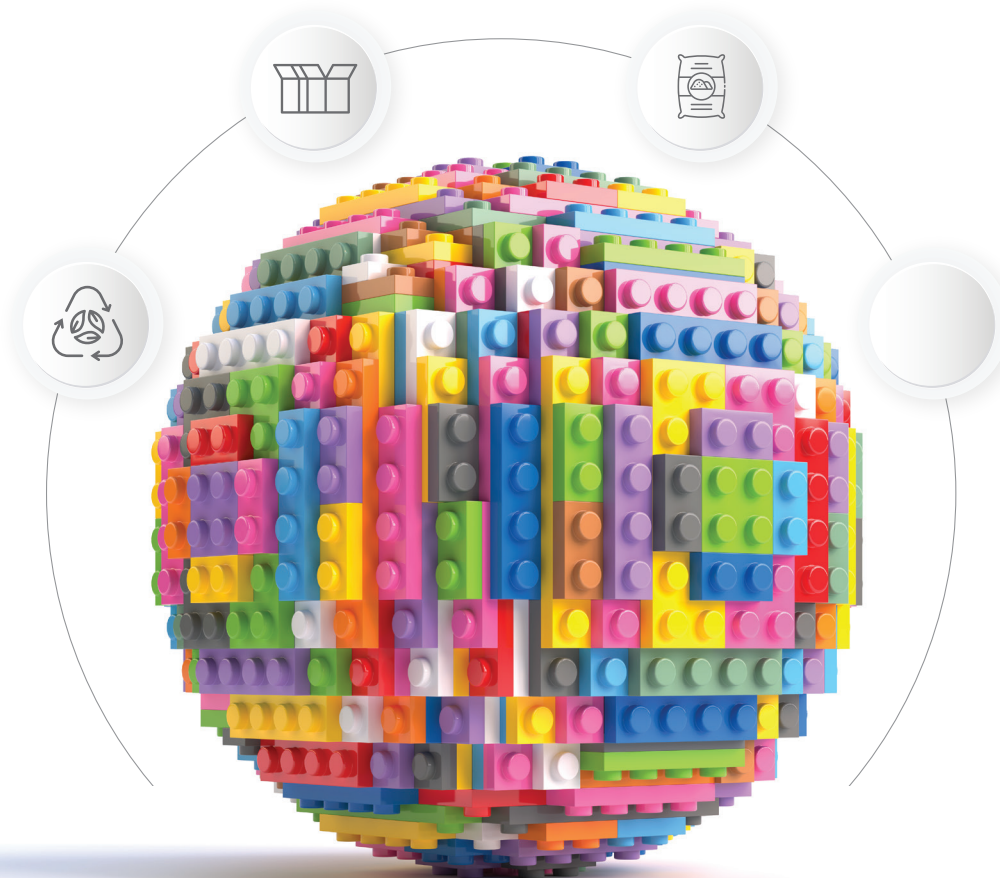




KYM HOLDINGS BHD.

Reg No.: 198201004556 (84303-A)



Connected Foundations. Collective Strength

Annual Report 2026

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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.



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.

44TH

ANNUAL GENERAL MEETING



Date

Thursday, 9 July 2026



Time

11.00 a.m



Meeting Venue

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



CORPORATE INFORMATION

Board of Directors



Lim Tze Thean
Executive Chairman

Lee Ji Jin Darren
*Executive Director /
Chief Executive Officer*

Sharman A/L Arumugam
*Independent
Non-Executive Director*

Gan Chia Hui
*Independent
Non-Executive Director*

Lee Li Choon
*Independent
Non-Executive Director*

SECRETARY

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

AUDIT & RISK MANAGEMENT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

REGISTERED OFFICE

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

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

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

PRINCIPAL BANKERS

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

SHARE REGISTRAR

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

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

WEBSITE

www.kym.com.my



PROFILE OF DIRECTORS

LIM TZE THEAN

Executive Chairman

Age : 47
Gender : Male
Nationality : Malaysian

Lim Tze Thean was appointed as Executive Officer of the KYM Group in 2012 and promoted to Chief Executive Officer on 20 May 2013. He joined 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 Chief Executive Officer to focus on strategic leadership, while continuing to serve as Executive Chairman.

He holds a Bachelor of Science in Computer Science with Management from King's College, University of London, and an Executive MBA from INSEAD.

Lim has over 20 years of experience in operations, manufacturing, and property development. He has held key leadership roles across the Group's core businesses, including the KYM Manufacturing and Properties divisions, where he has driven operational scaling, business transformation, and investment initiatives.

