

KTMG LIMITED
(Co. Reg. No.197401961C)
(Incorporated in the Republic of Singapore)

MINUTES OF ANNUAL GENERAL MEETING (“AGM”)

PLACE : Vibrant Theatre, 51 Cuppage Road, #03-03, Singapore 229469

DATE : Monday, 29 April 2019

TIME : 10.05 a.m.

PRESENT : **Directors**
1. Mr Lim Siau Hing @ Lim Kim Hoe – Executive Chairman
2. Mr Damien Lim Vhe Kai – Executive Director and Chief Executive Officer (the “CEO”)
3. Mr Goh Yeow Tin – Non-Executive and Lead Independent Director
4. Mr Yap Boh Pin – Non-Executive and Independent Director
5. Mr Koh Boon Huat – Non-Executive and Independent Director

SHAREHOLDERS AND ATTENDANCE : As per Attendance List

CHAIRMAN : Mr Lim Siau Hing @ Lim Kim Hoe

PERSONAL DATA PRIVACY

Due to the restriction on the use of personal data pursuant to the provisions of the Personal Data Protection Act 2012, the names of the shareholders and proxies present at the meeting will not be published in this minutes.

CHAIRMAN

Mr Damien Lim Vhe Kai (the “CEO”) had assisted the Chairman in conducting the proceedings of the AGM on behalf of the Chairman.

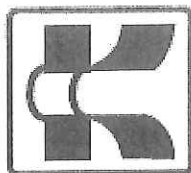
QUORUM

As a quorum was present, the CEO declared the Meeting open at 10.05 a.m.

NOTICE

The Notice convening the Meeting, having been circulated to shareholders for the requisite period was, with the permission of the Meeting, taken as read.

It was noted that all the proposed resolutions at this Meeting were conducted by way of a poll. Messrs Tricor Evatthouse Corporate Services had been appointed as Poll Counting Agent and Entrust Advisory Pte Ltd has been appointed as the Independent Scrutineers to count and verify the votes taken at the Meeting.



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In order to facilitate the conduct of the Meeting, the poll will be conducted after all the proposed resolutions at this Meeting had been proposed and seconded.

The CEO proceeded with the agenda of the Meeting.

The motion were duly proposed and seconded by the respective shareholders. The CEO invited questions from shareholders on the respective proposed resolutions. The summary of questions raised by shareholders and the replies provided by the CEO are recorded in Appendix A.

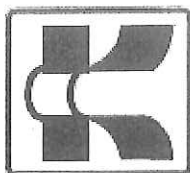
The Meeting stood adjourned at 10.35 a.m. and voting on all the resolutions by poll was conducted.

The Meeting was resumed at 10.50 a.m. and the Scrutineers duly presented the results of the poll to the CEO as follows:

RESULTS OF THE POLL

**ORDINARY
RESOLUTIONS:**

RESOLUTION 1	FOR	<u>No. of Shares</u>	<u>Percentage</u>
	AGAINST	161,639,308	100.000000%
	TOTAL NO. OF VALID VOTES	0	0.000000%
		<hr/>	<hr/>
		161,639,308	100.000000%
RESOLUTION 2	FOR	<u>No. of Shares</u>	<u>Percentage</u>
	AGAINST	161,639,298	99.999994%
	TOTAL NO. OF VALID VOTES	10	0.000006%
		<hr/>	<hr/>
		161,639,308	100.000000%
RESOLUTION 3	FOR	<u>No. of Shares</u>	<u>Percentage</u>
	AGAINST	161,639,308	100.000000%
	TOTAL NO. OF VALID VOTES	0	0.000000%
		<hr/>	<hr/>
		161,639,308	100.000000%
RESOLUTION 4	FOR	<u>No. of Shares</u>	<u>Percentage</u>
	AGAINST	161,639,298	99.999994%
	TOTAL NO. OF VALID VOTES	10	0.000006%
		<hr/>	<hr/>
		161,639,308	100.000000%
RESOLUTION 5	FOR	<u>No. of Shares</u>	<u>Percentage</u>
	AGAINST	161,639,308	100.000000%
	TOTAL NO. OF VALID VOTES	0	0.000000%
		<hr/>	<hr/>
		161,639,308	100.000000%
RESOLUTION 6	FOR	<u>No. of Shares</u>	<u>Percentage</u>
	AGAINST	161,639,308	100.000000%
	TOTAL NO. OF VALID VOTES	0	0.000000%
		<hr/>	<hr/>
		161,639,308	100.000000%



