



KYM HOLDINGS BHD.

Reg No.: 198201004556 (84303-A)



2025 | ANNUAL
REPORT

VISION

We aim to be a trusted global player in delivering industrial, property and construction solutions to an international and local clientele.

By being thoroughly committed to innovation, technology, human capital and sustainable development, we aim to be critical enablers to an environment in which businesses thrive and communities are enriched.

MISSION

We strive for excellence in all that we do, leveraging best-in-class technology and processes to cost-efficiently deliver products and services of the highest quality and safety to our customers.

In doing so, we aim to always exceed expectations while maximising value for all our share-and stakeholders, all of the time.

43RD ANNUAL GENERAL MEETING

Date

Thursday, 10 July 2025

Time

11.00 a.m.

Main Venue

Level 17, KYM Tower, No. 8 Jalan PJU 7/6,
Mutiara Damansara, 47800 Petaling Jaya, Selangor

Virtual Meeting Platform

Remote Participation and Electronic Voting facilities hosted at
<https://web.vote2u.my>

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CORPORATE INFORMATION

Board of Directors

Lim Tze Thean
Executive Chairman

Gan Chia Hui
Independent Non-Executive Director

Lee Ji Jin Darren
Executive Director / Chief Executive Officer

Lee Li Choon
Independent Non-Executive Director

Sharman A/L Arumugam
Independent Non-Executive Director

SECRETARY

Chee Min Er
SSM PC No.: 201908000760
(MAICSA 7016822)

REGISTERED OFFICE

Level 17, KYM Tower
No. 8, Jalan PJU 7/6
Mutiarra Damansara
47800 Petaling Jaya, Selangor

PRINCIPAL BANKERS

AmBank (M) Berhad
AmFunds Management Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

AUDIT & RISK MANAGEMENT COMMITTEE

Sharman A/L Arumugam
(Chairman)
Gan Chia Hui
Lee Li Choon

Tel No. : 03-8703 3333
Fax No. : 03-8703 3300

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
Level 16, Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor

NOMINATION & REMUNERATION COMMITTEE

Gan Chia Hui
(Chairperson)
Sharman A/L Arumugam
Lee Li Choon

Tel No. : 03-2788 9999
Fax No. : 03-2788 9998

Tel No. : 03-7890 4700
Fax No. : 03-7890 4670

WEBSITE

www.kym.com.my

PROFILE OF DIRECTORS

Lim Tze Thean

Executive Chairman

Age	46
Gender	Male
Nationality	Malaysian

Lim Tze Thean, aged 46, was appointed as Executive Officer of the KYM Group in 2012 and was promoted to Chief Executive Officer on 20 May 2013. He was appointed to the Board of KYM Holdings Bhd on 30 March 2017 and assumed the role of Executive Chairman on 5 July 2022. On 1 July 2023, he stepped down as the Chief Executive Officer while continuing to serve as the Group's Executive Chairman.

He holds a Bachelor of Science in Computer Science with Management from King's College, University of London, and an Executive Master's in Business Administration from the Institut Européen d'Administration des Affaires (INSEAD).

With over 20 years of experience in operations and management, particularly in manufacturing and property development, Lim Tze Thean has held various leadership roles across the Group's subsidiaries, including the KYM Properties Division and the KYM Manufacturing Division. Additionally, he serves as an Executive

Director of TSM Global Berhad, leveraging his extensive background in the automotive and investment sectors.

Currently, he is the Vice President of the Malaysian Automotive Component Parts Manufacturers (MACPMA) Executive Committee for the 2024/2025 term. He has actively contributed to various non-profit organizations and societies, taking leadership roles in task forces addressing Governance, ESG implementation, digitalization, and the adoption of new technology.

As a substantial shareholder of KYM, his interests in the Company's securities are disclosed in page 141 of this Annual Report.

Save for the recurrent related party transactions as disclosed in this Annual Report, he has not entered into any transaction, whether directly or indirectly, that has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

Lee Ji Jin Darren

Executive Director / Chief Executive Officer

Age	42
Gender	Male
Nationality	Malaysian

Lee Ji Jin Darren, aged 42, was appointed to the Board of KYM on 25 September 2014. He was appointed as a Deputy Chief Executive Officer on 1 June 2022 and redesignated as the Chief Executive Officer on 1 July 2023.

Darren Lee completed his professional accountancy qualification in 2003 conferred by The Association of Chartered Certified Accountants, United Kingdom (ACCA) and currently is a fellow member of the said Association.

He started his career in early 2003 as an Audit associate with Ernst & Young Malaysia and subsequently extended his international experience with Ernst & Young in the United Kingdom.

End of 2005, he joined the Deloitte office in Bermuda as Manager whereby he managed the entire audit process and advisory services for a portfolio of clients within the financial services industry specialising in investment management and reinsurance companies. He was also actively involved with Deloitte's internal and external valuation teams in the valuation of investment derivatives.

In 2009, he joined TSM Global Berhad as Senior Manager in the Corporate Affairs Division and subsequently promoted to Head of Investment whose duties include the assessment and valuation of potential investment, acquisition of companies, M&A synergization studies, relationship maintenance, new business initiatives, investor relations, due diligence, fund raising, capital assessment and strategy initiatives of the TSM group.

His shareholding in the Company is set out in page 142 of this Annual Report. He has not entered into any transaction, whether directly or indirectly, that has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

PROFILE OF DIRECTORS

(CONT'D)

Sharman A/L Arumugam

Independent Non-Executive Director

Age	54
Gender	Male
Nationality	Malaysian

Sharman A/L Arumugam, aged 54, was appointed to the Board of KYM on 18 March 2022. He is the Chairman of the Audit & Risk Management Committee and a member of the Nomination & Remuneration Committee of the Company.

Sharman is a Chartered Accountant (Malaysia), a fellow of CPA Australia, a member of the Malaysian Institute of Certified Public Accountants (CPA) and an ASEAN Chartered Professional Accountant. He is also a Chartered Member of the Malaysian Institute of Directors and a member of the Institute of Corporate Directors Malaysia.

He was the President of CPA Australia (Malaysia Division) and a Council Member of the Malaysian Institute of Accountants (MIA) for 2019-2020. He was the Chairman of the MIA's Audit & Risk Management Committee 2019-2020 and a committee member of MIA's Investigation Committee. He was also a member of CPA Australia's Council of Presidents and Public Practice Advisory Committee, both of which are international committees.

His career began with Arthur Andersen & Co in the early 1990s where he built his corporate skills in the areas of Business & Process Assurances, Technology Consulting and Corporate Finance. In the late 1990s, he was the Corporate Finance Head of a Bursa Malaysia listed entity where he managed all financial and regulatory submissions to all relevant authorities.

From early to mid-2000s, he was with the SIH Group as Finance Director of an overseas telecommunication subsidiary. He was subsequently promoted to Group Finance Director and relocated back to Malaysia. His principal function was to assist the Board of Directors in managing a portfolio of global investments.

Currently, as Country Partner for SCS Global Consulting, he provides corporate advisory services, which includes corporate valuations, fund raisings, mergers and acquisitions, corporate re-organizations and insolvency workouts for a broad spectrum of domestic and international companies. He also sits on the Boards of Japanese MNC subsidiaries in Malaysia.

He has no family relationship with any other Director and/or major shareholder of the Company. His shareholding in the Company is set out in page 142 of this Annual Report. He has not entered into any transaction, whether directly or indirectly, that has a conflict of interest with the Company. He has not been convicted for any offences within the past 10 years other than traffic offences.

PROFILE OF DIRECTORS

(CONT'D)

Gan Chia Hui

Independent Non-Executive Director

Age	47
Gender	Female
Nationality	Malaysian

Gan Chia Hui, aged 47, was appointed to the Board of KYM on 18 March 2022. She is the Chairperson of the Nomination & Remuneration Committee and a member of the Audit & Risk Management Committee of the Company.

Ms Gan completed her Double Degree in Law and Business from University of Technology, Sydney with First Class Honours. She is a non-practicing UK solicitor and Malaysian Advocate and Solicitor. She also holds an Executive Masters in Business Administration from INSEAD.

She had been in education management for 13 years with Education in Motion (EiM), a family of K-12 international schools. She was a member of the Group Executive Board and Chief Legal Officer, and further launched the corporate venture capital arm EiM Ventures as its Executive Director. During her time at EiM, she was involved in corporate finance, corporate governance,

business development, VC/PE investment, policy setting, edtech innovation, and ESG initiatives. In her role as Chief Legal Officer, Ms Gan also acted as Board Secretary, managing board meetings and investor relations.

Prior to entering the education industry, Ms Gan was in private legal practice for 7 years, specialising in VC/PE, corporate finance, fund formation, mergers & acquisitions, cross border investment, regulatory advisory, IP protection, litigation.

She has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. She has not entered into any transaction, whether directly or indirectly, that has a conflict of interest with the Company. She has not been convicted for any offences within the past 10 years other than traffic offences.

Lee Li Choon

Independent Non-Executive Director

Age	52
Gender	Female
Nationality	Malaysian

Lee Li Choon, aged 52, was appointed to the Board of KYM on 5 July 2022. She is the member of the Audit & Risk Management Committee and Nomination & Remuneration Committee of the Company.

Ms Lee has close to 20 years of experience in Corporate Human Resources, Change Management and Leadership Development where she held various leadership positions within the IT, Telecommunications and Consulting industries. Some of the companies that she worked with were Fujitsu Computer Systems (M) Sdn Bhd, Huawei Technologies (M) Sdn Bhd, Deloitte Consulting (SEA) Sdn Bhd and Ericsson (Malaysia) Sdn Bhd.

Most of her jobs come with regional responsibility across the Asia Pacific region overseeing the whole spectrum of Human Resource functions, which helps her appreciate the cultural diversity in the workplace. In addition to providing HR and Leadership Development expertise to organizations, she is experienced in making strategic business decisions as an HR Business Partner which is a Regional Leadership Role.

She founded Talent Faculty Sdn Bhd providing professional coaching services with a focus on helping organizations succeed through their talents and improving the ways organizations attract, develop, engage & lead people, driven by corporate culture fulfillment and leadership development since 2014.

She also served on an Executive Committee on a voluntary basis in the International Coaching Federation (ICF) Malaysia Charter Chapter since 2016. She was elected as the President in June 2020 and served as the Immediate Past President till June 2024. She is also an Independent Non-Executive Director of KGW Group Berhad.

She has no family relationship with any other Director and/or major shareholder of the Company and does not hold any shares in the Company and subsidiary companies. She has not entered into any transaction, whether directly or indirectly, that has a conflict of interest with the Company. She has not been convicted for any offences within the past 10 years other than traffic offences.

PROFILE OF KEY SENIOR MANAGEMENT

Lim Tze Thean

Executive Chairman

Malaysian / 46 / Male

His profile is set out in Profile of Directors on page 3.

Datuk Takashi Hibi

Chief Operating Officer

Japanese / 72 / Male

Datuk Takashi Hibi was appointed as the Chief Operating Officer (COO) of KYM Group on 1 July 2022.

Datuk Hibi has vast experience, knowledge and passion in the integrated operation through manufacturing to sales. He joined Toyota Motor Corporation (TMC) in 1977 after graduation at Osaka University of Foreign Studies, Japan. Datuk Hibi was assigned to the Middle East Division, and worked for marketing and sales for Toyota in the region. His strong abilities were especially recognized with continuous success every year in the difficult deals with the Iranian Government during the 1980s.

In the 90s, he was assigned to TMC Joint Venture operations for production and sales in ASEAN countries. In the late 90s, he contributed significantly to revive Indonesian JV operations which was in a dire situation arising from the Asian financial crisis and subsequent political instability there.

In 2007, Datuk Hibi was assigned as Deputy Chairman of UMW Toyota, TMC JV in Malaysia. During his eight-year tenure, he enhanced the JV greatly to be a real overwhelming No. 1 non-national car company in every aspect. He initiated many projects to improve overall operations, such as vendors network, vehicle assembly, logistic, sales and service. Through these projects, Datuk Hibi also developed human resources in business partners as well as UMW Toyota Motor. He was a former President of Japanese Chamber of Commerce and Industry Malaysia (JACTIM) for 4 years.

Mok Tuck Meng

Managing Director, Multiwall Industrial Paper Sacks Division

Malaysian / 60 / Male

Mok Tuck Meng graduated with B.Sc (Hons) in Mathematical Sciences and Management Studies from University Science Malaysia, Penang. He joined KYM Group in May 1990 and has held several positions as Executive in KYM Group. He was transferred to start the industrial bags business in June 1991 and was promoted to General Manager of the Multiwall Industrial Sacks Division in May 1999.

He was appointed as a Managing Director of Hasrat Meranti Sdn Bhd in 2012.

Lee Ji Jin Darren

Executive Director / Chief Executive Officer

Malaysian / 42 / Male

His profile is set out in Profile of Directors on page 3.

Lim Kheng Eng

Managing Director, Corrugated Carton Division

Malaysian / 67 / Male

Lim Kheng Eng started his career in Corrugated Carton Division in 1986 and worked through the ranks before he was promoted to General Manager for Corrugated Carton Division, Klang Valley on 10 September 1998. He was appointed as the Managing Director of KYM Industries (M) Sdn Bhd in 2014.

Lim Kheng Eng is a brother of Dato' Lim Kheng Yew, a major shareholder of the Company.

PROFILE OF KEY SENIOR MANAGEMENT

(CONT'D)

Tan Peng Aun

Group Property Manager

Malaysian / 60 / Male

Tan Peng Aun graduated with an Advance Diploma in Commerce (Management Accounting) from Tunku Abdul Rahman University College, Malaysia. He started his career in KYM Group as a Group Corporate Finance Manager in 1993 and was appointed as the Group Property Manager in 2007. He has more than 25 years of working experience in various industries including paper packaging, general electrical trading, IT sector and property management and development.

Loke Yoon Kid

Acting Group Financial Controller

Malaysian / 58 / Male

Loke Yoon Kid is a CIMA passed finalist. He has more than 18 years of experience in financial operations in the manufacturing industry. He joined KYM Group in September 2005 as an Account Executive and advanced through the ranks as Finance & Administration Manager before he was promoted to the present position in September 2024. Prior to this, he was responsible for the finance management, financial reporting, budgeting and cost control for the Multiwall Industrial Paper Sacks division.

Chee Min Er

Head of Corporate Communications & Administration Company Secretary

Malaysian / 53 / Female

Chee Min Er is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators. She joined KYM Group in December 1997 as the Company Secretary and was promoted to present position with an expanded role in May 2012. She leads the functions of corporate secretarial and corporate communications of the Group, overseeing governance, regulatory compliance, and effective stakeholder engagement. Additionally, she drives the sustainability agenda, integrating environmental, social, and governance (ESG) principles into corporate strategies, ensuring responsible business practices. In March 2023, she was appointed as the Chief Integrity Officer ('CeIO'). She has more than 20 years of experience attending to corporate secretarial and compliance matters.

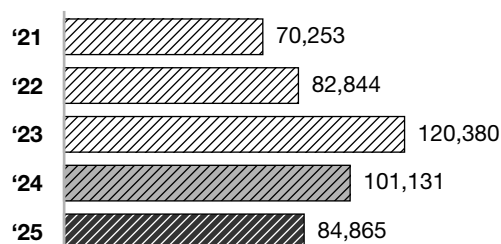
Except as otherwise stated in the individual Directors' Profile and Key Senior Management's Profile, none of the Key Senior Management Officers have: -

1. any other directorship in public companies and listed issuers;
2. any family relationship with any director and/or major shareholders of the Company;
3. been convicted of any offences (excluding traffic offences) within the past 5 years; and
4. been subjected to any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

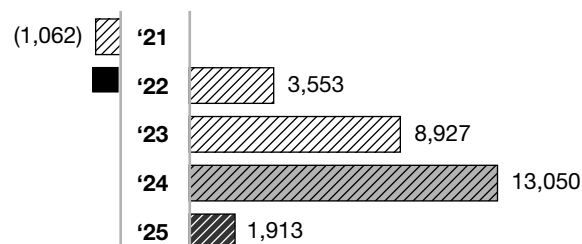
5 YEAR FINANCIAL HIGHLIGHTS

		2025	2024	2023	2022	2021
		RM'000	RM'000	RM'000	RM'000	RM'000
Revenue		84,865	101,131	120,380	82,844	70,253
Profit/(Loss) Before Tax		3,009	13,299	12,449	4,801	(1,496)
Profit/(Loss) After Tax		1,913	13,050	8,927	3,553	(1,062)
Profit/(Loss) After Tax Attributable to Owners of the Company		1,913	13,050	8,927	3,553	(1,062)
Issued share capital ('000)		152,602	152,602	151,790	149,890	149,890
Paid up capital		111,582	111,582	111,217	110,381	110,381
Shareholders' Fund		113,898	111,985	98,023	88,260	84,707
Total Assets		165,518	167,716	177,942	166,401	162,043
Total Borrowings		27,073	31,570	43,533	48,393	52,734
Gearing ratio	Times	0.24	0.28	0.44	0.55	0.62
Basic Earnings/(Loss) Per Share Attributable to Shareholders	sen	1.25	8.57	5.91	2.37	(0.71)
Net Assets Per Share	sen	74.64	73.38	64.58	58.88	56.51

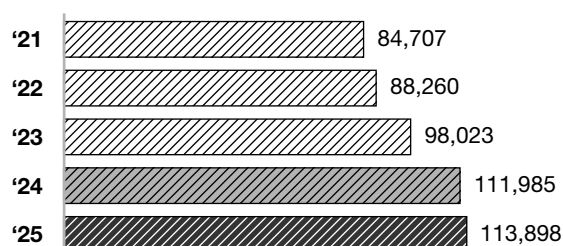
REVENUE (RM'000)



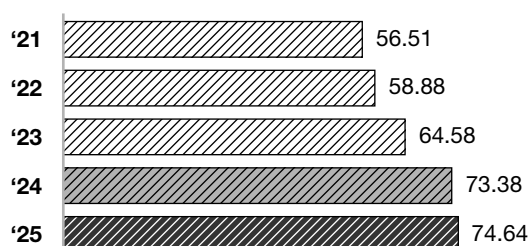
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



SHAREHOLDERS' FUND (RM'000)



NET ASSETS PER SHARE (sen)



MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS OF KYM HOLDINGS BHD.

Malaysia's economy expanded by 5.1% in 2024, surpassing the previous year's growth of 3.7%. This robust performance was primarily driven by strong domestic demand, increased investment activities, and sustained household spending. The global economic landscape in 2024 remained challenging, with growth moderating due to factors such as prolonged supply chain disruptions, tighter monetary policies by major central banks, and ongoing geopolitical tensions. Despite these external headwinds, Malaysia's economic resilience was evident through its solid GDP growth, reflecting the nation's ability to navigate and adapt to global challenges effectively.



Despite a challenging economic landscape and aggressive industry pricing dynamics, the Group remained committed to maintaining its market presence and delivering value to stakeholders. We took proactive steps to retain key accounts, reinforce domestic market share, and improve operational efficiency. While revenue declined in FY2025, our focus on key strategic priorities positioned us to navigate these headwinds and prepare for a more stable recovery moving forward.

- **Procurement Strategy:** We are committed to securing raw materials at the most competitive prices while maintaining optimal inventory levels. This ensures cost efficiency without compromising quality or supply chain stability.
- **Embedding Sustainability into Business Operations:** As part of our broader sustainability agenda, we are transitioning to renewable energy at two of our factories. This initiative aims to significantly reduce greenhouse gas emissions while lowering energy costs, reinforcing our commitment to responsible environmental practices.
- **Operational Cost Optimization:** Maintaining competitiveness in the market requires a continuous evaluation of cost structures.
- **Innovation in Sustainable Packaging Solutions:** Recognizing the evolving needs of diverse markets, we are investing in the development of innovative and environmentally responsible packaging solutions to help customers to reduce landfills waste.
- **Market Strengthening within the F&B Sector:** To strengthen our market position, we are proactively implementing targeted initiatives to increase market share within the food and beverage industry.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

FINANCIAL PERFORMANCE REVIEW

Despite a decline in sales and the absence of one-off gains in FY2025, the Group still achieved improvement in profitability, driven by strategic cost optimizations, sustainable operational efficiencies, and disciplined financial management.

Revenue

For FY2025, the Group recorded a total revenue of RM84.865 million, representing a decline of RM16.266 million or 16.1% compared to RM101.131 million in the previous financial year. This contraction in revenue was largely attributable to selling price pressures implemented across various sectors to maintain market share and competitiveness.

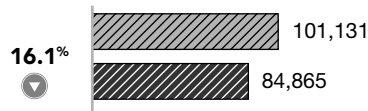
From a geographical perspective, domestic sales remained the core contributor to the Group's revenue, accounting for 92.3% in FY2025 compared to 89.8% in the previous financial year. Export sales comprised the remaining 7.7% of total revenue, down from 10.2% in the previous financial year. The shift in proportion reflects the Group's increased reliance on the domestic market amidst intense competition in the export market.

The Multiwall Industrial Paper Sacks division generated revenue of RM68.517 million in FY2025, reflecting a decrease of RM10.118 million or 12.9% compared to RM78.635 million recorded in previous financial year. The decline in revenue was primarily driven by continued pricing pressure and a notable reduction in demand from export markets, which impacted overall sales performance during the year.

Meanwhile, the Carton Box division generated revenue of RM16.348 million in FY2025, reflecting a decrease of RM6.148 million or 27.3% from RM22.496 million recorded in the previous financial year. The decline in revenue was mainly attributed to heightened price competition and the non-renewal or loss of several key tenders, which adversely affected the division's sales volume and margins.

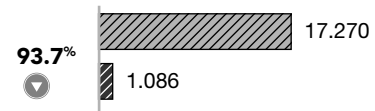
REVENUE

(RM'000)



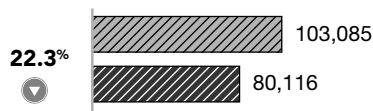
OTHER INCOME

(RM'000)



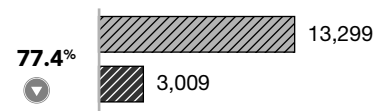
OPERATING EXPENSES

(RM'000)



PROFIT BEFORE TAX

(RM'000)

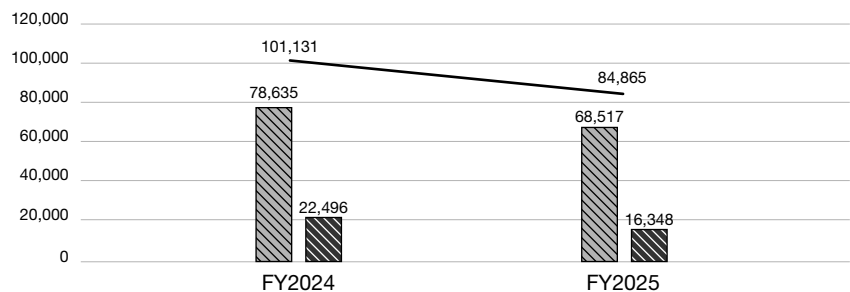


2024

2025

REVENUE BY DIVISION

(RM'000)

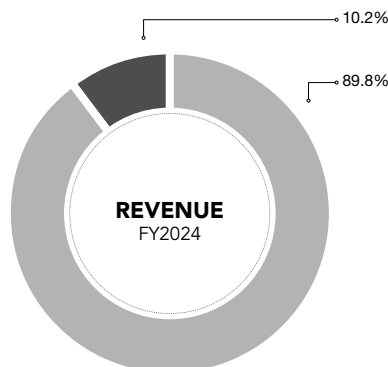


Multiwall Industrial Paper Sacks division

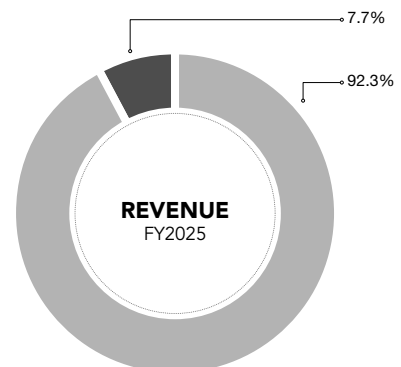


Carton Box division

— Total



Malaysia



Export

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Profit Before tax

The Group reported a profit before tax ("PBT") of RM3.009 million for FY2025, compared to RM13.299 million in the previous financial year. The significantly higher PBT in the previous year was largely due to a non-recurring gain of RM15.285 million arising from the disposal of land and buildings. Excluding this one-off gain, the Group's core operating performance for FY2025 showed resilience amidst a challenging economic environment.

The Multiwall Industrial Paper Sacks division posted a strong recovery, recording a PBT of RM7.022 million in FY2025, compared to a PBT of RM0.485 million in the previous financial year. This significant increase was primarily driven by the successful execution of cost optimisation measures, enhanced procurement strategies, and enhanced pricing strategy to maintain competitiveness without compromising the product quality. The division also benefitted from improved production efficiencies and stronger customer engagement. However, the overall profitability was partially impacted by a one-off impairment loss of RM0.75 million on trade receivables.

The Carton Box division registered a loss before tax ("LBT") of RM0.266 million in FY2025, compared to a PBT of RM1.464 million in the previous financial year. The decline in performance was attributed to heightened price competition and subdued or weaker market demand, particularly from the Food & Beverage ("F&B") and Electronic & Electrical ("E&E") sectors. Despite continued efforts in cost control and operational improvements, the challenging market dynamics adversely affected the division's profitability.

Liquidity

As at 31 January 2025, the Group's cash and cash equivalents stood at RM15.472 million, representing a decrease of RM3.333 million or 17.7% from RM18.804 million recorded in the previous financial year. The reduction in cash and cash equivalents was primarily driven by the following movements in cash flows:

- a) Net cash generated from operating activities amounted to RM4.872 million in FY2025, a decline from RM11.808 million in the previous financial year. This was mainly due to the lower profit before tax registered during the current financial year.
- b) Net cash used in investing activities totalled RM1.521 million, primarily comprising capital expenditure of RM2.141 million for plant and machinery, partially offset by interest income of RM0.634 million.
- c) Net cash outflow from financing activities stood at RM6.683 million, largely attributable to the repayment of short-term borrowings.

Despite the decline in cash and cash equivalents, the Group remains financially resilient and continues to exercise prudent and disciplined cash flow management to ensure the sustainability of its liquidity position.

Borrowings and Gearing Ratio

As at 31 January 2025, the Group's total bank borrowings stood at RM27.073 million, consisting of RM14.464 million in bank borrowings and RM12.609 million in lease liabilities. This marks a year-on-year reduction of RM4.497 million, or 14.24%, from RM31.570 million in the previous financial year (comprising RM17.521 million in bank borrowings and RM14.049 million in lease liabilities). This improvement underscores the Group's continued focus on disciplined financial stewardship and effective capital management.

Correspondingly, the Group's gearing ratio improved from 0.16 times to 0.13 times, reflecting a stronger and more resilient balance sheet. This gearing level remains well within industry norms, positioning the Group favourably to pursue future growth opportunities while maintaining financial flexibility, a solid and sustainable capital structure.

Looking ahead, the Group will continue to adopt a prudent approach to capital management, with the objective of further strengthening its financial position, optimising funding costs, and supporting long-term strategic initiatives.

OPERATIONAL REVIEW

In 2024, the Group operated in an evolving market environment, balancing obstacles and growth prospects while drawing on its strength and strategic agility to drive progress.

During the financial year, the Multiwall Industrial Paper Sacks division faced challenges due to a softened export market, compounded by the strengthening of the Malaysian Ringgit, which did not favour exports. Demand for cement bags remained volatile, as large infrastructure projects relied on cement mixers instead of bagged cement.

Certain quarters saw no exports due to a decline in market demand, while intense price competition further impacted export sales. However, the Group leveraged growth opportunities by expanding market exposure and driving new product development, particularly for non-cement bags such as the Top Deaeration Bag.

In FY2025, KYM's Carton Box division faced several challenges that impacted its performance. The division experienced a decline in sales within the F&B and E&E sectors, largely due to shifting market dynamics and evolving consumer preferences. Additionally, the loss of key tenders from major customers further affected revenue. In the F&B sector, changing consumer

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

behaviour led to a shift in demand, posing additional challenges for the division. Furthermore, the industry witnessed intensified competition, with competitors offering aggressive pricing and steep discounts, making it increasingly difficult to maintain market share. Despite these challenges, KYM remained focused on strategic initiatives to enhance its competitiveness, strengthen its market position and sustain long-term growth.

