

立德集团有限公司
KTMG LIMITED

ANNUAL GENERAL MEETING FY2022

27 April 2023

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AGENDA

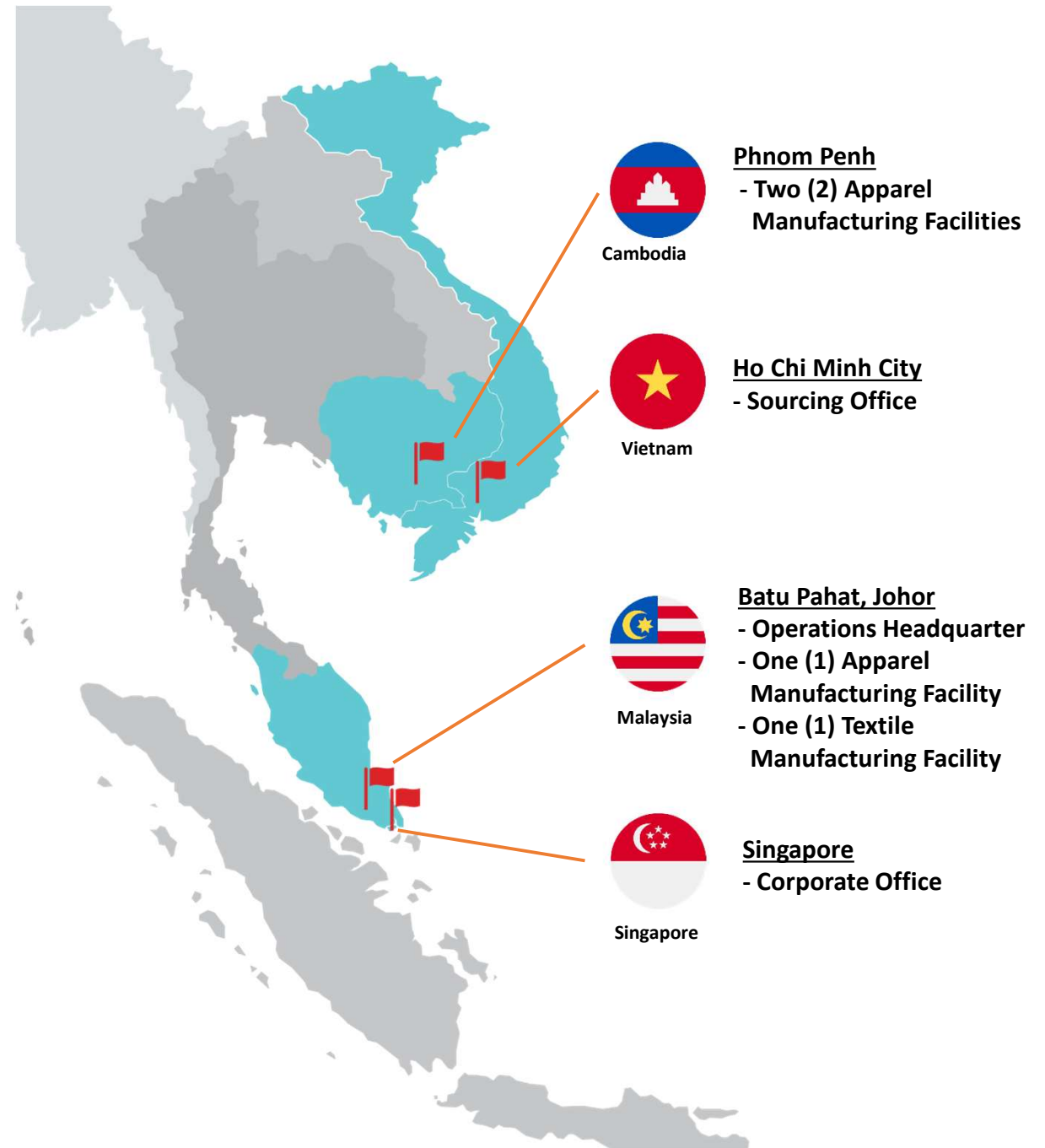
- 01 Company Overview
- 02 Financial Highlights
- 03 Business Outlook & Strategy Going Forward

