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**KTMG LIMITED TO COMPLY WITH THE MOVEMENT CONTROL ORDER IMPOSED BY THE  
GOVERNMENT OF MALAYSIA  
- UPDATE**

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*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Company's announcements dated 18 March 2020, 26 March 2020 and 14 April 2020 in relation to the Movement Control Order imposed by the Government of Malaysia (the "Announcements").*

Further to the Announcements, the Board of Directors (the "**Board**") of KTMG Limited (the "**Company**") and together with its subsidiaries, the "**Group**"), wishes to announce that the Government of Malaysia has, on 23 April 2020 extended the Movement Control Order (the "**Order**") for a further two weeks from 29 April 2020 to 12 May 2020 ("**Third Extended Period**") to curb the spread of the COVID-19 infection in Malaysia.

The Company had applied with the Ministry of International Trade and Industry of Malaysia and had received an exemption for the Group's Operations Head Office, Textile and Apparel Manufacturing Facilities located at Batu Pahat, Johor, Malaysia ("**Operations Head Office**") to continue its operations with effect from 19 April 2020, under the condition of observing safe-distancing measures, with a maximum operational capacity of 50% of its staff.

However, the Government of Malaysia has, on 28 April 2020, announced that companies under the economic sectors which have earlier been permitted to operate during the Order are now allowed to resume full operations starting from 29 April 2020. Accordingly, the Company will resume operations at its Operations Head Office at full capacity, beginning 29 April 2020. The Group will also adhere to the respective Standard Operating Procedures for its sector.

In view of the slowdown of operations of the Group's Textile and Apparel Manufacturing Facilities, the Company had taken several measures, including the reviewing of the delivery of orders, and liaising with its customers to revise its delivery dates, as well as rescheduling its production plans to meet with new delivery dates.

In a bid to help combat the spread of COVID-19, the Group had also been utilising its manufacturing facilities to produce certain Personal Protective Equipment, including re-useable face masks and medical isolation gowns. For the avoidance of doubt, the production of PPE is currently a temporary arrangement in view of the COVID-19 situation, and is not expected to change the risk profile of the Group. The Board is of the view that this provides an additional source of income, whilst increasing the utilisation rate of its facilities due to the rescheduling of the Group's existing production plans.

Accordingly, the Group expects that its cash flows, financial position and earnings per share for the current financial year ending 31 December 2020 ("**FY2020**") will 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, in view of the fluidity of the COVID-19 pandemic globally, the Company is unable to determine the extent of the impact on the Group's financial performance and operations for FY2020 at this point in time. 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 will continue to monitor the evolving situation and will make the appropriate announcement(s) as and when there are material developments on this matter.

**BY ORDER OF THE BOARD**

Lim Vhe Kai  
Executive Director and Chief Executive Officer

28 April 2020

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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 Mr. Ong Hwee Li (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.