



KTMG LIMITED
UEN No. 197401961C

PRESS RELEASE

For Immediate Release

KTMG posts 1H2023 net loss as revenue dips 42.7% from lower apparel orders

S\$'000	1H2023	1H2022	Change %
Revenue	29,706	51,803	(42.7)
Gross profit	3,869	7,931	(51.2)
(Loss)/Profit before tax	(317)	2,378	NM
Net (loss)/profit attributable to shareholders	(358)	1,896	NM

NM – Not meaningful

SINGAPORE, 8 AUGUST 2023 – Catalist-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 loss attributable to shareholders of S\$0.4 million for the half year ended 30 June 2023 (“**1H2023**”).

The Group’s revenue fell by 42.7% to S\$29.7 million mainly due to lower apparel orders placed by existing customers in the United States, United Kingdom, and Canada, which saw the geographical revenues for these regions declining by S\$7.9 million, S\$6.8 million and S\$3.8 million, respectively, affected by weakened consumers purchasing power as a result of the rising inflation and interest rates which have since stabilised.

Gross profit went down by 51.2% to S\$3.9 million in line with the lower revenue. In the absence of economies of scale, the Group’s gross profit margin dropped by 2.3 percentage points from 15.3% to 13.0% in 1H2023

Administrative and general expenses declined by 23.1% to S\$3.3 million in 1H2023 mainly due to lower foreign exchange losses, reversal of impairment loss on trade receivables, and a reduction in professional fees during the period.

Selling and marketing expenses decreased by 30.9% to S\$0.6 million in 1H2023 mainly due to lower sales commissions paid to apparel sourcing agents while finance costs rose by 20.2% to S\$0.5 million as a result of higher interest expenses incurred on short-term borrowings following interest rate hikes.

In the latest half-year results, the Group posted a loss per share of 0.21 Singapore cents, versus earnings per share of 1.12 Singapore cents in the same period a year ago.

Said KTMG's Chief Executive Officer, Damien Lim, **“Despite a challenging start to 2023, our order book has since rebounded as key customers restock after substantially clearing their excess inventories. We are also pleased to report that we have expanded downstream into women’s apparel retail operations in Malaysia under our own brands. While we are still in the initial stage of growing our apparel business downstream, we believe the Group is on the right track and is in line with our long-term strategy to diversify our revenue stream and add value to the Group.”**

Financial Position

As at 30 June 2023, the Group's net assets value was S\$21.5 million, which translates into a net asset value per share of 12.66 Singapore cents, compared with 13.42 Singapore cents as at 31 December 2022.

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 8 August 2023.

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 ("**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.