The division remained committed to upholding quality and ensuring timely delivery, reinforcing its reputation for reliability and excellence. The Group is proud to be one of the early pioneers in the corrugated carton box industry to attain the globally-recognized Food Safety System Certification 22000 (FSSC 22000). This globally recognized standard, acknowledged by the Global Food Safety Initiative (GFSI), underscores the Group's dedication to producing packaging materials that meet stringent food safety and quality management practices. This certification not only demonstrates the KYM's commitment to quality but also strengthen our market position and creditability in the F&B industry by ensuring that our packaging solutions adhere to the highest international food safety standards.

A dedicated sales task force was established to explore opportunities in alternative sectors, position the division for upcoming tender openings, and expand its customer base. Additionally, the division actively pursued business collaboration to explore market expansion opportunities and enhance competitiveness. Efforts were also directed toward enhancing procurement efficiency and operational efficiency, minimizing waste to enhance overall cost structure. Recognizing the potential in the logistics sector, the Carton Box division also focused on expanding its presence in this area. At the same time, the division intensified efforts to attract new customers while strengthening relationships with existing clients to drive business growth.

As part of the Group's commitment to sustainability and cost optimisation, solar panels were installed at the Tapah plant of the Multiwall Industrial Paper Sacks division as well as in the Carton Box division. The transition to solar energy over the past few months has reduced reliance on the conventional electricity from the grid, leading to a notable reduction in energy costs and carbon emissions.

THE OUTLOOK

In FY2025, Malaysia's economic growth is projected to strengthen, driven by robust domestic demand and increased foreign investments. The Central Bank forecasts a growth rate between 4.5% and 5.5%, up from 5.1% in 2024. This optimism is bolstered by a surge in foreign investments, particularly from Chinese technology firms seeking to diversify amidst global trade tensions. The construction sector is expected to continue its growth momentum, driven by these advancements and stable domestic spending, resulting in higher demand for building materials such as cement.

The Group anticipates that the business environment will remain challenging in 2025. The recent shifts in U.S. trade policies including the introduction of reciprocal tariffs have significantly impacted the global trade dynamics as well as Malaysia's economy. The reintroduction of tariffs and changes in foreign policy may lead to increased cost pressures and affecting profit margins. In response, the Group remains vigilant and adaptable, focusing on executing ongoing business strategies including its procurement strategies and enhancing operational efficiency to drive both revenue growth and profitability.

In the face of heightened market competition, we remain steadfast in upholding product quality and industry standards, even as sales volumes experience a temporary decline in the short term. Rather than engaging in aggressive price reductions, we emphasize the intrinsic value of our products—sustainability, innovation, and reliability. Recognizing the growing emphasis on sustainable development, the Group continues to explore opportunities and expand our services, offering tailored packaging solutions designed to meet specific market needs across various industries.

Simultaneously, the Group remains dedicated to identifying new business opportunities and diversifying income streams to further strengthen its financial position and long-term growth prospects.

Despite the challenging landscape, the Group remains optimistic about its ability to overcome obstacles by effectively managing key risks and delivering a satisfactory performance in 2025, barring any unforeseen circumstances.

DIVIDEND POLICY

At present, the Group's focus is to create and enhance shareholders' value in the long run. We shall re-invest the earnings to grow our business organically or inorganically. As such, the Group does not currently plan to adopt any dividend policy in the short term but will consider to distribute excess profits once earnings become more stable. This would be after taking into consideration of the working capital requirements and planned capital expenditure in the future.

SUSTAINABILITY STATEMENT



ABOUT THIS STATEMENT

This Sustainability Report covers our diverse achievements in creating economic, environmental and social value for a wide array of stakeholders. This statement refers to the financial year from 1 February 2024 to 31 January 2025, unless indicated otherwise, it has been prepared to align with the Global Reporting Initiative (“GRI”) Standards 2021 and Bursa Malaysia Sustainability Reporting Guide 3rd Edition. We support the United Nations Sustainable Development Goals (“SDGs”) and align our sustainability priorities with the relevant SDGs.

REPORTING SCOPE AND BOUNDARY

This report focuses on the Group’s business operation of manufacturing and sale of multiwall industrial paper sacks and corrugated carton boxes with manufacturing factories in Perak and Selangor, and includes the KYM’s headquarter in Petaling Jaya.

Business division covered under the scope of this report are:

Business segments	Manufacturing Plant Location
Multiwall Industrial Paper Sacks division Hasrat Meranti Sdn Bhd Hasrat Meranti (Chemor) Sdn Bhd Hasrat Meranti (Tapah) Sdn Bhd	Chemor, Perak Chemor, Perak Tapah Road, Perak
Carton Box division KYM Industries (M) Sdn Bhd	Beranang, Selangor
KYM Holdings Bhd	Petaling Jaya, Selangor

OUR MEMBERSHIP IN ASSOCIATION

- Federation of Malaysian Manufacturers (“FMM”)
- Malaysian Corrugated Carton Manufacturers’ Association (“MACCMA”)

DATA AND ASSURANCE

All data in this report are sourced and categorized manually and verified accordingly by the respective management team of the business units, reviewed by Management Sustainability Committee and approved by the Board of Directors. We continue to work towards improving the processes of collecting data across our operations and enhancing analysis to improve data accuracy and quality. This report has not been subjected to a review by the outsourced internal function nor independent assurance performed in accordance with recognised assurance standards.

SUSTAINABILITY STATEMENT

(CONT'D)

FEEDBACK

We welcome feedback from our stakeholders to improve our sustainable reporting and strategies.





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 (Corporate Communications & Administration Department)
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 Mutiara Damansara 47800 Petaling Jaya

SUSTAINABILITY STRATEGY

The Group acknowledges the need to balance its business sustainability with responsible environmental and social considerations which emphasise the Group's sustainable development practices. Our sustainability journey continues with an action plan to track progress and communicate results of our ESG Goals to our stakeholders.

Sustainability in our Business Process

To maximise the positive impact of our business, we have embedded sustainability considerations within our business process, as detailed below.

 Develop	 Procure	 Produce	 Sell
<ul style="list-style-type: none"> Research & development of sustainable packaging solutions Collaborate with customers to create sustainable packaging solutions 	<ul style="list-style-type: none"> Sourcing of sustainable raw materials Working with ethically compliant suppliers 	<ul style="list-style-type: none"> Investing in advanced, energy efficient production facilities and lighting Transitioning to renewable energy Efficient production planning Upholding best practices in water usage, waste and effluent management 	<ul style="list-style-type: none"> Engaging with customers to understand their sustainability objectives Maintaining efficient delivery and distribution
Expected Sustainability Outcomes			
<ul style="list-style-type: none"> Products with reduced material usage Top Deaeration system without plastic film ("ESG Sacks"), the Rain Safe Sack and the D-Sacks Increase range of sustainable solutions innovated 	<ul style="list-style-type: none"> Increased accessibility of sustainable raw materials Increase suppliers' sustainability practices performance 	<ul style="list-style-type: none"> Replaced forklifts with battery-operated forklifts and LED lights to reduce emission. Reduced material usage, energy use and waste generation GHG Scope 1 & 2 emissions reduction 	<ul style="list-style-type: none"> Expansion of market base GHG Scope 3 emission reduction from product distribution

SUSTAINABILITY STATEMENT

(CONT'D)

In the previous financial year, a 3-year ESG Roadmap setting out a 3-year vision for each priority topic under the four pillars i.e Governance, Economic, Environment and Social was approved.



GOVERNANCE

To achieve good corporate governance based on ethics, transparency and accountability through a comprehensive risk management strategy and strict adherence to regulations in order to guarantee efficient business operations and safeguard the interests of important stakeholders.



ECONOMIC

To satisfy customer needs with high-quality goods and services while highlighting a commitment to sustainability through effective supply chain management



ENVIRONMENTAL

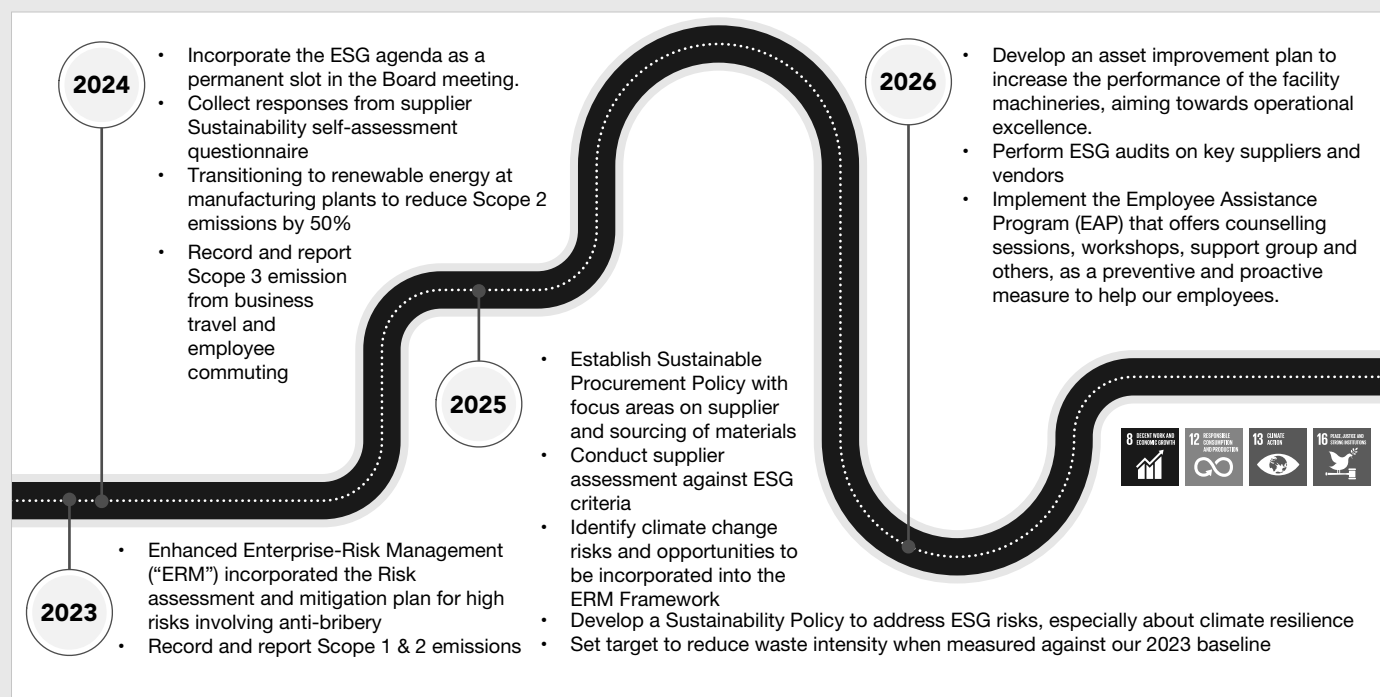
To reduce our carbon footprint via implementing a robust energy management system and effective waste management. In addition, to practise responsible resource management and move towards a more sustainable business.



SOCIAL

To establish a group of highly skilled workforce members by providing a safe, healthy and conducive work environment and fostering positive relationships with customers and the community.







The Roadmap was designed based on the outcome of a gap analysis and was steered toward determining appropriate potential actions. It is also aligned with the 12th Malaysia Plan's commitment to "Advance Sustainability" in the pursuit of continuous economic growth while protecting the environment. The initiatives set out in the Roadmap takes into consideration the global agenda to achieve a better and more sustainable future for all through the UN SDGs. We have identified four UN SDGs that impact our sustainability strategy where we can make the most contributions in these areas. Our focus areas for the ESG Roadmap up to 2026 are as follows:



SUSTAINABILITY STATEMENT

(CONT'D)

Key Sustainability Targets for FY2025 and Progress

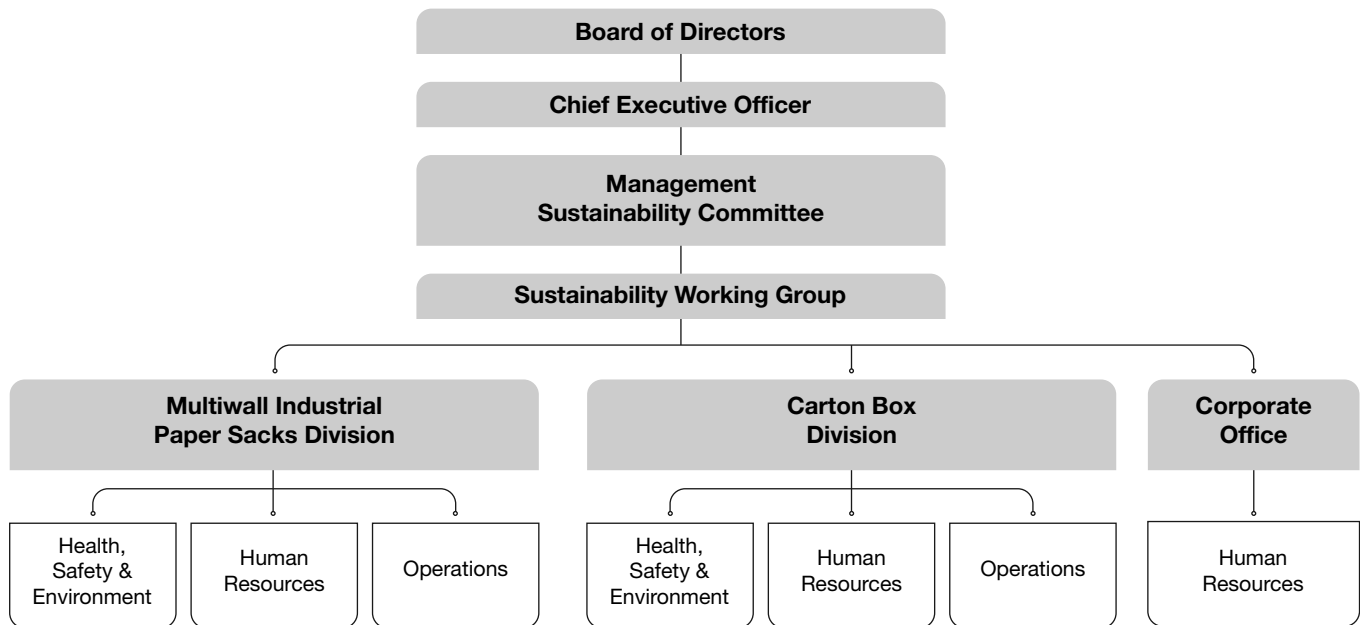
Material Topics	KPI/Target	Status	UN SDG Alignments
Business Ethics and Integrity	Zero cases of bribery and corruption. 100% of employees received trainings on anti-bribery and corruption.	Zero cases of bribery and corruption. 100% of employees received training on anti-bribery and corruption. Virtual refresher training was conducted for HOD of all plants.	
Greenhouse Gas Emissions and Energy Efficiency	To install solar panels at the manufacturing facilities by 2023/2024.	The rooftop solar panels at the Beranang plant and Tapah plant started operational in June and October 2024 respectively. Scope 2 Emission reduced by 14% compared to the baseline in FY2023. Solar Energy accounted for 11% of the Group's electricity consumption with solar panels.	
Waste and Effluent Management	To upgrade the wastewater treatment plant at the Beranang factory	The approval for commencement of operations was obtained from DOE in end March 2025.	
Safety at Workplace	100% compliance with the Occupational Safety and Health Act 1994 Zero cases of fatalities Zero cases of accident	Achieved Achieved 3 lost time injuries recorded	
Human Rights and Labour Practice	Develop a Human Rights Policy and conduct awareness training on human rights for employees and management team.	Human Rights Policy was established during the financial year. Awareness training was conducted for the management team at the Beranang factory.	
Community Engagement	Carry out at least one (1) CSR programme in the local community.	Achieved.	

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY GOVERNANCE STRUCTURE

We are cognisant of the importance of having a robust governance structure to ensure the seamless integration of sustainability initiatives within our business operations.



While the Management Sustainability Committee (“SC”) monitors and reports the progress of implemented sustainability initiatives to the CEO, the CEO plays an advisory role to the SC, providing guidance and overseeing the Group’s sustainability performance. The BOD, at the apex of the structure, is ultimately responsible for the endorsement of the sustainability strategy and related policies and initiatives within the Group.

The roles and responsibilities of the BOD, CEO and SC within the governance structure for sustainability are described below:

Roles and Responsibilities**BOD**

- Reviews and approves the Group’s sustainability strategy and related policies, initiatives, priorities and targets;
- Reviews the ESG performance quarterly;
- Endorses the proposed sustainability initiatives and progress, and the annual sustainability statement.

CEO

- Guides and advises the key departments on the development of sustainability strategies, initiatives, priorities and targets;
- Reports to the BOD on the proposed sustainability initiatives;

SC

- Comprises the Heads of the Strategic Business Units and Head of Corporate Communications & Administration;

- Reports to the CEO on progress of the Group’s sustainability efforts at monthly Management Meeting;
- Presents the annual sustainability report for review and comments;
- Monitors data to evaluate the Group’s sustainability progress;
- Conducts management meetings with key departments to discuss the progress of sustainability-related initiatives and programmes.

Sustainability Working Group

- Comprises representatives from the departments and divisions within the Group and is led by the Head of Corporate Communications & Administration;
- To implement strategies formulated, while adhering to specific management procedures;
- Deliberates the ESG performance and initiatives to improve performance every month.

SUSTAINABILITY STATEMENT

(CONT'D)

Identifying and assessing the needs of stakeholders is an essential part of the Group's communication and engagement imperative structured to create long-term value for all our stakeholders. Hence, effective stakeholder engagement for a strong understanding of our stakeholders and their concerns is vital to the Group's strategic planning and operational delivery to foster long-lasting relationships for an enduring, positive impact on our business.

STAKEHOLDER ENGAGEMENT

We have always put our stakeholders at the heart of our business practices. Proactive and ongoing stakeholder engagement is integrated into our daily business operations. It is important for us to understand their issues of interest and continuously engage with them to create shared value and develop ideas together. We have identified stakeholders that are important to our business operation.

The table below shows how we engage with our stakeholders and their areas of interest.

Our Key Stakeholder	Method of Engagement	Frequency of Engagement	Areas of Interest/ Discussions
Investors/ Shareholders	<ul style="list-style-type: none"> Annual General Meeting Company's website Financial results announcements Annual Reports Press releases Press conference Investor relation activities 	Annually Continuous Quarterly Annually Quarterly and as needed As needed As needed	<ul style="list-style-type: none"> Group's financial and business performance Business strategy ESG matters Corporate governance Investment return Share price performance
Employees	<ul style="list-style-type: none"> Town hall sessions Newsletter Employee engagement activities eg festive celebration, annual dinner, social night etc) Employees engagement surveys Staff performance appraisals 	As needed Quarterly Continuous Annually Bi-annual	<ul style="list-style-type: none"> Occupational health & safety Conducive work environment Remuneration & fair compensation Training and development programme Career development and progression opportunities Inclusive and non-discriminate work culture Employees' needs and wellbeing
Customers	<ul style="list-style-type: none"> Physical and virtual meetings and call Customer Satisfaction Surveys Audit by Customers Community and networking events 	Continuous Continuous As needed Continuous	<ul style="list-style-type: none"> Delivery and product quality Product pricing Business practices and ethics ESG initiatives Customer-company relationship management
Suppliers and Vendors	<ul style="list-style-type: none"> Physical and virtual meetings and calls Evaluation and performance reviews 	As needed Annually	<ul style="list-style-type: none"> Reliability of supply Product quality Pricing of services Green sourcing of materials Business practices and ethics
Certification Bodies	<ul style="list-style-type: none"> Compliance audits Physical and virtual meetings and calls 	Annually As needed	<ul style="list-style-type: none"> Accreditation status Ethics and integrity
Regulatory Agencies	<ul style="list-style-type: none"> Inspection/audit by local authority Direct consultation with local regulatory working group Participation in workshops and events organised by regulatory agencies Regulatory filings and reporting 	Annually/As needed As needed Continuous Continuous	<ul style="list-style-type: none"> Environmental management and compliance Occupational health and safety Labour practices Legal and regulatory compliance and disclosures
Local Communities	Community engagement CSR programmes	Continuous Continuous	<ul style="list-style-type: none"> Social Issues Impact of business operations Environmental impacts

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIALITY ASSESSMENT

1. Identify & Shortlist

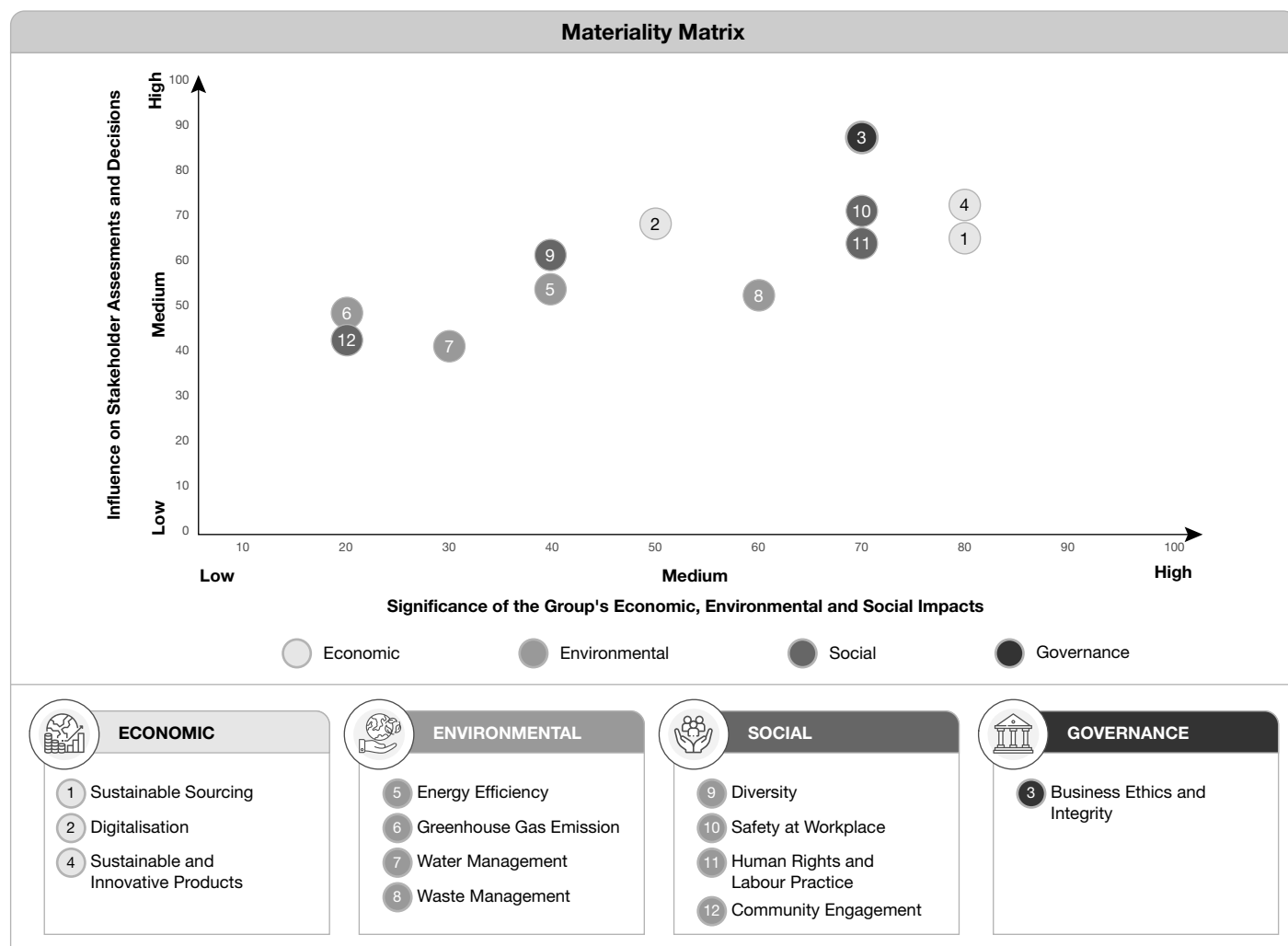
- The Sustainability Committee undertakes a detailed analysis of industry to identify the industry trends and sustainability concerns, reviews the Group's current sustainability topics, and identifies potential new sustainability topics for inclusion.
- Shortlist potential sustainability topics.

2. Rank and Prioritise

- The shortlist of sustainability topics are then assessed through various consultations with certain stakeholders and heads of departments, providing a gauge on each topic's materiality.

3. Review and Validate

- A materiality matrix is generated, reviewed by the Chief Executive Officer for validation. The reviewed matrix is then presented to the Board for final approval.



During the financial year, we performed a review of our current material topics for relevance. A new stakeholder survey questionnaire was distributed in October 2024. The result of this assessment and the updated materiality matrix will be reported in our next Sustainability Statement.

SUSTAINABILITY STATEMENT

(CONT'D)

Material Matters	Why It's Important	Risks	Opportunities
GOVERNANCE			
Business Ethics and Integrity	Good corporate governance and integrity build trust among stakeholders.	Poor governance practices tarnish reputation, image, and trust.	Good corporate governance and ethical behaviour enhance creditability and reputation of the Group in business relationship.
ECONOMIC			
Digitalization	For quicker, easier, more accurate information for management and improvements at operations.	Cybersecurity threats, loss of data privacy and potential fine due to non-compliances.	Enhanced efficiency and improved resource management, better data driven in-sights and innovation for new business opportunities.
Sustainable Sourcing	Sustainable sourcing is important to ensure reliable delivery of products and services to customers and to ensure they comply with our quality requirements.	Raw material supply disruption and non-conformance of our quality requirements.	Operations efficiency improvement and resource optimization to improve cost efficiency and competitive edge to increase market share.
Sustainable and Innovative Products	One of the key factors in achieving long-term success and maintaining KYM's reputation as one of the leading packaging solution partners in the market.	Reputation and product excellence promise to customers.	Customer retention and increased market share with lower carbon footprint products.
ENVIRONMENT			
Energy Efficiency and Greenhouse Gas Emission	Conserving the environment and resources for future generation.	Increase in energy cost, higher health and safety environment risk as well as higher climate risk due to higher energy usage.	<p>Transitioning to renewable energy and operate with energy efficient facilities to capture rising demand for low carbon footprint products;</p> <p>Enhanced efficiency and improved resource management, better data driven in-sights and innovation for new business opportunities;</p> <p>Increase production efficiency to reduce energy cost in the long term.</p>
Water Management	Malaysia experiences increased water scarcity due to population growth, urbanization, industrialization, and climate change, alongside water pollution from various sources.	<p>High water intensity will lead to higher cost and potential scarcity of water resources.</p> <p>Water quality will deteriorate due to pollution.</p>	<p>Efficient water-use technologies and management could reduce operational costs;</p> <p>Promote water conservation behaviour and invest in alternative water sources, wastewater treatment and reuse technologies.</p>
Waste Management	Efficient use of materials leads to reduced cost of purchasing raw materials and cost of production.	Non-compliance with environmental regulations leads to reprimands, fines, penalties, and reputational loss.	Waste reduction and increased resource efficiency can lead to operational cost savings Community support.

SUSTAINABILITY STATEMENT

(CONT'D)

Material Matters	Why It's Important	Risks	Opportunities
SOCIAL			
Safety at Workplace	Workplace safety and health safeguards human assets and resources and it's our license to operate.	Work injuries and occupational accidents resultant in productivity loss and incur cost of recovery, potential legal action and reputational damage.	A safe work environment improves employee wellbeing and enhances productivity.
Human Rights, Labour Practices and Diversity	Fair treatment and job opportunities.	Discriminatory employment practices damage the Group's reputation which may lead to the inability to retain or attract talents.	Offering job opportunities to all levels of society and talents from different cultural, educational, and experiential backgrounds for broader perspective and innovation boost.
Community Engagement	To understand the well-being and empowerment of local communities in our area of operations.	Reputational risk.	Community engagement provides insights to develop impactful sustainability initiatives.