COMPANY OVERVIEW



AT A GLANCE

- Listed on the Catalist Board of Singapore Exchange since 2019
- We are an **integrated textile and apparel manufacturer**
- We have more than **30 years of experience** in **contract manufacturing of apparel**, specialising in athleisure wear, casual wear, loungewear, and pyjamas for various ages, with facilities in Malaysia and Cambodia
- In 2019, we expanded upstream into the knitting, dyeing, and finishing of fabric, with our own **textile manufacturing** facility in Johor, Malaysia
- In 2022, we set up a subsidiary in Vietnam to explore potential opportunities in the Vietnam market



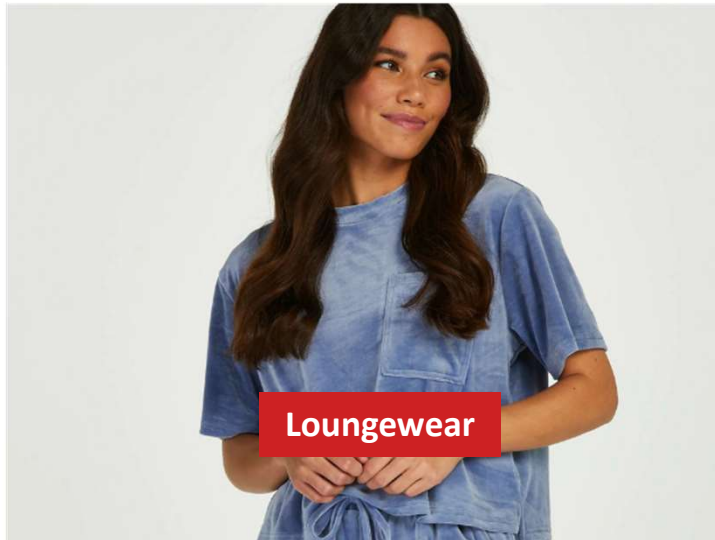
APPAREL – PRODUCT CATEGORIES



**Athleisure
Wear**



Casual Wear



Loungewear



Pyjamas

INTEGRATED APPAREL & TEXTILE MANUFACTURER



**Textile
Manufacturer
(Upstream)**

**VERTICALLY INTEGRATED TEXTILE & APPAREL MANUFACTURER WITH
UPSTREAM AND DOWNSTREAM CAPABILITIES**

Production chain is fully integrated – from fabric manufacturing to the making of the garments

**Contract Apparel
Manufacturer
(Downstream)**



- Produce textiles according to our **specific requirements**, which in turn will **reduce production lead time** and **enhance quality control** of our apparel manufacturing