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		<u>No. of Shares</u>	<u>Percentage</u>
RESOLUTION 7	FOR	161,639,298	99.999994%
	AGAINST	10	0.000006%
	TOTAL NO. OF VALID VOTES	<u>161,639,308</u>	<u>100.000000%</u>
		<u>No. of Shares</u>	<u>Percentage</u>
RESOLUTION 8	FOR	161,639,298	99.999994%
	AGAINST	10	0.000006%
	TOTAL NO. OF VALID VOTES	<u>161,639,308</u>	<u>100.000000%</u>

Based on the results of the poll, the CEO declared that all the following resolutions were carried.

ORDINARY BUSINESS

ORDINARY RESOLUTION 1 - ADOPTION OF DIRECTORS' STATEMENT, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT

It was resolved that the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2018 together with the Auditors' Report thereon be and are hereby received and adopted.

Based on the results of the poll, the CEO declared the Ordinary Resolution 1 carried.

ORDINARY RESOLUTION 2 - RE-ELECTION OF MR YAP BOH PIN AS DIRECTOR

It was resolved that Mr Yap Boh Pin, who retired pursuant to Regulation 95 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company.

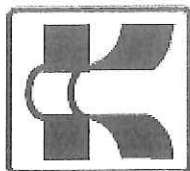
It was noted that Mr Yap Boh Pin will, upon his re-election as a Director of the Company, remains as the Chairman of Audit Committee as well as a member of the Nominating Committee and Remuneration Committee. He is considered an Independent Director pursuant to Rule 704(7) of the Rules of Catalist of the SGX-ST.

Based on the results of the poll, the CEO declared the Ordinary Resolution 2 carried.

ORDINARY RESOLUTION 3 - RE-ELECTION OF MR LIM SIAU HING @ LIM KIM HOE AS DIRECTOR

It was resolved that Mr Lim Siau Hing @ Lim Kim Hoe, who retired pursuant to Regulation 96 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company.

Based on the results of the poll, the CEO declared the Ordinary Resolution 3 carried.



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ORDINARY RESOLUTION 4 - RE-ELECTION OF MR LIM VHE KAI AS DIRECTOR

It was resolved that Mr Lim Vhe Kai, who retired pursuant to Regulation 96 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company.

Based on the results of the poll, the CEO declared the Ordinary Resolution 4 carried.

ORDINARY RESOLUTION 5 - RE-ELECTION OF MR KOH BOON HUAT AS DIRECTOR

It was resolved that Mr Koh Boon Huat, who retired pursuant to Regulation 96 of the Company's Constitution, being eligible and having offered himself for re-election, be and is hereby re-elected as Director of the Company.

It was noted that Mr Koh Boon Huat will, upon his re-election as a Director of the Company, remains as the Chairman of Remuneration Committee as well as a member of the Audit Committee and Nominating Committee. He is considered an Independent Director pursuant to Rule 704(7) of the Rule of Catalist of the SGX-ST.

Based on the results of the poll, the CEO declared the Ordinary Resolution 5 carried.

ORDINARY RESOLUTION 6 – APPROVAL OF DIRECTORS' FEES

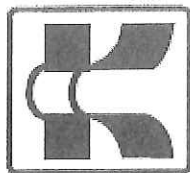
It was resolved that the payment of Directors' Fees of S\$57,600 for the financial year ended 31 December 2018 be and is hereby approved.

Based on the results of the poll, the CEO declared the Ordinary Resolution 6 carried.

ORDINARY RESOLUTION 7 - RE-APPOINTMENT OF FOO KON TAN LLP AS AUDITORS

It was resolved that Messrs Foo Kon Tan LLP be and is hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.

Based on the results of the poll, the CEO declared the Ordinary Resolution 7 carried.



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SPECIAL BUSINESS

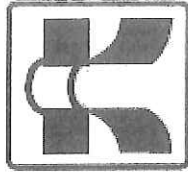
ORDINARY RESOLUTION 8 - RENEWAL OF SHARE ISSUE MANDATE

It was resolved that pursuant to Section 161 of the Companies Act, Chapter 50 and subject to Rule 806 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:

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

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

- (b) issue shares in pursuance of any Instruments made or granted by the Directors or conversion of securities while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), provided that:
 - (i) the aggregate number of Shares and convertible securities/Instruments to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);
 - (ii) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution, after adjusting for:
 - (1) new Shares arising from the conversion or exercise of convertible securities;
 - (2) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist of the SGX-ST; and
 - (3) any subsequent bonus issue, consolidation or subdivision of Shares;



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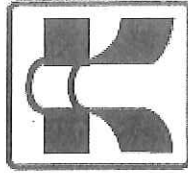
- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and
 - (iv) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; and
- (c) the Directors be and are hereby authorised to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above."