He also serves as an Executive Director of TSM Global Berhad, contributing his expertise in automotive supply chains, industrial operations, and strategic investments.

He is currently the Vice President of the Malaysian Automotive Component Parts Manufacturers Association (MACPMA) for the 2025/2026 term, and is actively involved in industry initiatives relating to governance, ESG, digitalisation and advanced manufacturing technologies.

As a substantial shareholder of the Company, his interests in securities are disclosed on page 148 of this Annual Report.

Save for the recurrent related party transactions disclosed, he has not entered into any transaction that has a conflict of interest with the Company. He has not been convicted of any offences within the past 10 years other than traffic offences.

LEE JI JIN DARREN

Executive Director /
Chief Executive Officer

Age : 43
Gender : Male
Nationality : Malaysian

Lee Ji Jin Darren, aged 43, is the Chief Executive Officer of KYM Holdings Bhd, where he leads the Group's strategic direction, transformation initiatives, and growth agenda. He was appointed to the Board on 25 September 2014, appointed as Deputy Chief Executive Officer on 1 June 2022, and redesignated as Chief Executive Officer on 1 July 2023.

Darren Lee is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom, having completed his professional qualification in 2003.

He began his career with Ernst and Young and later gained international experience in the United Kingdom. He subsequently joined Deloitte Bermuda as a Manager, where he was involved in financial services engagements, including work on investment related valuations.

In 2009, he joined TSM Global Berhad and was subsequently promoted to Head of Investment, where he led investment evaluation and execution, merger and acquisition initiatives, investor relations, and strategic capital planning.

He currently focuses on strengthening KYM's core businesses while advancing strategic initiatives in new growth areas and corporate development.

His shareholding in the Company is set out on page 148 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 of any offences within the past 10 years other than traffic offences.



PROFILE OF DIRECTORS

(CONT'D)

SHARMAN A/L ARUMUGAM

Independent
Non-Executive Director

03

Age : 55
Gender : Male
Nationality : Malaysian

Sharman A/L Arumugam, aged 55, 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 148 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 : 48
Gender : Female
Nationality : Malaysian

Gan Chia Hui, aged 48, 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 : 53
Gender : Female
Nationality : Malaysian

Lee Li Choon, aged 53, 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 and KEB 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

Age / Gender / Nationality

47 / Male / Malaysian

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

LEE JI JIN DARREN

Executive Director / Chief Executive Officer

Age / Gender / Nationality

43 / Male / Malaysian

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

MOK TUCK MENG

Managing Director, Multiwall Industrial Paper Sacks Division

Age / Gender / Nationality

61 / Male / Malaysian

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 Paper Sacks division in May 1999.

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

LIM KHENG ENG

Managing Director, Corrugated Carton Box Division

Age / Gender / Nationality

68 / Male / Malaysian

Lim Kheng Eng started his career in Corrugated Carton Box division in 1986 and worked through the ranks before he was promoted to General Manager for Corrugated Carton Box 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.

TAN PENG AUN

Group Property Manager

Age / Gender / Nationality

61 / Male / Malaysian

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 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

Group Financial Controller

Age / Gender / Nationality

59 / Male / Malaysian

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 being promoted as Acting Group Financial Controller in September 2024. He is presently designated as Group Financial Controller. Prior to his current role, he was responsible for the finance management, financial reporting, budgeting and cost control for the Multiwall Industrial Paper Sacks division.



PROFILE OF KEY SENIOR MANAGEMENT

(CONT'D)

CHEE MIN ER

Head of Corporate Communications & Administration/Company Secretary

Age / Gender / Nationality

54 / Female / Malaysian

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 in May 2012 to present position with expanded responsibilities. She oversees the Group's corporate secretarial and corporate communications function, ensuring robust governance practices, regulatory compliance, and effective stakeholder engagement. She is also entrusted with driving the Group's sustainability agenda and overseeing sustainability matters, including the integration of environmental, social, and governance (ESG) principles into the Group's corporate strategies and operations.

In March 2023, she was appointed as the Chief Integrity Officer ('CeIO') where she plays a key role in strengthening the Group's integrity framework and promoting ethical business conduct.

She has over 30 years of experience spanning corporate governance, regulatory compliance, corporate advisory and stakeholder engagement.

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.

