



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, 30 April 2021 at 4.00 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 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 Yap Boh Pin, 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 the Securities Investors Association (Singapore) prior to the Meeting. All questions have been addressed by the Company and the responses were published on the SGXNet on 29 April 2021. 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 there would be no live voting during the meeting 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 4.00 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 2020

The Chairman proposed that the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2020 and the Auditor's Report thereon be received and adopted.

The results of the poll for Resolution 1 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%

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 2020 be and are hereby received and adopted.”

ORDINARY RESOLUTION 2

RE-ELECTION OF MR LIM VHE KAI AS DIRECTOR OF THE COMPANY

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

The results of the poll for Resolution 2 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%

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

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

ORDINARY RESOLUTION 3

RE-ELECTION OF MR YAP BOH PIN AS DIRECTOR OF THE COMPANY

Mr Yap Boh Pin retired pursuant to Regulation 95 of the Company's Constitution. Being eligible, he had offered himself for re-election.



The Chairman informed the Meeting that upon re-election, Mr Yap Boh Pin would, upon re-election as Director of the Company, remain as Independent Director, the Chairman of the Audit Committee and a member of Nominating 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 the poll for Resolution 3 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%

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

"RESOLVED that Mr Yap Boh Pin be re-elected as Director of the Company."

At this juncture, the Chairman informed the Meeting that Resolutions 4 to 7 are to seek approval from the shareholders via a Two-Tier Voting process for Mr Yap Boh Pin and Mr Goh Yeow Tin, to continue in office as an Independent Non-Executive Directors of the Company for a three-year term, effective from the passing of these resolutions at this AGM, until the conclusion of the third annual general meeting of the Company, following the passing of these resolutions.

In compliance with Rule 406(3)(d)(iii)(B) of the Catalist Rules, which will take effect from 1 January 2022, the Directors of the Company, and their respective associates had abstained from voting on Resolutions 5 and 7 respectively. The details of the parties who abstained from voting on such resolutions were as follows:-

Name	No. of Shares
Mr Lim Siau Hing @ Lim Kim Hoe	47,750,000
Wyandotte Capital Limited	85,000,000
Mr Yap Boh Pin	507,262
Mr Goh Yeow Tin	503,857

It was noted that the required number of shares for Mr Yap Boh Pin to abstain from voting in respect of Ordinary Resolutions 5 and 7 was 507,262. The Company had received the voting instruction for 500,000 ordinary shares held by Mr Yap Boh Pin. The Company did not received any voting instructions for the remaining 7,262 ordinary shares held by Mr Yap Boh Pin through a nominee account.

ORDINARY RESOLUTION 4

CONTINUED APPOINTMENT OF MR YAP BOH PIN AS AN INDEPENDENT DIRECTOR UNDER RULE 406(3)(d)(iii)(A) OF THE CATALIST RULES

The Chairman informed the Meeting that Resolution 4 was to approve the continued appointment of Mr Yap Boh Pin as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules.

The Chairman of the Meeting proposed the motion.

The results of the poll for Resolution 4 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%



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

“IT WAS RESOLVED that, subject to and contingent upon the passing of Resolution 5 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer (“CEO”) of the Company, and their respective associates (as defined in the Rules of Catalist of the SGX-ST):

- (a) the continued appointment of Mr Yap Boh Pin, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Rules of Catalist of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and**
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Yap Boh Pin as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.”**

ORDINARY RESOLUTION 5

CONTINUED APPOINTMENT OF MR YAP BOH PIN AS AN INDEPENDENT DIRECTOR UNDER RULE 406(3)(d)(iii)(B) OF THE CATALIST RULES

The Chairman informed the Meeting that Resolution 5 was to approve the continued appointment of Mr Yap Boh Pin as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules.

The Chairman of the Meeting proposed the motion.

The results of the poll for Resolution 5 were as follows:

	Total Votes	Percentage
For the Resolution	7,964,374	99.9866%
Against the Resolution	1,069	0.0134%

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

“IT WAS RESOLVED that, subject to and contingent upon the passing of Resolutions 3 and 4 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM:

- (a) the continued appointment of Mr Yap Boh Pin, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Rules of Catalist of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and**
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Yap Boh Pin as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.”**

It was noted that the continued appointment of Mr Yap Boh Pin as an Independent Director shall continue in force until the earlier of (i) the retirement or resignation of Mr Yap Boh Pin as a Director; or (ii) the conclusion of the third AGM of the Company, following the passing of Resolutions 3, 4 and 5.