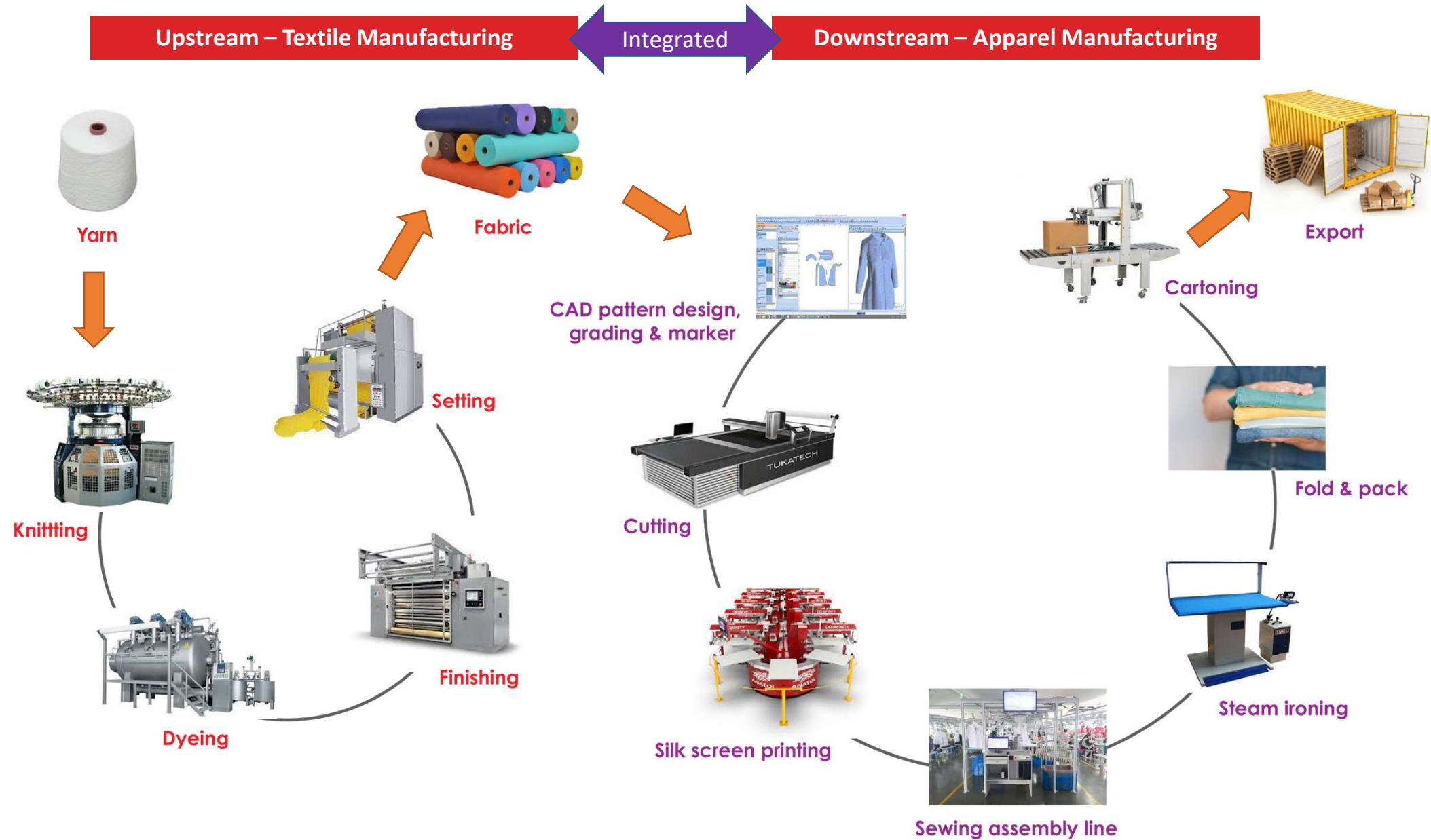
- **Ongoing R&D initiatives** to hone our expertise in fabric technology and **produce innovative materials**



- Provide customers with **high-quality and innovative products and services**, and secure a **loyal customer base** of some of the best-known brands

- Provide **cost savings** and **improved margins** while meeting the price expectations of the customers

INTEGRATED APPAREL & TEXTILE MANUFACTURER



APPAREL MANUFACTURING FACILITY



Johor, Malaysia



Phnom Penh, Cambodia

	Malaysia	Cambodia
Production factories	: 1	2
Production lines	: 4	40
Total workforce	: 236	1,734
Annual production capacity	: Total 31.1 million pcs	



Automated Garment Hanger System

TEXTILE MANUFACTURING FACILITY



Circular Knitting Machine



Textile Dyeing Machine



Johor, Malaysia

		Malaysia
Production factory	:	1
Total workforce	:	115
Annual production capacity	:	34 million kgs



Textile Stenter Machine

CO-CREATION BUSINESS MODEL



**ONE-STOP
SOLUTION
FOR CUSTOMERS**



CUSTOMERS' NEEDS

Addressing customers' needs by identifying and anticipating fashion trends, market direction and consumer preferences to develop products in accordance with customers' requirements



COLLABORATION

Working closely with customers in product initiation, conceptualisation & design, raw material development, prototype making and finalising product specifications for manufacturing



VALUE-ADDED PLATFORM

Providing a one-stop value-added platform to customers in an efficient and cost-effective manner, i.e. producing the right product at the right time and at the right cost

CERTIFICATIONS



BETTER COTTON INITIATIVE



GLOBAL RECYCLED STANDARD (GRS)