Whilst the material matters remained the same, the Group continues its focus on addressing climate change related issue and community engagement to ensure adequate emphasis is placed on these matters. We have used FY2023 as a baseline to guide us in strategizing and setting our new target and KPIs in the coming years.



GOVERNANCE

Business Ethics and Compliance



The Group has a strict zero-tolerance approach towards bribery and corruption. In this connection, all our vendors, suppliers, contractors and other third parties which we engage with in the course of business are made aware of our Anti-Bribery & Corruption Policy ("ABC Policy") and are requested to acknowledge the Policy. As such, our counterparts and business associates are expected to uphold the same in promoting an ethical and honest business relationship. Our stand on anti-corruption is further emphasised by our Supplier Code of Conduct ("SCOC") which states business transactions are to be conducted in a fair and transparent manner. 171 suppliers representing 92% of the total suppliers have acknowledged the ABC Policy and third party declaration of conflict of interest.

SUSTAINABILITY STATEMENT

(CONT'D)

The Group also provides refresher training to its management and employees on its ABC Policy and Whistleblowing Policy. We communicated our ABC Policy to all new members of staff that joined during the financial year. The number of employees who have received training on the ABC policy and procedures are as follows:-

Employee Category	No. of employees	Percentage
Management	28	100%
Executives	25	100%
Non-Executives	183	100%

The Group has also carried out corruption risk-assessment among its 2 business divisions representing 100% of our total operations, to analyse risk related to corruption and bribery. The Group considered its business process and focused on those which are more prone to corruption risk, such as procurement, sales, finance, interaction with government authorities, and provision of gifts and hospitality, and assessed the adequacy of its existing controls and procedures. The Group has formalised an enhanced Enterprise-Risk Management Policy Framework that incorporates risk assessments and mitigation plans for high risks involving anti-bribery.

There were no corruption-related cases reported during the financial year under review.

KYM's Whistleblowing Policy was established to provide all directors and employees of KYM Group a platform to raise concerns or disclose any wrongdoing that may adversely impact the Group without fear of suffering retribution and to provide a transparent and confidential process for dealing with concerns. During the financial year under review, no whistleblowing reports were received.

Data Privacy and Cyber Security

We treat personal data seriously and extend our efforts to protect the privacy of our stakeholders such as customers, vendors and employees. KYM Group is compliant with relevant regulation, including the Personal Data Protection Act ("PDPA") 2010. There were no substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2025.

In KYM, we put in place cybersecurity measures to ensure our data and systems remain secure. Cybersecurity awareness talk was organised to emphasize on the importance of safeguarding data online and empower our employees with essential knowledge and practical tips to stay secure and essential cybersecurity practices.

Supply Chain Management

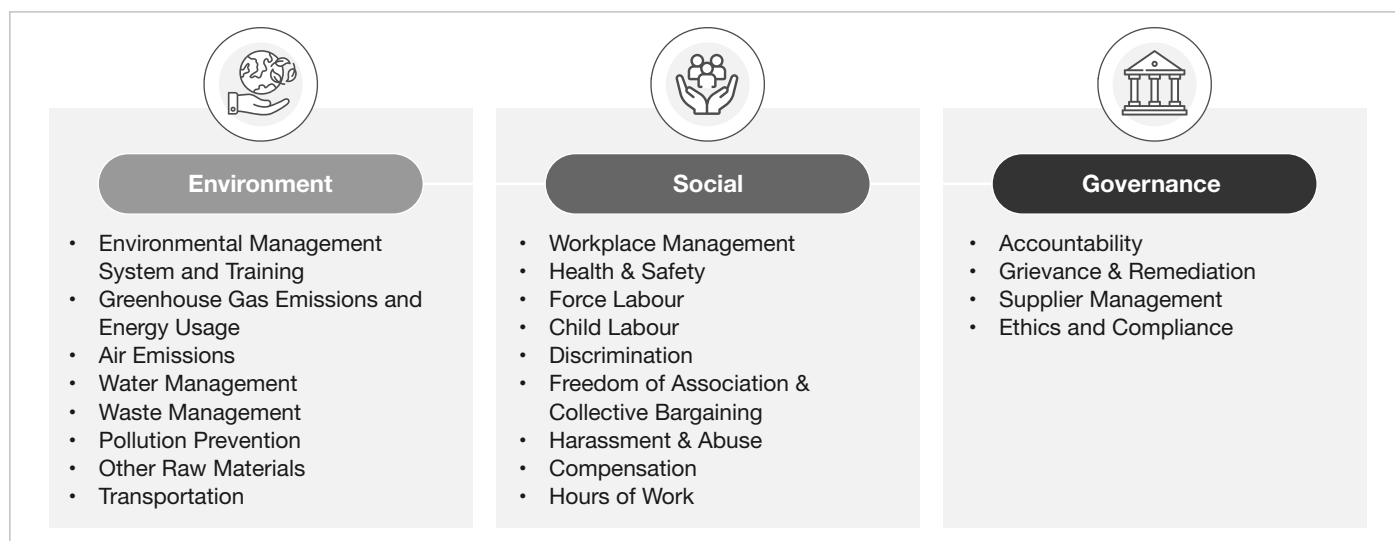
We manage our procurement practices responsibly and maintain transparency across our supply chain. All purchasing decisions must be made in line with principles of business ethics and our green procurement practices. By integrating environmentally sound decisions into the supply-chain management of our manufacturing process, we are able to produce packaging that is sustainable and of low environmental impact.

Sourcing and procurement of goods and services are based on the set criteria which include among others cost, specification fulfilment and delivery time to ensure optimum value proposition. In addition, the procurement personnel of the respective business division are to ensure all suppliers or vendors adhere to the SCOC. Besides the business ethic and integrity, suppliers are expected to comply with local laws in addressing human rights issues such as prevention of child labour and forced labour, non-discrimination and equal opportunity, excessive working hours and minimum wage requirements. Suppliers are expected to conduct their business in an environmentally responsible manner and integrate environmental consideration into their product design, operations and/or provision of services work towards avoiding, reducing and mitigating their associated impacts on the natural environment.

Beginning of FY2025, the key suppliers of direct materials are required to complete a standard sustainability self-assessment questionnaire focusing on the following topics to assist us to understand the capability and sustainability practices of our suppliers:

SUSTAINABILITY STATEMENT

(CONT'D)



During the FY2025, 58 suppliers have responded to the sustainability self-assessment questionnaire. We are not aware of any negative environmental impacts within suppliers' operations thus far.

It is important to source sustainable raw materials from certified suppliers. **100%** of our sack kraft paper are certified under the Programme for the Endorsement of Forest Certification ("PEFC") or the Forest Stewardship Council ("FSC"). Both PEFC and FSC provide certification of forests that are managed sustainably. This ensures that the material sourced has not been harvested illegally, or in violation of traditional or civil rights, or in a way that threatens high biodiversity conservation value areas.

We collaborate with a world leading provider of primary fibre-based packaging materials for a sustainable procurement of major raw material i.e. high quality sack kraft paper for our industrial sacks manufacturing.

KYM's corrugated carton boxes are made from **100%** recycled material and where applicable, with food grade certification, and therefore uses considerably less energy than producing new products from raw material. **100%** of the raw material for the Carton Boxes division is sourced from local certified paper mills with RoHS Compliance. The board material we utilise is biodegradable and therefore we can reduce our impact to the soil and groundwater.

Save for the sack kraft papers that are required to be sourced from particular overseas geographical region, our preference is to engage local suppliers over non-local suppliers, and where possible, to source products from the businesses operating within the area or nearby. Local procurement significantly reduces delivery times compared to relying on foreign suppliers. Shorter lead times improve supply chain efficiency and minimize the environmental impact associated with long-haul transportation. This contributes to reduced carbon emissions and reflects our dedication to sustainability.

During the financial year, 100% of the raw materials of the Carton Boxes division were sourced locally. Multiwall Industrial Paper Sacks division procures sack kraft papers from certified paper mills that source wood and fibre from sustainably managed forests which are not available in Malaysia. Save for the sack kraft paper, the remaining raw materials representing 33% of the total raw materials of the Multiwall Industrial Paper Sacks division are sourced from the local suppliers. The lower proportion of local procurement spending during the financial year was mainly attributed to the higher import of materials in line with the higher sales of the Multiwall Industrial Paper Sacks division.

	FY2024	FY2025
Total Procurement Spending (RM'000)	56,469	68,979
Total Local Procurement Spending (RM'000)	24,023	25,074
Proportion of Local Procurement Spending (%)	43%	36%
Total No. of Suppliers	183	185
Percentage of Local Suppliers (%)	95%	93%
Number of Suppliers endorsed ABC Policy	136	171

SUSTAINABILITY STATEMENT

(CONT'D)



ECONOMIC

During the FY2025, the Group achieved RM84.865 million and 1.913 million in revenue and profit after tax ("PAT") respectively. The Group's historical summary of financial performance is disclosed in the 5-Year Financial Highlights section of this Annual Report.

Sustainable and Innovative Products

Innovation plays a vital role in the growth of KYM. We constantly find new ways to increase the efficiency of our business to improve profitability. We invest heavily on innovative technology and machinery as it leads to production efficiency and an increase in product quality.

With the state-of-the art machines, we increased raw material efficiency for multiwall industrial paper sacks i.e. minimise scrap and deliver the required lower basis-weight without compromising bag strength. We continue to develop with our major customers on stronger paper sacks with lower substance. The strength of our bags helps generate a cleaner, healthier and safer working environment for our customers and higher efficiency in handling and transportation. We work with key suppliers to innovate and improve our products to better serve our existing customers as well to develop new customers. Our unwavering commitment to sustainability and innovation is yielding remarkable results. Examples of some of these new products are the Multiwall Industrial Paper Sacks Division's Top Deaeration system without plastic film ("ESG Sacks"), the Rain Safe Sack and the D-Sacks. Since the roll out of the commercial production of the ESG Sacks in August 2023, we have witnessed a strong reception among our customers who prioritise product quality and environmental responsibility. The adoption of plastic-free film sacks enables customers to meet their sustainability goals by reducing the use of plastic materials in their products, which helps mitigate the long-term environmental harm caused by plastic waste. However, we also recognize the challenges presented by intense market competition, which drive us to continually refine our offerings and strategic positioning.

We are dedicated to becoming the leading packaging solution partner by collaborating with our customers to create sustainable packaging solutions that also deliver high quality. From selecting the right materials to optimizing design, ensuring cost-effectiveness, and enhancing logistical efficiency, we aim to deliver exceptional value while prioritizing environmental responsibility.

Product Quality

At KYM, our primary focus remains steadfast in delivering products that consistently meet the highest standards of quality and safety. We believe that excellence in quality is the foundation of customer trust and satisfaction. While we acknowledge the competitive nature of the market, we firmly uphold the principle that compromising on quality or safety in pursuit of price reductions does not align with our values or long-term vision.



The Multiwall Industrial Paper Sacks division is ISO 9001:2015 certified by Intertek Certification Limited. Our Corrugated Carton Box division is ISO 9001: 2015 certified by SIRIM QAS International Sdn Bhd. In order to be certified and maintain the ISO certifications our divisions are regularly audited by an independent certification body.

KYM's superior quality products meet the customers' needs with excellent performance in food safety and security practices. We are one of the few in South East Asia passes the rigorous Yum! Supplier Food Safety Assessment (FSA) audit and one of the early pioneers in the local corrugated carton box industry to attain the globally-recognized Food Safety System (FSSC 22000) certification. This certification not only demonstrates our commitment to food safety but also positions us as a trusted leader in the industry through quality.

Customer satisfaction is a top priority for us and in order to gauge customer satisfaction levels, we conduct a customer satisfaction survey annually. The survey covers various aspects of our business, including delivery time, product quality, pricing, and service quality. By garnering customer feedback regularly, we are able to make improvements, where needed and meet the expectations of our customers.

SUSTAINABILITY STATEMENT

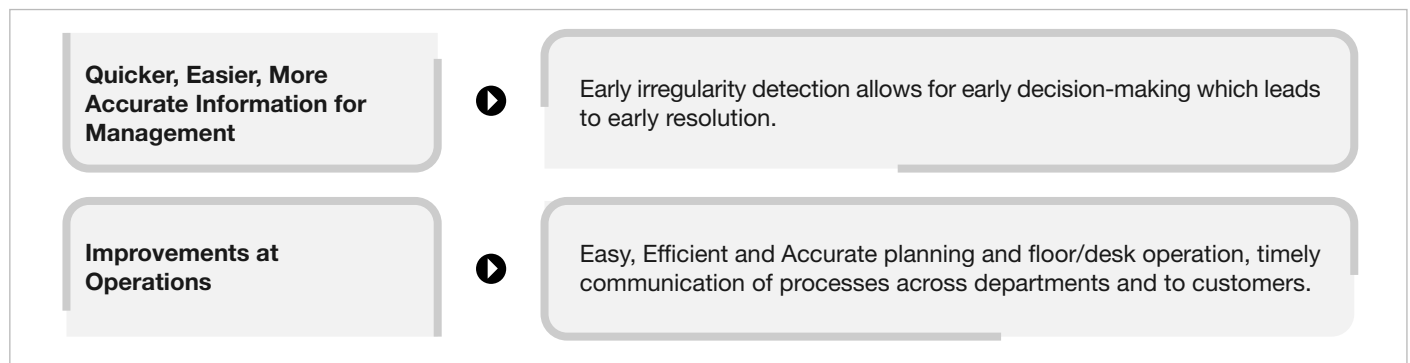
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Summary of the customer survey conducted on top 20 customers during the FY2025:

	Satisfactory Level
Multiwall Industrial Paper Sacks division	83%
Carton Box division	83%

Our Digital Transformation Journey

The Group has completed the digitalisation of the paper roll control, supply chain management at all the manufacturing facilities in Beranang, Tapah and Kanthan.



In January 2025, the Carton Box division launched its Customer Relationship Management (CRM) system to help management and track interactions with current and potential customers, aiming to improve relationships and drive sales and customer satisfaction.



ENVIRONMENTAL

The Group continues to play our part in the conservation and protection of our environment by addressing various environmental challenges, encompassing energy consumption, emissions, water usage, waste management and climate change that remain critical for the Group.

Climate Change

We recognize the significant impact that our manufacturing operations — such as material and resource consumption, emissions, and waste generation can have on climate change. As a responsible corporate entity, we are committed to addressing these challenges with both urgency and foresight. Our Environmental Policy guides us to effectively manage and minimise the impacts arising from our operations.

We are presently assessing the risks, financial implications, and opportunities associated with climate change. This assessment will form the foundation of our longer-term strategy to mitigate our climate impact, reduce emissions, and promote sustainability across our operations.

Our 3-year ESG roadmap has set short-term goals to address greenhouse gas emissions. A key focus is transitioning to renewable energy sources to reduce consumption of electricity from the grid, which directly contributes to lowering our Scope 2 emissions. Through this initiative and other efforts to address energy efficiency, we are committed to achieving Scope 2 emissions reduction by 50% in 2025 and with an aim to reduce total emissions intensity by 30% in 2030.

We remain steadfast in our commitment to aligning our operations with environmental best practices, and we believe that collective action is essential in tackling the challenges posed by climate change. Together, we aspire to drive meaningful progress and contribute to a cleaner, safer planet for generations to come.

SUSTAINABILITY STATEMENT

(CONT'D)

Material Consumption

KYM Group continues to discover opportunities to reduce costs, and increase operational efficiencies to optimise the consumption of materials. KYM Group also works with its key suppliers to develop alternative materials to replace plastic film in its new products.

Total weight of materials consumed by the business operations during the financial year were 3,679 MT. Recycled materials contributed 28% of the total materials consumed by the Group.

FY2024	FY2025
4,245MT	3,679MT
28%	28%

Energy Consumption and Efficiency

One of the most effective means for businesses to reduce environmental impacts and achieve improve sustainability of operations is to consider its consumption of resources. The main source of energy consumption of our manufacturing plant is electricity purchased from TNB for converting and printing process. Petrol is used mostly for company vehicles while diesel and LPG consumption are for lorries, forklifts at the operational sites. As the Beranang Plant has replaced most of its forklifts with battery operated forklifts, diesel consumption for the Carton Box division for FY2025 reduced by 30% compared with FY2023.

Fuel Consumption		FY2023	FY2024	FY2025
LPG	kg	Not reported	9,506	8,470
Petrol	ℓ	2,706	5,022	21,427
Diesel	ℓ	11,150	15,368	13,756

Notes:

(1) LPG consumption was not recorded in FY2023.

(2) Mobile fuel consumption for Headquarter and Multiwall Industrial Paper Sacks Division was not recorded in FY2023 and FY2024.

During the financial year, we have completed the installation of rooftop solar energy at the Beranang plant and Tapah plant. Total solar-derived electricity generated for a few months was 239,549 kWh, accounted for 11% of the total electricity consumed by the Group. At the corporate office, we saw a 1% reduction in energy consumption as a result of various electricity-saving measures as compared with the previous financial year.

Unit: kWh

	FY2023	FY2024	FY2025
Grid Electricity	2,300,903	2,191,351	1,982,984
Solar Energy	-	-	239,549
Total Energy Consumed	2,300,903	2,191,351	2,222,533

SUSTAINABILITY STATEMENT

(CONT'D)

Unit: kWh

	FY2025		
	Multiwall Industrial Paper Sacks division	Carton Box division	Headquarters
Mobile Fuel Consumption	305,353	129,339	44,514
Grid Electricity	1,663,503	257,118	62,363
Solar Energy	132,449	107,100	-
Total Energy Consumed	2,101,305	493,557	106,877

Notes:

(1) Mobile fuel consumption comprises petrol, diesel and LPG gas for company vehicles and forklift.

Energy Intensity (kWh/RM'000)

FY2023	FY2024	FY2025
20.32	27.43	31.84

Notes:

1. Energy intensity for FY2023 re-stated to include the mobile fuel consumption in Carton Box division (other than the purchased electricity). However, mobile fuel consumption for the Headquarter and Multiwall Industrial Paper Sacks division was not recorded.

Energy efficiency during the financial year was affected by product-mix and operations disruptions due to machine breakdown. All divisions will continue to monitor the electricity consumption whilst optimising the manufacturing process.

Water and Effluent Management

Guided by our Environmental Policy, we prioritize the responsible use of water as a core pillar of our operations. Our main source of water is via municipal pipelines. While our facilities are not located in water-stressed areas, we recognize the importance of conserving water and remain steadfast in our efforts to optimize water consumption and to reduce our impact on municipal water sources.

Water is primarily used for cleaning machinery in our manufacturing facilities.

Water Withdrawal	FY2023	FY2024	FY2025
Municipal Water	11,886	14,107	10,513
Total Water Withdrawn (m³) (A)	11,886	14,107	10,513
Intensity (Megalitres/RM'million)	0.10	0.14	0.12
Less: Water Discharged			
Treated Water (m ³) (B)		66	112
Net Consumption (A-B) (m³)	11,886	14,041	10,401

Through ongoing initiatives, we are committed to minimizing water usage by implementing efficient cleaning methods, monitoring of the water consumption and troubleshoot any abnormalities in water usage, repairing water leakage, check on flushing system, raising employee's awareness of water management at all plants and exploring innovations for water reuse where feasible. Our approach reflects our dedication to balancing operational needs with environmental responsibility. Our target is to achieve 20% reduction in water intensity as compared with the baseline in FY2023.

SUSTAINABILITY STATEMENT

(CONT'D)

Our Environmental Policy underscores our commitment to preventing environmental pollution, which is reflected in our wastewater management practices. Wastewater generated from our operations may contain traces of metals, chemicals, and other compounds. To address this, our manufacturing factory in Perak has its own wastewater treatment plant ("WWTP") to ensure all effluents meet or exceed regulatory standards before being discharged into nearby rivers. We conduct monthly monitoring by engaging an independent third party certified laboratory to analyse the quality of the final discharge released from our treatment plant. This to ensure compliance to the Standard B limits stipulated in the Environmental Quality (Industrial Effluent) Regulations, 2009. The upgraded WWTP at the Beranang factory has been completed and approval has been received in March 2025 to start operational.

Greenhouse Gases Emission

	FY2023	FY2024	FY2025
Scope 1	33	70	80
Scope 2	1,744	1,660	1,503
Scope 3			
Category 6: Business Travel	Not Available	Not Available	9
Category 7: Employee Commuting	Not Available	Not Available	147
Total GHG Emission (tCO₂e)	1,777	1,730	1,739
Group Emission Intensity (tCO₂e/RM'mil)	14.76	17.11	20.45

Notes:

- Scope 1: GHG emissions from our manufacturing plants, and other sources that are owned or controlled by KYM Group. Emission source is petrol, diesel and LPG gas. The consumption of petrol, diesel and LPG by the Multiwall Industrial Paper Sacks division and Headquarter was not recorded in FY2023.
- Scope 1 emissions are calculated based on emission factors published by the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories and GHG Protocol: Emission Factors from Cross-Sector (March 2024).
- Scope 2: GHG emissions resulted from electricity purchased by KYM Group.
- Scope 2 emissions are calculated based on emission factors published by the Energy Commission for Peninsular Malaysia electricity grid 2021.
- Scope 3 emissions are mainly emissions from employees commuting and business travel calculated based on emission factors published by the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories and GHG Protocol: GHG Emissions from Mobile Combustion (September 2024)

KYM Group does not produce any Nitrogen Oxides ("NOx") and Sulphur Oxides ("Sox") emissions as our business activities does not involve biomass combustion.

Despite the reduction in diesel consumption in FY2025, Scope 1 emission increased due to increase in petrol consumption with additional company vehicles included in the reporting.

As of to-date, 2 out of 3 plants have completed the installation of solar panels. The solar panels at the Beranang factory started operational in June 2024 while the Tapah plant started operational in October 2024. With the full operational of the solar energy at the two manufacturing facilities coupled with the continuous advancements in energy efficiency, we aim to achieve a reduction of an approximately 50% of the annual scope 2 emissions by 2025 and reduction in emissions intensity by 30% by 2030.

Waste Management

Waste management is critical to our operations for both financial and environmental reasons. Guided by our Environmental Policy and sustainability goals, our waste management strategy emphasizes reduction, recycling, and responsible disposal.

Our priority is to reduce waste generation through more efficient use of materials and better production planning and processes. Inefficient use of materials not only increases the cost of production, thereby negatively impacting financial performance, but it also results in the generation of excess waste. Poor management of waste would lead to increased environmental pollution and potentially, negative societal impacts.

SUSTAINABILITY STATEMENT

(CONT'D)

The Health & Safety Environment (“HSE”) officer of the respective plants monitors and ensures compliance with the health, safety, and environmental regulations.

Our non-hazardous wastes are mainly paper wastes which will be re-used as lining and/or disposed of to recyclers for recycling to reduce impact on the environment.

Waste Diverted from Disposal (MT)	FY2023	FY2024	FY2025
Non-hazardous wastes reused as lining	8	5	6
Non-hazardous wastes sold to recyclers	591	584	478

Waste Directed to Disposal (MT)	FY2023	FY2024	FY2025
Hazardous wastes (Scheduled waste)	221	244	224

Our scheduled wastes are mainly glue wastes, ink sludge and waste ink. All scheduled waste generated at our manufacturing facilities are stored in a specially constructed Scheduled Waste Storage Room prior to the disposal, handled and disposed in accordance with the requirements of the Environmental Quality (Scheduled Waste) Regulations, 2005. In line with the regulations, offsite disposal or recycling of the scheduled waste is carried out only by our appointed scheduled waste contractors who are approved by the Department of Environment (DOE). The reporting and monitoring of scheduled waste are done through the Department of Environment Electronic Scheduled Waste Information System (e-SWIS).

The Group shall continue the monthly waste control and chemical exposure monitoring. Regular scheduled waste training is conducted for relevant staff across the year to ensure the scheduled wastes are handled in compliance of the Environmental Quality (Scheduled Waste) Regulations 2005.



SOCIAL

We aim at establishing a group of highly skilled workforce members by providing a safe, healthy and conducive work environment and fostering positive relationships with customers and the community.

Workplace

At KYM, a positive work environment is created where our employees can learn, grow and most importantly, work safely. Our people are simply the most valued resource we have. We recognise the important role they play in our current success and long-term growth. The core values of KYM Group - Respect, Accountability, Curiosity, and Empowerment, collectively known as R.A.C.E, shape our culture and guide our daily work-life at KYM Group to ensure we are committed to embedding the values into our business in the right manner. We foster and uphold the core values to create a high-performance culture.

Safety at Workplace

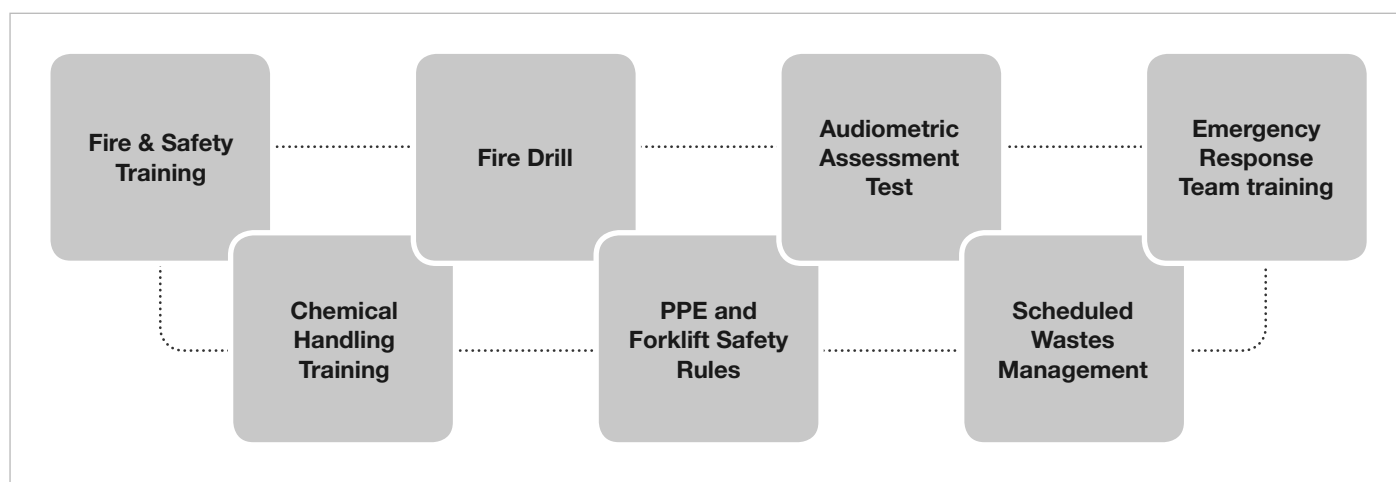
We emphasise the need for safe working environments, regular review and access the safety of our work conditions which must meet with our corporate standards. Our Safety & Health Policy sets out our commitment to manage health and safety at the workplace. The Policy aims to achieve a zero-accident rate at our manufacturing facilities. To manage occupational, safety and health issues, we have established an Emergency Response Team and Occupational Health, Safety & Environment (OHSE) Committee at our manufacturing facilities in Perak and Selangor respectively. Should any accidents or incidents occur, an investigation will be conducted to ascertain the root cause and devise mitigation measures aimed at preventing the recurrence of similar incidents in the future.

SUSTAINABILITY STATEMENT

(CONT'D)

	FY2023	FY2024	FY2025
No. of Work-related Fatalities	0	0	0
Lost Time injury (case)	3	3	3
Lost Time Incident Rate (%)	Not Available	1.08	0.86

The Group will continue to conduct effective OHS trainings and activities, enforce the safety rules to minimize injury incidents. The key OHS related activities carried out during the financial year are as follows:-



Number of employees who received occupational health and safety training:

	FY2023	FY2024	FY2025
Management	161	37	79
Executive		33	115
Non-Executive		507	994

Human Rights and Labour Practices

KYM Group is committed to upholding human rights as prescribed in the Universal Declaration of Human Rights. We are guided by the Human Rights Policy and adhere to Employees Code of Conduct, Environment, Health and Safety guidelines, Child Labour & Young Workers Policy, Foreign Labour Recruitment Guidelines. Our commitment to human rights is also extended to the surrounding communities where we operate, and business partners and other suppliers involved in the value chain to fulfil their responsibility with respect to human rights.