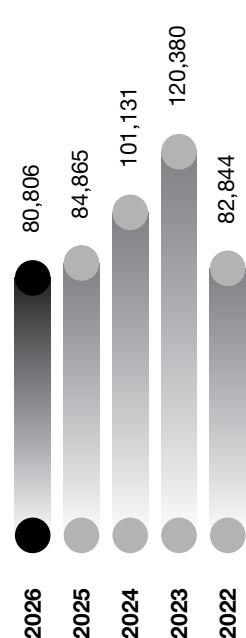


5 YEAR FINANCIAL HIGHLIGHTS

		2026	2025	2024	2023	2022
		RM'000	RM'000	RM'000	RM'000	RM'000
Revenue		80,806	84,865	101,131	120,380	82,844
Profit/(Loss) Before Tax		1,245	3,009	13,299	12,449	4,801
Profit/(Loss) After Tax		1,008	1,913	13,050	8,927	3,553
Profit/(Loss) After Tax Attributable to Owners of the Company		1,008	1,913	13,050	8,927	3,553
Issued share capital ('000)		152,602	152,602	152,602	151,790	149,890
Paid up capital		111,582	111,582	111,582	111,217	110,381
Shareholders' Fund		114,906	113,898	111,985	98,023	88,260
Total Assets		161,539	165,518	167,716	177,942	166,401
Total Borrowings		23,320	27,073	31,570	43,533	48,393
Gearing ratio	Times	0.20	0.24	0.28	0.44	0.55
Basic Earnings/(Loss) Per Share Attributable to Shareholders	sen	0.66	1.25	8.57	5.91	2.37
Net Assets Per Share	sen	75.30	74.64	73.38	64.58	58.88

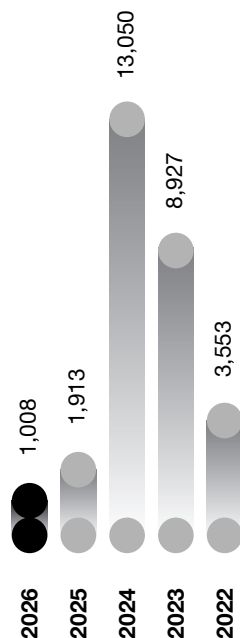
REVENUE (RM'000)

80,806



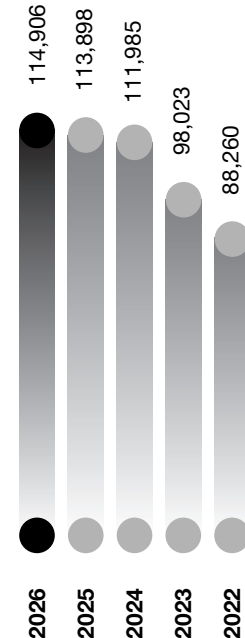
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)

1,008



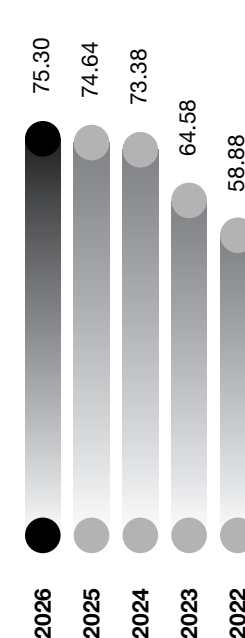
SHAREHOLDERS' FUND (RM'000)

