



KYM HOLDINGS BHD.

Company No. 198201004556 (84303-A)

PRESS RELEASE

FOR IMMEDIATE RELEASE

KYM closes FY2024 with revenue of RM101 million

Financial Highlights:

- KYM's profit after tax increased 46% to RM13 million for FY2024 due to the gain on disposal of land
- Proactive business strategies in place and on-going initiatives to improve top line and bottom line

PETALING JAYA, 29 March 2024, KYM Holdings Bhd reported a marginal lower revenue of RM26.146 million for 4QFY2024 compared with the revenue of RM27.226 million in the corresponding quarter last year. The Group's profit before tax was RM0.402 million for 4QFY2024 compared to RM0.801 million in the previous corresponding quarter. The lower revenue was mainly attributable to the lower sales from the Carton Box division, primarily due to the change in local consumers behaviour in the F&B sector and slower market sentiment in the E&E industry. The Group's core business, Manufacturing segment reported lower profit before tax of RM0.780 for the current quarter under review as compared to a profit before tax of RM1.136 million in the corresponding quarter last year, mainly attributable to lower profit contribution from the Multiwall Industrial Paper Sacks division due to lower selling price and the softening of export market.

The Group reported a lower revenue of RM101.131 million for the financial year ended 31 January 2024, a 16% drop from RM120.380 million in the corresponding period last year whilst the Group profit after tax increased to RM13.05 million from RM8.927 million in the preceding financial year. The lower revenue was mainly attributable to the lower contribution from the Multiwall Industrial Paper Sacks division. The improved performance was primarily due to the gain on disposal of the land and buildings of RM15.285 million.

The Manufacturing segment recorded a lower profit before tax of RM0.212 million in the current financial year compared to a profit before tax of RM14.795 million in the previous financial year. The reduction was due mainly to the lower gross profit margin caused by the fluctuation in the raw materials price, lower selling price and the softening of export market of the Multiwall Industrial Paper Sacks division, coupled with the loss impact on foreign exchange.

PROSPECTS

For 2024, growth of the Malaysian economy is expected to trend higher, lifted by the recovery in exports and resilient domestic expenditure. The construction sector is expected to maintain its momentum, which is likely to result in the increasing cement demand. The Group supplied approximately 30% to the construction sector in 2023 and expect to increase it to 35% in 2024 as the Group has obtained extra orders from existing and new customers.

KYM remains committed to delivering innovative and sustainable products to customers. The demand for the Top Deaeration Plastic Free Film ESG Sacks grows steadily since the commercial production in August 2023. The Group continues to embark on trial development of the new Top Deaeration Plastic Free Film ESG Sacks with existing and new customer.

Global market outlook continues to remain challenging with expected raw material price increases in Q2 and Q3 2024 and the persistent volatility of Malaysian Ringgit against United States Dollar (“USD”). The Red-Sea crisis aggravated the supply situation with expected increase in logistics costs, longer delivery lead time due to route diversions and caused supply chain delay for raw materials sourced from Europe. Amidst the challenges, the Group continues to be vigilant in the procurement process to mitigate disruption caused by unexpected shipment delays and supply shortage by securing supply from North America.

“The Group will continue its efforts to enhance operational efficiency and optimize the inventories through its digital inventory management system.”

Meanwhile, we continue to execute our plan to embark on new business opportunities, focusing primarily on innovation and digital sector, and to undertake technology investment to broaden income streams to further improve the Group’s financial performance,” said Darren Lee, KYM’s Chief Executive Officer.

The Board is cautiously optimistic that the Group is able to achieve satisfactory performance in the coming financial year.

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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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