As Resolutions 6 and 7 involved the re-appointment of Mr Goh Yeow Tin as Director of the Company. At this juncture, the Chairman handed over the Chair to the Executive Director and Chief Executive Officer, Mr Damien Lim Vhe Kai for conducting this motion.



ORDINARY RESOLUTION 6

CONTINUED APPOINTMENT OF MR GOH YEOW TIN AS AN INDEPENDENT DIRECTOR UNDER RULE 406(3)(d)(iii)(A) OF THE CATALIST RULES

Mr Damien Lim Vhe Kai informed the Meeting that Resolution 6 was to approve the continued appointment of Mr Goh Yeow Tin as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules.

The Chairman of the Meeting proposed the motion.

The results of the poll for Resolution 6 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%

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

“IT WAS RESOLVED that, subject to and contingent upon the passing of Resolution 7 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM, excluding the Directors and the CEO of the Company, and their respective associates (as defined in the Rules of Catalist of the SGX-ST):

- (a) the continued appointment of Mr Goh Yeow Tin, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Rules of Catalist of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and**
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Goh Yeow Tin as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.”**

ORDINARY RESOLUTION 7

CONTINUED APPOINTMENT OF MR GOH YEOW TIN AS AN INDEPENDENT DIRECTOR UNDER RULE 406(3)(d)(iii)(B) OF THE CATALIST RULES

Mr Damien Lim Vhe Kai informed the Meeting that Resolution 7 was to approve the continued appointment of Mr Goh Yeow Tin as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules.

The Chairman of the Meeting proposed the motion.

The results of the poll for Resolution 7 were as follows:

	Total Votes	Percentage
For the Resolution	7,964,374	99.9866%
Against the Resolution	1,069	0.0134%

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

“IT WAS RESOLVED that, subject to and contingent upon the passing of Resolution 6 by shareholders of the Company by appointing the Chairman of the Meeting as proxy to vote at the AGM:



- (a) the continued appointment of Mr Goh Yeow Tin, as an Independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Rules of Catalist of the SGX-ST (which will take effect from 1 January 2022) be and is hereby approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Goh Yeow Tin as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.”

It was noted that the continued appointment of Mr Goh Yeow Tin as an Independent Director shall continue in force until the earlier of (i) the retirement or resignation of Mr Goh Yeow Tin as a Director; or (ii) the conclusion of the third AGM of the Company, following the passing of Resolutions 6 and 7.

Mr Damien Lim Vhe Kai invited Mr Goh Yeow Tin to resume the Chair after the conduct of this agenda item.

ORDINARY RESOLUTION 8

DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Chairman proposed the motion to approve the Directors' Fees of S\$70,000 for the financial year ended 31 December 2020.

The results of the poll for Resolution 8 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%

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\$70,000 to the Directors as Directors' Fees for the financial year ended 31 December 2020.”

ORDINARY RESOLUTION 9

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 the poll for Resolution 9 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%

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 10

RENEWAL OF SHARE ISSUE MANDATE

The Chairman informed that Resolution 10 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 Catalyst Rules.

The Chairman proposed the motion as set out under item 10 of the Notice.

The results of the poll for Resolution 10 were as follows:

	Total Votes	Percentage
For the Resolution	141,718,231	99.9992%
Against the Resolution	1,069	0.0008%

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 Catalyst Rules, authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options or convertible securities (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares;

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

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), issue Shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided always that:

(i) the aggregate number of Shares and convertible securities to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), and provided further that where shareholders of the Company (“Shareholders”) are not given the opportunity to participate in the same on a pro-rata basis, then the Shares and convertible securities to be issued under such circumstances shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);

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



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

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

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGXST), 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 4.20 p.m. and thanked everyone for their participation and support.

Confirmed as True Record of Proceedings held

Goh Yeow Tin
Chairman of the Meeting

This announcement has been reviewed by the Company's continuing sponsor (the "Sponsor"), SAC Capital Private Limited.