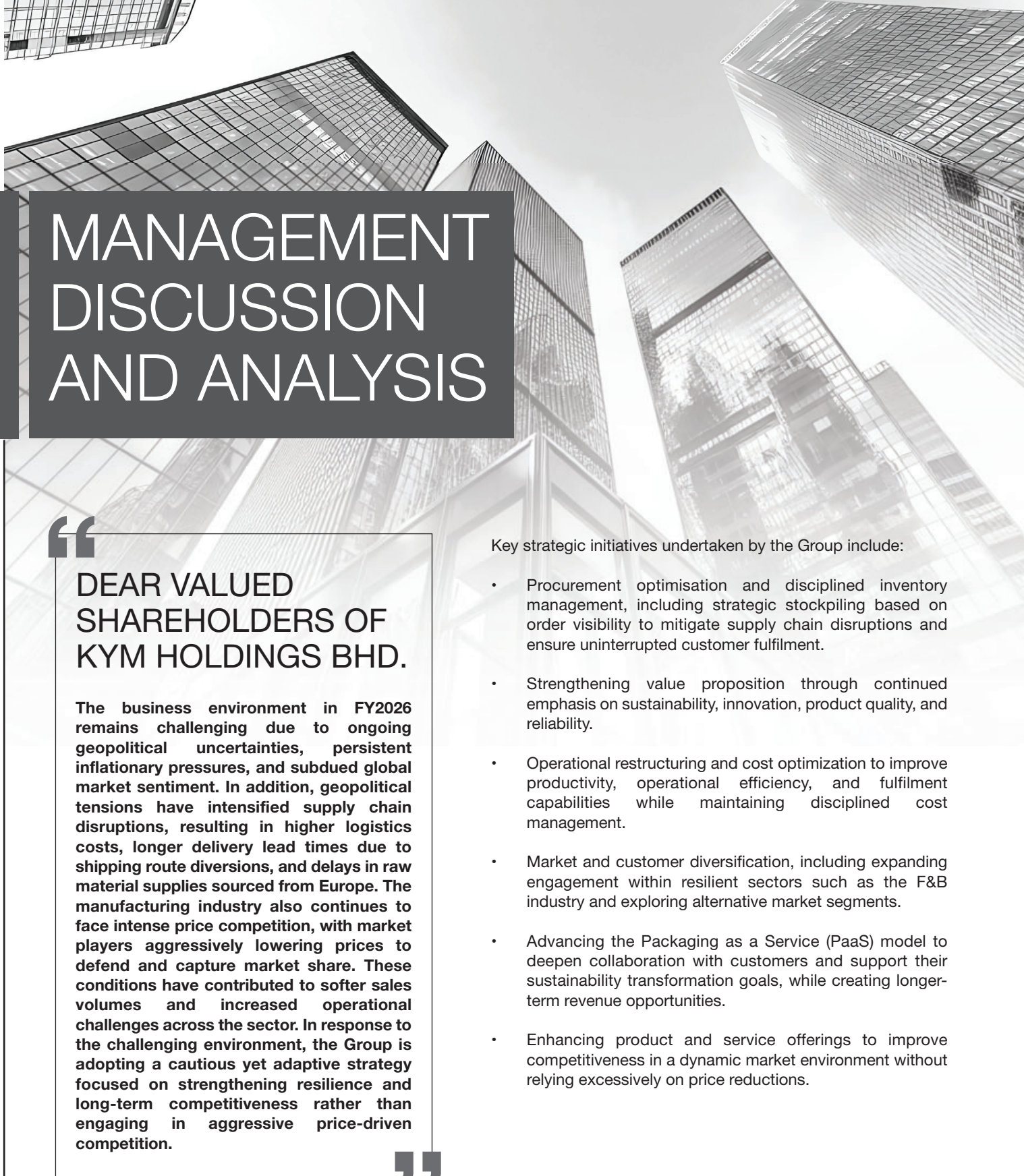
114,906



NET ASSETS PER SHARE (RM)

75.30





MANAGEMENT DISCUSSION AND ANALYSIS

“

DEAR VALUED SHAREHOLDERS OF KYM HOLDINGS BHD.

The business environment in FY2026 remains challenging due to ongoing geopolitical uncertainties, persistent inflationary pressures, and subdued global market sentiment. In addition, geopolitical tensions have intensified supply chain disruptions, resulting in higher logistics costs, longer delivery lead times due to shipping route diversions, and delays in raw material supplies sourced from Europe. The manufacturing industry also continues to face intense price competition, with market players aggressively lowering prices to defend and capture market share. These conditions have contributed to softer sales volumes and increased operational challenges across the sector. In response to the challenging environment, the Group is adopting a cautious yet adaptive strategy focused on strengthening resilience and long-term competitiveness rather than engaging in aggressive price-driven competition.

”

Key strategic initiatives undertaken by the Group include:

- Procurement optimisation and disciplined inventory management, including strategic stockpiling based on order visibility to mitigate supply chain disruptions and ensure uninterrupted customer fulfilment.
- Strengthening value proposition through continued emphasis on sustainability, innovation, product quality, and reliability.
- Operational restructuring and cost optimization to improve productivity, operational efficiency, and fulfilment capabilities while maintaining disciplined cost management.
- Market and customer diversification, including expanding engagement within resilient sectors such as the F&B industry and exploring alternative market segments.
- Advancing the Packaging as a Service (PaaS) model to deepen collaboration with customers and support their sustainability transformation goals, while creating longer-term revenue opportunities.
- Enhancing product and service offerings to improve competitiveness in a dynamic market environment without relying excessively on price reductions.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

FINANCIAL PERFORMANCE REVIEW

FY2026 presented a more challenging operating environment, with the Group recording lower sales compared to the previous financial year. The Group's proactive cost optimization strategies and disciplined operational management helped cushion the impact on overall profitability. While profit was lower compared to FY2025, the Group maintained a stable financial position and remained focused on long-term sustainability.

