



MINUTES OF ANNUAL GENERAL MEETING

MINUTES of the Annual General Meeting (the “AGM” or “Meeting”) of KTMG Limited (the “Company” or “KTMG”) held by way of electronic means on Friday, 26 June 2020 at 2.00 p.m.

PRESENT

Mr Lim Siau Hing (Executive Chairman)
Mr Damien Lim Vhe Kai (Executive Director and Chief Executive Officer)
Mr Goh Yeow Tin (Lead Independent Non-Executive Director)
Mr Yap Boh Pin (Independent Non-Executive Director)
Mr Koh Boon Huat (Independent Non-Executive Director)

IN ATTENDANCE

As set out in the attendance list maintained by the Company.

CHAIRMAN

Mr Goh Yeow Tin, Lead Independent Non-Executive Director on behalf of the Executive Chairman of the Board, duly took the Chair of the Meeting. The Chairman of the Meeting and Board of Directors welcomed the shareholders for their attendance. He expressed his regret that, due to the Covid-19 restriction orders in Singapore, shareholders are not able to attend in person. The Chairman introduced the Independent Non-Executive Directors, Mr Yap Boh Pin who was present at the AGM venue and the other members of the Board, the Executive Chairman, Mr Lim Siau Hing, Executive Director and Chief Executive Officer, Mr. Damien Lim Vhe Kai, Independent Non-Executive Director, Mr Koh Boon Huat, Chief Operating Officer, Mr Chew Chong Kiat, Financial Controller, Mr Low Yong Heng and Secretary, Ms Pan Mi Keay as well as Sponsor, Auditors and Scrutineer who have joined the AGM via live webcast.

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

The Chairman informed the Meeting that the Company had addressed all substantial and relevant questions received from members prior to the Meeting. All questions have been addressed by the Company and the responses were published on the SGXNet on 24 June 2020. The responses to the questions can also be found at the Company's corporate website. A copy of the responses to substantial and relevant questions from Shareholders is annexed hereto as *Appendix 1*.

POLL VOTING

The Chairman highlighted to the shareholders that, they would be no live voting during the meetings and he had been appointed as proxy by the shareholders to vote on their behalf in accordance with their specific instructions.



The Chairman further informed that all resolutions to be tabled at the AGM would be voted upon by way of poll. All the motions had been duly voted by the shareholders through the submissions of the Proxy Forms and the Scrutineer has verified the counting of all votes casted through the Proxy Forms.

Entrust Advisory Pte Ltd was appointed as scrutineers for the poll. Tricor Evatthouse Corporate Services was appointed as the polling agent.

QUORUM

With the requisite quorum being present, the Chairman declared the Meeting order at 2.00 p.m.

NOTICE

The notice of the meeting having been circulated to the members, with the concurrence of the Meeting, was taken as read.

ORDINARY RESOLUTION 1

AUDITED FINANCIAL STATEMENTS AND STATEMENT OF THE DIRECTORS AND THE AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Chairman proposed that the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2019 and the Auditor's Report thereon be received and adopted.

The results of Resolution 1 were as follows:

	Total Votes	Percentage
For the Resolution	145,670,903	100%
Against the Resolution	0	0%

Based on the results of the poll, the Chairman declared the following motion carried:

“RESOLVED that the Audited Financial Statements and the Statement of the Directors and the Auditors' Report thereon for the financial year ended 31 December 2019 be and are hereby received and adopted.”



ORDINARY RESOLUTION 2

RE-ELECTION OF MR LIM SIAU HING AS DIRECTOR OF THE COMPANY

Mr Lim Siau Hing retired pursuant to Article 95 of the Company's Constitution. Being eligible, he had offered himself for re-election.

The results of Resolution 2 were as follows:

	Total Votes	Percentage
For the Resolution	145,670,903	100%
Against the Resolution	0	0%

Based on the results of the poll, the Chairman declared the following motion carried:

“RESOLVED that Mr Lim Siau Hing be re-elected as Director of the Company.”

As Resolution 3 involved the re-election of Mr Goh Yeow Tin as Director of the Company. At this juncture, the Chairman handover the Chair of the Meeting to the Independent Non-Executive Director, Mr Yap Boh Pin for conducting this motion.

ORDINARY RESOLUTION 3

RE-ELECTION OF MR GOH YEOW TIN AS DIRECTOR OF THE COMPANY

Mr Goh Yeow Tin retired pursuant to Article 95 of the Company's Constitution. Being eligible, he had offered himself for re-election.

Mr Yap Boh Pin informed the Meeting that upon re-election, Mr Goh Yeow Tin would, upon re-election as Director of the Company, remain as Lead Independent Non-Executive Director, the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and he would be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (**“Catalist Rules”**).

The results of Resolution 3 were as follows:

	Total Votes	Percentage
For the Resolution	145,670,903	100%
Against the Resolution	0	0%

Based on the results of the poll, the Chairman declared the following motion carried:

“RESOLVED that Mr Goh Yeow Tin be re-elected as Director of the Company.”

Mr Yap Boh Pin has invited Mr Goh Yeow Tin to resume the Chair of the Meeting.



ORDINARY RESOLUTION 4

DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Chairman proposed the motion to approve the Directors' Fees of S\$40,000 for the financial year ended 31 December 2019.

The results of Resolution 4 were as follows:

	Total Votes	Percentage
For the Resolution	145,670,903	100%
Against the Resolution	0	0%

Based on the results of the poll, the Chairman declared the motion carried and it was

“RESOLVED that approval be and is hereby given for the payment of S\$40,000 to the Directors as Directors' Fees for the financial year ended 31 December 2019.”

