



KYM HOLDINGS BHD.

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PRESS RELEASE

FOR IMMEDIATE RELEASE

KYM Sealed Supply Contract With World Leading Paper Provider

Kuala Lumpur (13 December 2018): KYM Holdings Bhd's (KYM) wholly-owned subsidiary, Hasrat Meranti Sdn Bhd ("Hasrat Meranti") has signed a supply agreement with BillerudKornas AB ("BK") for a committed supply of brown and white sack paper produced by BK for 5 years effective from 1 January 2019.

BK will also grant to Hasrat Meranti a license to the BK sack solution technologies and knowhow exclusively during the first three (3) years of the supply term.

Simultaneously, Hasrat Meranti and BK have mutually agreed to terminate and exit the co-operation for the contract manufacture, sale and distribution of industrial sacks in Southeast Asia on a "no-fault" basis. BK has paid Hasrat Meranti a sum of USD1.8 million (equivalent to approximately RM7.3 million) as exit fee.

"Hasrat Meranti is committed to build a more sustainable business environment. The partnering with BK is in line with KYM Group's strategy for a sustainable procurement of high quality key raw materials. We shall have a committed and consistent supply of major raw material ie. high quality sack kraft paper for our industrial sacks manufacturing in the next 5 years to meet the increasing customers' demand for sustainable packaging solution." said Mok Tuck Meng, the Managing Director of Hasrat Meranti.

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, "This partnership with BK will also provide an opportunity for us to strengthen our technical capabilities with new and innovative products for our customers and upskill our people."

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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.

Media enquiries ONLY:

Ms Chee Min Er

Head of Corporate Communications & Administration, KYM Holdings Bhd

Tel: 03-2692 2923 [Extension 173] / 019-3148408

Email: me.chee@kym.com.my;