



KTMG LIMITED
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PRESS RELEASE

For Immediate Release

KTMG Limited posts 64.4% rise in FY2022 net profit to S\$3.5 million

- *Group revenue grew 8.6% to S\$106.3 million in FY2022 boosted by increased orders from the surge in orders placed by customers in the United Kingdom and Canada*
- *Gross profit margin up 1.3 percentage points year-on-year to 15.2%*

S\$000	2H2022	2H2021	Change %	FY2022	FY2021	Change %
Revenue	54,491	69,520	(21.6)	106,294	97,835	8.6
Gross profit	8,197	9,354	(12.4)	16,128	13,593	18.6
Profit before tax	1,991	3,398	(41.4)	4,369	3,199	36.6
Net profit attributable to shareholders	1,577	2,338	(32.5)	3,473	2,113	64.4

SINGAPORE, 27 FEBRUARY 2023 – 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 64.4% increase in net profit attributable to shareholders to S\$3.5 million for the full year ended 31 December 2022 (“**FY2022**”).

This was achieved on the back of an 8.6% rise in Group revenue to S\$106.3 million, boosted by the surge in apparel orders placed by customers in the United Kingdom and Canada, which saw its geographical revenues for both regions increasing by S\$15.1 million and S\$9.5 million respectively.

Gross profit increased by 18.6% year-on-year to S\$16.1 million in FY2022, while gross profit margin rose 1.3 percentage points from 13.9% in FY2021 to 15.2% in FY2022 due to cost savings arising from the improved economies of scale that resulted in labour costs and factory overhead savings.

Administrative and general expenses rose 25.7% to S\$9.2 million in FY2022 mainly due to an increase in foreign exchange losses by S\$1.2 million arising from the significant weakening of the Malaysian Ringgit against the United States Dollar, affecting the results of the Group's Malaysian subsidiaries and higher salary and related expenses.

Selling and marketing expenses declined by 20.8% to S\$2.1 million in FY2022, primarily due to reduced sales commission paid to apparel sourcing agents and freight expenses as shipping congestion eased during the year. This was partially offset by an increase in travelling expenses resulting from the resumption of marketing trips after the reopening of borders.

In light of the rising interest rates, finance costs surged by 42.3% to S\$1.0 million in FY2022. To cushion the bottom line against the rising interest rates, the Group managed its cash flow proactively, including periodic early settlements of short-term borrowings throughout the year.

In its latest full-year results, the Group posted earnings per share of 2.05 Singapore cents, up from 1.25 Singapore cents in the previous year.

Financial Position

As at 31 December 2022, the Group's net assets value was S\$22.8 million, which translates into a net asset value per share of 13.43 Singapore cents, compared with 12.04 Singapore cents a year ago. Cash and bank balances as at 31 December 2022 stood at S\$6.3 million.

Said KTMG's Chief Executive Officer, Damien Lim, "**KTMG delivered resilient performance against a challenging global economic landscape. We will continue to focus on strengthening our capabilities to develop innovative quality products with our integrated capabilities to expand our customer base to include more renowned international apparel brands. In the current inflationary environment, we will be diligent in exercising financial prudence while staying strategic and cautious in seeking opportunities for future growth.**"

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 27 February 2023.

Issued on behalf of KTMG Limited by:

GC Consultants Pte Ltd

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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 ("**KTMG**" and together with its subsidiaries, the "**Group**") is an integrated textile and apparel manufacturer.

KTMG is a contract manufacturer of apparel specialising in athleisure wear, casual wear, loungewear, and pyjamas for various ages, with facilities in Malaysia and Cambodia. The Group manufactures apparel for retailers in the United Kingdom, United States, European Union, and Canada, who then sell apparel products under their own brands. The Group has a co-creation business model through which it collaborates closely with its customers during the product initiation process, thereby offering customers a one-stop value-added platform.

In 2019, KTMG expanded upstream into the knitting, dyeing, and finishing of fabric, with its own textile manufacturing facility in Johor, Malaysia.