OEKO-TEX STANDARD 100



WRAP CERTIFIED FACILITY



International
Labour
Organization

ILO CERTIFIED FACILITY



BSCI CERTIFIED FACILITY

CORPORATE STRUCTURE



LEGEND

MY : MALAYSIA

SG : SINGAPORE

CAM : CAMBODIA

VN : VIETNAM

R.SC : REPUBLIC OF SEYCHELLES

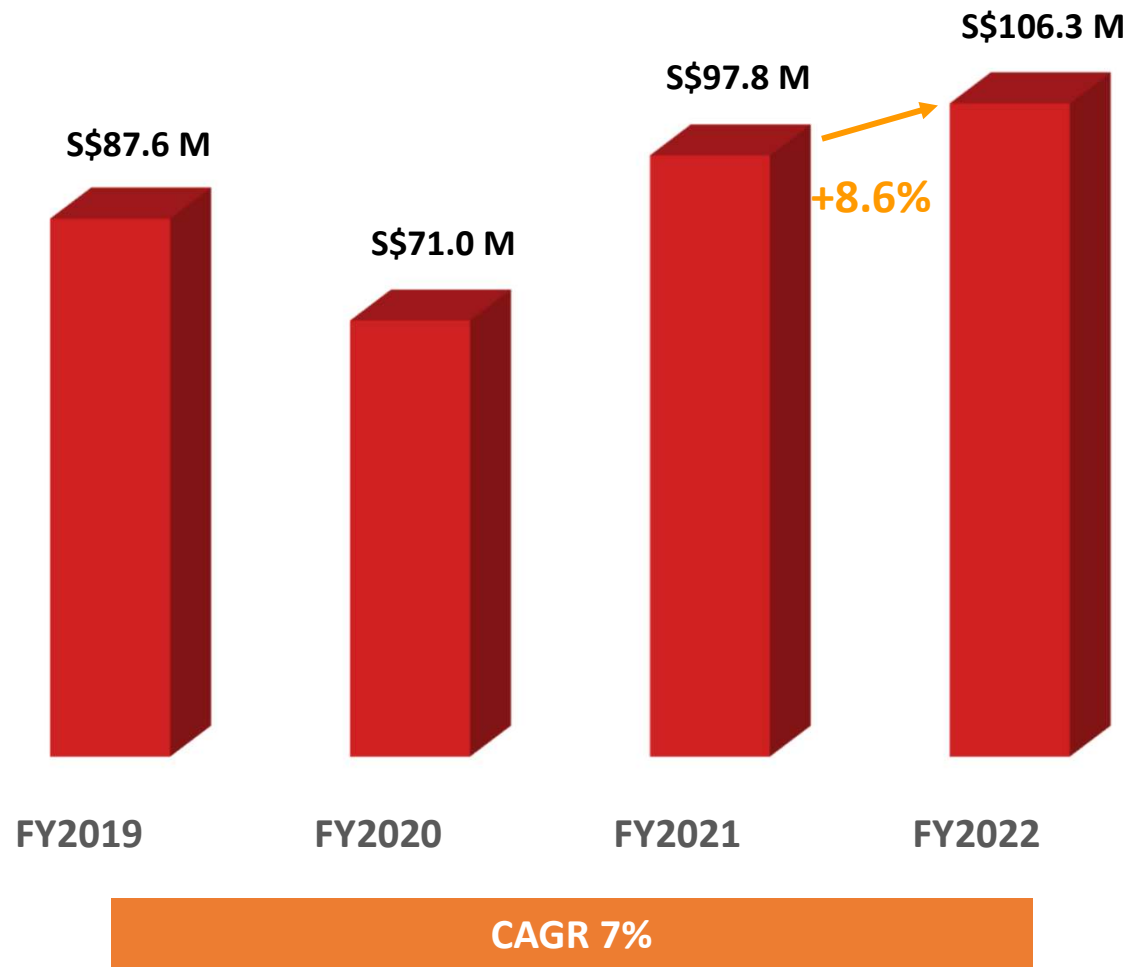
FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

S\$'000	FY2022	FY2021	Variance
Revenue	106,294	97,835	8.6%
Gross Profit	16,115	13,593	18.6%
Gross Profit Margin	15.2%	13.9%	1.3 ppt
Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”)	7,468	6,104	22.3%
Profit Before Tax	4,359	3,199	36.3%
Net Profit Attributable to Shareholders	3,464	2,113	63.9%
Earning per share (Singapore cents)	2.04	1.25	63.2%

