



**KYM HOLDINGS BHD.**

(Co. No. 84303-A)

## **PRESS RELEASE**

FOR IMMEDIATE RELEASE

### **KYM invests RM65 million to modernise plant Drive to increase exports to Asian countries**

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Tapah, Perak (28<sup>th</sup> August 2018): KYM Holdings Berhad (KYM) has invested RM65 million to modernize its Tapah plant and introduce a state-of-the-art industrial paper sack line to increase its exports throughout the Asian region.

The RM20 million investment for the plant, and RM45 million for machines and equipment emphasized the company's commitment to pursue excellence, and to create more sustainable, innovative and quality packaging solutions in a cost-effective manner.

Hasrat Meranti's new plant and state-of-the-art industrial paper sack line in Tapah was officiated by Perak's Committee Chairman for Investment, Industry and Corridor Development, and State Executive Council Member, Dato' Seri Ir. Mohammad Nizar Jamaluddin.

The investment will boost KYM's wholly-owned subsidiary, Hasrat Meranti Sdn Bhd's ("Hasrat Meranti") production capacity by a further 50% to 230 million paper sacks per annum from the current 150 million.

"Our exports have increased 62% from RM18 million in 2017 to RM29 million this year. With the enhanced capability to deliver top quality products, and our collaboration with Swedish company, BillerudKornas AB, we will be able to increase our exports and penetrate new markets," said Hasrat Meranti's Managing Director, Mok Tuck Meng.

About 35% of the company's industrial sacks are exported to Thailand, Indonesia, Vietnam, Philippines, Brunei, Hong Kong, India, and Mauritius. The company's exports have registered a double digit growth in revenue year-on-year and a compounded annual growth rate of 13.3% for the past 10 years.

Hasrat Meranti currently supplies a minimum of 80 million industrial paper sacks per annum for BillerudKorsnäs for supply throughout Asian. The two companies are also collaborating in a technical joint venture for bags innovation, capacity and marketing cooperation for cement and non-cement products.

In Malaysia, Hasrat Meranti is the dominant player in the supply of cement packaging bags, commanding a 40% market share in the Peninsular.

Mok also said, “Hasrat Meranti is committed to build a more sustainable business environment. In addition to introducing the most advanced manufacturing technology from Germany, we will continuously focus on upskilling our people and implement more socially responsible measures such as waste reduction and create a cleaner, healthier environment for everyone.”

Hasrat Meranti and other manufacturing divisions contribute about 80% to KYM's revenue. The remaining 20% comes from KYM's corrugated carton boxes segment.

In line with KYM's restructuring plan under the leadership of a new dynamic management team, supported by an experienced board, the company will focus on transforming its manufacturing business into an export powerhouse for industrial bags. Non-core businesses will be divested.

Present at the event were KYM's Chairman, Dato' Seri Dr Isahak Yeop Mohamad Shah; Chief Executive Officer, Lim Tze Thean; Non-Independent Non-Executive Director, Darren Lee; BillerudKorsnäs Senior Vice-President, Packaging Paper, Johan Nellbeck; and Embassy of Sweden's Counsellor, Ola Pihlblad.

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#### **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.

#### **About 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.

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