



KTMG LIMITED

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PRESS RELEASE

For Immediate Release

KTMG Limited delivers FY2021 net profit of S\$2.1 million

- *Group revenue rose 37.8% to S\$97.8 million in FY2021 boosted by increased orders from existing customers and new customers secured in the US and UK markets*

S\$000	2H2021	2H2020	Change %	FY2021	FY2020	Change %
Revenue	69,520	45,954	51.3	97,835	70,995	37.8
Gross profit	9,351	9,086	2.9	13,590	13,166	3.2
Profit before tax	3,400	3,833	(11.3)	3,201	4,223	(24.2)
Net profit attributable to shareholders	2,340	2,878	(18.7)	2,115	3,099	(31.8)

SINGAPORE, 25 FEBRUARY 2022 – Catalyst-listed KTMG Limited, (“**KTMG**”, or the “**Company**” and together with its subsidiaries, the “**Group**”), a Malaysia-based integrated textile and apparel manufacturer, today reported a net profit attributable to shareholders of S\$2.1 million for the full year ended 31 December 2021 (“**FY2021**”), down 31.8% from the previous year.

Revenue grew by 37.8% to S\$97.8 million, boosted by increased orders from existing customers and new customers secured in the US and UK markets during the year.

Despite a 3.2% rise in gross profit to S\$13.6 million in FY2021, gross profit margin dropped by 4.6 percentage points from 18.5% in FY2020 to 13.9% in FY2021 as a result of higher raw material, transport, and logistic costs, and sub-contracting fees.

Administrative and general expenses rose 10.4% to S\$7.3 million in FY2021 mainly due to foreign exchange losses, higher impairment losses of trade receivables, and professional fees, which were partially offset by lower insurance costs. Selling and marketing expenses also increased by 35.2% to S\$2.7 million in FY2021 largely due to higher sales commission paid to apparel sourcing agents, courier expenses for delivery of sample apparel to customers, and air freight cost arising from the delays in shipment of apparel sold to customers.

In its latest full-year results, the Group posted earnings per share of 1.25 Singapore cents, down from 1.83 Singapore cents in the previous year. For the half year ended 31 December 2021, the Group recorded a net profit attributable to shareholders of S\$2.3 million, an 18.7% decline compared to the same period in 2020. This was on the back of a 51.3% increase in revenue from S\$45.9 million to S\$69.5 million in 2H2021.

Financial Position

As at 31 December 2021, the Group had net assets value of S\$20.4 million, which translates into a net asset value per share of 12.04 Singapore cents, compared with 10.87 Singapore cents a year ago. Cash and cash equivalents as at 31 December 2021 stood at S\$4.2 million.

Said KTMG's Chief Executive Officer, Damien Lim, **"We are encouraged by the results achieved, despite the challenging operating environment, particularly the growth in revenue in 2H2021. With the virus moving towards a more endemic nature and economies gradually recovering from the pandemic, we expect the orders from our customers will continue to pick up. We will focus on strengthening our business performance leveraging our capabilities as a vertically integrated apparel and textile manufacturer to grow our customer base while keeping an eye on our margins."**

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 25 February 2022.

Issued on behalf of KTMG Limited by:

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

*This press release 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 press release, including the correctness of any of the statements or opinions made, or reports contained in this press release.*

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

About KTMG Limited

KTMG Limited and its subsidiaries (the "**Group**") is an integrated textile and apparel manufacturer listed on the Catalist board of the Singapore Exchange. The Group has operations in Malaysia and Cambodia, as well as a corporate office in Singapore. Its main business is in the manufacturing of apparel for retailers in the European Union, United Kingdom, United States of America, and Canada. In addition, in 2019, the Group expanded upstream into the knitting, dyeing, finishing, and printing of fabric with its very own textile manufacturing facility in Johor, Malaysia.