Based on the results of the poll, the CEO declared the Ordinary Resolution 8 carried.

There being no further business, the CEO declared the AGM of the Company closed at 11.00 a.m.

Confirmed as a correct record of
The proceedings of the Meeting,

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LIM SIAU MING @ LIM KIM HOE
Chairman



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SUMMARY OF QUESTIONS AND ANSWERS

Appendix A

Below is the summary of questions raised by shareholders and the replies provided by the CEO - Mr Damien Lim Vhe Kai

Questions on Resolution 1 – Audited Financial Statements and Reports of Directors and Auditors for the financial year ended 31 December 2018

1. How would Brexit affect the business of the Company?

CEO: We talked to top management of certain customers and no one seems to be certain as to the Brexit's impact at this point of time. We would appropriately react to situations as and when they arise.

2. Do you see the slack in the business?

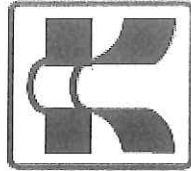
CEO: The Group's business has not been affected so far.

3. As per the disclosure on “growth prospects” under Chairman Message on page 5 of the Annual Report, would you explain what is the intention of setting up sales and marketing offices in Hong Kong and why Hong Kong?

CEO: The main reason to set up the sales and marketing offices in Hong Kong is for the Group to transition to alternative markets from China to avoid impacts of the trade war between United States and China. In addition, as China economy develops, its operating costs are no longer cheap, causing apparel companies to shift their manufacturing operations to other countries such as Vietnam and India. Furthermore, we believe that Hong Kong is a market place which has good opportunities for our business.

4. According to the disclosure on “upstream expansion” under Chairman Message indicated on page 6 of the Annual Report, the Company has invested approximately RM32.0 million in Ocean Art & Embellishment Sdn. Bhd. (“OAE”) to expand into fabric knitting, dyeing, finishing, and printing operations to allow the Group to have better control over the supply and quality of raw materials. Can you tell us more about this matter?

CEO: The project is now at the final testing stage of water treatment system and dyeing machinery. It is expected to complete and the dyeing and finishing operations expected to commence in mid-2019. This expansion is important as a turnkey project to enable the Group to produce and control supply and quality of its own key raw material as well as to gain competitive advantage in the business going forward.



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SUMMARY OF QUESTIONS AND ANSWERS

5. **As to OAE's targets set for dyeing and finishing capacity to achieve 150,000 kg per month by December 2019 and 200,000 kg per month by December 2022 as disclosed under Chairman Message on page 6 of the Annual Report. Please let us know whether the Group is still on target?**

CEO: Yes. We are still within such targets.

6. **What is the prospect of the Company going forward?**

CEO: Textile industry is very challenging. The prospect for this industry would be good, especially when we have our own integrated fabric production facility based in Malaysia. Please give us some time to continue focusing and putting efforts in making our business successful.

7. **Considering time and efforts spent to have the business listed, I would suggest that the Management should also consider as to how to make the Company known to the market in order to boost its share price as well as trading activity.**

CEO: We noted your comment and suggestion.

Questions on Resolution 5 – Re-election of Mr Koh Boon Huat as a Director of the Company

1. **What is the nationality of Mr Koh Boon Huat?**

CEO: Mr Koh is a Malaysian.

Question on Resolution 6 – Directors' Fees for Financial Year Ended 31 December 2018

1. **Why there is an increase in Directors' fee for Financial Year Ended 31 December 2018 as compared last financial year?**

CEO: Increase in Directors' Fee for financial year 2018 as compared to 2017 was due to the change of financial year end from 31 March to 31 December. The Directors' fee for financial year ended 31 December 2017 was computed on prorated basis for 9 months' period.

Question on Resolution 8 – Renewal of Share Issue Mandate

1. **Is this only a formality to approve the mandate to empower the Directors to allot and issue shares and/or convertible securities?**

CEO: Yes. It is a formality to obtain general mandate from shareholders to empower the Board of Directors to issue new shares going forward, if required.