ORDINARY RESOLUTION 5

RE-APPOINTMENT OF AUDITORS

The Chairman proposed that Foo Kon Tan LLP be reappointed as Auditor of the Company and that the Directors be authorised to fix its remuneration.

The results of Resolution 5 were as follows:

	Total Votes	Percentage
For the Resolution	145,670,903	100%
Against the Resolution	0	0%

Based on the results of the poll, the Chairman declared the following motion carried:

“RESOLVED that Messrs Foo Kon Tan LLP be and are hereby re-appointed as Auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration.”

ORDINARY RESOLUTION 6

SHARE ISSUE MANDATE

The Chairman informed that Resolution 6 on the Agenda was to seek shareholders' approval for the Directors to allot and issue shares pursuant to Section 161 of the Companies Act (Chapter 50) and the Catalist Rules.

The Chairman proposed the motion as set out under item 6 of the Notice.



The results of Resolution 6 were as follows:

	Total Votes	Percentage
For the Resolution	145,670,903	100%
Against the Resolution	0	0%

Based on the results of the poll, the Chairman declared the following motion carried:

“RESOLVED THAT pursuant to Section 161 of the Companies Act, Chapter 50 and subject to Rule 806 of the Listing Manual Section B: 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, 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;

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

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the 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."

CONCLUSION

There being no other business, the Chairman declared the Meeting of the Company closed at 2.10 p.m. and thanked everyone for their participation and support.

Confirmed as True Record of Proceedings held

Goh Yeow Tin
Chairman of the Meeting



Appendix I

RESPONSES TO QUESTIONS RECEIVED FOR ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019:

Q1. In view of the current Pandemic, Covid-19, what is the impact to the company in the next 12 months?

Response:

The Company refers to its earlier announcements dated 18 March 2020, 26 March 2020, 14 April 2020 and 28 April 2020 in relation to the Movement Control Order imposed by the Government of Malaysia (the “**Announcements**”). The Group’s apparel and textile manufacturing business has been affected by Malaysia’s Movement Control Order due to the temporary closure of its Operations Head Office, Textile and Apparel Manufacturing Facilities and the overall dampening effect on the global economy of the Covid-19 pandemic. The Group expects that its cash flows, financial position and earnings per share for the current financial year ending 31 December 2020 (“**FY2020**”) to be negatively affected, due to the delay in the delivery of its orders, and payment of fixed costs obligations such as wages and overhead, as well as expectations of a longer accounts receivable collection period.

However, due to fluidity of the Covid-19 pandemic globally, the Group expects its effects to continue evolving in the next 12 months, and the overall global business environment to remain challenging. Nonetheless, we remain hopeful that demand is expected to improve as some of our customers have progressively reopened their stores following the gradual lifting of lockdowns in their respective countries.

Moving forward, the Group’s cash flow position and profitability is dependent on various external factors such as demand from our customers, as well as the overall continued impact of the pandemic on the world economy. The Board would like to assure shareholders that steps are taken to tighten cost controls, conserve the Group’s cash flow and manage the working capital during this period.

The Board and management will continue to assess the impact of Covid-19 on the Group and will keep shareholders informed of any material developments.

Q2. What is the plan of the board of directors to ride through this pandemic (Covid-19)?

Response:

The Board will keep abreast of Covid-19 developments as they unfold and continually monitor and assess the impact of the pandemic on the Group’s business and financial resources. The Board also oversees the management’s efforts in identifying and managing key risk areas during the pandemic, such as cash flow, customer retention, business development, and supply chain risk.

For more details, please refer to the response to Q3 below.



Q3. What is the plan the company has to further strengthen the financial position of the company?

Response:

The Group has continued our marketing efforts such as by working closely with existing customers to plan for new orders for the post-Covid-19 recovery period. This includes discussing market direction and pitching new concepts and designs to existing business partners. Additionally, through referrals and recommendations from existing customers and other industry contacts, the Group continues to seek new customers. In light of travel restrictions brought on by the Covid-19 pandemic, the Group has sought new methods of executing these marketing efforts such as by meeting with partners and potential clients via video conference calls.

In addition to our marketing efforts, the Group will also continue to work with its suppliers to negotiate for better raw material prices, thus lowering the cost of manufacturing for existing and future orders. Some of our suppliers have also indicated that they would provide us with longer credit terms.

Whilst the Group is expecting the demand for our apparel manufacturing business to continue to be slow in the next few months until the impact of the pandemic is contained, we have been utilising our apparel manufacturing facilities to produce certain Personal Protective Equipment (“PPE”), such as medical isolation gowns and re-useable fabric face masks as mentioned in the Announcements. The Company hopes that this will provide an additional source of income. Moreover, in light of the rescheduling of some production plans to meet with new delivery dates for our apparel business, we have shifted some production lines from manufacturing apparel to producing PPE, thus optimising the utilisation of our facilities during this period. The production of PPE is currently a temporary arrangement in view of the Covid-19 situation and will not materially change the risk profile of the Group.

Additionally, we are continuing to explore opportunities for growth with regard to our textile manufacturing facility, which commenced operations in July 2019. In addition to enabling us to produce our own material for our apparel manufacturing operations, our textile manufacturing facility also provides a potential revenue source from selling fabric produced in the facility to third-party buyers.

The Group is also monitoring its financial position closely and has implemented cost-containing measures such as by cutting discretionary expenses and implementing reduced work weeks. In addition, the Group has also looked into applying for subsidies, incentives, and special financial support programmes from the Malaysian government.