



KYM HOLDINGS BHD.

Company No. 198201004556 (84303-A)

PRESS RELEASE

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KYM's reports profit before tax of RM12.855 million for Q1FY2024

Important financial Highlights:

- Establish war chest to pursue new business opportunities
- Manufacturing segment reporting marginal operational loss of RM1.189 million on the back of a lower revenue of RM22.905 million due to softening of export market
- Development and rollout of innovative and sustainable products for customers

PETALING JAYA, 12 June 2023, KYM Holdings Bhd ("KYM") reported a profit before tax of RM12.855 million for the first quarter ended 30 April 2023 due mainly to the one-off gain on disposal of the land and building following the completion of the disposal for RM22.975 million during the quarter. The Group recorded a lower revenue of RM22.905 million for the current quarter as compared with the revenue of RM29.804 million for the same period last year. The decline was mainly due to the lower contribution from the Multiwall Industrial Paper Sacks division.

For 1QFY2024, the Group reported an operational loss of RM1.189 million, as compared to a profit before tax of RM5.176 million posted in 1QFY2023, primarily due to lower sales and lower profit contribution by the Multiwall Industrial Paper Sacks division. Lower selling price coupled with lower sales volume due to the softening of export market led to a reduction in profit contribution from the Multiwall Industrial Paper Sacks division. The lower demand was due to unexpected slowdown in the export market.

PROSPECTS

The operating environment of the Group remains competitive and challenging, with the various macroeconomic factors such as the global inflationary pressures, on-going volatility of paper roll prices and the Group's foreign exchange exposure. In addition, the recent hike in interest rate will have a direct impact on the Group's financial performance.

KYM's Deputy Chief Executive Officer, Darren Lee said: "We acknowledge the ongoing challenges. Our focus will be on the inventories management and control to rationalise paper roll purchases in this volatility environment. While monitoring closely global economic trends and market sentiment, we also continue to improve cost management, operational efficiency

by reducing production wastages and increase supply chain efficiency by digitalisation to improve profitability of the Group.

We shall implement various business development strategies and activities to further increase sales volume and sales orders from existing and new customers. In addition, we will consistently pursue development of new packaging products. Our Multiwall Industrial Paper Sacks division targets to roll out the Top Daeration Plastic Free Film ESG Sacks, a new sustainable and innovative product, to the market in the second half of year 2023. With the business strategies and implementation plans in place, we expect a gradual recovery in sales in the remainder year.

We are pleased that sale of the land and building has been completed in March 2023 and we have created a war chest to seek new business opportunities in order to enhance the Group's financial performance.”

Barring unforeseen circumstances, the Board is optimistic that the Group is able to navigate the challenges and achieve satisfactory performance in the remaining quarters.

About KYM Holdings Bhd (金控股)

KYM Holdings Bhd (“KYM”), through its subsidiaries, is a specialist in the manufacture and sale of high-quality multi-wall industrial paper sacks and corrugated carton boxes. Incorporated in 1982, KYM was principally involved in manufacturing and marketing of industrial paper bags and paper egg trays in South Malaysia. Today, KYM is the leading independent manufacturer of multi-wall industrial paper bags in Malaysia and the Asian Region.

For more information: <https://kym.com.my>

Media Contact:

Mr. William Ng

Mobile No.: +6016-3579248)

Email: rjunction2023@gmail.com / ir@kym.com.my