SUSTAINABILITY STATEMENT

(CONT'D)

Ten Principles of the United Nations Global Compact**Human Rights**

- Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 : Make sure that they are not complicit in human rights abuses.

Labour

- Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 : The elimination of all forms of forced and compulsory labour;
- Principle 5 : The effective abolition of child labour; and
- Principle 6 : The elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7 : Businesses should support a precautionary approach to environmental challenges;
- Principle 8 : Undertake initiatives to promote greater environmental responsibility; and
- Principle 9 : Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

KYM Group operates in full compliance with applicable wage, work hours, overtime and benefits laws, and strives to keep overtime work on a strictly critical or necessary basis. KYM Group enhanced the paid paternity leaves to 7 days and maternity leaves to 98 days. During the financial year, no employees took paid paternity leave in line with the amendments made to the Employment Act, 1955.

We recognize that some employees need to work flexible hours, due to parenting or medical appointments. We introduced flexible work arrangement at the headquarters to allow employees to work from home or in hybrid mode, if required.

Our employees are hired based on merit and credibility and we do not condone any form of discrimination, harassment or ridicule based on personal characteristic such as gender, age, race, color, national origin or sexual orientation.

We remunerate our employees equitably based on qualifications, skills, and experience relevant to the work performance expectations, and we provide recognition based on performance and contribution to the Company's success. 100% of our employees (excluding interns) received performance reviews to evaluate their work performance and receive formal feedback.

Child labour is strictly prohibited in our business operation as we do not employ anyone below the age of 18 in compliance with the Children Labour and Young Persons (Employment) Act, 1966. We have developed a Child Labour and Young Persons as well as Foreign Labour Recruitment Guidelines & Procedures based on the element of 11 indicators developed by the International Labour Organisation (ILO) to provide clarity and transparency on the processes of hiring or legalizing foreign workers. It is also to ensure any forced, bonded, indentured, involuntary prison labour, or slavery are strictly prohibited in recruitment. None of the subsidiaries of KYM employed forced labour. KYM Group expects its business partners, suppliers and associates to have and uphold similar standards and abide by country-governing laws in countries wherein they operate.

KYM Group prohibits sexual harassment to any employee by a supervisor, employee, customer or visitor including harassment on the basis of sex, sexual orientation, gender or gender identity to ensure that all employees are free from harassment. Trainings in relation to sexual harassment were conducted at the headquarters during the financial year.

Collective bargaining is a key means through which employers and trade unions can establish fair wages and working conditions. The workers have the right to freedom of association and are provided with a channel to voice out their grievances. Less than 10% of KYM's workers are covered under a collective bargaining agreement.

We fully adhere to the Minimum Wages Order 2022 and ensure the living condition of our foreign workers comply with the amended Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446). We have obtained the Certificate for Accommodation issued by the Department of Labour Peninsular Malaysia for our workers' hostel. This commitment reflects our dedication to fair compensation, regulatory compliance, and sustainable workforce practices.

	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	0	0	0

SUSTAINABILITY STATEMENT

(CONT'D)

Employees Diversity & Inclusion

KYM embraces diversity in the workforce. The distribution of our workforce demographics is displayed below:

Employees by Origin

	FY2023	FY2024	FY2025
Local	77%	76%	76%
Foreign	23%	24%	24%

Percentage of employees that are contractors or temporary staff

FY2023	FY2024	FY2025
0	0	0

Employees by Gender

Male	FY2023	FY2024	FY2025
Management	60%	63%	68%
Executive	58%	65%	64%
Non-Executive	68%	74%	69%
Female	FY2023	FY2024	FY2025
Management	40%	37%	32%
Executive	42%	35%	36%
Non-Executive	32%	26%	31%

Age Diversity

< 30 Years	FY2023	FY2024	FY2025
Management	0%	3%	0%
Executive	38%	40%	24%
Non-Executive	31%	48%	27%
30 – 50 Years	FY2023	FY2024	FY2025
Management	47%	50%	43%
Executive	33%	50%	64%
Non-Executive	49%	38%	50%
> 50 Years	FY2023	FY2024	FY2025
Management	53%	47%	57%
Executive	29%	10%	12%
Non-Executive	20%	14%	23%

SUSTAINABILITY STATEMENT

(CONT'D)

The Group is committed to local employment where practical. 76% of our total workforce are Malaysian. Our workforce comprised a healthy mix of young and old generations. While male employees constitute 68% of the workforce, female employees constitute 32%.

Employees Turnover

A high turnover rate can be costly for a company in terms of lost productivity, recruitment and training costs, and a negative impact on morale. In contrast, a low turnover rate indicates employee satisfaction and contributes to a more stable and productive work environment. As such, we regularly monitor employee turnover rates in order to better understand the reasons for turnover in order to develop strategies to retain employees, such as creating a positive work culture and providing opportunities for growth and development.

Total number of employee turnover by employee category

By Category	FY2023	FY2024	FY2025
Management	1	2	3
Executive	4	3	4
Non-Executive	37	3	33

Training and Development

As supporters of talent development, we aim to ensure that our employees have access to training and development programmes to drive greater employee satisfaction, and build a pool of talent equipped to take on leadership positions within the Group. To maximise the development of each employee, training requirements are determined by department heads on a needs basis, taking into account the specific demands of the employee's role. Employees are also encouraged to submit requests for training programmes that may be useful to their work.

Total hours of training by employee category

By Employee Category	FY2023	FY2024	FY2025
Management	191	726	1,234
Executive	548	437	1,569
Non-Executive	1,179	1,160	4,643

The average number of training hours per employee recorded by the Group are shown as follows:-

FY2023	FY2024	FY2025
4.27 hours	12.72 hours	31.55 hours

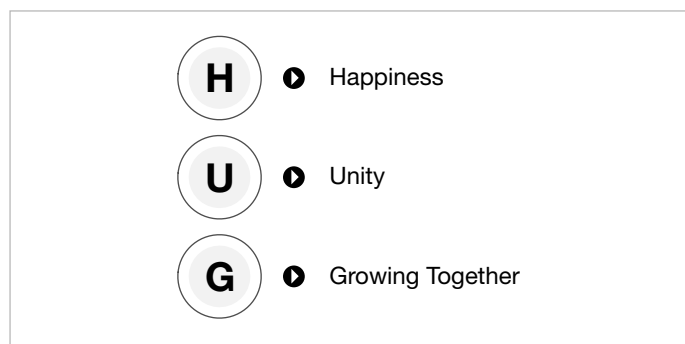
SUSTAINABILITY STATEMENT

(CONT'D)

Employee Engagement

It is crucial for us to maintain the enthusiasm and motivation of our employees to promote their well-being. We acknowledged employees who have been with the organization for an extended period through Long-Service Awards as a token of appreciation for their contributions. Our engagement with employees is through townhall session, festive celebration events, quarterly newsletter, employees' survey and staff performance appraisal.

We continue to organise activities based on the H.U.G framework to build a cohesive and collaborative culture and lay the foundation for growth and development.



A KYM Leadership Retreat was held in August 2024, centred around the empowering theme “Stronger Together”. Interactive workshops and activities designed to foster collaboration and build skills in “Teamwork that Works.”

In addition to the annual festive celebration, birthday celebrations, team building activities and company trip, KYM initiated Lunch & Learn activities at the headquarter to promote workplace happiness, strengthen unity, and boost engagement among our employees. Topics covered during the Lunch and Learn program during the financial year included the following:

- Sexual Harassment Awareness & Prevention
- “Let’s make kuih together” in conjunction with Ramadhan festive celebration
- Zero-waste living awareness talk and t-shirt upcycling workshop
- Understand the Bond Market
- Cybersecurity Awareness talk
- Artificial Intelligence

In 2024, we celebrated our Raya celebration to new heights with an unforgettable twist. The first Raya Open House was organised at the headquarters. From the captivating décor to the mouthwatering spread of traditional delicacies were all prepared by the employees.

In our commitment to further promote employee well-being, the corporate office also organises weekly Zumba sessions after work hours to encourage a balanced work-life for our employees. At the corporate office, an annual Employees Health and Wellbeing Campaign was held in August – October 2024 to promote health awareness and a healthy and happy workforce. Various workshops and activities were organised during the campaign period which included the following:

- Burnt Management – Body and Mental
- CPR Talk
- Breast Cancer Prevention Talk

Community

Community engagement is one of the key pillars of corporate social responsibility (CSR), alongside the concern with the workplace, the marketplace and the environment.

We maintain an internship programme that provides students with hands-on experience through real-life work scenarios and exposure across different divisions of the Group. In FY2025, we offered a total of 15 youths the opportunity to gain on-the-job experience in various departments from Purchasing, IT, QA, Engineering, Logistics, Marketing to Safety and Health.

During the financial year, KYM and its subsidiaries initiated activities to help improve various aspects of community surrounding its workplace. A blood donation campaign was organised at the headquarter at KYM Tower. With the blood collected at the blood donation drive on 9 September 2024, we are able to save 168 lives.

KYM continues to encourage employee volunteerism, where employees are provided with resources to volunteer their time and in some instances, share their expertise with the community.

CONCLUSION

This statement describes our sustainability initiatives and our approach to addressing the material sustainability matters that are embedded in the Group’s value chain. Moving forward we will continue to progress in our journey towards sustainability, in a focused and meaningful way to build a better tomorrow for our future generation.

ESG PERFORMANCE DATA

ENVIRONMENT				
Indicators	Units	FY2023	FY2024	FY2025
Energy Management				
Total Energy Consumption	kWh	2,446,452	2,773,753	2,701,739
Purchased Electricity	kWh	2,300,903	2,191,351	1,982,984
Renewable Energy	kWh	0	0	239,549
LPG	kg	NA	9,506	8,470
Petrol	Litres	2,706	5,022	21,427
Diesel	Litres	11,150	15,368	13,756
Energy Intensity	kWh/ RM'000	20.32	27.43	31.84
Water				
Total volume of water consumed	m ³	11,886	14,041	10,401
Water Consumption Intensity	(m ³ / RM'000)	0.10	0.14	0.12
Water (effluent) discharge	m3	NA	66	112
Greenhouse Gas Emissions				
Scope 1	tCO ₂ e	33	70	80
Scope 2	tCO ₂ e	1,744	1,661	1,503
Scope 3	tCO ₂ e	NA	NA	157
GHG Emissions Intensity	tCO ₂ e/ RM'mil	15	17	21
Total waste generated	MT	820	833	708
Waste diverted from disposal	MT	599	589	484
Waste directed to disposal	MT	221	242	224
SUPPLY CHAIN				
Supply Chain Management				
Proportion of spending on local suppliers	%	28	43	36
SOCIAL				
Health and Safety				
Number of work-related fatalities	Number	0	0	0
Lost time incident rate ("LTIR")	Rate	NA	1.08	0.86
Number of employees trained on health and safety standards	Number	161	577	1,188
Total hours of training by employee category				
Management	Hours	NA	808	1,234
Executive	Hours		537	1,569
Non-Executive	Hours		1,745	4,643
Percentage of employees that are contractors or temporary staff	%	0	0	1%

ESG PERFORMANCE DATA

(CONT'D)

SOCIAL				
Indicators	Units	FY2023	FY2024	FY2025
New Employee Hires and Employee Turnover				
New employee hires	Number	40	11	19
Employee turnover by employee category				
Management	Number	1	2	3
Executive	Number	4	3	4
Non-Executive	Number	37	3	33
Percentage of employees by gender and age group, for each employee category				
By gender - Male Management	%	60	63	68
By gender - Male Executive	%	58	65	64
By gender - Male Non-Executive	%	69	74	69
By gender - Female Management	%	40	37	32
By gender - Female Executive	%	42	35	36
By gender - Female Non-Executive	%	31	26	31
By age group - Management under 30 years old	%	0	3	0
By age group - Executive under 30 years old	%	38	40	24
By age group - Non-Executive under 30 years old	%	31	48	27
By age group - Management 30 - 50 years old	%	47	50	43
By age group - Executive 30 - 50 years old	%	33	50	64
By age group - Non-Executive 30 - 50 years old	%	49	38	50
By age group - Management over 50 years old	%	53	47	57
By age group - Executive over 50 years old	%	29	10	12
By age group - Non-Executive over 50 years old	%	20	14	23
By nationality - Malaysian	%	77	76	76
By nationality - Non-Malaysian	%	23	24	24
Percentage of directors by gender and age group				
Male	%	60	60	60
Female	%	40	40	40
Under 30	%	0	0	0
Between 30 - 50	%	80	60	60
Above 50	%	20	40	40
Human Rights				
Number of substantiated complaints concerning human rights violations	Number	0	0	0
Community/Society				
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	NA	4,000	1000
Total number of beneficiaries of the investment in communities	Recipient	NA	1	1

ESG PERFORMANCE DATA
(CONT'D)

GOVERNANCE				
Indicators	Units	FY2023	FY2024	FY2025
Anti-Corruption				
Percentage of employees who have received training on anti-corruption by employee category				
Management	%	100	100	100
Executive	%	100	100	100
Non-Executive	%	96	99	100
Percentage of operations asessed for corruption related risks	%	100	100	100
Confirmed incidents of corruption and action taken	Number	0	0	0
Number of substantiated complaints concerning breaches of customer privacy ad losses of customer data	Number	0	0	0

PERFORMANCE DATA FROM BURSA MALAYSIA ESG REPORTING PLATFORM

Indicators	Units	2024	2025
Anti-Corruption			
Percentage of employees who have received training on anti-corruption by employee category			
Management	%	100	100
Executive	%	100	100
Non-Executive	%	99	100
Percentage of operations assessed for corruption related risks	%	100	100
Confirmed incidents of corruption and action taken	Number	0	0

Community/Society			
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	4,000	1,000
Total number of beneficiaries of the investment in communities	Number	1	1

Diversity			
Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management under 30 years old	%	3	0
Management 30 - 50 years old	%	50	43
Management over 50 years old	%	47	57
Executive under 30 years old	%	40	24
Executive 30 - 50 years old	%	50	64
Executive over 50 years old	%	10	12
Non-Executive under 30 years old	%	48	27
Non-Executive 30 - 50 years old	%	38	50
Non-Executive over 50 years old	%	14	23
Gender Group by Employee Category			
Management Male	%	63	68
Management Female	%	37	32
Executive Male	%	65	64
Executive Female	%	35	36
Non-Executive Male	%	74	69
Non-Executive Female	%	26	31

Percentage of directors by gender and age group			
Male	%	60	60
Female	%	40	40
Under 30	%	0	0
Between 30 - 50	%	60	60
Over 50	%	40	40

PERFORMANCE DATA FROM BURSA MALAYSIA ESG REPORTING PLATFORM

(CONT'D)

Indicators	Units	2024	2025
Energy Management			
Total Energy Consumption	mWh	2,774	2,702
Health and Safety			
Number of work-related fatalities	Number	0	0
Lost time incident rate ("LTIR")	Rate	1.08	0.86
Number of employees trained on health and safety standards	Number	577	1,188
Labour Practices and Standards			
Total hours of training by employee category			
Management	Hours	808	1,234
Executive	Hours	537	1,569
Non-Executive	Hours	1,745	4,643
Percentage of employees that are contractors or temporary staff	%	0	1
Total number of employee turnover by employee category			
Management	Number	2	3
Executive	Number	3	4
Non-Executive	Number	3	33
Number of substantiated complaints concerning human rights violations	Number	0	0
Supply Chain Management			
Proportion of spending on local suppliers	%	43	36
Data Privacy and Security			
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Water			
Total volume of water used	m ³	14,041	10,401
	Mega Litres	14	10
Waste Management			
Total waste generated	Metric Tonnes	833	708
Total waste diverted from disposal	Metric Tonnes	589	484
Total waste diverted to disposal	Metric Tonnes	242	224
Emissions Management			
Scope 1	tCO ₂ e	70	80
Scope 2	tCO ₂ e	1,661	1,503
Scope 3	tCO ₂ e	Not available	157

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present to our Shareholders the Corporate Governance (“CG”) Overview Statement of the Company with an overview of the corporate governance practices of the Company during the financial year ended 31 January 2025 (“FY2025”).

This overview statement is prepared in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”) and is to be read in conjunction with the Audit & Risk Management Committee Report, Statement on Risk Management and Internal Control and CG Report 2025 of the Company (“CG Report”) which is available on the Company’s website, www.kym.com.my. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the FY2025.

The Board is pleased to present this statement and explain how KYM has applied the three (3) principles which are set out in MCCG:

- (a) Board leadership and effectiveness;
- (b) Effective audit and risk management; and
- (c) Integrity in corporate reporting and meaningful relationship with stakeholder.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

1 Board Responsibilities

The role of the Board of the Company is to provide strategic guidance to the Company and effective oversight of its management for the benefit of shareholders and other stakeholders.

A description of the roles and responsibilities of the Board is stated in the Board Charter. The latest Board Charter is available at KYM’s website www.kym.com.my.

The Board has delegated specific responsibilities to two (2) board committees namely Audit & Risk Management Committee (“ARMC”) and Nomination & Remuneration Committee (“NRC”) that operate within clearly defined terms of references. The composition and activities of the ARMC are set out in the ARMC report on pages 48 to 51 of this Annual Report while the composition and activities carried out by the NRC during the financial year are set out on pages 43 to 44.

In addition to the above, an Employees’ Share Scheme (ESS) Committee was established to implement and administer the KYM Employees Share Scheme 2022. The main duties and responsibilities of the ESS Committee include selecting and identifying suitable eligible persons to be offered the Share Grant and ESS Option, determining the actual number of Shares Grant and ESS Options to be allocated to an eligible person and to recommend to the Board any amendments or modification of the By-laws, where necessary.

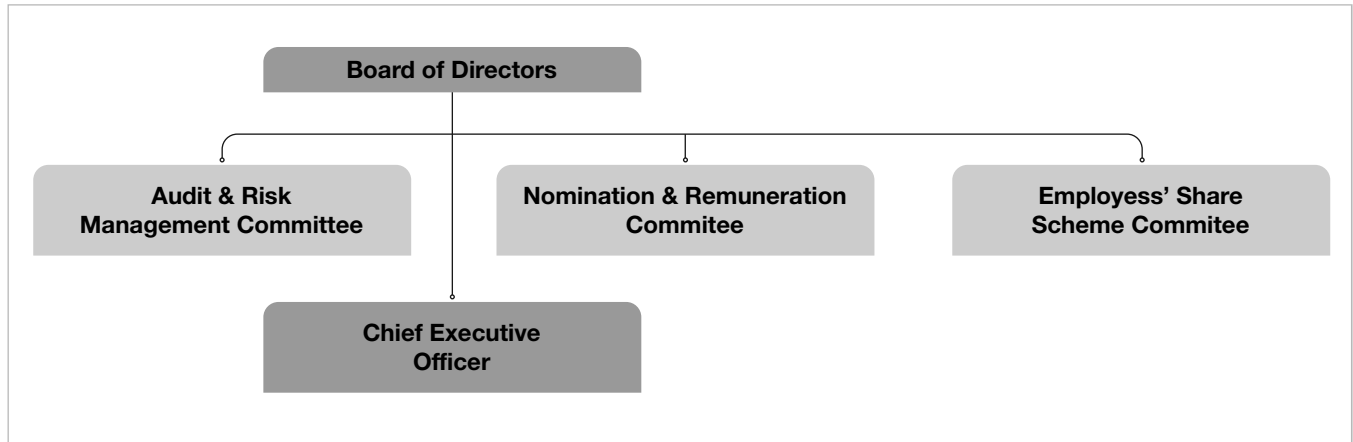
The Chairman and CEO positions are held by different individuals, namely Mr Lim Tze Thean and Mr Lee Ji Jin Darren respectively. Both of them are not involved in Board Committees (except for ESS Committee) to ensure there is check and balance as well as objective review by the board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS**1 Board Responsibilities (Cont'd)**

The Board delegates the day-to-day management of KYM's business to the CEO. The matters reserved for the collective decision of the Board are listed in the Board Charter.



The Directors discharged their roles and responsibilities through their attendance at the meeting. During the financial year, five (5) Board of Directors' Meeting were held and the Directors' attendance are as follows:

Name of Director	Attendance
Lee Ji Jin Darren	5/5
Lim Tze Thean	5/5
Sharman A/L Arumugam	5/5
Gan Chia Hui	5/5
Lee Li Choon	4/5

The Board is committed to enhance KYM's corporate governance practices and to promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour. The Group's Whistleblowing Policy includes a designated whistleblowing email address for reports to be directed to and due process flow of actions and timeline after the report has been received. The Anti-Bribery and Corruption Policy and Whistleblowing Policy are communicated to all parties with whom the Group has business dealings. The Group continues to take appropriate measures to instill a compliance culture within KYM Group.

The Board deliberated the business strategy, key issues and challenges, KPI, financial budgets including capital expenditure proposal for the following year, sustainability goals and initiatives at the scheduled Board Meeting. The financial budget is subject to review half yearly whereby comparisons of approved targets against the Company's actual performance will be made. The Board monitors the conducts of business by reviewing the financial performance of each segment at its quarterly meeting.

The detailed activities of the Board for FY2025 are provided in the CG Report 2025.

The Board is supported by a qualified and competent Company Secretary who assists the Board in fulfilling its fiduciary duties, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices of KYM Group. The Company Secretary updates the Board on any changes to statutory and regulatory requirements or governance practices concerning their duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

1 Board Responsibilities (Cont'd)

All Directors are provided with reports and other relevant information in a timely manner, prior to the Meeting of Board or Board Committee to enable the Directors to obtain further explanations. The CEO and other members of Senior Management attended the Board and Board Committee Meetings by invitation to provide insight into business. Upon conclusion of the meeting, the minutes of the meeting are circulated in the timely manner.

2 Board Composition

The Board recognises that an effective board should include the right group of people, with an appropriate mix of skills, knowledge, experience and independent elements that fit the Company's objectives and strategic goals.

As at the date of this Statement, the Board consists of five (5) members: -

- (a) two (2) Executive Directors; and
- (b) three (3) Independent Non-Executive Directors

The current three (3) independent directors namely Mr Sharman A/L Arumugam, Ms Gan Chia Hui and Ms Lee Li Choon have served on the board for less than 4 years.

On 11 September 2024, the Company adopted Practice 5.4 - Step Up of the MCCG, by limiting the tenure of its Independent Directors to 9 years without further extension, and the Board Charter was amended accordingly to reflect the adoption. Upon completion of a cumulative 9-year term, an Independent Director may continue to serve on the Board subject to his/her re-designation as a Non-Independent Director.

The Board has on 6 December 2023 approved a Diversity Policy which sets out the Company's general and non-discriminative approach in terms of age, ethnicity and gender to ensure a diverse board and senior management team.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

2 Board Composition (Cont'd)

The Board is responsible for ensuring that there is an effective and orderly succession plan in KYM Group. During the financial year, the NRC deliberated on the organisational setting, Group Succession Framework including talent pool required to support the CEO in executing business strategies.

The NRC reviews the board composition and board structure annually. Based on the outcome of the assessment of the Board and Board Committees for FY2024 which was reviewed by the NRC during its meeting on 15 May 2024, the Board members agreed that the current Board has the right skills mix to achieve the company's objectives and work functionally as a team. The Board has equipped knowledge and understands their liabilities, duties and responsibilities. The Board members also agreed that the Chairpersons of the Board Committees are appointed based on appropriate criteria and properly discharge their responsibilities.

Overall, the Board believes that the present board composition is appropriate and well balanced.

During the financial year, two (2) NRC meetings were held.

The members and the details of their attendance at the NRC Meeting are as follows:

Name of Director	Number of Meetings Attended During the Financial Year
Gan Chia Hui <i>Chairperson/Independent Non-Executive Director</i>	2/2
Sharman A/L Arumugam <i>Independent Non-Executive Director</i>	2/2
Lee Li Choon <i>Independent Non-Executive Director</i>	2/2

The terms of reference of the NRC are published on the Company's website www.kym.com.my.

Matters discussed at the NRC meeting include the following:-

- Assessment for Board, Board Committees, Individual Directors and reviewing the results of the respective assessments
- Review of the Independence and Time Commitments of Directors
- Re-election of retiring directors
- Review of directors' remuneration
- Succession Framework and development plan for the Group
- Directors' training
- Review of the evaluation criteria of the Board, Board Committees and each individual director
- Remuneration Factors for Executive Directors and Senior Management

During the financial year, the NRC carried out the annual assessment of the effectiveness of the Board and Board Committee internally based on the agreed evaluation process, criteria to be used and the evaluation method.

Structured questionnaires were prepared taking into consideration the major roles performed by the Board. The Company Secretary compiled and presented the outcome of the assessment to the NRC. The NRC deliberated the outcome of the assessment and reported to the Board. The results of the assessment indicated that the performance of the Board and the Board Committees during the previous financial year was good. The Board was able to discharge its duties professionally and effectively as well as uphold the governance standards in their conduct.

Peer Evaluation was conducted to assess the performance of each individual Director during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

2 Board Composition (Cont'd)

During the financial year, the NRC reviewed the outcome of the annual self-assessment of the independence of all the independent directors and was satisfied that the Independent Directors have been exercising independence and due care as an independent director during the financial year. They have been consistently providing independent judgement and unbiased view in decision making at board meetings.

The NRC also reviewed the eligibility of each of the Directors standing for re-election at the AGM based on the performance of the Directors taking into consideration among others competencies, fit and proper, time commitment, calibre and personality as well as the level of independence demonstrated by the Independent Directors.

During the financial year, the Board approved the NRC's recommendation that the Directors who retired in accordance with Article 81 of the Constitution of the Company be eligible to stand for re-election.

In order to continue to contribute effectively to the Board and Board Committee meetings, Directors are regularly provided the opportunity to take part in ongoing training and development and can also request specific training that they may consider necessary or useful.

The continuous education programmes attended by the Directors during the financial year are as follows:

Lee Ji Jin Darren	<ul style="list-style-type: none"> • Tech in Asia Conference on 24 & 25 July 2024 • Generative AI for Leaders training on 30 July 2024 • YPO Global Leadership Conference (GLC) Istanbul on 7 & 8 May 2024 • Building Sustainable Credibility - Assurance, Greenwashing and the Rise of Green-Hushing on 24 September 2024 • A Day of Disruption with David Roberts on 7 September 2024
Lim Tze Thean	<ul style="list-style-type: none"> • MyEO Global AI Summit on 29 February 2024 • P2SA QCC CONVENTION 2024 on 6 March 2024 • KPMG Board Leadership Centre Exclusive – 'What You Need to Know About the Bursa's Amended Listing Requirements on Conflict of Interest' on 20 March 2024 • Bursa Malaysia CSI Pre-launch Event on 9 May 2024 • Red Crescent Training on 20 May 2024 • PBA Robotics on 23 May 2024 • Mandatory Accreditation Programme Part 2 – Leading for Impact ('LIP') on 29 & 30 May 2024 • AI APAC Webinar with Andrew Herbert on 26 November 2024
Sharman A/L Arumugam	<ul style="list-style-type: none"> • ICDM PowerTalk Series – 'Future Proofing Malaysian Businesses: Navigating Cyber Threats in the Age of AI & Thriving in a High-Risk Landscape' on 11 March 2024 • KPMG Board Leadership Centre Exclusive – 'What You Need to Know About the Bursa's Amended Listing Requirements on Conflict of Interest' on 20 March 2024 • Digital Signature – Understanding its Principles and Applications on 7 May 2024 • ICLIF Executive Education Center: 'What Amounts to a Conflict of Interest by Directors?' on 8 May 2024 • Mandatory Accreditation Programme Part 2 – Leading for Impact ('LIP') on 13 & 14 May 2024 • Directors Masterclass Series: Navigating Climate Risks - Investor Priorities on 20 August 2024 • Board Ethics: Growing Concerns from New Technology, Stakeholder Interests and Conflict of Interest on 16 October 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

2 Board Composition (Cont'd)

The continuous education programmes attended by the Directors during the financial year are as follows (cont'd):

Gan Chia Hui	<ul style="list-style-type: none"> • INSEAD webinar: 'The Art in Governing Family Businesses - A Chair's Perspective' on 29 February 2024 • ASB: 'Sustainable Sustainability - Why ESG is Not Enough' on 1 March 2024 • ICDM PowerTalk: 'Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape' on 11 March 2024 • KPMG Board Leadership Centre Exclusive – 'What You Need to Know About the Bursa's Amended Listing Requirements on Conflict of Interest' on 20 March 2024 • SID Webinar: 'From GRI to ISSB – What to Consider?' on 21 March 2024 • SID Webinar: 'The Board's Role in Talent Management' on 21 March 2024 • INSEAD IDN: 'Chairs Fostering Psychological Safety: Primer for Sustainability and AI Debates' on 26 March 2024 • INSEAD: 'Value Creation for Owners & Directors: Hazards and Necessities' on 2 April 2024 • INSEAD webinar: 'Leadership Team Alignment: From Conflicts to Collaboration' on 23 April 2024 • INSEAD webinar: 'The Leader's Brain: How Neuroscience Can Advance Managerial Decision Making' on 29 April 2024 • ASB: 'Corporate Governance: What Amounts to a Conflict of Interest by Directors' on 8 May 2024 • ICDM: Being Sued as an INED, a personal journey with Chithra Ganesalingam on 10 May 2024 • SID Event: Climate Governance Singapore Forum on 31 July 2024 • ICDM: Mandatory Accreditation Programme Part II, Leading for Impact on 6 & 7 August 2024 • Directors Masterclass Series: Navigating Climate Risks - Investor Priorities on 20 August 2024 • FIDE Forum: 'Distinguished Board Leadership Series 2024: Digital Transformation in the World's Best Bank' on 3 September 2024 • National Climate Governance Summit on 10 September 2024 • SID event: 'Sustainability Transformations in Family Firms' on 16 September 2024
Lee Li Choon	<ul style="list-style-type: none"> • ICLIF PowerTalk - Corporate Innovation Through Venture Building: A Capital Efficient & Risk Mitigated Approach on 23 February 2024 • ICLIF Executive Education Center: 'What Amounts to a Conflict of Interest by Directors?' on 5 March 2024 • Mandatory Accreditation Programme Part 2 – Leading for Impact ('LIP') on 3 & 4 Jul 2024 • Malaysian Institute of Development for Professionals (MIDP) - People & Culture Conference on 6 & 7 Aug 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

3 Remuneration

The Company aims to set remuneration levels which are sufficient to attract and retain the Directors needed to run the Company effectively, taking into consideration the role, workload and responsibilities.