REVENUE (RM'000)		4.8%	OTHER INCOME (RM'000)		>100%	OPERATING EXPENSES (RM'000)		0.9%	PROFIT BEFORE TAX (RM'000)		58.6%
2026		80,806	2026		2,567	2026		80,799	2026		1,245
2025		84,865	2025		1,086	2025		80,116	2025		3,009

Revenue

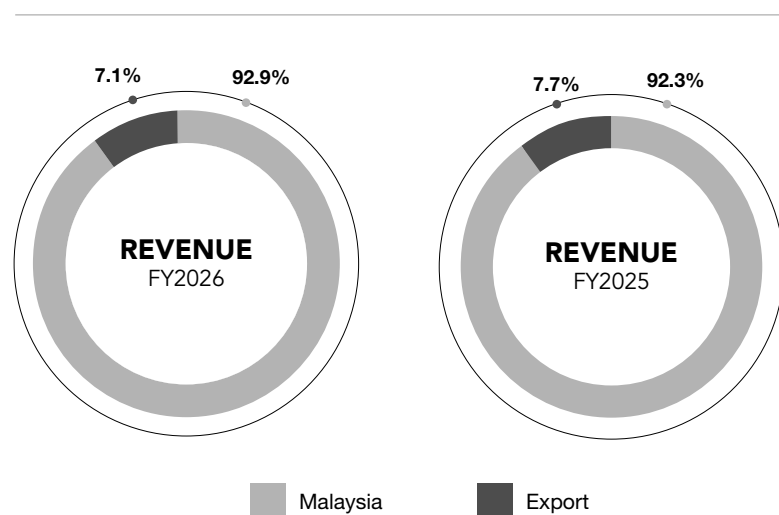
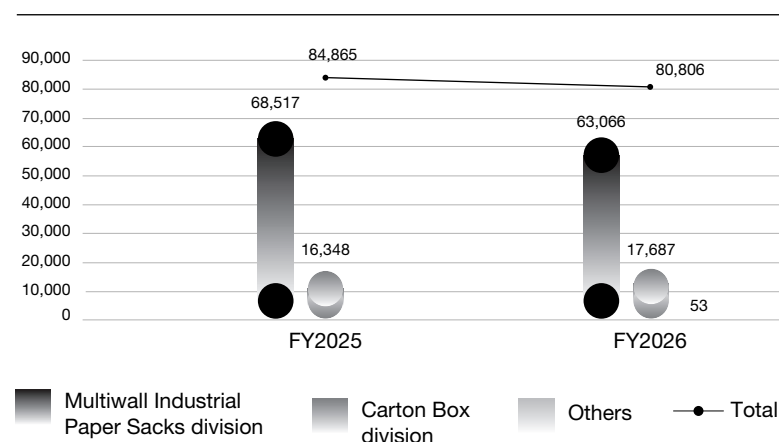
For FY2026, the Group recorded a total revenue of RM80.806 million, representing a decline of RM4.059 million or 4.8% compared to RM84.865 million in the previous financial year. This contraction in revenue was largely attributable to lower sales volume and compressed margins across various sectors to maintain market share and competitiveness.

From a geographical perspective, domestic sales remained the core contributor to the Group's revenue, accounting for 92.9% in FY2026 compared to 92.3% in the previous financial year. Export sales comprised the remaining 7.1% of total revenue, down from 7.7% 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 RM63.066 million in FY2026, reflecting a decrease of RM5.451 million or 8.0% compared to RM68.517 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 RM17.687 million in FY2026, reflecting an increase of RM1.339 million or 8.2% from RM16.348 million recorded in the previous financial year. The increase in revenue was mainly attributable to the successful renewal of several key tenders. Despite the increase in sales volume, average selling prices were reduced in response to competitive market conditions and the Group's strategy to preserve market share and maintain its customer base.

REVENUE BY DIVISION (RM'000)





MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Profit Before tax

The Group reported a profit before tax ("PBT") of RM1.245 million for FY2026, compared to RM3.009 million in the previous financial year. The reduction in profit was largely due to lower sales volume and compressed margins within the manufacturing business.

The Multiwall Industrial Paper Sacks division posted a PBT of RM4.152 million in FY2026, compared to a PBT of RM7.022 million in the previous financial year. While, the Carton Box division registered a LBT of RM0.743 million in FY2026, compared to a LBT of RM0.266 million in the previous financial year.

The decrease in profitability was mainly driven by the reduced sales volume and the lower average selling prices which reduced the gross profit margin. Despite continued efforts in cost control and operational improvements, the challenging market dynamics adversely affected the division's profitability.

