



**KYM HOLDINGS BHD.**

Company No. 198201004556 (84303-A)

## **PRESS RELEASE**

**IMMEDIATE RELEASE**

**08 Jun 2022**

### **OUTCOME OF EXTRAORDINARY GENERAL MEETING ON 08 JUNE 2022**

**PETALING JAYA, 08 Jun 2022-** KYM Holdings Bhd (KYM) announced today that all nine (9) resolutions set out in the Notice of Extraordinary General Meeting (“EGM”) dated 24 May 2022 in regards to the following proposals had been approved at the Company’s EGM held this morning:

- Proposed disposal by Anabatic Sdn. Bhd. a wholly-owned subsidiary of KYM of a leasehold industrial land located in Ulu Langat, Selangor Darul Ehsan (“Subject Property”) for a total cash consideration of approximately RM22.975 million.
- Proposed establishment of an Employees’ Share Scheme (“ESS”) of up to 15% of the total number of issued ordinary shares in KYM at any point in time during the tenure of the scheme for eligible directors and employees of KYM and its subsidiaries.
- Proposed allocation of awards to Dato’ Seri Dr. Isahak Bin Yeop Mohamad Shar, Dato’ Lim Kheng Yew, Dato’ Seri Ir. Mohamad Othman Bin Zainal Azim, Datuk Seri Rahadian Mahmud Bin Mohammad Khalil, Dato’ Mohd Azmi Bin Othman, Lee Ji Jin Darren and Lim Tze Thean

The results of the poll were validated by the independent scrutineers, SKY Corporate Services Sdn Bhd.

Part of the Subject Property is currently being rented out to Far East Packaging Ind. (Melaka) Sdn. Bhd. for their day-to-day operations. The rental fee is approximately RM0.04 million per month. In undertaking the Proposed Disposal, the Board has considered that the market value of the Subject Property has appreciated over the years and that the Proposed Disposal provides an opportunity for KYM Group to unlock the value and monetise its investment in the property assets.

KYM proposes to utilise the proceeds from the Proposed Disposal as follows which may achieve better cost savings/yield for the KYM Group: -

- I. The repayment of borrowings amounting to RM3.5 million is expected to result in interest savings of approximately RM0.1 million per annum based on interest rate of 3.72%.
- II. RM15.775 million for working capital is proposed to be utilised to finance the day-to-day operations of KYM Group’s business including the purchase of raw materials and purchase of spare parts of the machinery.
- III. Capital expenditure estimated at RM2.3 million is proposed to be utilised for factory extension and purchase of new machinery.

- IV. Balance proceeds estimated at RM1.4 million from the Proposed Disposal will be utilised to defray expenses for the Proposed Disposal.

The Proposed ESS is intended to create a sense of loyalty and ownership amongst the employees, by giving the employees an opportunity to participate in the equity of the Company and the level of commitment and dedication of the eligible Persons by rewarding them with an equity stake in the Company.

The Proposed ESS is also extended to include the non-executive Directors of KYM Group in recognition of their past efforts and contributions towards the growth and performance of KYM Group.

Mr Darren Lee (李杰仁), the Executive Director of KYM commented that the Proposed Disposal will improve the cash flow of KYM Group and realise a net gain of approximately RM14.5 million. Besides that, the establishment of an ESS will enable KYM Group to incentivise and reward its employees and to align the interest of the eligible persons with corporate goals, to contribute to the future growth of KYM Group.

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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.

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