at 31 December 2024 to S\$1.8 million as at 31 December 2025. This was mainly due to the reclassification of lease liabilities from "non-current" to "current".

Trade and other payables increased to S\$0.9 million as at 31 December 2025 from S\$Nil as at 31 December 2024, following the Group's securing of a one-year moratorium from certain Directors who voluntarily agreed not to seek, demand, or receive repayment of the amounts due to them during the moratorium period.

### **Current Liabilities**

Current liabilities decreased by S\$19.6 million from S\$41.7 million as at 31 December 2024 to S\$22.1 million as at 31 December 2025.

Short-term borrowings decreased by approximately S\$7.8 million from S\$21.2 million as at 31 December 2024 to S\$13.4 million as at 31 December 2025 mainly due to lower utilisation of short-term financing and repayment of loans during the financial year.

Trade and other payables declined by approximately S\$11.5 million from S\$19.7 million as at 31 December 2024 to approximately S\$8.2 million as at 31 December 2025, primarily due to decline in cost of sales.

#### **Review of Statement of Cash Flows**

The Group's net cash flow generated from operating activities amounted to approximately S\$6.1 million in FY2025 despite loss before tax of S\$2.9 million during the year. This was mainly contributed by working capital changes as the Group maintained lower level of inventory, trade and other receivables, offset against lower trade and other payables.

The Group's net cash flows used in investing activities in FY2025 amounted to approximately S\$0.4 million mainly due to the acquisition of plant and machinery for the subsidiaries of the Group.

The Group's net cash flows used in financing activities in FY2025 amounted to approximately S\$8.3 million primarily due to repayment of short-term borrowings and interest paid, offset against drawdown of a new term loan.

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

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

The Group's financial results for FY2025 were in line with the profit guidance released on 22 February 2026.

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

The global apparel manufacturing landscape remains challenging amid ongoing geopolitical developments and trade policy uncertainties, which continue to affect consumer sentiment and sourcing decisions. The recent United States ("US") Supreme Court ruling that the US Administration's ("**the Administration**") use of the International Emergency Economic Powers Act to impose duties was illegal has added more uncertainties as the Administration is expected to impose sectoral and economy-specific measures to rebuild its tariff regime. Against this backdrop, the Group expects industry conditions to remain competitive and uncertain in the near term, particularly in its principal markets of the US, Europe, and the United Kingdom ("**UK**"), where discretionary spending continues to be affected by inflationary and macroeconomic concerns.

Cost pressures across the industry are expected to persist due to rising competition amid softened demand, although the stabilisation of labour, utilities, and logistics expenses partially mitigates these factors. In response, the Group will prioritise disciplined order acceptance, productivity improvements, and tighter cost controls. Key initiatives include more efficient manpower deployment and optimisation of production planning to manage costs and support operational efficiency, strengthened by the deployment of AI tools throughout the Group.

Looking ahead, the Group plans to improve its business via a combination of short, medium, and long-term strategies. In the short term, the Group will focus on optimising its existing operations in Cambodia and the capacity utilisation of its textile manufacturing business. This will be achieved through strategic partnerships with partner manufacturers in the areas of materials sourcing, leveraging partners' customer relationships in marketing, and combining production capacities (if required) to secure bigger orders. Such partnerships will also provide a reliable safeguard in the event of production delays.

The Group's medium-term objectives focus on enhancing operations by prioritising higher value-added activities. This strategy includes pre-production efforts, such as research and design, as well as post-production activities, such as distribution, with a specific focus on the US, Canada, and Southeast Asia markets ("growth regions"). Redeploying resources into these areas will better position the Group to achieve its long-term vision.

The Group's long-term vision involves pursuing licensing agreements with reputable brands in the growth regions. By targeting heritage brands with premium positioning in existing high-end markets, the Group aims to expand into broader mass markets and generate higher margins.

Through these measures, the Group seeks to strengthen earnings resilience and support stable and sustainable performance amid ongoing global uncertainties.

**11. Dividend**

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

No

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

No

**(c) Date payable:**

Not applicable

**(d) Book closure date:**

Not applicable

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

No dividend has been recommended for the current financial period reported on as the Group is focusing on conserving cash to strengthen its financial position and to cater to the progressive capacity / automation upgrades on identified production processes in both the apparel manufacturing plants in Cambodia and textile manufacturing plant in Malaysia.

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

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

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

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

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

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/ or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lim Sin Jet	40	Daughter of Mr. Lim Siau Hing (Executive Chairman) and sister of Mr. Lim Vhe Kai (Executive Director and Chief Executive Officer)	Corporate Communications Manager since 2020	Nil

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

Save as disclosed in the Company’s announcement dated 9 January 2026 in relation to the dissolution of an indirect wholly-owned subsidiary, Knit Textile Vietnam Company Limited, there were no acquisition or realisation of shares in any of the Group’s subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group’s entities during the current financial year.

**BY ORDER OF THE BOARD**

Damien Lim Vhe Kai  
 Chief Executive Officer

27 February 2026

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

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