Liquidity

As at 31 January 2026, the Group's cash and cash equivalents stood at RM11.989 million, representing an increase of RM13.494 million or 897% from negative RM1.505 million recorded in the previous financial year. The increase in cash and cash equivalents was primarily driven by the following movements in cash flows:

- a) Net cash generated from operating activities amounted to RM15.300 million in FY2026, an increase from RM10.428 million in the previous financial year. Operating cash flow increased mainly due to improved inventory management, which enhanced working capital efficiency, as well as income tax refunds received during the financial year.
- b) Net cash generated from investing activities totalled RM1.985 million, primarily attributable to withdrawal of short-term investment of RM2.365 million, interest income received of RM0.533 million and lower capital expenditure of RM0.948 million.
- c) Net cash outflow from financing activities stood at RM3.791 million, largely attributable to the repayment of short-term borrowings.

The substantial improvement in the Group's cash and cash equivalents position underscores the effectiveness of management's prudent cash flow strategies and operational efficiency initiatives. The enhanced liquidity position reinforces the Group's financial resilience and providing greater flexibility to support future business operations and growth initiatives.

Borrowings and Debt-To-Equity Ratio

As at 31 January 2026, the Group's total bank borrowings stood at RM23.320 million, consisting of RM11.121 million in bank borrowings and RM12.199 million in lease liabilities. This marks a year-on-year reduction of RM3.753 million, or 13.86%, from RM27.073 million in the previous financial year (comprising RM14.464 million in bank borrowings and RM12.609 million in lease liabilities). This improvement underscores the Group's continued focus on disciplined financial stewardship and effective capital management.

Correspondingly, the Group's debt-to-equity ratio improved from 0.22 times to 0.08 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 2025, KYM operated in a challenging and increasingly competitive environment marked by continued pricing pressures and cautious market conditions across both divisions.

The Multiwall Industrial Paper Sacks division started the year on a stronger footing, supported by stable domestic demand and ongoing engagement with key customers. During the year, the division experienced temporary fluctuations in order volumes amid market-wide pricing adjustments. However, volumes gradually stabilized following continued customer engagement and commercial realignment efforts.

Operationally, the Group continued efforts to improve manufacturing efficiency and cost competitiveness through better production alignment and plant utilization. These initiatives were undertaken as part of the Group's ongoing efforts to strengthen operational efficiency and better position the business for changing market conditions.

Meanwhile, the Carton Box division continued to face intense competition, particularly within the consumer-related and industrial packaging segments where pricing pressures remained aggressive throughout the year. Despite the challenging environment, the division remained focused on maintaining product quality, delivery reliability, and customer retention while implementing measures to improve internal efficiency and cost management.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

In parallel, the Group continued advancing its “Packaging-as-a-Service” (“PaaS”) approach by working more closely with customers to provide integrated and value-added packaging solutions beyond conventional manufacturing.

Looking ahead, KYM remains focused on strengthening its core businesses through operational discipline, continuous improvement, and closer collaboration with customers as the Group adapts to evolving market conditions.

THE OUTLOOK

Global trade growth is projected to grow at a more moderate pace in 2026 (2.7%–3.2%; 2025: 3.4%), reflecting ongoing tariff uncertainty and geopolitical conflict that continue to weigh on supply chains and investment decisions. Despite these headwinds, trade activity is expected to be supported by stronger domestic demand, robust investment in technology and artificial intelligence (AI), and continued fiscal and monetary policy support. Stronger demand for electrical & electronics (E&E) and machinery & equipment (M&E), anchored by technological upgrades and infrastructure expansion, is expected to provide a growth cushion. Meanwhile, the prevailing disinflationary trend in global headline inflation faces greater uncertainty as the ongoing Middle East conflict continues to disrupt energy markets and supply chains. This may increase the risks of higher inflation in 2026 through increased energy prices and transportation costs. (Source: *Economic and Monetary Review 2025: Outlook and Policy in 2026* by Bank Negara Malaysia)

Global commodity prices are projected to remain volatile amid ongoing conflicts in the Middle East. Despite these external pressures, the stronger Ringgit is expected to provide some support in containing imported inflation. However, rising input costs and continued competitive pricing pressures may continue to place pressure on profit margins, particularly within price-sensitive segments.

The Group continues to refine and execute its strategies to navigate the challenging operating environment. Key ongoing initiatives include:

- operational restructuring to enhance productivity and efficiency;
- cost optimisation and disciplined expense management to preserve margins in price-sensitive segments; and
- improvements in fulfilment capabilities to strengthen customer service and responsiveness.

