



PRESS RELEASE

For Immediate Release

KTMG Limited reverses loss to net profit of S\$3.1 million in FY2020

- Absence of one-off non-operating expenditure arising from the 2019 reverse takeover (“**RTO**”), as well as lower selling and marketing expenses
- Gross profit margin up 3.2 percentage points year-on-year to 18.6%

S\$'000	FY2020	FY2019	Change %
Revenue	70,996	87,571	(18.9)
Gross profit	13,194	13,485	(2.2)
Profit/(Loss) before tax	4,237	(1,736)	N.M.
Profit/(Loss) after tax	3,113	(1,903)	N.M.
Net profit/(loss) attributable to shareholders	3,075	(2,028)	N.M.

N.M. – Not meaningful

SINGAPORE, 25 FEBRUARY 2021 – 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 profit attributable to shareholders of S\$3.1 million for the financial year ended 31 December 2020 (“**FY2020**”), reversing a net loss of S\$2.0 million a year ago.

This was achieved despite the Group’s revenue declining 18.9% to S\$71.0 million mainly due to operational disruptions resulting from the COVID-19 pandemic and its related countermeasures.

Notwithstanding a slight dip in the Group's gross profit from S\$13.5 million to S\$13.2 million in FY2020, gross profit margin improved by 3.2 percentage points year-on-year to 18.6% as a result of the Group's continued efforts to manage its manufacturing costs prudently.

Administrative and general expenses eased by 30.0% to \$6.6 million during the year due to the absence of one-off non-cash RTO transaction and acquisition costs of S\$2.5 million. Additionally, selling and marketing expenses dropped substantially by 60.4% to S\$2.0 million in FY2020 from S\$5.1 million in FY2019 mainly due to reduced commission paid to apparel sourcing agents, travelling expenses for marketing purposes, as well as air freight cost due to less delays on shipment of apparels sold to customers.

As a result of the above factors, the Group achieved earnings per share of 1.83 Singapore cents, a reversal from a loss per share of 1.12 Singapore cents in the previous year.

Financial Position

As at 31 December 2020, the Group had net assets value of S\$18.5 million, which translates into a net asset value per share of 10.9 Singapore cents, compared with 9.1 Singapore cents a year ago. Cash and cash equivalents stood at S\$5.0 million as at year end.

Said KTMG's Chief Executive Officer, Damien Lim, **"Despite the challenging global economic conditions during the year, our ability to remain profitable is a testament to our resilience. We also leveraged on our strong customer relationships, established track record, and unique value as an integrated manufacturer with upstream and downstream capabilities to capture new opportunities. Moving forward, we will continue to persevere and adapt amidst these unprecedented challenges, with the aim of pursuing new avenues for 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 25 February 2021.

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.