The remuneration of the Board is in line with the Group's overall practice on compensation and benefits. The Group operates a bonus and incentive scheme for all employees, including the Executive Directors. The performance of Directors is measured by the Directors' contribution and commitment to both the Board and the Group. The Executive Directors and senior management's remuneration will depend on the performance of the Group, the achievement of the goals, the performance of the individual and the prevailing market practice. During its meeting held in December 2024, the NRC reviewed the directors' remuneration based on data gathered on micro-cap public listed companies, categorized by revenue, industry and sector.

The remuneration for Non-Executive Directors is based on a fixed fee, with the Chairman of the Board and Chairman of the Board Committee receiving higher amount in recognition of their additional responsibilities. Fees payable to Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting. The individuals concerned abstain from discussions of their own remuneration. The remuneration of the Directors (Executive and Non-Executive) was reviewed by the NRC annually.

The details of the remuneration of the Directors of the Group and of the Company for the financial year under review (including remuneration drawn from the subsidiaries) on a named basis are as follows:

	The Company				The Group							
	Fee RM	Allowance RM	ESS RM	Total RM	Salary RM	Bonus RM	Fee RM	Allowance RM	Defined Contribution Plan RM	Benefits in Kind RM	ESS RM	Total RM
Executive:												
Lim Tze Thean	20,000	-	-	20,000	550,800	93,600	20,000	-	103,104	-	-	767,504
Lee Ji Jin Darren	20,000	-	-	20,000	686,473	116,000	20,000	-	128,000	-	-	950,473
Non-Executives:												
Sharman A/L Arumugam	30,000	3,500	-	33,500	-	-	30,000	3,500	-	-	-	33,500
Gan Chia Hui	25,000	3,500	-	28,500	-	-	25,000	3,500	-	-	-	28,500
Lee Li Choon	20,000	3,500	-	23,500	-	-	20,000	3,500	-	-	-	23,500
TOTAL	115,000	10,500	-	125,500	1,237,273	209,600	115,000	10,500	231,104	-	-	1,803,477

Due to the highly competitive paper packaging industry and the challenges in talent management and retention in the Group, the Board is of the opinion that the disclosure of the Senior Management personnel's names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments) to be sensitive and would not be in the best interest of the Group.

PRINCIPLE B

EFFECTIVE AUDIT & RISK MANAGEMENT

1 Audit & Risk Management Committee

During the financial year, the composition of Audit & Risk Management Committee remains unchanged. The Audit & Risk Management Committee comprises all Independent Non-Executive Directors. Details on the composition of the Audit & Risk Management Committee are outlined under the Audit & Risk Management Committee Report.

The Audit & Risk Management Committee conducted an annual assessment of the External Auditors in accordance with the Company's External Auditors Appointment and Independence Policy to assess the suitability and independence of the external auditor. Further details on the external auditors are set out in the Audit & Risk Management Committee Report.

The NRC conducts an annual assessment of the Audit & Risk Management Committee to ensure that the Audit & Risk Management Committee carries out their duties in accordance with the Terms of Reference of the Audit & Risk Management Committee. Based on the outcome of the assessment carried out during the financial year, the NRC and the Board was satisfied with the performance of the Audit & Risk Management Committee as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B

EFFECTIVE AUDIT & RISK MANAGEMENT

1 Audit & Risk Management Committee (Cont'd)

The Board has overall accountability for ensuring that risk is effectively managed across the Group and, on behalf of the Board, the Audit & Risk Management Committee is responsible to assist the Board in ensuring the adequacy and effectiveness of internal control. The Audit & Risk Management Committee will evaluate the adequacy and review the effectiveness of the risk management and internal control process. Each strategic business unit is responsible for identifying, assessing, measuring and managing the risks in their respective area.

The Board has established an enhanced Enterprise Risk Management ('ERM') Policy and Framework and internal control system that is designed to identify potential events that may affect the Group, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of the Group's vision and objectives. In this respect, the key features of the Group's risk management framework are set out in Statement on Risk Management and Internal Control on pages 52 to 56 of this Annual Report.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1 Communication with Stakeholders

The Company recognises the significance of being transparent and accountable to its stakeholders. Therefore, the Company maintains an active and constructive communication medium that enables the Board and Management to communicate effectively with investors and the public generally.

The Board and Management convey information about the Company's performance, corporate strategy and other matters affecting shareholders' interests to the shareholders and investors through timely dissemination of information which include distribution of annual reports and relevant circulars and issuance of press releases.

The Company's website www.kym.com.my is a key communication channel for the Company to connect with its shareholders, investors and the general public. The Company's announcement, financial results, annual reports, circular to shareholders and press statements are published in the Company's website to keep the shareholders and investors informed on the Group's performance.

Stakeholders can at any time seek clarification or raise queries through the corporate website, by email or phone. Primary contact details are set out at the Company's website.

2 Conduct of General Meetings

The Annual General Meeting ("AGM") remains the primary platform for dialogue with shareholders. The Company's 42nd AGM was held physically on 10 July 2024 and Notice of the 42nd AGM was given to the shareholders at least 28 days prior to the meeting.

All Directors including the respective chairs of the various board committees were present at AGM to deal with any questions on matters under their purview. During the meeting, shareholders were provided with an opportunity to raise questions, provide comments or suggestions for improvement and cast their votes during the live polling session. The Chairman, on behalf of the Board, and the Group CEO addressed questions submitted in relation to the financial and business operations.

The minutes of the meeting was published on the Company's website within 30 business days after the AGM.

COMPLIANCE STATEMENT

This Statement was reviewed and approved by the Board on 26 May 2025.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board presents the Audit & Risk Management Committee (“ARMC”) Report which provides an insight into the manner in which the ARMC discharged its functions for the Group during the FY2025.

COMPOSITION AND MEETINGS

		Attendance
Sharman A/L Arumugam (<i>Chairman</i>)	Independent Non-Executive Director	5/5
Gan Chia Hui	Independent Non-Executive Director	5/5
Lee Li Choon	Independent Non-Executive Director	5/5

The composition of the ARMC during the financial year complied with the Listing Requirements of Bursa Malaysia Securities Berhad.

The term of office and the performance of the ARMC as a whole was evaluated by the Nomination & Remuneration Committee (“NRC”). The NRC is satisfied that the Audit & Risk Management Committee and its members have carried out their duties in accordance with the Terms of Reference of the ARMC.

During the FY2025, the ARMC members met five (5) times and details of attendance of each committee member are as above. The Chief Executive Officer (CEO), senior management, and representatives from the Internal or External Auditors were invited to attend the meeting to assist the ARMC’s discussions and consideration of reports, and to answer questions in relation to internal or external audit reviews and improvement recommendations.

Minutes of each ARMC meeting are recorded and tabled for confirmation and approval at the following meeting and subsequently presented to the Board for notation. The ARMC Chairman also conveys to the Board the key matters deliberated at the ARMC meetings and matters of significant concern as and when raised by the External or Internal Auditors.

RESPONSIBILITIES OF THE ARMC

The responsibilities of the ARMC are set out in the Terms of Reference duly approved by the Board. The Terms of Reference was reviewed and updated on 6 December 2023, a copy of which is posted on the Company’s website under the Corporate Governance section.

Being a delegated body of the Board, the ARMC is empowered to review the financial matters and report and to discuss problems and reservations arising with Internal and External Auditors. Information pertaining to the financial matters is made available to the ARMC members to ease their responsibilities, and the ARMC received full support from the Board members, Company Secretary, Internal and External Auditors as well as the staff of the Group in discharging its duties during the FY2025.

ARMC members are updated with the relevant developments in accounting and auditing standards, practices and rules by attending trainings and briefing from the External Auditors.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

ACTIVITIES OF THE AUDIT & RISK MANAGEMENT COMMITTEE

The activities of the ARMC during the financial year were summarized as follows:

Financial Reporting

- The ARMC reviewed the unaudited quarterly financial results and audited financial statements of the Group with an aim in ensuring that the interim financial reports and financial statements were prepared in accordance with the approved Malaysian Financial Reporting Standards ("MFRS"), the International Financial Reporting Standards ("IFRSs"), the Companies Act 2016 and other statutory requirements and recommended to the Board for approval. During the review, Management provided explanations on the analysis of the quarterly results and major variances and provided insight information on the Group's business operations, factors affecting the Group's performance and market outlook;
- The ARMC received assurance that appropriate accounting policies had been adopted and applied consistently;
- The ARMC discussed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements; and
- At the Board Meetings, the Chairman of the ARMC briefed the Board on the significant accounting issues raised in respect of the interim financial report or financial statements and presented the recommendations of the ARMC for Board's approval.

External Auditors

- The ARMC had on 26 March 2024, reviewed and deliberated with the External Auditors, the audit findings and accounting issues in respect of their financial audit for the financial year ended 31 January 2024.
- The ARMC had on 15 May 2024, reviewed with the External Auditors, the final draft of the audited financial statements of the Company for the financial year ended 31 January 2024 prior to the approval by the Board. The External Auditors were of the opinion that the Company's audited financial statements gave a true and fair view of the financial position of the Company and its group in accordance with the MFRSs, IFRSs and requirements of the Companies Act, 2016.
- The ARMC assessed the performance, suitability and independence of the External Auditors in accordance with the External Auditors Appointment and Independence Policy and based on the quality of work of the audit team, sufficiency of resources, the ARMC's communication with the External Auditors during the interaction and private session with the lead engagement partner and engagement team, as well as the observations and feedback from the personnel of KYM who has substantial dealing with the engagement team during the financial year. The ARMC also reviewed the reasonableness of the audit fees charged against the size and complexity of the Group.

The External Auditors had on 15 May 2024, provided a written assurance to the ARMC confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The ARMC reviewed the non-audit services rendered by the External Auditors during the financial year ended 31 January 2024. The non-audit services rendered by the External Auditors and its network firms were mainly the annual review of the Statement of Risk Management and Internal Control and tax compliances. The total fees incurred by the Group for non-audit services rendered by Crowe Malaysia PLT and its network firms during the financial year ended 31 January 2024 were RM59,700. Considering the nature and scope of the non-audit service, the ARMC was of the opinion the independence of the External Auditors was not impaired by the provision of such non-audit services to the Group.

The ARMC was completely satisfied with the performance of the external audit team who has demonstrated independence, objectivity and professional skepticism and the suitability of Crowe Malaysia PLT as a firm and recommended to the Board the re-appointment of Crowe Malaysia PLT as External Auditors. Crowe Malaysia PLT was re-appointed as the External Auditors at the 42nd Annual General Meeting held on 10 July 2024.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

- At the meeting held on 4 December 2024, the ARMC reviewed and discussed with the External Auditors the Group's audit plan prior to the commencement of audit for financial year ended 31 January 2025 ("2025 APM"). The 2025 APM outlines the audit approach, areas of audit emphasis, audit engagement team, audit timeline and proposed audit fees. The External Auditors performed enquiries on matters required under the International Standards on Auditing ("ISA") and updated the ARMC with the new and latest changes in accounting standards and interpretations. The External Auditors presented a summary of the Transparency Report, which outlines the firm's structure, audit quality and risk management, Indicators of Audit Quality and other initiatives. This included an explanation of the firm's legal and governance structure and disclosure on partners with equity in the partnership, the firm's system of quality management, monitoring of audit partners' workload, capacity and competence of audit practice, the firm's Investment to Uphold Audit Quality and Internal and External Monitoring Reviews and the firm's Environmental, Social and Governance ('ESG') practices. Additionally, the External Auditors briefed on the new development in accounting standards. The ARMC, upon due deliberation, approved the 2025 APM for implementation in accordance with the audit timeline.
- During the financial year, the ARMC had two (2) private discussions with the External Auditors without the presence of the CEO and Management.

Internal Auditors

- The ARMC reviewed the internal audit report presented by the Internal Auditors, considered the management's response and follow up actions thereto to ensure significant findings are adequately addressed by the management. The Managing Director of the subject Strategic Business Unit (SBU) was invited to attend the ARMC Meeting to facilitate discussions and to provide further information and explanation.
- A status report on the follow up audit issues together with management's explanations on outstanding items that are overdue, was tabled to the ARMC.
- The ARMC assessed the performance of the Internal Auditors in FY2024 and was satisfied with the performance of the outsourced internal audit function.

Related Party Transactions

- The ARMC reviewed the recurrent related party transactions ("RRPT") entered pursuant to the Shareholders' Mandate at every scheduled meeting to ensure that the transactions were not favorable to the related parties than those generally available to the public and not detrimental to the minority shareholders.

Others

- The ARMC reviewed and recommended the revised Gifts, Hospitality, Charitable Contributions and Non-Commercial Sponsorships Policy.
- The ARMC monitors the receipt of whistleblowing reports on a quarterly basis. During the financial year, no whistleblowing reports were received by the ARMC Chairman.
- The ARMC reviewed the Integrity Reports from the Chief Integrity Officer on a quarterly basis to ensure compliance with the Anti-Bribery and Anti-Corruption ('ABC') Policy.
- The ARMC reviewed and verified the grant and allocation of a total of 812,200 new ESS Share and 4,535,000 ESS Options pursuant to the KYM Employees' Share Scheme for FY2024.
- From time to time, the ARMC reviews the Terms of Reference of ARMC to reflect its expanded responsibilities and to be in line with the latest Main Market Listing Requirements on Conflict of Interest. The Terms of Reference was last updated on 6 December 2023, a copy of which is posted on the Company's website.
- The ARMC reviewed the Audit & Risk Management Committee Report and Statement on Risk Management and Internal Control and recommended to the Board for inclusion into the Annual Report.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent external party, Axcelasia Sdn Bhd (formerly known as Tricor Axcelasia Sdn Bhd) which reports directly to the ARMC. Further information on the resources and independence of the engagement team of the outsourced internal audit function is provided in the CG Report in accordance with Practice 11.1 of the MCCG. The Internal Auditors whose principal responsibility is to evaluate and improve the effectiveness of risk management, control and governance processes. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the management, control and governance processes based on the internal audit plan that is approved by the ARMC annually.

The cost incurred for the internal audit function in respect of the financial year ended 31 January 2025 was RM38,000.

Two (2) internal audit reviews covering the following business processes were carried out for the financial year: -

- Material Planning;
- Product costing;
- Facilities Management; and
- Sourcing Procedures and Vendor Management

A total of eight (8) observations were raised of which implementation of actions for four (4) observations have been completed, one (1) needed Immediate Attention which implementation of action must commence within 3 months from the date of the report and three (3) required desirable actions.

The Internal Audit Reports were reviewed by the ARMC and the relevant management personnel were made responsible for the corrective actions.

The Internal Auditors conducted follow-up assessment on the internal audit observations highlighted in previous audit reports and presented the results of the follow-up assessment to the ARMC. The ARMC discussed and followed up on the status of the Management Action Plans in relation to the audit findings to ensure the Management has taken appropriate actions to address the weaknesses highlighted by the internal auditors within the proposed timeline.

The ARMC Chairman reported the significant findings highlighted by the Internal Auditors to the Board of Directors after each ARMC meeting.

CONCLUSION

The Board is of the view that the ARMC and all its members have discharged their duties and responsibilities effectively during FY2025.

This statement is made in accordance with a resolution of the Board of Directors of KYM Holdings Bhd dated 26 May 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of KYM Holdings Bhd (“Board”) is pleased to present its Statement on Risk Management & Internal Control, which is made in accordance with the paragraph 15.26(b) of Bursa Malaysia Securities Berhad Listing Requirements and as guided by Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers (“the Guidance”), outlining the nature and scope of the Group’s internal control and risk management for financial year ended 31 January 2025.

BOARD RESPONSIBILITIES

The Board is responsible for maintaining an effective governance, sound risk management framework and system of internal control that covers the financial reporting, compliance and operations of the Group to safeguard shareholders’ investment and the Group’s assets. The Audit & Risk Management Committee supports the Board in reviewing the adequacy and effectiveness of the Group’s risk management and internal control system. Notwithstanding that, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Management is accountable to the Board for implementing and monitoring the system of risk management and internal control and for providing assurance to the Board that it has done so. The Board received assurance from the CEO that the Group’s risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management (‘ERM’) Policy and Framework is designed to identify potential events that may affect the Group, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of the Group’s vision and objectives.

Board of Directors	Overall risk management oversight, approve and adopt the ERM Policies and Framework, articulate and provide direction on risk appetite, organisational control environment and risk culture of the Group and monitor the overall ERM framework’s performance and implementation effectiveness of the Group.
Audit & Risk Management Committee (‘ARMC’)	Review the context within which risk is managed in relation to the Group’s strategic direction and objectives, oversee and provide oversight and direction for the implementation of risk management in the Group and consistent application of ERM principles, periodically review the Group’s risk management framework and supporting structure, including satisfying itself that appropriate systems are in place to identify, assess and manage the significant risks affecting the Group, ensuring that the Group’s staff are clear as to their roles and responsibilities with regards to the ERM framework and to provide an objective and independent view on the effectiveness of ERM implementation to the Board.

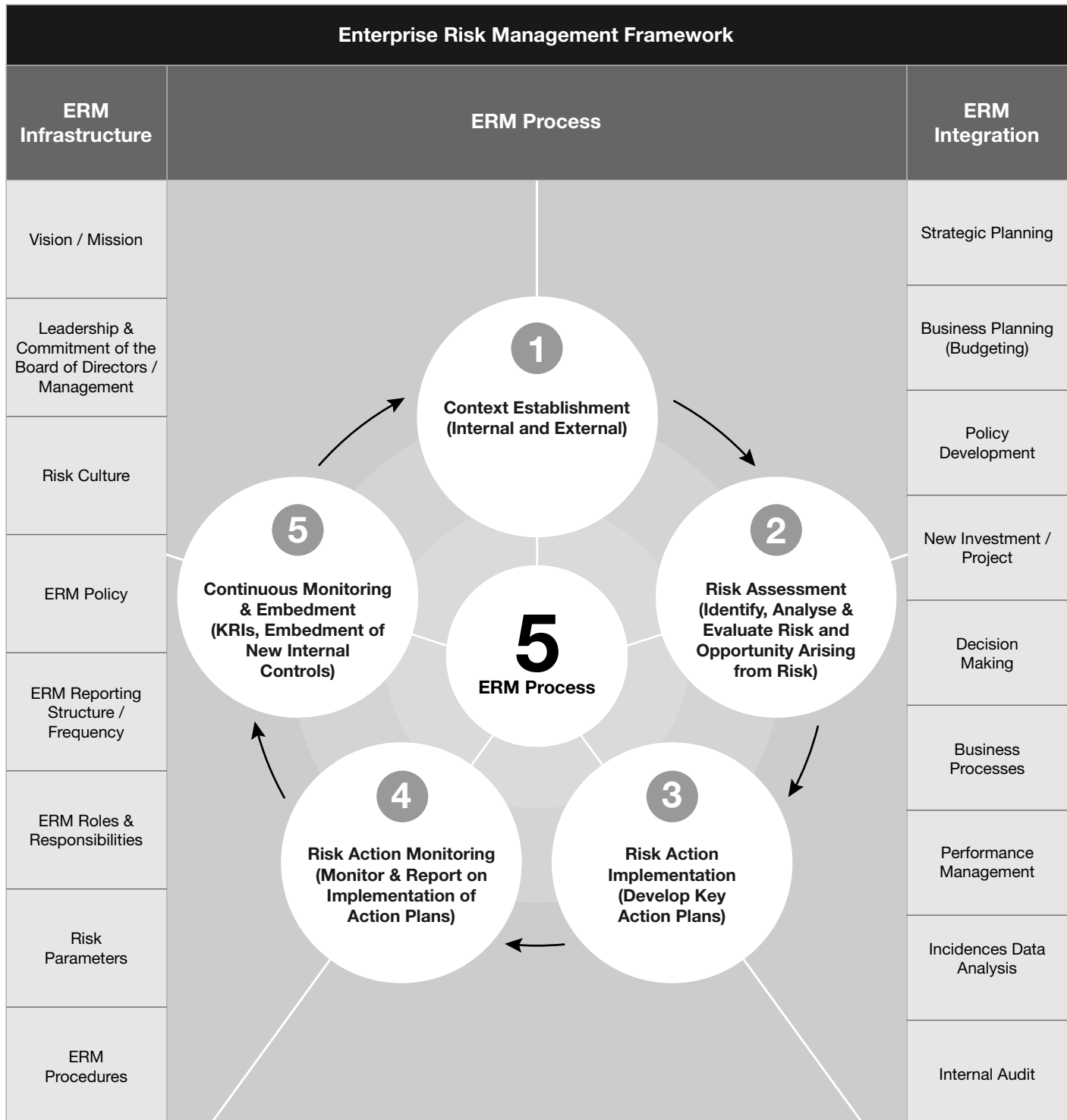
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

Chief Executive Officer	Recommend ERM policies to the Board and monitor consistent enforcement of the policies across the Group; review and endorse the risk parameters, risk appetite, risk profiles, risk treatment options and risk action plans; provide guidance and advice on appropriateness of risk treatment option selected and risk action plans development; ensure the Group is conducted within the agreed risk constraints and operations rules, articulate and challenge risk ratings, control effectiveness, risk treatment options and risk action plans identified by Risk Owners, ensure that the ERM reports prepared are submitted to the Board in a timely manner and flash reports are submitted in the event of any risks that require urgent attention and evaluate the adequacy of ERM tools, resources, trainings and subject matter expert.
Risk Owners	Identification and assessment of risks, implementation and monitoring of risk action plans and key risk indicators, review the Group's risk registers, prepare and report to Management Committee through Risk Coordinator on a timely manner and timely preparation of flash reports in the event of any risks that require urgent attention and maintain highest alert on both internal and external activities or circumstances that may have adverse risk impacts and consequences to the Group.
Risk Co-owners	Provide support to Risk Owners on key risks identified and to assist in the implementation of risk action plans and engage and discuss with Risk Owners on internal and external activities or circumstances that may give rise to new risks or changes on rating or control effectiveness of existing risks.
Risk Manager	Ensure effective implementation of ERM activities of the Group, receive and review reports on significant risks affecting the Group and recommendations on how such risks are being managed (Risk Action Plan), determine risk programmes and priorities, review the Group's risk registers and to recommend to the ARMC any matter or issue of significance relating to risk management for RMC's decision or approval.
Staff	Provide assistance to Risk Owners and/or Risk Co-owners on key risks identified and to support the implementation of risk action plans and key risk indicators, engage and discuss with Risk owners and/or Risk Co-owners on internal and external activities or circumstances that may give rise to new risks or changes on rating or control effectiveness of existing risks and exercise care to prevent loss, whilst capitalising the opportunity as well as ensuring the operations, reputation and assets are not adversely affected.
Internal Audit	To assist Board in reviewing the effectiveness of ERM and providing an independent view on specific risks and control issues, trends and events.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)



The Group categorizes its key risks into Strategic, Compliance, Financial and Operational. The Executive Team conducts quarterly review of existing risks and/or anticipated risks, together with the measures to address such risks. Any significant risk(s) that requires the Board's attention will be highlighted.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

Management will perform separate risk assessment on new business proposals or major investments. Key risk areas will be highlighted and appropriate action plans will be prepared to address the key risks prior to the submission to the Board for consideration.

The Audit & Risk Management Committee with the assistance of the Internal Auditors, Axcelasia Sdn Bhd (formerly known as Tricor Axcelasia Sdn Bhd) reviews the internal control processes, and evaluates the adequacy and effectiveness of the risk management and internal control system. The internal audit work plan, which reflects the risk profile of the Group's major business sectors is routinely reviewed and approved by the Audit & Risk Management Committee. Further details are set out in the Audit & Risk Management Committee Report.

Based on internal audit reviews carried out, none of the weaknesses noted have resulted in any material losses, contingencies, or uncertainties that would require separate disclosure in this Annual Report.

INTERNAL CONTROL STRUCTURE AND PROCESSES

The principle features of the Group internal control structure are summarised as follows:

(1) Responsibility and Authority Limits

- An organisational structure has defined roles and responsibilities with appropriate limits of authority. The Board has delegated specific responsibilities to the relevant committees such as Audit & Risk Management Committee and Nomination & Remuneration Committee to implement and monitor the Board's policies and controls within the Group in accordance with their respective terms and reference. Matters reserved for the Board's decision are clearly set out in the Board Charter which is published on the Company's website. The Board delegates responsibility for the day-to-day management of the Company to the CEO.
- Different authority limits are set for different categories of managers for the procurement of capital expenditure and approval of general and operational expenses. Similarly, cheque signatories and authority limits are clearly defined and enforced.

The Limits of Authority and the categories of transactions is reviewed periodically to determine the relevance and applicability of existing authority levels.

(2) Strategic Planning and Monitoring

- The Group's corporate objectives and corporate values deliberated at the Board Meeting will be disseminated to members of management at the scheduled monthly executive team meetings. Significant business risks that have impacted or likely to impact each business unit are raised and discussed regularly during the fortnightly management meetings. Appropriate action plans and control procedures are implemented to mitigate the risks and issues identified. The CEO will closely monitor the business and operational risks and ensure that the Group's corporate objectives are met, as well as the review of relevant management and operational reports. Significant risks are escalated to the Board at the scheduled Board Meetings.
- The annual budgeting process is one of our key control activities. All operating subsidiaries prepare their respective budgets and business plan which will be reviewed by the Executive Team before tabling to the Board for deliberation and approval. The actual performance versus the approved financial budgets are reviewed by the Board half yearly. Financial performance variances are presented to the Board on quarterly basis.
- Monthly Executive Team Meetings are held to discuss strategic issues, market trends, status of sustainability initiatives, performance of material sustainability matters, review performance of the business units and resolve challenges faced with regards to operational and administrative matters. Variances are analysed against the budget (for financial and operational targets) and reasons for shortfalls are identified and responded in a timely manner.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

(3) Policies and Standard Operating Procedures

- The Group has set in place policies and standard operating procedures for its key business processes and business units. The Group periodically reviews, updates the policies and/or standard operating procedures to reflect changing risks or to address operational deficiencies. In addition, the manufacturing subsidiaries that implement ISO 9001:2015 Quality Management System benefit from the improved risk management and operational effectiveness and efficiency as the standard provides guidance and tools to the subsidiaries to ensure their products or services meet a certain level of quality; that is, they are reliable, safe, consistent, meet customer expectations, continuously improve and comply with the law. Audit of the QMS is carried out regularly to ensure continual improvement of the effectiveness. These policies and procedures are subject to review and improvement to meet changes in business, operational and statutory needs.

