



KYM HOLDINGS BHD.

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PRESS RELEASE

FOR IMMEDIATE RELEASE

KYM TO EXPAND ITS EXPORTS IN THE SOUTHEAST ASEAN MARKET

KYM CLINCHES EXPORT CONTRACT WITH WORLD LEADING PAPER PROVIDER

KYM TO TRIPLE ITS EXPORT SALES

Kuala Lumpur, 6 March 2017 - KYM Holdings Bhd (KYM, 金控股) through its wholly-owned subsidiary company, **Hasrat Meranti Sdn Bhd** (“Hasrat Meranti”) has signed an Agreement with **BillerudKorsnäs AB** (“BillerudKorsnäs”) for the contract manufacture, sale and distribution of industrial sacks in Southeast Asia (“Agreement”).

Under the terms of the Agreement, Hasrat Meranti will contract manufacture up to 80 million industrial paper sacks per annum for BillerudKorsnäs for supply throughout the Asian region. Hasrat Meranti and BillerudKorsnäs will also form a technical joint venture with regards to bags innovation. Both parties will cooperate to grow the multi-wall industrial paper sack business in Southeast Asia with further increase in capacity and technical and marketing cooperation.

“The 7-year initial term contract is of substantial value and we expect this to positively contribute to our bottom line. In 2016, we began a project to expand and modernise our factories. We invested in our people and the best possible equipment available worldwide. This contract will take the bulk of the increase in our capacity. Nevertheless, we have the intention to further expand, if sales growth justifies expansion and as a result thereof, investments in additional sack machines might be needed in the near future.

Supply is expected to commence in 2018 from our new factory in Tapah, Perak. This contract with BillerudKorsnäs marks another major milestone for Hasrat Meranti and KYM, as it will triple the export sales of Hasrat Meranti and thus further increasing our market share in Southeast Asia’s growing multiwall industrial paper sack market.

This partnership with BillerudKorsnäs will enable us to grow our existing business, both the local and export markets in Southeast Asia. Presently, we export to all the ASEAN countries, Hong Kong and Mauritius.”

Mok Tuck Meng (莫德明)
Managing Director of Hasrat Meranti

The agreement was signed by Lim Tze Thean, the CEO of the KYM Group and Johan Nellbeck, Senior Vice President, BillerudKorsnäs.

“This partnership with BillerudKorsnäs will also provide an opportunity for us to strengthen our technical capabilities with new and innovative products for our customers. It’s not good enough to just meet their needs today, we must be ready to meet their need for the future as well. We have a reputation for the best Quality in our markets, now we need to complement that with the best technology as well.” Lim added.

KYM has recently announced that it will invest in a new paper sack production line to increase the production capacity of its Industrial Bags Division to cater to the needs of the Asian cement market. With the export contract, KYM expects to fill up the capacity of the new line in 2 years upon commencement of the supply in 2018.

Ends



(from left) Frej Nygård, Senior VP Johan Nellbeck of BillerudKorsnäs with KYM CEO TT Lim and Hasrat Meranti managing director Mok Tuck Meng at the signing ceremony in Singapore on 1 March 2017.

Information on 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.

Information on Hasrat Meranti Sdn Bhd

Hasrat Meranti was incorporated in Malaysia on 18 June 1991 and is wholly-owned subsidiary of KYM Holdings Bhd, a public company listed on the Main Market of Bursa Malaysia Securities. Hasrat Meranti is a globally recognised leader in the manufacture and provision of multiwall paper sack packaging solutions.

Information on BillerudKorsnäs

BillerudKorsnäs provides packaging materials and solutions that challenge conventional packaging for a sustainable future. The company is a world leading provider of primary fiber based packaging materials and have customers in over 100 countries. High quality kraft paper for manufacturing of sacks for e.g. industrial products is a key component of the product portfolio. BillerudKorsnäs has 8 production sites in Sweden, Finland and the UK and about 4 200 employees in over 13 countries. BillerudKorsnäs is listed on Nasdaq Stockholm.

MEDIA ENQUIRIES

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