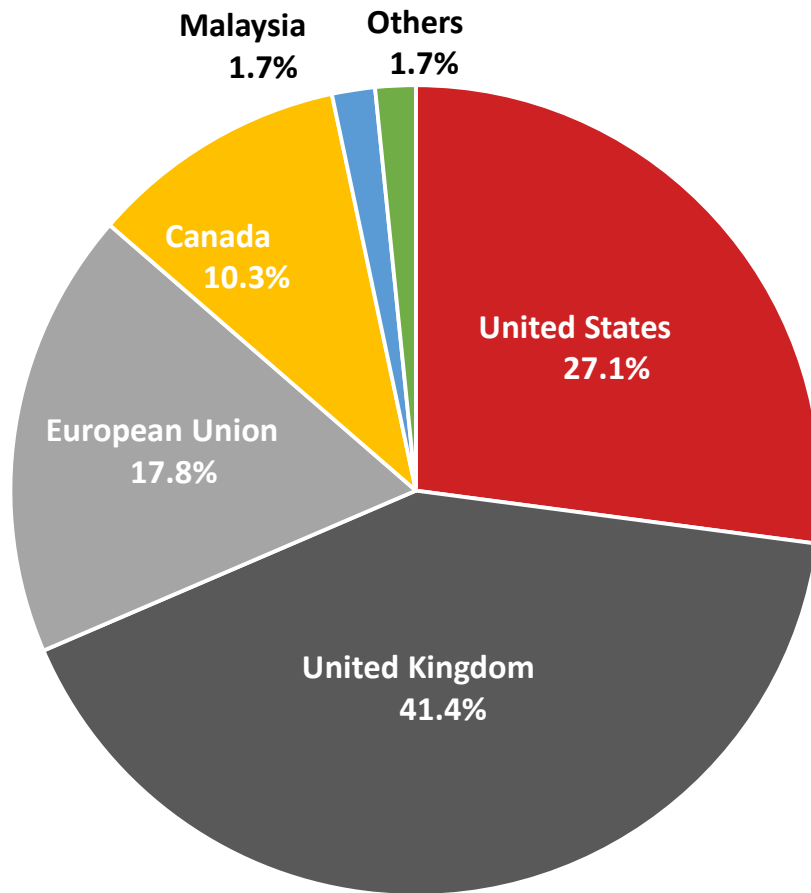
REVENUE



Despite a challenging operating environment, revenue for FY2022 was **up 8.6% to S\$106.3 million** boosted by the surge in apparel orders placed by customers in the United Kingdom and Canada