(4) Assurance Compliance

- The Internal Audit function provides an independent, objective assurance on the areas of operations reviewed, and advises on the best practices that will improve and add value to the Group's internal control. Audit reports together with findings, management's response and corrective actions are presented by the Internal Auditors to the Audit & Risk Management Committee on a quarterly basis. In assessing the adequacy and effectiveness of the system of internal controls and financial control procedures of the Group, the Audit & Risk Management Committee reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by management to rectify those issues.
- Management constantly monitors the gaps and issues highlighted by Internal and External Auditors and has shown commitment to improve on the current processes and internal controls.

(5) Conduct of Employees

- As part of the preventive anti-fraud measures, the Group has in place a Code of Conduct for employees that is communicated to all staff to govern the standard of ethics and good conducts.
- The Group's Whistleblowing Policy, which was updated on 1 December 2022, provides an avenue to all directors and employees of the Group to raise concerns or disclose any wrong doing that may adversely impact the Group without fear of suffering retribution and to provide a transparent and confidential process for dealing with concerns.
- An Anti-Bribery and Corruption Policy ("ABC Policy") has been approved by the Board on 26 March 2020. The Company adopts a zero-tolerance approach to corruption and bribery. Any violation of the ABC Policy will be regarded as a serious matter and will result in disciplinary action, including dismissal and termination in accordance with local law.

REVIEW BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants (MIA).

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control systems, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is it factually inaccurate.

BOARD'S CONCLUSION

The Board has reviewed the adequacy and effectiveness of the Group's risk management and system of internal control for the year under review and up to date of this Statement. During the year, there were no material losses caused by breakdown in internal controls. Where weaknesses were noted, Management has taken appropriate actions to address them. Based on inquiry, information and assurances received from the CEO, the Board is of the view that the risk management and system of internal control are satisfactory.

The Board will continue to develop and improve on its risk management practices which are consistent with good corporate governance.

This statement was made in accordance with a resolution of the Board dated 26 May 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. STATEMENTS OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE PREPARATION OF AUDITED FINANCIAL STATEMENTS

The Directors are legally required to prepare financial statements for each financial year which give a true and fair view in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act, 2016 and the Main Market Listing Requirements of Bursa Securities.

In preparing the financial statements of the Group and the Company for the financial year ended 31 January 2025, the Directors have: -

- adopted appropriate accounting policies and applied them consistently;
- made judgement and estimates that are prudent and reasonable; and
- ensured the applicable approved accounting standards have been followed.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to detect and prevent any fraud as well as any other irregularities.

2. AUDIT AND NON- AUDIT FEES

The details of fees paid/payable to the external auditors or a firm affiliated with the auditors' firm during the financial year is set out below:

	The Group RM	The Company RM
Audit Fees	202,500	52,500
Non-Audit Services	60,800	14,000

3. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by the Group involving the interest of Directors and major shareholders that were still subsisting at the end of the financial year ended 31 January 2025 or since the end of the previous financial year.

4. EMPLOYEES' SHARE SCHEME 2022

KYM established an Employees Shares Scheme up to 15% of the total number of issued ordinary shares in KYM (excluding any treasury shares) at any point in time during the tenure of the scheme for eligible Directors and employees of KYM Group ("ESS 2022"). The ESS shall be in force for a period of five (5) years, commencing from 9 June 2022 and expiring on 8 June 2027.

During the financial year, no ESS shares nor options were offered and accepted by the eligible directors and selected executives of KYM.

Since commencement of the Scheme on 9 June 2022				
Aggregate ESS Shares Granted	Aggregate ESS Options Granted	Aggregate ESS Options Exercised	Aggregate ESS Options Forfeited/Lapsed	Aggregate ESS Options Outstanding
2,712,000	4,535,000	-	70,000	4,465,000

ADDITIONAL COMPLIANCE INFORMATION

4. EMPLOYEES' SHARE SCHEME 2022 (Cont'd)

The ESS shares and ESS options granted to the respective categories of participants are as follows:

Categories of Participants	Options / Shares	Aggregate granted during the financial year	Aggregate granted since 9 June 2022	Aggregate exercised or vested since 9 June 2022	Aggregate Outstanding
Directors and Chief Executive	Options	Nil	3,050,000	-	3,050,000
	Shares		2,250,000	2,250,000	-
Senior Management	Options	Nil	940,000	-	900,000
	Shares		340,000	340,000	-
Middle Management	Options	Nil	545,000	-	515,000
	Shares		122,000	122,000	-
Total			4,535,000	-	4,465,000

	Aggregate maximum allocation applicable (%)	Actual ESS Shares/Options granted during the financial year (%)	Aggregate ESS Shares & Options Granted Since 9 June 2022 (%)
Directors and Senior Management	80.00	Nil	29.00%

A total of 800,000 ESS Shares were granted to former non-executive Directors pursuant to the ESS 2022 on 27 June 2022. No ESS Options nor ESS Shares were granted and vested to non-executive Directors during the financial year.



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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 January 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	1,913	454
Attributable to:- Owners of the Company	1,913	454

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

EMPLOYEES' SHARE SCHEME ("ESS")

The ESS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 8 June 2022 and is governed by the ESS By-Laws. The ESS is to be in force for a period of five (5) years commencing from 9 June 2022 and may be extended for another five (5) years by the Board upon recommendation of the ESS Committee.

The details of the ESS are disclosed in Note 18 to the financial statements.

DIRECTORS' REPORT

(CONT'D)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Lim Tze Thean
 Lee Ji Jin Darren
 Sharman A/L Arumugam
 Gan Chia Hui
 Lee Li Choon

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Lim Kheng Eng
 Mok Tuck Meng
 Tan Peng Aun
 Andrew Leonard Lim Chong Beng (Appointed on 1 October 2024)
 Wong Huei Yik (Resigned on 1 October 2024)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, options over unissued shares or debentures of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			At 31.1.2025
	At 1.2.2024	Acquired	Sold	
The Company				
Direct Interests				
Lim Tze Thean	4,850,000	-	-	4,850,000
Lee Ji Jin Darren	2,010,000	-	-	2,010,000
Sharman A/L Arumugam	193,100	-	-	193,100

Indirect Interests

Lim Tze Thean #	20,500,000	-	-	20,500,000
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Deemed interested by virtue of his direct and indirect shareholdings in KYM Sdn Bhd and West River Capital Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

	Number of Shares Options Granted under the ESS			
	At 1.2.2024	Granted	Exercised	At 31.1.2025
The Company				
Direct Interests				
Lim Tze Thean	1,550,000	-	-	1,550,000
Lee Ji Jin Darren	1,500,000	-	-	1,500,000

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 39 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than the shares options granted pursuant to the ESS of the Company.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM'000	The Company RM'000
Fees	115	115
Salaries, bonuses and other benefits	1,463	11
Defined contribution plan	231	-
	1,809	126

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM10 million and RM15,000 respectively.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT

(CONT'D)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fees	203	53
Non-audit fees	6	6
	209	59

Signed in accordance with a resolution of the directors dated 26 May 2025

Lim Tze Thean

Lee Ji Jin Darren

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Lim Tze Thean and Lee Ji Jin Darren, being two of the directors of KYM Holdings Bhd., state that, in the opinion of the directors, the financial statements set out on pages 70 to 140 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 January 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 26 May 2025

Lim Tze Thean

Lee Ji Jin Darren

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Lee Ji Jin Darren, MIA Membership Number: CA 43911, being the director primarily responsible for the financial management of KYM Holdings Bhd., do solemnly and sincerely declare that the financial statements set out on pages 70 to 140 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lee Ji Jin Darren, NRIC Number: 821001-10-5479
at Kuala Lumpur
in the Federal Territory
on this 26 May 2025

Lee Ji Jin Darren

Before me

Shaiful Hilmi Bin Halim (No. W-804)
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KYM HOLDINGS BHD.
(Incorporated in Malaysia)
Registration No: 198201004556 (84303 - A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of KYM Holdings Bhd., which comprise the statements of financial position of the Group and of the Company as at 31 January 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 70 to 140.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KYM HOLDINGS BHD. (CONT'D)

(Incorporated in Malaysia)

Registration No: 198201004556 (84303 - A)

Key Audit Matters (Cont'd)

We have determined the matter described below to be the key audit matter to be communicated in our report.

Goodwill Impairment

Refer to Note 10 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
<p>The Group has goodwill of approximately RM4.7 million arising from the acquisition of Hasrat Meranti Sdn. Bhd. and its subsidiaries, a cash generating unit ("CGU").</p> <p>The goodwill arising from the CGU of which the recoverable amount is determined by the value-in-use model, requires judgement on the part of management in identifying and then valuing the CGU.</p> <p>The value-in-use model used to assess the risk of impairment is based on assumptions including revenue forecasts, gross margins and discount rate.</p> <p>We focused on this area because of the inherent judgement involved in determining key assumptions such as future sales growth, profit margins, discount rate and terminal value.</p>	<p>Our procedures included, amongst others:</p> <p>(a) Reviewed management's estimate of the recoverable amount and test of cash flow forecast for their accuracy.</p> <p>(b) Making enquiries of and challenging the management on the key assumptions made in the cash flow forecast, which included the following:</p> <p>(i) the achievability of the business plan; and</p> <p>(ii) sales growth, profit margins, discount rate and terminal value.</p> <p>(c) Performing sensitivity analysis on key assumptions and agreeing with management's conclusion that reasonable possible changes to the assumptions would require the goodwill to be impaired; and</p> <p>(d) Assessing the adequacy of disclosure of goodwill in the financial statements.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KYM HOLDINGS BHD. (CONT'D)

(Incorporated in Malaysia)

Registration No: 198201004556 (84303 - A)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KYM HOLDINGS BHD. (CONT'D)

(Incorporated in Malaysia)

Registration No: 198201004556 (84303 - A)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

26 May 2025

Gerald Lau Beng Tong
03523/08/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	28,260	28,260
Other investments	6	2	1	*	*
Property, plant and equipment	7	32,767	34,522	*	*
Investment properties	8	42,180	42,180	-	-
Right-of-use assets	9	13,375	14,956	348	529
Goodwill	10	4,667	4,667	-	-
		92,991	96,326	28,608	28,789
CURRENT ASSETS					
Inventories	11	28,568	17,685	-	-
Trade receivables	12	18,886	25,940	-	-
Other receivables, deposits and prepayments	13	1,829	1,926	303	301
Amount owing by subsidiaries	14	-	-	28,911	27,561
Current tax assets		3,397	2,872	-	-
Short-term investments	15	16,977	18,183	175	50
Fixed deposits with licensed banks	16	360	448	-	102
Cash and bank balances		2,510	4,336	34	121
		72,527	71,390	29,423	28,135
TOTAL ASSETS		165,518	167,716	58,031	56,924

Note:

* Less than RM1,000.

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2025 (CONT'D)

	Note	The Group		The Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	111,582	111,582	111,582	111,582
Reserve	18	540	540	540	540
Retained profits/(Accumulated losses)		1,776	(137)	(84,968)	(85,422)
Equity attributable to owners of the Company		113,898	111,985	27,154	26,700
Non-controlling interests		-	-	-	-
TOTAL EQUITY		113,898	111,985	27,154	26,700
NON-CURRENT LIABILITIES					
Hire purchase payables	19	337	421	-	-
Lease liabilities	20	10,997	12,526	366	573
Deferred tax liabilities	21	7,165	7,208	-	-
		18,499	20,155	366	573
CURRENT LIABILITIES					
Trade payables	22	10,696	8,687	-	-
Other payables and accruals	23	6,520	8,098	427	446
Amount owing to subsidiaries	14	-	-	29,877	28,980
Amount owing to related parties	24	166	167	-	-
Current tax liability		-	1	-	-
Hire purchase payables	19	214	171	-	-
Lease liabilities	20	1,612	1,523	207	225
Short-term borrowings	25	9,898	13,112	-	-
Bank overdrafts	26	4,015	3,817	-	-
		33,121	35,576	30,511	29,651
TOTAL LIABILITIES		51,620	55,731	30,877	30,224
TOTAL EQUITY AND LIABILITIES		165,518	167,716	58,031	56,924

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
REVENUE	27	84,865	101,131	1,104	2,861
COST OF SALES	28	(68,138)	(90,222)	-	-
GROSS PROFIT		16,727	10,909	1,104	2,861
OTHER INCOME	29	1,086	17,270	5	16
		17,813	28,179	1,109	2,877
SELLING AND DISTRIBUTION EXPENSES	30	(2,965)	(3,022)	-	-
ADMINISTRATIVE EXPENSES	31	(8,126)	(9,202)	(435)	(1,143)
OTHER EXPENSES	32	(887)	(639)	(181)	(185)
FINANCE COSTS	33	(2,043)	(2,116)	(39)	(52)
NET (IMPAIRMENT LOSSES)/ REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	34	(783)	99	-	-
PROFIT BEFORE TAXATION		3,009	13,299	454	1,497
INCOME TAX EXPENSE	36	(1,096)	(249)	-	-
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,913	13,050	454	1,497
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		1,913	13,050	454	1,497
EARNINGS PER SHARE (SEN)					
Basic	37	1.25	8.57		
Diluted		1.25	8.56		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

The Group	Share Capital RM'000	Revaluation Reserve RM'000	Employees' Share Scheme Reserve RM'000	(Accumulated Losses)/ Retained Profits RM'000	Attributable to Owners of The Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Balance at 1.2.2023	111,217	72	-	(13,266)	98,023	-	98,023
Profit after taxation/ Total comprehensive income for the financial year	-	-	-	13,050	13,050	-	13,050
Transactions with owners of the Company:							
- Share-based payment transactions	-	-	912	-	912	-	912
- Ordinary shares issued pursuant to a share grant under ESS	365	-	(365)	-	-	-	-
- Realisation of revaluation reserve	-	(72)	-	72	-	-	-
- ESS shares and options forfeited	-	-	(7)	7	-	-	-
Balance at 31.1.2024/ 1.2.2024	111,582	-	540	(137)	111,985	-	111,985
Profit after taxation/ Total comprehensive income for the financial year	-	-	-	1,913	1,913	-	1,913
Balance at 31.1.2025	111,582	-	540	1,776	113,898	-	113,898

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

The Company	Share Capital RM'000	Employees' Share Scheme Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance at 1.2.2023	111,217	-	(86,926)	24,291
Profit after taxation/Total comprehensive income for the financial year	-	-	1,497	1,497
Transactions with owners of the Company:				
- Share-based payment transactions	-	912	-	912
- Ordinary shares issued pursuant to a share grant under ESS	365	(365)	-	-
- ESS shares and options forfeited	-	(7)	7	-
Balance at 31.1.2024/1.2.2024	111,582	540	(85,422)	26,700
Profit after taxation/Total comprehensive income for the financial year	-	-	454	454
Balance at 31.1.2025	111,582	540	(84,968)	27,154

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	3,009	13,299	454	1,497
Adjustments for:-				
Dividend income	-	-	(1,104)	(2,861)
Depreciation of property, plant and equipment	4,044	4,015	-	*
Depreciation of right-of-use assets	1,704	1,618	181	182
Fair value gain on investment properties	-	(500)	-	-
Fair value gain on quoted investments	(1)	(*)	-	-
Gain on disposal of property, plant and equipment,	-	(20)	-	-
Gain on disposal of assets held for sale and investment property	-	(15,285)	-	-
Impairment losses/(Reversal of impairment losses)				
on financial assets	783	(99)	-	-
Interest expenses	2,043	2,116	39	52
Interest income	(634)	(588)	(5)	(11)
Inventories written off	33	17	-	-
Property, plant and equipment written off	-	*	-	-
Other receivables written off	15	13	-	3
Reversal of inventories previously written down	-	(4)	-	-
Share-based payment	-	912	-	522
Operating profit/(loss) before working capital changes	10,996	5,494	(435)	(616)

Note:

* Less than RM1,000.

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Increase)/Decrease in inventories		(10,916)	19,449	-	-
Decrease/(Increase) in trade and other receivables		6,353	1,105	(2)	5
Increase/(Decrease) in trade and other payables		431	(9,510)	(19)	(7)
Increase in amount owing by subsidiaries		-	-	(1,350)	(1,626)
Increase in amount owing to subsidiaries		-	-	897	856
Decrease in amount owing to related parties		(1)	(989)	-	(990)
CASH FROM/(FOR) OPERATIONS		6,863	15,549	(909)	(2,378)
Income tax refunded		40	-	-	-
Income tax paid		(1,705)	(1,872)	-	-
Interest paid		(326)	(370)	-	-
Real property gains tax paid		-	(1,499)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		4,872	11,808	(909)	(2,378)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary		-	-	-	(*)
Dividend received from subsidiaries		-	-	1,104	2,861
Interest received		634	588	5	11
Proceeds from disposal of assets held for sale and investment property		-	22,975	-	-
Proceeds from disposal of property, plant and equipment		-	23	-	-
Purchase of property, plant and equipment	38(a)	(2,141)	(2,212)	-	-
(Placement)/Withdrawal of fixed deposits pledged to licensed banks		(14)	1,101	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(1,521)	22,475	1,109	2,872
CASH FLOWS FOR FINANCING ACTIVITIES					
Interest paid		(1,717)	(1,746)	(39)	(52)
Repayment of hire purchase payables		(189)	(1,710)	-	-
Repayment of lease liabilities		(1,563)	(1,402)	(225)	(212)
Net repayment of bills payable		(4,164)	(4,651)	-	-
Repayment of term loans		(86)	(113)	-	-
Net drawdown/(repayment) of bankers' acceptances		236	(5,470)	-	-
Net drawdown of revolving credit		800	200	-	-
NET CASH FOR FINANCING ACTIVITIES	38(b)	(6,683)	(14,892)	(264)	(264)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS					
		(3,332)	19,391	(64)	230
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		18,804	(587)	273	43
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR					
	38(d)	15,472	18,804	209	273

Note:

* Less than RM1,000.

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office, which is also the principal place of business, is at Level 17, KYM Tower, No. 8, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 May 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follow:-

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Valuation of Investment Properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining property size, location, market trends and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value. The carrying amount of investment properties as at the reporting date is disclosed in Note 8 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Note 10 to the financial statements.

(d) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group and the Company determine whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 7 and 9 to the financial statements respectively.

(e) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(f) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Notes 13 and 14 to the financial statements respectively.

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liability as at the reporting date are as follows:-

	The Group	
	2025	2024
	RM'000	RM'000
Current tax assets	3,397	2,872
Current tax liability	-	1

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies (Cont'd)

(c) Share-based Payments

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries (including share options granted to employees of the subsidiaries), which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%
Plant and machinery	6.67% - 20%
Tools and equipment and production accessories	10% - 50%
Motor vehicles	20%
Office equipment, computer, furniture and fittings, renovation and electrical installation	10% - 20%

Capital work-in-progress represent management dashboard under development, and waste water treatment plant under construction. They are not depreciated until such time when the asset is available for use.

4.6 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are measured at fair value with fair value changes recognised in profit or loss.

4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	74,780	74,780
Equity contribution in respect of share grant and ESS options granted to the employees of the subsidiaries	1,476	1,476
Accumulated impairment losses	(47,996)	(47,996)
	28,260	28,260

The details of the subsidiaries, all of which the principal place of business and country of incorporation is in Malaysia, are as follows:-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2025	2024	
	%	%	
Subsidiaries of the Company			
KYM Industries (M) Sdn. Bhd. (“KYMM”)	100	100	Manufacturing and sale of corrugated fibre boards and boxes.
KYM Ventures Sdn. Bhd. (“KYMV”)	100	100	Investment holding.
KYM Tech Plus Sdn. Bhd.	100	100	Dormant.
Polypulp Enterprises Sdn. Bhd. (“Polypulp”)	100	100	Investment holding.
KYM Properties Sdn. Bhd. (“KYMP”)	100	100	Property management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, all of which the principal place of business and country of incorporation is in Malaysia, are as follows (Cont'd):-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2025 %	2024 %	
Subsidiaries of the Company (Cont'd)			
KMG Assets Sdn. Bhd.	100	100	Providing management services.
Hasrat Meranti Sdn. Bhd. (“HMSB”)	100	100	Investment holding and manufacturing and sale of multi-wall industrial paper bags.
Subsidiaries of KYMM			
Anabatic Sdn. Bhd.	100	100	Property investment.
Teguh Amalgamated Sdn. Bhd.	100	100	Property investment.
Subsidiary of KYMV			
Panorama Industries Sdn. Bhd.	100	100	Dormant.
Subsidiary of Polypulp			
Tegas Consolidated Sdn. Bhd. (“Tegas”)	100	100	Investment holding.
Subsidiary of Tegas			
Harta Makmur Sdn. Bhd. (“Harta”) ⁽¹⁾	100	100	Property investment and development.
Subsidiaries of Harta			
Teluk Rubiah Resorts Sdn. Bhd.	100	100	Dormant.
Teluk Rubiah Country Club Sdn. Bhd.	100	100	Dormant.
Subsidiaries of KYMP			
KYM Development (Perak) Sdn. Bhd.	100	100	Property investment.
KYM Leisure Sdn. Bhd.	100	100	Dormant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, all of which the principal place of business and country of incorporation is in Malaysia, are as follows (Cont'd):-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2025	2024	
	%	%	
<i>Subsidiaries of HMSB</i>			
Hasrat Meranti (Chemor) Sdn. Bhd.	100	100	Manufacturing and sale of multi-wall industrial paper bags.
Hasrat Meranti (Tapah) Sdn. Bhd.	100	100	Manufacturing and sale of multi-wall industrial paper bags.

Notes:

⁽¹⁾ 60% and 40% interest held by Tegas Consolidated Sdn. Bhd. and the Company respectively.

6. OTHER INVESTMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Quoted shares, at fair value	2	1	-	-
Unquoted shares, at fair value	*	*	*	*
	2	1	*	*

Note:

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM'000	Plant and Machinery RM'000	Tools and Equipment and Production Accessories RM'000	Motor Vehicles RM'000	Work-in- progress RM'000	Other Assets # RM'000	Total RM'000
The Group							
2025							
<i>Carrying Amount</i>							
At 1.2.2024	10,722	20,075	1,012	473	1,226	1,014	34,522
Additions	-	138	422	174	1,065	490	2,289
Depreciation charges	(296)	(2,857)	(497)	(158)	-	(236)	(4,044)
Transfer from/(to)	-	1,310	490	-	(2,079)	279	-
At 31.1.2025	10,426	18,666	1,427	489	212	1,547	32,767
2024							
<i>Carrying Amount</i>							
At 1.2.2023	11,017	22,810	995	663	-	843	36,328
Additions	-	108	497	-	1,226	381	2,212
Depreciation charges	(295)	(2,840)	(480)	(190)	-	(210)	(4,015)
Disposal	-	(3)	-	-	-	-	(3)
Write off	-	-	-	-	-	*	*
At 31.1.2024	10,722	20,075	1,012	473	1,226	1,014	34,522

Note:

Other assets consist of office equipment, computer, furniture and fittings, renovation and electrical installation.

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM'000	Plant and Machinery RM'000	Tools and Equipment and Production Accessories RM'000	Motor Vehicles RM'000	Work-in- progress RM'000	Other Assets # RM'000	Total RM'000
The Group							
2025							
At Cost	14,548	59,346	5,696	1,421	212	7,800	89,023
Accumulated Depreciation	(4,122)	(39,349)	(4,269)	(932)	-	(6,253)	(54,925)
Accumulated Impairment	-	(1,331)	-	-	-	-	(1,331)
Carrying Amount	10,426	18,666	1,427	489	212	1,547	32,767
2024							
At Cost	14,548	57,898	4,784	1,247	1,226	7,031	86,734
Accumulated Depreciation	(3,826)	(36,492)	(3,772)	(774)	-	(6,017)	(50,881)
Accumulated Impairment	-	(1,331)	-	-	-	-	(1,331)
Carrying Amount	10,722	20,075	1,012	473	1,226	1,014	34,522

Note:

Other assets consist of office equipment, computer, furniture and fittings, renovation and electrical installation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Other Assets # RM'000	Total RM'000
The Company		
2025		
<i>Carrying Amount</i>		
At 1.2.2024	*	*
Depreciation charges	-	*
At 31.1.2025	*	*
2024		
<i>Carrying Amount</i>		
At 1.2.2023	*	*
Depreciation charges	*	*
At 31.1.2024	*	*
2025		
At Cost	1,035	(1,035)
Accumulated Depreciation	(1,035)	(1,035)
Carrying Amount	*	*
2024		
At Cost	1,035	1,035
Accumulated Depreciation	(1,035)	(1,035)
Carrying Amount	*	*

Notes:

Other assets consist of office equipment, computer, furniture and fittings, renovation and electrical installation.

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The buildings of the Group amounting to RM9,961,000 (2024: RM10,245,000) have been pledged to financial institutions as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.
- (b) The following is the carrying amount of the assets held under hire purchase arrangements:-

	The Group	
	2025	2024
	RM'000	RM'000
Plant and machinery	315	363
Motor vehicles	486	473

These assets have been pledged as security for the hire purchase payables as disclosed in Note 19 to the financial statements.

8. INVESTMENT PROPERTIES

	The Group	
	2025	2024
	RM'000	RM'000
<i>Carrying Amount</i>		
At 1 February 2024/2023	42,180	43,760
Gain on changes in fair value	-	500
Disposal	-	(2,080)
At 31 January	42,180	42,180

- (a) The investment properties comprise the following:-

	The Group	
	2025	2024
	RM'000	RM'000
Freehold land	5,060	5,060
Leasehold land	34,820	34,820
Building	2,300	2,300
	42,180	42,180

- (b) The investment properties of the Group amounting to RM19,400,000 (2024: RM19,400,000) have been pledged to financial institutions as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

8. INVESTMENT PROPERTIES (CONT'D)

(c) The following are recognised in profit or loss in respect of investment properties:-

	The Group	
	2025 RM'000	2024 RM'000
Direct operating expenses	356	357

(d) The fair value of the investment properties have been determined based on valuations performed by independent professional valuers at the end of the reporting date using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, market trends and others. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair value of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 during the financial year.