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.

The contact person for the Sponsor is Ms Charmian Lim (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

KTMG LIMITED

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

Responses to SIAS' Questions

KTMG Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) has received questions from the Securities Investors Association (Singapore) in relation to its annual report (“**FY2020 Annual Report**”) for the financial year ended 31 December 2020 (“**FY2020**”) released on 14 April 2021 and has provided responses to the said questions.

Question 1

Would the board/management provide shareholders with greater clarity on the following operational and financial matters? Specifically:

- (i) **Revenue: As seen in Note 22 (page 89 – Operating segments), revenue from United States and United Kingdom (UK) dropped by 20% and 45% respectively. Can management elaborate further on the reasons for the 45% drop in revenue from UK? Conversely, what was the reasons for the increase in revenue from the European Union?**

Revenue from United States and UK declined by 20% and 45% year-on-year in FY2020 respectively as our customers in United States and UK, particularly those who are operating brick-and-mortar stores, were affected by the lockdowns imposed by the respective governments to contain the spread of COVID-19.

Revenue from the European Union increased by 11.1% year-on-year in FY2020 as some of our customers in the European Union were able to cushion the impact of COVID-19 by boosting their revenue through online sales.

- (ii) **Personal Protective Equipment (PPE): Revenue of \$3.4 million was recognised from customers in Malaysia. Is the PPE contract from the Malaysian Ministry of Health on a cost-recovery basis (to help in the country's COVID-19 efforts) or is it secured on a for-profit commercial basis?**

All contracts secured from the Malaysian Ministry of Health to produce medical isolation gowns for the country's frontline healthcare personnel are on a cost-recovery and temporary basis.

- (iii) **Textile production facility: Given the success of the textile production facility in Malaysia, are there plans to set up one in Cambodia? What is the estimated cost to set up a new textile production facility?**

Presently, the Group does not have any plans to set up a textile production facility in Cambodia. As mentioned in the Chairman Message of the FY2020 Annual Report, the Group intends to continue progressively upgrading the textile manufacturing facility in Malaysia to increase its overall production capacity.

- (iv) **XCF: Is management satisfied with its achievements in its downstream expansion so far? The Group launched “XCF” in 2020, its first online-only direct-to-consumer brand.**

KTMG has successfully launched XCF, its first on-line only direct to consumer brand, with the flagship product – the Max Filtration Face Mask in the fourth quarter of 2020. In the year ahead, the Group intends to continue building up the XCF brand and expanding the product range to include active and lifestyle wear.

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Question 2

On 5 April 2021, the Company announced that 63 out of 429 production workers at the manufacturing factory in Batu Pahat were tested positive for COVID-19 following a company-wide test. The apparel manufacturing factory was shut for 10 days on the advice of the Ministry of Health of Malaysia.

The factory has reopened and resumed its operations on 12 April 2021 with all the workers allowed to return to the factory.

- (i) **What support has the group/management given to the workers during this challenging time, especially for those who were tested positive?**

For workers who were tested positive, in addition to providing food and daily necessities, the Group has provided the workers with off-site accommodation for them to serve the required period of quarantine and isolation. Medical officers were also deployed by the Ministry of Health of Malaysia (Kementerian Kesihatan Malaysia ("**KKM**")) to conduct daily temperature checks for those who tested positive for COVID-19.

The health and safety of our employees remains the Group's top priority. The Group adheres to the COVID-19 Guidelines and Standard Operating Procedures ("**SOP**") recommended by KKM and has implemented safety precautions across our operations, such as the mandated wearing of face masks, safe distancing measures, thorough cleaning and disinfection of factory premises and hostel areas, as well as checking in daily with workers on their health conditions. The Group has also stepped up its efforts to ensure workers keep within the premise of the factory and their dormitories.

- (ii) **What is the board/senior management doing to ensure that everybody in the organisation adheres to the COVID-19 guidelines and Standard Operating Procedures on a stringent basis?**

To ensure employees observe the COVID-19 Guidelines and SOP as recommended by KKM, the senior management regularly conducts briefings to all employees on the importance of adhering to the COVID-19 Guidelines, as well as providing training on the SOP to minimise the risks of spreading the infection.