To capture emerging growth opportunities, the Group is strengthening its market and customer diversification efforts by exploring alternative and higher-growth market segments. The Group is also advancing its PaaS model to deepen customer collaboration, support customers’ sustainability transformation goals, and create longer-term revenue opportunities.

At the same time, efforts remain focused on enhancing product and service offerings to better align with evolving customer requirements, strengthen value creation, and capitalise on opportunities arising from technological advancements and industry expansion.

The Group continues to embed sustainability considerations into its strategic planning and operational decision-making processes in response to rising customer expectations and its commitment to reduce emissions intensity by 30% by 2030. As part of the Group’s ongoing emissions management initiatives, rooftop solar panel systems became fully operational at the Group’s factories in Beranang and Tapah Road during FY2026. This transition contributed to the avoidance of approximately 557.9 tCO₂e of greenhouse gas emissions and generated energy cost savings of approximately RM409,000 during the financial year.

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 2026, 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 Statement 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 2025 to 31 January 2026 unless indicated otherwise, it has been prepared in line with Bursa Malaysia Sustainability Reporting Guide 3rd Edition and referenced to Global Reporting Initiative (“GRI”) Standards 2021. 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 corporate office 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

To ensure balanced and meaningful disclosure, we report both progress and challenges, and provide three-year KPI trends where available, consistent with Bursa’s comparability expectations. Where calculation methods changed, we explain the changes and any restatements.

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

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FEEDBACK

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

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 Mutiara Damansara 47800 Petaling Jaya