9. RIGHT-OF-USE ASSETS

	Leasehold Land RM'000	Office Building RM'000	Signage RM'000	Factory RM'000	Warehouse RM'000	Forklifts RM'000	Total RM'000
The Group							
2025							
<i>Carrying Amount</i>							
At 1.2.2024	2,712	337	192	5,771	5,822	122	14,956
Addition	-	-	-	-	-	123	123
Depreciation charges	(47)	(71)	(110)	(815)	(576)	(85)	(1,704)
At 31.1.2025	2,665	266	82	4,956	5,246	160	13,375
2024							
<i>Carrying Amount</i>							
At 1.2.2023	2,759	408	303	6,586	5,735	161	15,952
Additions	-	-	-	-	321	-	321
Depreciation charges	(47)	(71)	(111)	(815)	(535)	(39)	(1,618)
Modification of lease liabilities (Note 20)	-	-	-	-	301	-	301
At 31.1.2024	2,712	337	192	5,771	5,822	122	14,956

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

9. RIGHT-OF-USE ASSETS (CONT'D)

	Office Building RM'000	Signage RM'000	Total RM'000
The Company			
2025			
<i>Carrying Amount</i>			
At 1.2.2024	337	192	529
Depreciation charges	(71)	(110)	(181)
At 31.1.2025	266	82	348
2024			
<i>Carrying Amount</i>			
At 1.2.2023	408	303	711
Depreciation charges	(71)	(111)	(182)
At 31.1.2024	337	192	529

The Group and the Company have leased certain pieces of leasehold land, office building, signage, factory, warehouse and forklifts of which the leasing activities are summarised below:-

- | | |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Leasehold land | The Group has leased certain pieces of leasehold land for lease periods ranging from 43 to 91 years. Leasehold land amounting to RM2,666,000 (2024: RM2,713,000) have been pledged to financial institutions as security for banking facilities as disclosed in Note 26 to the financial statements. |
| (ii) Office building | The Company have leased an office building for 6 years, with an option to renew the lease for another 3 years. |
| (iii) Signage | The Company have leased a signage for 3 years, with an option to renew the lease for another 3 years. |
| (iv) Factory and warehouse | The Group has leased a factory and 2 warehouses for 3 years, with options to renew the leases up to maximum cumulative period of 15 years. |
| (v) Forklifts | The Group has leased 2 forklifts for 4 years. During the financial year, the Group has leased another forklift for 4 years. |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

10. GOODWILL

	The Group	
	2025 RM'000	2024 RM'000
Goodwill on consolidation	6,392	6,392
Accumulated impairment loss	(1,725)	(1,725)
	4,667	4,667

- (a) The carrying amount of goodwill is allocated to Hasrat Meranti Sdn. Bhd. and its subsidiaries, a cash-generating unit.
- (b) The Group has assessed the recoverable amount of goodwill allocated and determined that no additional impairment is required. The recoverable amount of the cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from cash-generating unit computed based on the projections of financial budgets approved by management covering a period of five years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	2025 %	2024 %
Gross profit margin	14	14
Growth rate	0.2 to 3	- 6.8 to 5
Discount rate	8.68	14.74

- | | | |
|-------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Budgeted gross profit margin | The basis used to determine the value assigned to the budgeted gross profit margin is the average gross profit margin based on past performance and its expectations of market development. |
| (ii) | Growth rate | Based on the expected projections of the manufacturing and sale of multi-wall industrial paper bags. There is no growth rate in perpetuity to arrive at terminal value. |
| (iii) | Discount rate (pre-tax) | The discount rate used is the pre-tax weighted average cost of capital of the Company obtained from Bloomberg at the end of reporting period. |

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

The Board of Directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the cash-generating unit carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

11. INVENTORIES

	The Group	
	2025 RM'000	2024 RM'000
Raw materials	21,938	10,921
Work-in-progress	170	102
Finished goods	4,364	4,619
Consumables	2,096	2,043
	28,568	17,685
Recognised in profit or loss:-		
Inventories recognised as cost of sales	51,762	74,169
Inventories written off	33	17
Reversal of inventories previously written down	-	(4)

12. TRADE RECEIVABLES

	The Group	
	2025 RM'000	2024 RM'000
Trade receivables	19,638	25,942
Allowance for impairment losses	(752)	(2)
	18,886	25,940
Allowance for impairment losses:-		
At 1 February 2024/2023	(2)	(256)
Addition (Note 34)	(750)	-
Reversal (Note 34)	-	99
Write off	-	155
At 31 January	(752)	(2)

The Group's normal trade credit terms range from 14 to 90 (2024: 14 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other receivables:-				
Third parties	85	178	-	-
Goods and services tax recoverable	25	25	-	-
	110	203	-	-
Allowance for impairment losses	(33)	-	-	-
	77	203	-	-
Advances to suppliers	111	-	-	-
Deposits	1,239	1,280	283	283
Prepayments	402	443	20	18
	1,829	1,926	303	301
Allowance for impairment losses:-				
At 1 February 2024/2023	-	-	-	-
Addition (Note 34)	(33)	-	-	-
At 31 January	(33)	-	-	-

The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2025	2024
	RM'000	RM'000
Amount owing by subsidiaries	53,256	51,906
Allowance for impairment losses	(24,345)	(24,345)
	28,911	27,561
Amount owing to subsidiaries	(29,877)	(28,980)

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

15. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Unit trust funds, at fair value	16,977	18,183	175	50

Investments in unit trust funds represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

16. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period amounting to RM360,000 (2024: RM346,000) have been pledged to licensed banks as security for credit facilities granted to certain subsidiaries as disclosed in Note 26 to the financial statements.

The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.00% to 2.85% (2024: 2.00% to 3.50%) per annum. The fixed deposits of the Group and of the Company have maturity periods ranging from 1 month to 3 years (2024: 1 month to 3 years).

17. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number of Shares ('000)	RM'000	RM'000	RM'000
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 February 2024/2023	152,602	151,790	111,582	111,217
Ordinary shares issued pursuant to a share grant under the ESS	-	812	-	365
At 31 January	152,602	152,602	111,582	111,582

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) In the previous financial year, the Company increased its issued and paid up share capital from RM111,216,724 to RM111,582,124 by way of issuance of 812,000 new ordinary shares at RM0.45 each pursuant to a share grant under the ESS.

The new ordinary shares issued rank equally in all respect with the existing shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

18. RESERVE

Employees' Share Scheme ("ESS") Reserve

The ESS reserve represents the equity-settled share options or shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options or shares, and is reduced by expiry of the share options not exercised or share grants not completed, exercise of the share options or completion of the share grants.

The ESS of the Company, comprising share grant and ESS option, was approved by the shareholders at the Extraordinary General Meeting ("EGM") held on 8 June 2022 and is governed by the ESS By-Laws. The ESS is to be in force for a period of five (5) years commencing from 9 June 2022 and may be extended for another five (5) years by the Board upon recommendation of the ESS Committee.

The main features of the ESS are as follows:-

- (i) The maximum number of the Company's new ordinary shares which may be granted to the eligible Directors and employees of the Group shall not at any point in time in aggregate exceed 15% of the total number of issued ordinary shares of the Company (excluding treasury shares, if any) during the tenure of the scheme;
- (ii) Any Director (including non-executive Directors) or employee of the companies within KYM Group (excluding the subsidiaries which are dormant) who have attained the age of 18 years and hold the designated job grade or rank/position of a non-dormant company within KYM Group are eligible to participate in the ESS. The eligibility for consideration under the ESS does not confer an eligible person a right to participate in the ESS unless the ESS Committee has made an offer in writing to the eligible person and the eligible person has accepted the offer in accordance with the terms of the By-Laws governing the ESS;
- (iii) Not more than 80% of the Company's new ordinary shares available under the ESS shall be allocated to the Directors and/or senior management of the Group; and
- (iv) Not more than 10% of the Company's new ordinary shares available under the ESS shall be allocated to any selected persons who, either singly or collectively through persons connected to them, hold 20% or more of the total number of issued ordinary shares of the Company (excluding treasury shares, if any).

Share Grant

In the previous financial year, the movement of shares granted was as follows:-

Grant date	Vesting date	Number of ordinary shares granted under ESS				At 31.1.2024
		At 1.2.2023	Granted	Vested	Forfeited	
28 April 2023	28 April 2023	-	819,000	(812,000)	(7,000)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

18. RESERVE (CONT'D)

Employees' Share Scheme ("ESS") Reserve (Cont'd)

Share Grant (Cont'd)

In the previous financial year, the Company awarded 819,000 ESS shares under the ESS to the eligible Executive Directors and employees of the Group.

The share grant vested in the previous financial year resulted in the issuance of 812,000 new ordinary shares as disclosed in Note 17 to the financial statements.

The fair value of the shares granted was determined using the 5-day volume weighted average market price ("VWAP") of KYM shares immediately preceding the grant date with a discount of not more than 10% (or such basis as the relevant authorities may permit), as shown below.

	2024 RM
Fair value of shares granted	0.45
5-day VWAP prior to grant date	0.49

ESS Option

The fair value of the ESS options granted was estimated at the grant date using Trinomial model, taking into account the terms and conditions upon which the instruments were granted with the following inputs.

	ESS Option I
Underlying share price (RM)	0.486
Exercise price (RM)	0.45
Expected volatility (%)	30.00
Risk-free interest rate (% per annum)	3.46
Dividend yield (%)	3.519
Expected life of options (years)	4.12

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The movement of ESS options granted are as follows:-

	Offer date	Number of shares options granted under ESS			
		At 1.2.2024	Granted	Exercised	At 31.1.2025
ESS Option I	28 April 2023	4,505,000	-	-	(40,000)
					4,465,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

19. HIRE PURCHASE PAYABLES

	The Group	
	2025 RM'000	2024 RM'000
Current liabilities	214	171
Non-current liabilities	337	421
	551	592

The hire purchase payables are secured by the motor vehicles of the Group as disclosed in Note 7 to the financial statements.

20. LEASE LIABILITIES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 February 2024/2023	14,049	14,829	798	1,010
Additions	123	321	-	-
Changes due to lease modification (Note 9)	-	301	-	-
Interest expense recognised in profit or loss (Note 33)	784	840	39	52
Repayment of principal	(1,563)	(1,402)	(225)	(212)
Repayment of interest expense	(784)	(840)	(39)	(52)
At 31 January	12,609	14,049	573	798
Analysed by:-				
Current liabilities	1,612	1,523	207	225
Non-current liabilities	10,997	12,526	366	573
	12,609	14,049	573	798

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

21. DEFERRED TAX LIABILITIES

	The Group	
	2025 RM'000	2024 RM'000
At 1 February 2024/2023	7,208	8,935
Recognised in profit or loss (Note 36)	(43)	(1,727)
At 31 January	7,165	7,208

The deferred tax consists of the tax effects of the following items:-

	The Group	
	2025 RM'000	2024 RM'000
Deferred tax liabilities:-		
Accelerated capital allowances	4,242	4,045
Revaluation arising from deemed cost property	848	862
Fair value changes of investment properties	4,553	4,976
	9,643	9,883
Deferred tax assets:-		
Inventories	-	*
Unabsorbed capital allowances	(1,836)	(1,937)
Unused tax losses	(52)	(280)
Others	(590)	(458)
	(2,478)	(2,675)
	7,165	7,208

Note:

* Less than RM1,000.

22. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2024: 30 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other payables:-				
Third parties	2,692	3,357	225	265
Sales and service tax payable	877	1,119	-	-
	3,569	4,476	225	265
Deposits received	39	39	-	-
Accruals	2,912	3,583	202	181
	6,520	8,098	427	446

Included in other payables consist of amount owing to a director of a subsidiary amounting to RM639,000 (2024 - Nil). The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

24. AMOUNT OWING TO RELATED PARTIES

- Related parties refer to persons connected to a director and/or a key management personnel and companies in which certain directors and persons connected to a director and/or a key management personnel are common directors and/or have substantial financial interests.
- The amount owing is non-trade in nature, unsecured interest-free advances and payments made on behalf.
- The amount owing is repayable on demand and is to be settled in cash.

25. SHORT-TERM BORROWINGS

	The Group	
	2025 RM'000	2024 RM'000
Secured:-		
Bankers' acceptances	4,135	3,899
Bills payable	4,688	8,852
Revolving credit	1,000	200
Term loans	75	161
	9,898	13,112

The bankers' acceptances, bills payable, revolving credit and term loans are secured by:-

- legal charges over the freehold land, leasehold land and buildings of certain subsidiaries;
- a debenture incorporating fixed and floating charges over the assets of a subsidiary; and
- a corporate guarantee of the Company and a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

26. BANK OVERDRAFTS

The bank overdrafts are secured in the same manner as the bills payable as disclosed in Note 25 to the financial statements and by a pledge of the fixed deposits of a subsidiary.

27. REVENUE

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sales of goods	84,865	101,131	-	-
Revenue from Other Sources				
Dividend income	-	-	1,104	2,861
	84,865	101,131	1,104	2,861

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 41 to the financial statements.
- (b) The information about the performance obligations in contracts with customers is summarised below:-

Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risk of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

- (c) The information of the revenue from other sources is summarised below:-

Dividend Income

Dividend income from investment is recognised when the right to received dividend payment is established.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

28. COST OF SALES

	The Group	
	2025 RM'000	2024 RM'000
Included in cost of sales are:-		
Depreciation:		
- property, plant and equipment	3,634	3,604
- right-of-use assets	1,497	1,411
Inventories written off	33	17
Lease expenses:		
- short-term leases	25	54
Realised (gain)/loss on foreign exchange	(636)	1,375
Reversal of inventories previously written down	-	(4)
Staff costs:		
- salaries, bonuses and other benefits	6,425	6,262
- defined contribution plan	476	476

29. OTHER INCOME

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in other income are:-				
Fair value gain on investment properties	-	500	-	-
Fair value gain on quoted investments	1	*	-	-
Gain on disposal of assets held for sale and investment property	-	15,285	-	-
Gain on disposal of property, plant and equipment	-	20	-	-
Interest income	634	588	5	11
Realised gain on foreign exchange	-	161	-	-

Note:

* Less than RM1,000.

30. SELLING AND DISTRIBUTION EXPENSES

	The Group	
	2025 RM'000	2024 RM'000
Included in selling and distribution expenses are:-		
Staff costs:		
- salaries, bonuses and other benefits	908	964
- defined contribution plan	104	110
Carriage outwards	1,784	1,776

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

31. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Included in administrative expenses are:-				
Auditors' remuneration:				
- audit fees:				
- current financial year	203	201	53	53
- non-audit fees	6	6	6	6
Directors' remuneration (Note 35(a))	2,705	3,215	126	649
Lease expenses:				
- short-term leases	29	27	-	-
- low-value assets	6	6	-	-
Staff costs (including other key management personnel as disclosed in Note 35 (b)):				
- salaries, bonuses and other benefits	2,753	2,643	-	-
- defined contribution plan	250	257	-	-
Share-based payment	-	912	-	522

32. OTHER EXPENSES

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Depreciation:				
- property, plant and equipment	410	411	-	*
- right-of-use assets	207	207	181	182
Other receivables written off	15	13	-	3
Property, plant and equipment written off	-	*	-	-
Realised loss on foreign exchange	255	8	-	-
	887	639	181	185

Note:

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

33. FINANCE COSTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- term loans	6	11	-	-
- bank overdrafts	317	360	-	-
- bankers' acceptances	229	479	-	-
- bills payable	652	381	-	-
- revolving credit	23	-	-	-
- hire purchase payables	23	35	-	-
- lease liabilities	784	840	39	52
- others	9	10	-	-
	2,043	2,116	39	52

34. NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2025	2024
	RM'000	RM'000
Impairment losses on:		
- trade receivables (Note 12)	(750)	-
- other receivables (Note 13)	(33)	-
Reversal of impairment losses on:		
- trade receivables (Note 12)	-	99
	(783)	99

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

35. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	115	115	115	115
- salaries, bonuses and other benefits	1,463	1,308	11	12
	1,578	1,423	126	127
Defined contribution plan	231	207	-	-
Share-based payment	-	522	-	522
	1,809	2,152	126	649
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	763	779	-	-
Defined contribution plan	133	122	-	-
Share-based payment	-	162	-	-
	896	1,063	-	-
Total directors' remuneration	2,705	3,215	126	649
(b) Other Key Management Personnel				
Short-term employee benefits	991	959	-	-
Share-based payment	-	95	-	-
Total compensation for other key management personal	991	1,054	-	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the subsidiaries were RM45,000 (2024: RM45,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

36. INCOME TAX EXPENSE

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,123	460	-	-
Underprovision in the previous financial year	16	17	-	-
	1,139	477	-	-
Deferred tax (Note 21):				
- origination and reversal of temporary differences	(43)	(1,727)	-	-
	(43)	(1,727)	-	-
Real property gains tax	-	1,499	-	-
	1,096	249	-	-

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	3,009	13,299	454	1,497
Tax at the statutory tax rate of 24% (2024: 24%)	722	3,192	109	359
Tax effects of:-				
Non-taxable income	(145)	(3,919)	(265)	(688)
Non-deductible expenses	594	383	157	331
Deferred tax assets not recognised during the financial year	359	233	-	-
Real property gains tax	-	1,499	-	-
Realisation of deferred tax liabilities arising from revaluation surplus	(14)	(92)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

36. INCOME TAX EXPENSE (CONT'D)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Realisation of deferred tax liabilities arising from fair value changes of investment properties	(424)	(1,060)	-	-
Utilisation of deferred tax assets previously not recognised	(12)	(4)	(1)	(2)
Underprovision in the previous financial year:				
- current tax	16	17	-	-
Income tax expense for the financial year	1,096	249	-	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Excess of depreciation over capital allowances	53	97	-	-
Unabsorbed capital allowances	11,950	11,925	836	836
Unabsorbed reinvestment allowances	6,096	6,096	-	-
Unused tax losses:				
- expires year of assessment 2028	28,289	26,816	930	933
- expires year of assessment 2029	-	-	-	-
- expires year of assessment 2030	19	18	-	-
- expires year of assessment 2031	188	188	-	-
- expires year of assessment 2032	143	143	-	-
- expires year of assessment 2035	6	-	-	-
Others	-	14	-	-
	46,744	45,297	1,766	1,769

Based on the current legislation, the unabsorbed reinvestment allowances are allowed to be utilised for 7 (2024: 7) consecutive years of assessment, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for the year of assessment 2019 onwards are allowed to be utilised for 10 (2024: 10) consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forwards indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

37. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group 2025	2024
Profit attributable to owners of the Company (RM'000)	1,913	13,050
Weighted average number of ordinary shares ('000)	152,602	152,324
Basic earnings per share (sen)	1.25	8.57

(b) Diluted Earnings Per Share

The diluted earnings per share is calculated by dividing consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after adjusted for the effects of dilutive potential ordinary shares.

	The Group 2025	2024
Profit attributable to owners of the Company (RM'000)	1,913	13,050
Weighted average number of ordinary shares in issue (Basic) ('000)	152,602	152,324
Effect of exercise of ESS options ('000)	*	201
Weighted average number of ordinary shares in issue (Diluted) ('000)	152,602	152,525
Diluted earnings per share (sen)	1.25	8.56

* The potential exercise of ESS options is anti-dilutive as the exercise price is higher than the average market price of the Company's ordinary shares during the financial year. Accordingly, the exercise of ESS options has been ignored in the calculation of dilutive earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

38. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets is as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 7)	2,289	2,212	-	-
Less: Acquired through hire purchase arrangements (Note 38(b))	(148)	-	-	-
	2,141	2,212	-	-
Right-of-use assets				
Cost of right-of-use assets acquired (Note 9)	123	321	-	-
Less: Additions of new lease liabilities (Note 38(b))	(123)	(321)	-	-
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

38. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Hire Purchase Payables RM'000	Lease Liabilities RM'000	Term Loans RM'000	Bankers' Acceptances RM'000	Bills Payable RM'000	Revolving Credit RM'000	Total RM'000
2025							
At 1 February 2024	592	14,049	161	3,899	8,852	200	27,753
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	-	-	-	13,233	40,264	5,755	59,252
Repayment of principal	(189)	(1,563)	(86)	(12,997)	(44,428)	(4,955)	(64,218)
Repayment of interests	(23)	(784)	(6)	(229)	(652)	(23)	(1,717)
	(212)	(2,347)	(92)	7	(4,816)	777	(6,683)
<u>Other Changes</u>							
Acquisition of new hire purchase (Note 38(a))	148	-	-	-	-	-	148
Acquisition of new leases (Note 38(a))	-	123	-	-	-	-	123
Interest expense recognised in profit or loss	23	784	6	229	652	23	1,717
	171	907	6	229	652	23	1,988
At 31 January	551	12,609	75	4,135	4,688	1,000	23,058

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

38. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Group	Hire Purchase Payables RM'000	Lease Liabilities RM'000	Term Loans RM'000	Bankers' Acceptances RM'000	Bills Payable RM'000	Revolving Credit RM'000	Total RM'000
2024							
At 1 February 2023	2,302	14,829	274	9,369	13,503	-	40,277
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	-	-	-	32,820	36,935	200	69,955
Repayment of principal	(1,710)	(1,402)	(113)	(38,290)	(41,586)	-	(83,101)
Repayment of interests	(35)	(840)	(11)	(479)	(381)	-	(1,746)
	(1,745)	(2,242)	(124)	(5,949)	(5,032)	200	(14,892)
<u>Other Changes</u>							
Acquisition of new leases (Note 38(a))	-	321	-	-	-	-	321
Changes due to lease modification	-	301	-	-	-	-	301
Interest expense recognised in profit or loss	35	840	11	479	381	-	1,746
	35	1,462	11	479	381	-	2,368
At 31 January	592	14,049	161	3,899	8,852	200	27,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

38. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

The Company	Lease Liabilities RM'000
2025	
At 1 February 2024	798
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(225)
Repayment of interests	(39)
	(264)
<u>Other Changes</u>	
Interest expense recognised in profit or loss	39
At 31 January	573
2024	
At 1 February 2023	1,010
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(212)
Repayment of interests	(52)
	(264)
<u>Other Changes</u>	
Interest expense recognised in profit or loss	52
At 31 January	798

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Payment of short-term leases	54	81	-	-
Payment of low-value assets	6	6	-	-
Interest paid on lease liabilities	784	840	39	52
Payment of lease liabilities	1,563	1,402	225	212
	2,407	2,329	264	264

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

38. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Short-term investments	16,977	18,183	175	50
Fixed deposits with licensed banks	360	448	-	102
Cash and bank balances	2,510	4,336	34	121
Bank overdrafts	(4,015)	(3,817)	-	-
	15,832	19,150	209	273
Less:-				
Fixed deposits pledged to licensed banks	(360)	(346)	-	-
	15,472	18,804	209	273

39. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	1,104	2,861
Rental charged by related parties	2,137	2,105	264	264
Support fee charged to a related party	-	167	-	-
Maintenance fee charged by a related party	7	7	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in Notes 14 and 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

40. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segment and to assess their performance. For management purpose, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 3 main reportable segments as follows:-

Manufacturing segment - manufacture and sale of multi-wall industrial paper bags and corrugated fibre boards and boxes.

Investment holding segment - investment in quoted and unquoted shares are held for capital gains.

Property segment - properties lease out for rental income or held for long-term capital appreciation.

- (a) Performance is measured based on segment profit/(loss) before taxation as included in the internal management reports that are reviewed by the Group's Executive Director, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.
- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

	Manufacturing RM'000	Investment Holding RM'000	Property RM'000	Others RM'000	Group RM'000
2025					
<u>Revenue</u>					
External revenue	84,865	-	-	-	84,865
Inter-segment revenue	-	1,104	-	1,697	2,801
	84,865	1,104	-	1,697	87,666
Adjustments and eliminations					(2,801)
Consolidated revenue					84,865
<u>Results</u>					
Results before following adjustments	15,083	(452)	(446)	(3,236)	10,949
Impairment losses on trade receivables	(750)	-	-	-	(750)
Impairment losses on other receivables	(33)	-	-	-	(33)
Interest income	14	5	615	-	634
Interest expense	(2,004)	(39)	-	-	(2,043)
Depreciation of property, plant and equipment	(4,030)	-	(1)	(13)	(4,044)
Depreciation of right-of-use assets	(1,523)	(181)	-	-	(1,704)
Profit/(Loss) before taxation	6,757	(667)	168	(3,249)	3,009
Income tax expense					(1,096)
Consolidated profit after taxation					1,913

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

	Manufacturing RM'000	Investment Holding RM'000	Property RM'000	Others RM'000	Group RM'000
2025					
<u>Assets</u>					
Segment assets	97,158	5,886	58,676	401	162,121
Unallocated asset:-					
Current tax assets					3,397
Consolidated total assets					165,518
<u>Liabilities</u>					
Segment liabilities	40,581	1,010	2,481	383	44,455
Unallocated liability:-					
Deferred tax liabilities					7,165
Consolidated total liabilities					51,620
<u>Other Segment Items</u>					
Non-current assets other than financial instruments:-					
Additions on:					
- Property, plant and equipment	2,251	-	-	38	2,289
- Right-of-use assets	123	-	-	-	123
	2,374	-	-	38	2,412

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

	Manufacturing RM'000	Investment Holding RM'000	Property RM'000	Others RM'000	Group RM'000
2024					
<u>Revenue</u>					
External revenue	101,131	-	-	-	101,131
Inter-segment revenue	-	2,861	-	2,023	4,884
	101,131	2,861	-	2,023	106,015
Adjustments and eliminations					(4,884)
Consolidated revenue					101,131
<u>Results</u>					
Results before following adjustments	9,337	(1,154)	14,759	(3,081)	19,861
Reversal of impairment losses on trade receivables	99	-	-	-	99
Interest income	17	11	560	-	588
Interest expense	(2,064)	(52)	-	-	(2,116)
Depreciation of property, plant and equipment	(4,004)	*	(1)	(10)	(4,015)
Depreciation of right-of-use assets	(1,436)	(182)	-	-	(1,618)
Fair value gain on investment properties	-	-	500	-	500
Profit/(Loss) before taxation	1,949	(1,377)	15,818	(3,091)	13,299
Income tax expense					(249)
Consolidated profit after taxation					13,050

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

40. OPERATING SEGMENTS (CONT'D)

	Manufacturing RM'000	Investment Holding RM'000	Property RM'000	Others RM'000	Group RM'000
2024					
<u>Assets</u>					
Segment assets	98,173	6,131	60,093	447	164,844
Unallocated asset:-					
Current tax assets					2,872
Consolidated total assets					167,716
<u>Liabilities</u>					
Segment liabilities	43,919	1,252	2,945	406	48,522
Unallocated liabilities:-					
Current tax liability					1
Deferred tax liabilities					7,208
Consolidated total liabilities					55,731
<u>Other Segment Items</u>					
Non-current assets other than financial instruments:-					
Additions on:					
- Property, plant and equipment	2,190	-	1	21	2,212
- Right-of-use assets	321	-	-	-	321
	2,511	-	1	21	2,533

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

41. SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

Geographical Information	Revenue		Non-Current Assets Other Than Financial Instruments	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	78,315	90,779	92,991	96,325
Thailand	3,105	2,868	-	-
Mauritius	1,783	57	-	-
Singapore	1,649	3,130	-	-
Indonesia	-	4,129	-	-
Brunei	-	168	-	-
Sweden	13	-	-	-
	84,865	101,131	92,991	96,325

Major Customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group		Segment
	2025 RM'000	2024 RM'000	
Customer #1	12,271	17,547	Manufacturing
Customer #2	10,097	-	Manufacturing

42. CAPITAL COMMITMENTS

	The Group	
	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment	-	1,056

43. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR") and Chinese Yuan Renminbi ("RMB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below.