REVENUE BY GEOGRAPHY

FY2022 Revenue by Geographical Segment

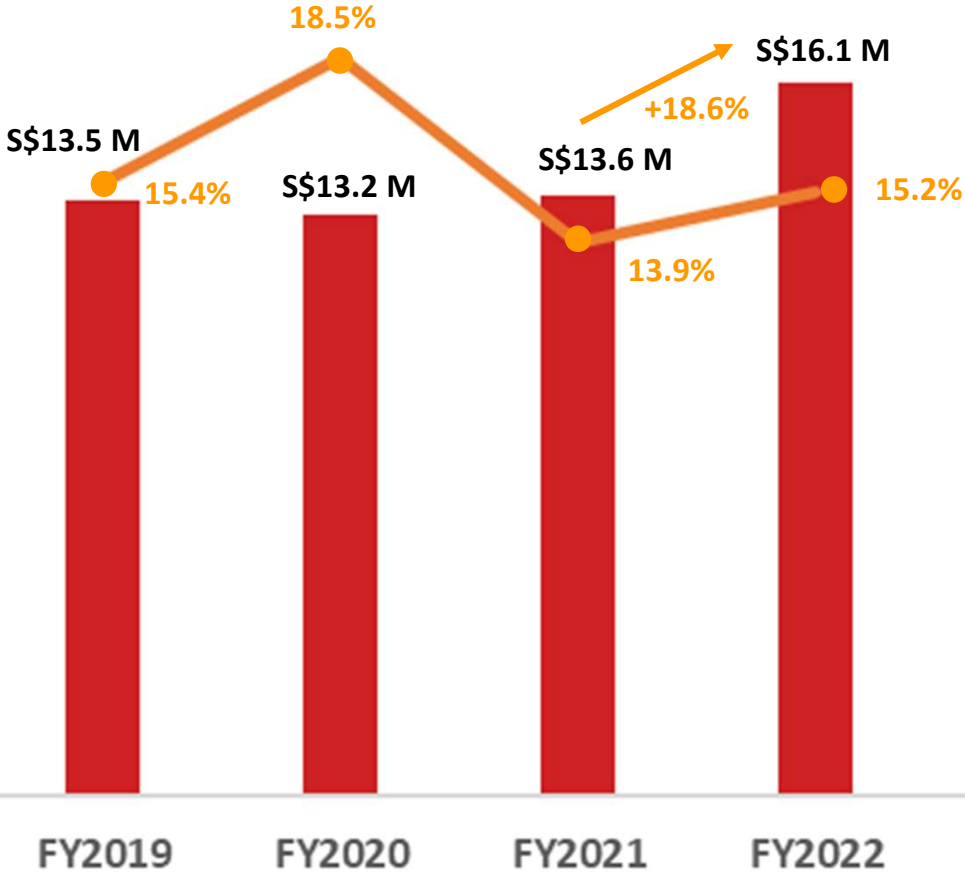


Country	FY2022	FY2021
United Kingdom	41.4%	29.6%
United States	27.1%	43.6%
European Union	17.8%	21.7%
Canada	10.3%	1.5%
Malaysia	1.7%	1.8%
Others	1.7%	1.8%
Total	100.0%	100.0%

The Group's largest markets in FY2022:
United Kingdom, United States, European Union & Canada

GROSS PROFIT & GP MARGIN

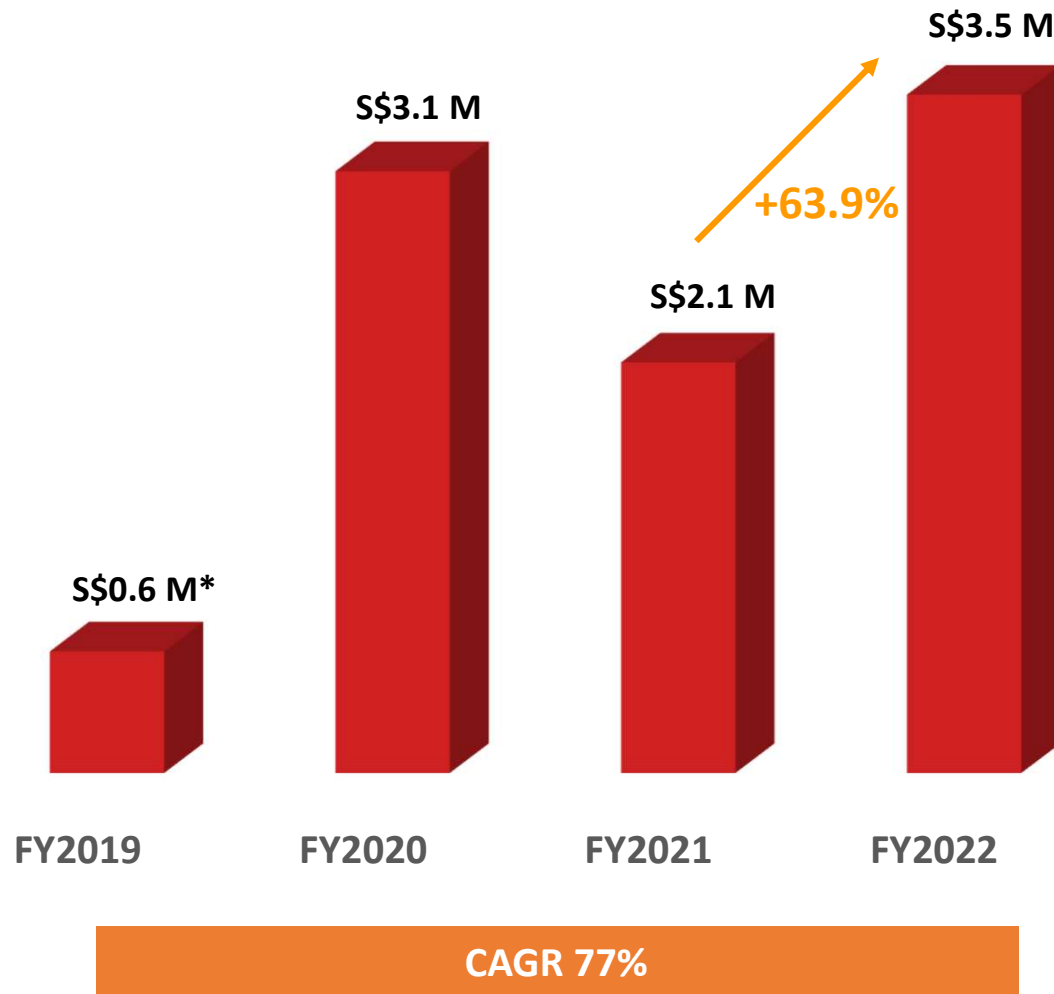
CAGR 6%



■ Gross Profit — GP Margin

Gross profit grew 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

NET PROFIT



- Achieved net profit attributable to shareholders of S\$3.5 million for FY2022 due to higher revenue and cost savings from the improved economies of scale
- Moderated by higher administration and general expenses and finance costs