Additionally, the Group has also set up a COVID-19 task force as a designated channel for all employees to address their concerns on the COVID-19 Guidelines and SOP.

- (iii) **Is there a need to further review the safe management measures at the group's factories?**

Moving forward, the Group will continue to vigilantly observe the COVID-19 situation as it evolves and adhere to the COVID-19 Guidelines and Standard Operating Procedures as recommended by KKM on a stringent basis.

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- (iv) **In addition, Cambodia has seen a recent spike in the number of COVID-19 cases since 2021 and the government has issued a lockdown order of the nation capital city Phnom Penh as well as Kandal Province for a period of 14 days starting from 15 April 2021 to 28 April 2021 to curb the spread of the COVID-19 virus. Please update shareholders on the situation in the Group's two plants in Phnom Penh, including the safety measures taken to keep its employees safe.**

The Group had temporarily suspended operations of both its apparel manufacturing facilities in Phnom Penh from 15 April 2021 to 28 April 2021, following the implementation of the Cambodian Government's lockdown measures to curb the spread of COVID-19.

On 26 April 2021, the Royal Government of Cambodia introduced a three-zone system according to the severity of the infection in capital city Phnom Penh; the yellow zone, orange zone and red zone, with yellow zone being an area with low risk of COVID-19 infection. Businesses that operate in the yellow zone will be allowed to resume operations from 29 April 2021. As both of the Group's apparel manufacturing facilities are located in the yellow zone, operations at the facilities have resumed on 29 April 2021 with 70% of workforce. The Group is expecting that both of its facilities will be operating with up to 90% of workforce next week. Employees who are living outside the yellow zone are not allowed to commute into the yellow zone for work as directed by the Royal Government of Cambodia. Notwithstanding the aforementioned, the Company does not expect the fulfilment of contracts and orders from customers to be materially affected.

The health and safety of our employees remains the Group's top priority. The Group adheres to the COVID-19 Guidelines and SOP as recommended by the Royal Government of Cambodia and has implemented safety precautions across our operations, such as the mandated wearing of face masks, safe distancing measures, as well as checking in daily with workers on their health conditions. Additionally, the Group has also set up a COVID-19 task force as a designated channel for employees in Cambodia to address their concerns on the COVID-19 Guidelines and SOP.

Question 3

From the statements of financial position (page 50), the Group has trade and other receivables amounting to \$22.3 million. In addition, as shown in Note 8 (page 79 – Trade and other receivables), gross trade receivables increased from \$14.6 million to \$21.5 million.

- (i) **What are the reasons for the significant increase in trade receivables? Revenue declined 19% in FY2020 but trade receivables as at 31 December 2020 increased by nearly 50%.**

Trade receivables increased by 47.6% from S\$14.6 million as at 31 December 2019 to S\$21.5 million as at 31 December 2020 mainly due to the timing of receipts in the month of December 2020.

- (ii) **Has the Group experienced slower collections of its receivables? The aging profile of the trade receivables past due but not impaired is shown on page 91 of the Annual Report. There is a significant increase in the amounts past due of up to 2 months (\$6.84 million vs \$2.78 million)**

The outstanding exposure on trade receivables as at 31 December 2020 are within credit terms extended by the Group to its customers. The majority of the Group's trade receivables are not exposed to credit risk.

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- (iii) **Further on page 90, it was stated that the Group has concentration of credit risk with 3 customers (2019 – 3 customers) accounting for approximately 87% (2019 – 87%) of the total trade receivables as at reporting date. Can management confirm that the credit risk concentration has not changed even though the business has been so fluid in the past year? What are the profiles of the top 3 major customers?**

The management confirms that the credit risk concentration has not changed during the year. The management has put in place a credit risk management framework across the Group of companies to respond to changing market conditions.

The Group's receivable balances are monitored closely on an ongoing basis to ensure the exposure to bad debts is not significant. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit evaluations.

We are unable to share the profiles of the top 3 major customers as they are confidential and commercially sensitive information.

By Order of the Board of Directors

KTMG LIMITED

Lim Vhe Kai

Executive Director and Chief Executive Officer

29 April 2021

This announcement has been reviewed by the Company's continuing sponsor (the "Sponsor"), SAC Capital Private Limited.

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.

The contact person for the Sponsor is Ms. Charmian Lim (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542