Foreign Currency Exposure

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Ringgit Malaysia RM'000	Total RM'000
2025					
<u>Financial Assets</u>					
Other investments	-	-	-	2	2
Trade receivables	-	396	123	18,367	18,886
Other receivables	-	-	-	52	52
Short-term investments	-	-	-	16,977	16,977
Fixed deposits with licensed banks	-	-	-	360	360
Cash and bank balances	586	6	254	1,664	2,510
	586	402	377	37,422	38,787
<u>Financial Liabilities</u>					
Hire purchase payables	-	-	-	551	551
Lease liabilities	-	-	-	12,609	12,609
Trade payables	5,531	-	2,124	3,041	10,696
Other payables and accruals	-	-	20	5,584	5,604
Amount owing to related parties	-	-	-	166	166
Bankers' acceptances	-	-	-	4,135	4,135
Bills payable	2,740	-	1,948	-	4,688
Revolving credit	-	-	-	1,000	1,000
Term loans	-	-	-	75	75
Bank overdrafts	-	-	-	4,015	4,015
	8,271	-	4,092	31,176	43,539
Net financial (liabilities)/ assets/Balance carried forward	(7,685)	402	(3,715)	6,246	(4,752)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Ringgit Malaysia RM'000	Total RM'000
2025					
Balance brought forward	(7,685)	402	(3,715)	6,246	(4,752)
Less:- Net financial assets denominated in the respective entities' functional currencies	-	-	-	(6,246)	(6,246)
Currency Exposure	(7,685)	402	(3,715)	-	(10,998)

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Chinese Yuan Renminbi RM'000	Ringgit Malaysia RM'000	Total RM'000
2024						
Financial Assets						
Other investments	-	-	-	-	1	1
Trade receivables	804	210	693	-	24,233	25,940
Other receivables	-	-	-	-	178	178
Short-term investments	-	-	-	-	18,183	18,183
Fixed deposits with licensed banks	-	-	-	-	448	448
Cash and bank balances	-	5	-	-	4,331	4,336
	804	215	693	-	47,374	49,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	United States Dollar RM'000	Singapore Dollar RM'000	Euro RM'000	Chinese Yuan Renminbi RM'000	Ringgit Malaysia RM'000	Total RM'000
2024						
<u>Financial Liabilities</u>						
Hire purchase payables	-	-	-	-	592	592
Lease liabilities	-	-	-	-	14,049	14,049
Trade payables	1,006	-	3,692	-	3,989	8,687
Other payables and accruals	-	-	28	-	6,912	6,940
Amount owing to related parties	-	-	-	-	167	167
Bankers' acceptances	-	-	-	-	3,899	3,899
Bills payable	5,550	-	2,859	443	-	8,852
Revolving credit	-	-	-	-	200	200
Term loans	-	-	-	-	161	161
Bank overdrafts	-	-	-	-	3,817	3,817
	6,556	-	6,579	443	33,786	47,364
Net financial (liabilities)/ assets	(5,752)	215	(5,886)	(443)	13,588	1,722
Less:-						
Net financial assets denominated in the respective entities' functional currencies	-	-	-	-	(13,588)	(13,588)
Currency Exposure	(5,752)	215	(5,886)	(443)	-	(11,866)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2025	2024
	RM'000	RM'000
Effects on Profit After Taxation		
USD/RM:		
- strengthened by 10%	(584)	(437)
- weakened by 10%	584	437
SGD/RM:		
- strengthened by 10%	30	17
- weakened by 10%	(30)	(17)
EUR/RM:		
- strengthened by 10%	(283)	(448)
- weakened by 10%	283	448
RMB/RM:		
- strengthened by 10%	-	(33)
- weakened by 10%	-	33

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 43.1(c) to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2025	2024
	RM'000	RM'000
Effects on Profit After Taxation		
Increase of 100 basis points ("bp")	(106)	(129)
Decrease of 100 bp	106	129

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices. The Group and the Company manage its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles. Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation of the Group and of the Company and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by three customers (2024: two customers) which constituted approximately 44% (2024: 32%) of its trade receivables, net of loss allowance, at the end of the reporting period.

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2025	2024
	RM'000	RM'000
Malaysia	18,367	24,234
Singapore	396	210
Thailand	123	693
Indonesia	-	799
Mauritius	-	4
	18,886	25,940

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM13,913,000 (2024: RM16,929,000), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:-

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 180 days past due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2024: 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the inflation rate as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The Group	Gross Amount RM'000	Lifetime Individual Impairment RM'000	Lifetime Collective Impairment RM'000	Carrying Amount RM'000
2025				
Current (not past due)	16,802	-	-	16,802
1 to 30 days past due	1,633	-	-	1,633
31 to 60 days past due	209	-	-	209
61 to 90 days past due	75	-	-	75
91 to 180 days past due	167	-	-	167
Credit impaired	752	(750)	(2)	-
	19,638	(750)	(2)	18,886
2024				
Current (not past due)	21,029	-	-	21,029
1 to 30 days past due	3,603	-	-	3,603
31 to 60 days past due	1,080	-	-	1,080
61 to 90 days past due	173	-	-	173
91 to 180 days past due	55	-	-	55
Credit impaired	2	-	(2)	-
	25,942	-	(2)	25,940

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The movements in the loss allowances in respect of trade receivables is disclosed in Note 12 to the financial statements.

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

Other Receivables

The Group applies the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

The movements in the loss allowance in respect of other receivables is disclosed in Note 13 to the financial statement.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and of the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-trade Balances) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
The Company			
2025			
Low credit risk	2,421	-	2,421
Credit impaired	50,835	(24,345)	26,490
	53,256	(24,345)	28,911
2024			
Low credit risk	3,415	-	3,415
Credit impaired	48,491	(24,345)	24,146
	51,906	(24,345)	27,561

The movements in the loss allowances are disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2025						
<u>Non-derivative Financial Liabilities</u>						
Hire purchase payables	4.91	551	615	238	377	-
Lease liabilities	5.81	12,609	15,889	2,303	8,006	5,580
Trade payables	-	10,696	10,696	10,696	-	-
Other payables and accruals	-	5,604	5,604	5,604	-	-
Amount owing to related parties	-	166	166	166	-	-
Bankers' acceptances	4.91	4,135	4,135	4,135	-	-
Bills payable	5.50	4,688	4,688	4,688	-	-
Revolving credit	7.76	1,000	1,000	1,000	-	-
Term loans	5.47	75	77	77	-	-
Bank overdrafts	8.13	4,015	4,015	4,015	-	-
		43,539	46,885	32,922	8,383	5,580

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2024						
<u>Non-derivative Financial Liabilities</u>						
Hire purchase payables	4.49	592	656	204	452	-
Lease liabilities	5.80	14,049	18,097	2,298	8,345	7,454
Trade payables	-	8,687	8,687	8,687	-	-
Other payables and accruals	-	6,940	6,940	6,940	-	-
Amount owing to related parties	-	167	167	167	-	-
Bankers' acceptances	5.23	3,899	3,899	3,899	-	-
Bills payable	6.38	8,852	8,852	8,852	-	-
Revolving credit	7.76	200	200	200	-	-
Term loans	5.47	161	168	168	-	-
Bank overdrafts	8.20	3,817	3,817	3,817	-	-
		47,364	51,483	35,232	8,797	7,454

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000
2025					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	5.66	573	630	234	396
Other payables and accruals	-	427	427	427	-
Amount owing to subsidiaries	-	29,877	29,877	29,877	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries	-	-	13,913	13,913	-
		30,877	44,847	44,451	396
2024					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	5.64	798	894	264	630
Other payables and accruals	-	446	446	446	-
Amount owing to subsidiaries	-	28,980	28,980	28,980	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries	-	-	16,929	16,929	-
		30,224	47,249	46,619	630

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2025 RM'000	2024 RM'000
Hire purchase payables	551	592
Lease liabilities	12,609	14,049
Bankers' acceptances	4,135	3,899
Bills payable	4,688	8,852
Revolving credit	1,000	200
Term loans	75	161
Bank overdrafts	4,015	3,817
	27,073	31,570
Less: Cash and bank balances	(2,510)	(4,336)
Less: Short-term investments	(16,977)	(18,183)
Less: Fixed deposits with licensed banks	-	(102)
Net debt	7,586	8,949
Total equity	113,898	111,985
Debt-to-equity ratio	0.07	0.08

There was no change in the Group's approach to capital management during the financial year. The Group is also required to comply with certain loan covenants, failing which, the banks may call an event of default. The Group has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other investments	2	1	*	*
Short-term investments	16,977	18,183	175	50
	16,979	18,184	175	50
<u>Amortised Cost</u>				
Trade receivables	18,886	25,940	-	-
Other receivables	52	178	-	-
Amount owing by subsidiaries	-	-	28,911	27,561
Fixed deposits with licensed banks	360	448	-	102
Cash and bank balances	2,510	4,336	34	121
	21,808	30,902	28,945	27,784
Financial Liability				
<u>Amortised Cost</u>				
Hire purchase payables	551	592	-	-
Lease liabilities	12,609	14,049	573	798
Trade payables	10,696	8,687	-	-
Other payables and accruals	5,604	6,940	427	446
Amount owing to subsidiaries	-	-	29,877	28,980
Amount owing to related parties	166	167	-	-
Bankers' acceptances	4,135	3,899	-	-
Bills payable	4,688	8,852	-	-
Revolving credit	1,000	200	-	-
Term loans	75	161	-	-
Bank overdrafts	4,015	3,817	-	-
	43,539	47,364	30,877	30,224

Note:

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Fair Value Through Profit or Loss				
Net gains recognised in profit or loss	611	543	5	8
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	(138)	292	*	(*)
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(2,298)	(3,499)	(39)	(52)

Note:

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
2025								
<u>Financial Assets</u>								
Other investments:								
- quoted	2	-	-	-	-	-	2	2
- unquoted	-	*	-	-	-	-	*	*
Short-term investments	-	16,977	-	-	-	-	16,977	16,977
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	551	-	551	551
Term loans	-	-	-	-	75	-	75	75
2024								
<u>Financial Assets</u>								
Other investments:								
- quoted	1	-	-	-	-	-	1	1
- unquoted	-	*	-	-	-	-	*	*
Short-term investments	-	18,183	-	-	-	-	18,183	18,183
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	592	-	592	592
Term loans	-	-	-	-	161	-	161	161

Note:

* Less than RM1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2025								
<u>Financial Assets</u>								
Other investments:								
- unquoted	-	*	-	-	-	-	*	*
Short-term investments	-	175	-	-	-	-	175	175
2024								
<u>Financial Assets</u>								
Other investments:								
- unquoted	-	*	-	-	-	-	*	*
Short-term investments	-	50	-	-	-	-	50	50

Note:

* Less than RM1,000.

(a) Fair Value of Financial Instruments Carried at Fair Value

(1) The fair values above have been determined using the following basis:

- (i) The fair value of quoted investments is determined at their quoted closing bid prices at the end of the reporting period.
- (ii) The fair value of the unquoted equity investments is determined to approximate the net assets of the investee as it is immaterial in the context of the financial statements.
- (iii) The fair value of unit trust fund is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

(2) There were no transfers between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

- (1) The fair value of term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2025 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

(b) Fair Value of Financial Instruments Not Carried at Fair Value (Cont'd)

- (2) The fair value of hire purchase payables that carry fixed interest rate are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2025	2024
	%	%
Hire purchase payables (fixed rate)	3.74 - 6.18	3.74 - 5.10

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2025

The total number of issued shares of the Company stands at 152,601,753 with voting rights of one vote per ordinary share.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding	Number of Holders	Total Holdings	%
1- 99	23	392	0.00
100 – 1,000	446	351,601	0.23
1,001 – 10,000	859	4,735,951	3.10
10,001 – 100,000	493	16,163,786	10.59
100,001 – 7,630,087	106	61,250,023	40.14
7,630,088 and above	3	70,100,000	45.94
Total	1,930	152,601,753	100.00

SUBSTANTIAL SHAREHOLDERS

As registered in the Register of Substantial Shareholders as at 30 April 2025

Name	Direct	No. of Shares held %	Indirect	%
Cheong Chan Holdings Sdn Bhd	30,000,000	19.66	-	-
West River Capital Sdn Bhd	13,500,000	8.85	-	-
Dato' Lim Kheng Yew	2,300,000	1.51	50,500,000 ⁽¹⁾	33.09
Datin Millie Lee Siew Kim	5,000,000	3.27	7,000,000 ⁽²⁾	4.59
Lim Tze Thean	4,850,000	3.18	20,500,000 ⁽³⁾	13.43

(1) Deemed interest by virtue of his interest in Cheong Chan Holdings Sdn Bhd, KYM Sdn Bhd and West River Capital Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("Act").

(2) Deemed interest by virtue of her interest in KYM Sdn Bhd pursuant to Section 8 of the Act.

(3) Deemed interest by virtue of his interest in KYM Sdn Bhd and West River Capital Sdn Bhd pursuant to Section 8 of the Act.

THIRTY LARGEST SHAREHOLDERS

as at 30 April 2025

Name of Shareholders	No. of Ordinary Shares	% of Issued Capital
1. Cheong Chan Holdings Sdn Bhd	30,000,000	19.66%
2. Citigroup Nominees (Asing) Sdn Bhd		
Exempt An For UBS AG Singapore (Foreign)	26,600,000	17.43%
3. West River Capital Sdn Bhd	13,500,000	8.85%
4. KYM Sdn Bhd	7,000,000	4.59%
5. HSBC Nominees (Asing) Sdn Bhd		
Exempt An for The Hongkong and Shanghai Banking Corporation Limited	5,500,000	3.60%
6. Maybank Nominees (Tempatan) Sdn Bhd		
Maybank Private Wealth Management for Millie Lee Siew Kim	5,000,000	3.28%
7. Lim Tze Thean	4,200,000	2.75%
8. Mark Lim Tze Seang	3,000,000	1.97%

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2025 (CONT'D)

Name of Shareholders	No. of Ordinary Shares	% of Issued Capital
9. Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Melissa Lim Su Lin	3,000,000	1.97%
10. Yap Chee Lit	2,617,000	1.72%
11. Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Lim Kheng Yew	2,300,000	1.51%
12. Tan Suan Huat	1,770,000	1.16%
13. Lee Ji Jin Darren	1,482,100	0.97%
14. Tan Yew Thiam	1,433,400	0.94%
15. Maybank Nominees (Tempatan) Sdn Bhd Chua Eng Ho Wa'a @ Chua Eng Wah	859,300	0.56%
16. How Bee Lay	784,000	0.51%
17. Magnitude Network Sdn Bhd	775,273	0.51%
18. Loh Toh Heoh	682,300	0.45%
19. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mohd Jeffry Hew Bin Abdullah	673,900	0.44%
20. Lim Soo Hien	652,000	0.43%
21. Lim Tze Thean	650,000	0.43%
22. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Ji Jin Darren	527,900	0.35%
23. Yee Kwok Yim	510,000	0.33%
24. Ho Peng Chong	476,000	0.31%
25. Lim Soo Hien	450,000	0.30%
26. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yeo Chu Hui	448,300	0.29%
27. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tee Jen Tong	425,000	0.28%
28. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Mohamad Razman Bin Rahim	415,900	0.27%
29. Lee Chee Beng	399,000	0.26%
30. Ta Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Liew Ah Onn	389,200	0.26%
	116,520,573	76.38%

DIRECTORS' INTEREST IN SHARES

as at 30 April 2025

Name	Direct	Ordinary Shares %	Indirect	%
Lim Tze Thean	4,850,000	3.18	20,500,000 ⁽¹⁾	13.43
Lee Ji Jin Darren	2,010,000	1.31	-	-
Sharman A/L Arumugam	193,000	0.13	-	-
Gan Chia Hui	-	-	-	-
Lee Li Choon	-	-	-	-

(1) Deemed interest by virtue of his interest in KYM Sdn Bhd and West River Capital Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

LIST OF PROPERTIES

AS AT 31 JANUARY 2025

	Land Area (m ²)	Tenure	Date of Acquisition/ (Revaluation)	Description and Existing Use	Approx. Age of Buildings	Net Book Value (RM)
PN 210048 Lot No. 6917, PN 210061 Lot 6927, and HSD 489 PT No. 4116 Mukim of Lumut District of Manjung Perak Darul Ridzuan	311,253	99 years leasehold expiring on 14.03.2089	(31.12.2024)	Residential, Commercial; Vacant	-	14,820,000
PN 210047 Lot No. 6916 Mukim of Lumut District of Manjung Perak Darul Ridzuan	115,561	99 years leasehold expiring on 14.03.2089	(31.12.2024)	Residential, Vacant	-	12,400,000
PN 343148 Lot No. 392203 Mukim Hulu Kinta District of Kinta Perak Darul Ridzuan	167,400	99 years leasehold expiring on 23.11.2107	(31.12.2024)	Residential, Commercial; Vacant	-	7,600,000
12 & 14 Lorong Medan Tuanku Satu 50300 Kuala Lumpur	1,485	Freehold	(31.12.2024)	2 adjoining units of 5-storey shop/office buildings; vacant	40 years	7,000,000
Lot 10,11 & 12 Persiaran Perindustrian Kanthan 5 Kanthan Industrial Estate 31200 Chemor, Perak Darul Ridzuan	13,777	60 years leasehold expiring on 07.06.2060	(27.05.2011)	Industrial land with factory buildings, offices and warehouse erected thereon	32 years	5,767,708
Lot No. PT2 (Lot 5) Jalan Perusahaan 1 Kawasan Perusahaan Beranang 43700 Beranang Selangor Darul Ehsan	11,461	99 years leasehold expiring on 9.10.2099	(02.06.2011)	Industrial land with factory buildings, offices and warehouse erected thereon	33 years	5,029,348
Lot 16 Persiaran Perindustrian Kanthan 3 Kanthan Industrial Estate 31200 Chemor Perak Darul Ridzuan	7,532	60 years leasehold expiring on 10.2.2055	(27.05.2011)	Industrial land with single storey factory building erected thereon	14 years	1,464,937
Uni Residences B-1-01, B-1-02, B-1-03, B-1-04, B-1-09, B-1-10, KM 8, Jalan Tapah 35400 Tapah Road Perak Darul Ridzuan	-	99 years leasehold expiring on 9.12.2109	10.6.2016	Apartment units used for worker hostel	9 years	930,996
No. 443 & 443A Jalan Wallagonia 18 Taman Universiti Wallagonia 35400 Tapah Road Perak Darul Ridzuan	260	99 years leasehold expiring on 15.02.2112	(31.12.2024)	Single storey terrace house	8 years	360,000

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting of KYM Holdings Bhd. will be held at Level 17, KYM Tower, No. 8 Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor (“Main Venue”) and by way of electronic means using Remote Participation and Electronic Voting facilities hosted at <https://web.vote2u.my> on Thursday, 10 July 2025 at 11.00 a.m. for the following purposes:-

1. To receive the Financial Statements for the financial year ended 31 January 2025 together with the Reports of the Directors and Auditors thereon. (NOTE 1)
2. To approve the payment of Directors’ Fees of RM115,000 for financial year ended 31 January 2025 and the payment of Directors’ benefit (excluding Directors’ Fee) to Non-Executive Directors of up to an amount of RM12,750 from the date of 43rd Annual General Meeting until the next Annual General Meeting. (RESOLUTION 1)
3. To re-elect the following Directors retiring in accordance with the Company’s Constitution:
 - i. Gan Chia Hui (Article 81) (RESOLUTION 2)
 - ii. Lee Li Choon (Article 81) (RESOLUTION 3)
4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (RESOLUTION 4)
5. As Special Business, to consider and if thought fit, pass with or without any modification, the following resolutions:

Ordinary Resolution

Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 Waiver of Pre-Emptive Rights over New Ordinary Shares (“Shares”) or Other Convertible Securities

“That pursuant to Sections 75 and 76 of the Companies Act, 2016 (“Act”), the Directors be and are hereby authorised to issue and allot new Shares in the Company, grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer at any time at such price and upon such terms and conditions and for such purposes and to such person or persons whomever as the Directors may deem fit provided that the aggregate number of Shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

(RESOLUTION 5)

And that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional Shares so issued on Bursa Malaysia Securities Berhad.

And That in connection with the above, pursuant to Section 85(1) of the Act to be read together with Article 47 of the Constitution of the Company, the shareholders of the Company do hereby waive the statutory pre-emptive rights over all new Shares, options over or grants of new Shares or any other convertible securities in the Company and/or any new Shares to be issued pursuant to such options, grants, or other convertible securities, such new Shares, when issued, shall rank pari passu with the existing shares.”

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Ordinary Resolution

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

(RESOLUTION 6)

"That, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, the shareholders' mandate for the recurrent related party transactions of a revenue or trading nature as approved by the shareholders of the Company on 10 July 2024 authorising the Company and its subsidiaries ("KYM Group") to enter into any of the recurrent transactions of a revenue or trading nature of the Group as set out in Section 2.2 of the Circular to Shareholders dated 30 May 2025 with the related party mentioned therein which are necessary for the day-to-day operations of the KYM Group be and is hereby renewed provided that the transaction are in the ordinary course of business, at arms' length basis and are on normal commercial terms which are not more favorable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year.

And that such approval conferred shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such Proposed Shareholders' Mandate passed, at which time it will lapse, unless by a resolution passed at such general meeting whereby the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (iii) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier,

And that the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary in the best interest of the Company (including executing all such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

6. To transact any other matter of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board

CHEE MIN ER

SSM PC No.: 201908000760 (MAICSA 7016822)

Secretary

Selangor Darul Ehsan

30 May 2025

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Notes:-

1. The 43rd Annual General Meeting ("AGM") of the Company will be conducted on a hybrid mode whereby members, proxies, corporate representatives or attorneys will have the flexibility to participate in the meeting through either one of the following modes:

- (a) To attend the AGM physically at the Main Venue as stated in the Notice of AGM ("Physical Attendance"); OR
- (b) To participate in the AGM remotely via Remote Participation and Electronic Voting ("RPV") facilities hosted at <https://web.vote2u.my>. ("Virtual Attendance").

Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 43rd AGM.

2. Only members registered in the Record of Depositors on or before 5.00 p.m. as at 3 July 2025 shall be eligible to attend the hybrid 43rd AGM or appoint a proxy to attend and/or vote on such depositor's behalf. A proxy or an attorney or a duly authorised representative need not be a member of the Company.
3. Save for an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), a Member (including an authorised nominee) shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, he shall specify in the instrument appointing the proxies, the proportion of his shareholdings to be represented by each proxy.
4. If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
5. The power of attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised by its constitution.
6. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of 43rd AGM will be put to vote on poll.
7. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a duly certified copy thereof must be deposited at the Registered Office, Level 17, KYM Tower, No. 8, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor, or via electronic lodgement at <https://web.vote2u.my> (for individual shareholders only) not later than 11.00 a.m. on Wednesday, 9 July 2025.

Explanatory Notes:

1. The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 ("the Act") for discussion only. As such, this item is not a business which requires a resolution to be put to vote by shareholders.
2. Directors' Fees and Benefits

Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The fees and benefits to the Directors of the Company are paid based on the following remuneration structure:

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Directors Fees

	Annual Fee	
	Chairman	Member
Board of Directors	RM20,000	RM20,000
Audit & Risk Management Committee	RM10,000	Nil
Nomination & Remuneration Committee	RM5,000	Nil
ESS Committee	Nil	Nil

Directors' Benefits

The proposed Directors' benefits payable to Non-Executive Directors comprises meeting allowances only. The total estimated amount of Directors' benefits is calculated based on the number of scheduled Board and Board Committee meetings from this AGM until the conclusion of the next AGM of the Company. The Executive Chairman and Executive Director of the Company are not eligible to receive meeting allowance.

Abstention from Voting

Any Directors who are shareholders of the Company will abstain from voting on this Resolution concerning their own remuneration at the 43rd AGM.

3. Re-election of Directors who retire pursuant to Article 81 of the Constitution of the Company

Article 81 provides that at least one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election.

Gan Chia Hui and Lee Li Choon being eligible, have offered themselves for re-election at this AGM.

For the purpose of determining the eligibility of the Directors for re-election at the 43rd AGM, the Board through its Nomination & Remuneration Committee had assessed the performance and contribution of each Director (including Independent Directors) based on the Self and Peer Assessment results of the Board and Board Committee Effectiveness Evaluation ("BEE") for the financial year ended 31 January 2025. The assessment took into consideration among others, boardroom dynamics & participation, leadership, integrity & objectivity, knowledge & expertise, fit and proper, time commitment, as well as the level of independence demonstrated by the Independent Directors.

The Nomination & Remuneration Committee and the Board have considered the Self and Peer Assessment results of the BEE conducted for the financial year ended 31 January 2025, they are satisfied that each retiring Director meets the fit and proper criteria, demonstrating strong performance, contribution and effectiveness.

The Board recommends the re-election of all retiring Directors.

4. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed resolution 5, if approved, will authorise the Directors to issue shares (other than bonus or rights issue) in the Company up to an aggregate amount of not exceeding 10% of the issued capital of the Company without convening a general meeting. The approval is sought to avoid any delay and costs involved in convening a general meeting for such issuance of shares. The authority will expire at the next AGM of the Company.

As at the date of Notice, no shares were issued pursuant to the mandate granted to the Directors at the last AGM held on 10 July 2024 which will lapse at the conclusion of the 43rd AGM.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

The purpose of the renewal of general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, projects, repayment of bank borrowings, working capital such as purchase of raw materials, payment of administrative and operating expenses, settlement of other payables etc and/or as consideration for acquisitions.

Please refer to Section 85(1) of the Act and Article 47 of the Company's Constitution as detailed below.

Pursuant to Section 85(1) of the Act read together with Article 47 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new ordinary shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) provides as follows:

Pre-emptive rights to new shares

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Article 47 of the Constitution of the Company

"Subject to any direction to the contrary that may be given by the Company in meeting of Members, all new shares or other convertible securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Member in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article."

In order for the Board to issue any new shares or other convertible securities free of pre-emptive rights, such pre-emptive rights must be waived. The proposed ordinary resolution, if passed, will exclude your pre-emptive rights over all new shares, options over or grant of new shares or any other convertible securities in the Company and/or any new Shares to be issued pursuant to such options, grants or other convertible securities under the Authority To Directors To Allot Shares.

5. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed resolution 6 if approved, will authorise KYM Group to continue entering into any of the categories of recurrent related party transactions of a revenue or trading nature with related parties, particulars of which are set out in Section 2.2 of the Circular to Shareholders dated 30 May 2025 circulated together with this Annual Report. These authorities, unless revoked or varied by the Company at a general meeting will expire at the next AGM of the Company.

6. Annual Report 2025

The softcopy of the Annual Report 2025 is available on the Company's website at www.kym.com.my. Shareholders of the Company may request for the printed copy of the Annual Report 2025 via the Company's website at www.kym.com.my and must provide all the required information accurately i.e. full name, CDS Account Number, full mailing address and shareholder's mobile number. With the accurate and complete information, a copy of the Annual Report 2025 will be sent to the shareholders upon request within four (4) working days.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Personal Data Policy

By submitting a completed Proxy Form to the Company (or its agents) (as the case may be) for appointing a proxy(ies) and/or representative(s) to attend and/or in person at the 43rd AGM and any adjournment therefore, a member of the Company hereby:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 43rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 43rd AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

For the purposes of the paragraph, "personal data" shall have the same meaning given in section 4 of Personal Data Protection Act 2010.

STATEMENT ACCOMPANYING THE NOTICE OF THE 43RD AGM

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

No individual is seeking for election as a Director at the forthcoming 43rd AGM of the Company.

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**KYM HOLDINGS BHD.**

Reg No.: 198201004556 (84303-A)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
Number of Shares Held	

I/We (NRIC No.:)

of

being a member of KYM Holdings Bhd. hereby appoint

..... (NRIC No.:)

of

or failing him (NRIC No.:)

of

and email address at

as *my/our proxy to vote for *me/us and on *my/our behalf at the 43rd Annual General Meeting of the Company to be held at Level 17, KYM Tower, No. 8 Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor ("Main Venue") and by way of electronic means using Remote Participation and Electronic Voting facilities hosted at <https://web.vote2u.my> on Thursday, 10 July 2025 at 11.00 a.m. and at any adjournment thereof.

*My/Our proxy is to vote as indicated below:

No.	Resolution	For	Against
1.	Payment of Directors' Fees and Directors' Benefits to Non-Executive Directors		
2.	Re-election of Ms Gan Chia Hui		
3.	Re-election of Ms Lee Li Choon		
4.	Re-appointment of Messrs Crowe Malaysia PLT as Auditors		
5.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 Waiver of Pre-Emptive Rights over New Ordinary Shares ("Shares") or Other Convertible Securities		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the space provided, how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.

Dated this _____ day of _____, 2025.

Signature of Member/Common Seal

Notes:

- Only members registered in the Record of Depositors on or before 5.00 p.m. as at 3 July 2025 shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on such depositor's behalf. A proxy or an attorney or a duly authorised representative need not be a member of the Company.
- Save for an exempt authorised nominee as defined in the under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), a Member (including an authorised nominee) shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, he shall specify in the instrument appointing the proxies, the proportion of his shareholdings to be represented by each proxy.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- The power of attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, it must be executed under its seal or in the manner authorised by its constitution.
- Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of 43rd AGM will be put to vote on poll.
- The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or a duly certified copy thereof must be deposited at the Registered Office, Level 17, KYM Tower, No. 8, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor, or via electronic lodgement at <https://web.vote2u.my> (for individual shareholders only) not later than 11.00 a.m. on Wednesday, 9 July 2025.



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Stamp

The Company Secretary

KYM HOLDINGS BHD.

Reg No.: 198201004556) (84303-A)

Level 17, KYM Tower
No. 8, Jalan PJU 7/6
Mutiarra Damansara
47800 Petaling Jaya
Selangor

Please fold along this line (2)

KYM HOLDINGS BHD.

Reg No.: 198201004556 (84303-A)

Level 17, KYM Tower,
No. 8, Jalan PJU 7/6 Mutiara Damansara,
47800 Petaling Jaya, Selangor.



www.kym.com.my