* After adjusting for the one-off non-recurring non-cash transaction and acquisition costs arising from the RTO of S\$2.5 million

BALANCE SHEET POSITION



S\$'000	As at 31 Dec 2022	As at 31 Dec 2021
Non-current assets	18,205	20,216
Current assets	32,721	53,539
Total Assets	50,926	73,755
Current liabilities	26,463	49,753
Non-current liabilities	1,687	3,570
Total Liabilities	28,150	53,323
<i>Total Borrowings</i>	<i>14,171</i>	<i>25,293</i>
Shareholders' Equity	22,776	20,432
<i>Merger Reserve</i> ⁽¹⁾	<i>(20,106)</i>	<i>(20,106)</i>
Adjusted Shareholders' Equity ⁽²⁾	42,882	40,538
Net Gearing Ratio (times) ⁽³⁾	0.62	1.24
Adjusted Net Gearing Ratio (times) ⁽⁴⁾	0.33	0.62
Net Asset Value ("NAV")	22,776	20,432
NAV per share (Singapore cents)	13.42	12.04

(1) Merger Reserve arising from the RTO of Lereno Bio-Chem Ltd ("Lereno") in 2019 (ie. reverse acquisition charge to write off Lereno's accumulated losses).

(2) Shareholders' Equity after adding back Merger Reserve of S\$20.1 million

(3) Net Gearing Ratio is calculated based on Total Borrowings divided by Shareholders' Equity

(4) Adjusted Net Gearing Ratio is calculated based on Total Borrowings divided by Adjusted Shareholders' Equity

LIQUIDITY & CAPITAL RESOURCES

S\$'000	As at 31 Dec 2022	As at 31 Dec 2021
Net cash generated from / (used in) operating activities	15,381	(1,030)
Net cash used in investing activities	(509)	(2,619)
Net cash (used in) / generated from financing activities	(12,554)	2,743
Net change in cash and cash equivalents	2,318	(906)
Exchange difference on cash and cash equivalents	(216)	49
Cash and cash equivalents at beginning of financial year	2,864	3,721
Cash and cash equivalents at end of financial year	4,966	2,864

BUSINESS OUTLOOK & STRATEGY GOING FORWARD



BUSINESS OUTLOOK

Going forward, anticipate inflation and interest rate to moderate and global economic outlook to improve in late 2023, providing a more stable business environment to strategise and plan for future growth

1

Capturing benefits from the US-China trade tensions & US ban on Xinjiang cotton

- US-based retailers continue to diversify from reliance on Chinese manufacturers to Southeast Asia

2

Referrals and recommendations

- Seek to expand our foothold through referrals and recommendations from our existing customers and other industry contacts

3

Positioning for opportunities and long-term growth

- Streamline textile and apparel manufacturing operations for maximum operational efficiency – producing the right product in the right country
- Apparel operations in Cambodia and Vietnam and textile operations in Malaysia



STRATEGY GOING FORWARD

Building on our strengths and capabilities as a vertically integrated textile and apparel manufacturer

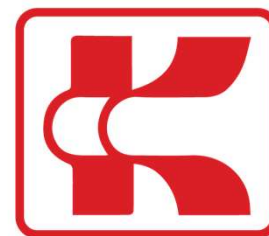
- Strengthen our business by developing innovative and high-quality products with our integrated capabilities to expand our customer base to include more renowned international apparel brands with higher margins

Continuous upgrade of textile and apparel manufacturing facilities

- Invest in advanced equipment for fabric knitting, dyeing, finishing, and storage for textile manufacturing facility
- Invest in additional new production lines for apparel manufacturing facilities in Cambodia
- Further increase production capacity and optimise operations to grow apparel manufacturing business

Manufacturing Partnership in Vietnam

- Manufacturing partnership with apparel manufacturers in Vietnam to expand apparel production capacity



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KTMG LIMITED

THANK YOU

*"We make a living by what we get, but we
make a life by what we give"*

- *Winston Churchill*

"Together, we can make a difference"

- *KTMG Limited*