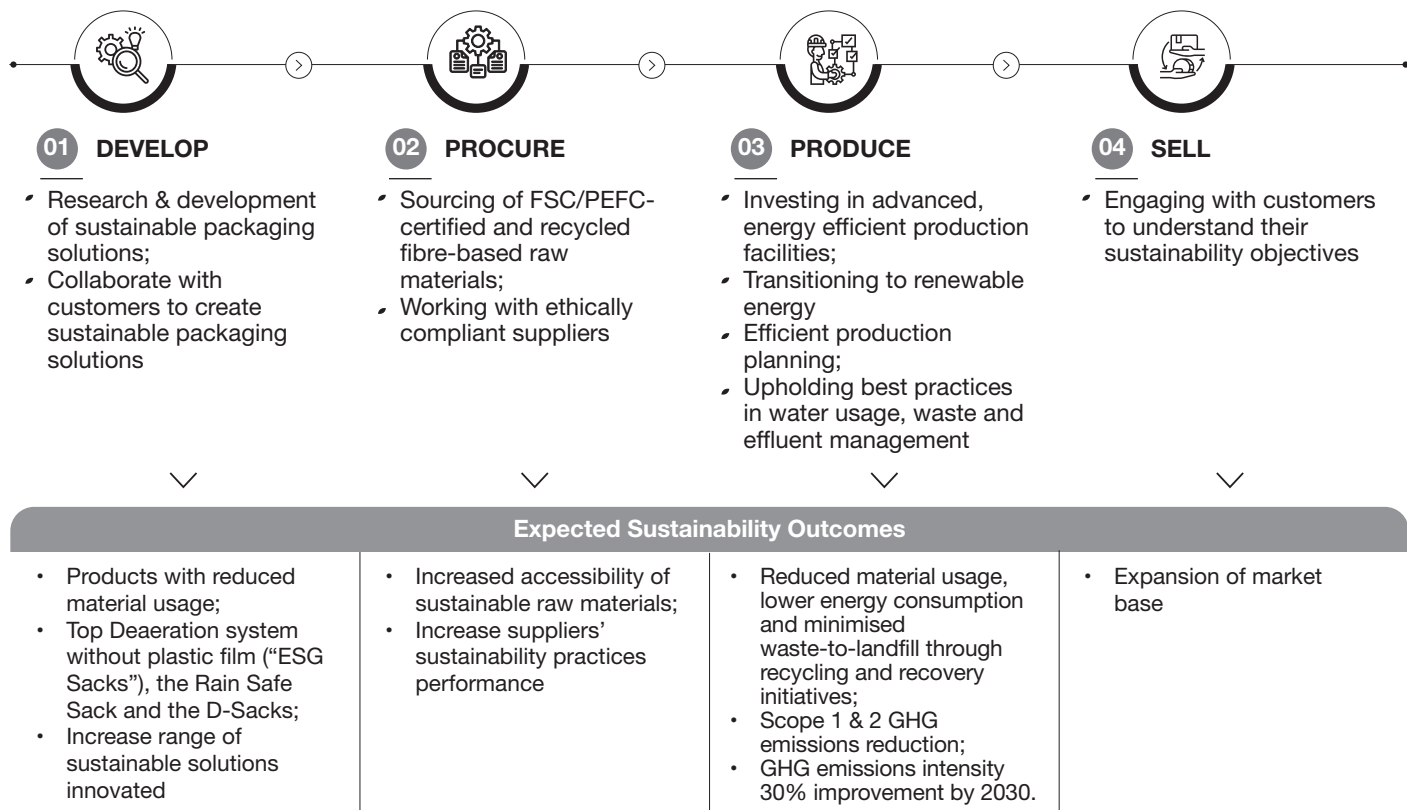
SUSTAINABILITY STRATEGY

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.

Our sustainability strategy focuses on responsible fibre sourcing and circular packaging, climate and resource efficiency, and safe and responsible operations. These priorities reflect our material impacts—from forestry-linked inputs and water-intensive processes to product end-of-life outcomes and workforce safety. We support the UN SDGs by mapping each priority to specific SDGs based on clear impact pathways and measurable KPIs, summarized in the SDG mapping table. Progress is reviewed by management and the Board through defined targets and annual performance reporting

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.





SUSTAINABILITY STATEMENT

(CONT'D)

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.



We are entering the final year of our 3-Year ESG Roadmap which concludes in 2026. The Roadmap set out a 3-year vision for each priority topic under the four pillars i.e Governance, Economic, Environment and Social. Under this Roadmap, we have made meaningful progress in advancing sustainability across our operations, aligned with the 12th Malaysia Plan and our selected UN SDGs. Key achievements include improvements in resource efficiency, responsible sourcing, and governance practices. While we are encouraged by this progress, we recognise areas for further enhancement and remain committed to continuous improvement. As we build on these achievements, we are in the process of developing our next phase ESG strategy to further strengthen our sustainability performance and long-term value.

- Enhanced ERM Framework incorporated the Risk assessment and mitigation plan for high risks involving anti-bribery.
- Record and report Scope 1 & 2 emissions

2023

2025

2024

2026

- Establish Sustainable Procurement Policy with focus areas on supplier and sourcing of materials.
- Conduct supplier assessment against ESG criteria.
- Identify climate change risks and opportunities to be incorporated into an Enterprise-Risk Management Framework.
- Develop a Sustainability Policy to address ESG risks, especially about climate resilience
- Set target to reduce waste intensity when measured against our 2023 baseline

- Incorporate the ESG agenda as a permanent slot in the Board meeting.
- Collect responses from supplier Sustainability self-assessment questionnaire.
- Transitioning to renewable energy at manufacturing plants to reduce Scope 2 emissions by 50%
- Record and report Scope 3 emission from business travel and employee commuting

- Develop an asset improvement plan to increase the performance of the facility machineries, aiming towards operational excellence.
- Perform ESG audits on key suppliers and vendors
- Implement the Employee Assistance Program (EAP) that offers counselling sessions, workshops, support group and others, as a preventive and proactive measure to help their employees.





SUSTAINABILITY STATEMENT

(CONT'D)

Key Sustainability Targets and Progress

Material Topics	KPI/Target	Status	UN SDG Alignments
Responsible Sourcing	- Maintain 100% primary fibre-based material are PEFC or FSC certified; - Maintain 100% recycled materials are RoHS certified.	Maintained. Maintained.	
Energy Management and Greenhouse Gas Emissions	- Renewable energy to account for 50% of the Group's electricity consumption. - Scope 2 emissions reduction by 50% compared with the baseline in FY2023. - Reduce emission intensity by 30% by 2030.	Solar energy accounted for 31% of the Group's total electricity consumption. Scope 2 emissions reduced by 28% against the baseline in FY2023, following the full operational of rooftop solar panels at two factories. 557.9 tco₂e emissions avoided. Total emission intensity (tco₂e/RM'million) for FY2026 was 16.74, 13% higher than FY2023.	
Waste Management	To reduce waste generation	79% of total waste diverted from landfill.	
Occupational Health & Safety	100% compliance with the Occupational Safety and Health Act 1994 Zero cases of fatalities Zero cases of accident	Achieved. Maintained. Zero lost time injury recorded.	
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.	
Local Community	Carry out at least one (1) CSR programme in the local community at each plant location.	Achieved. 3 CSR activities were conducted for the local communities at Tapah Road, Beranang and Corporate Office.	

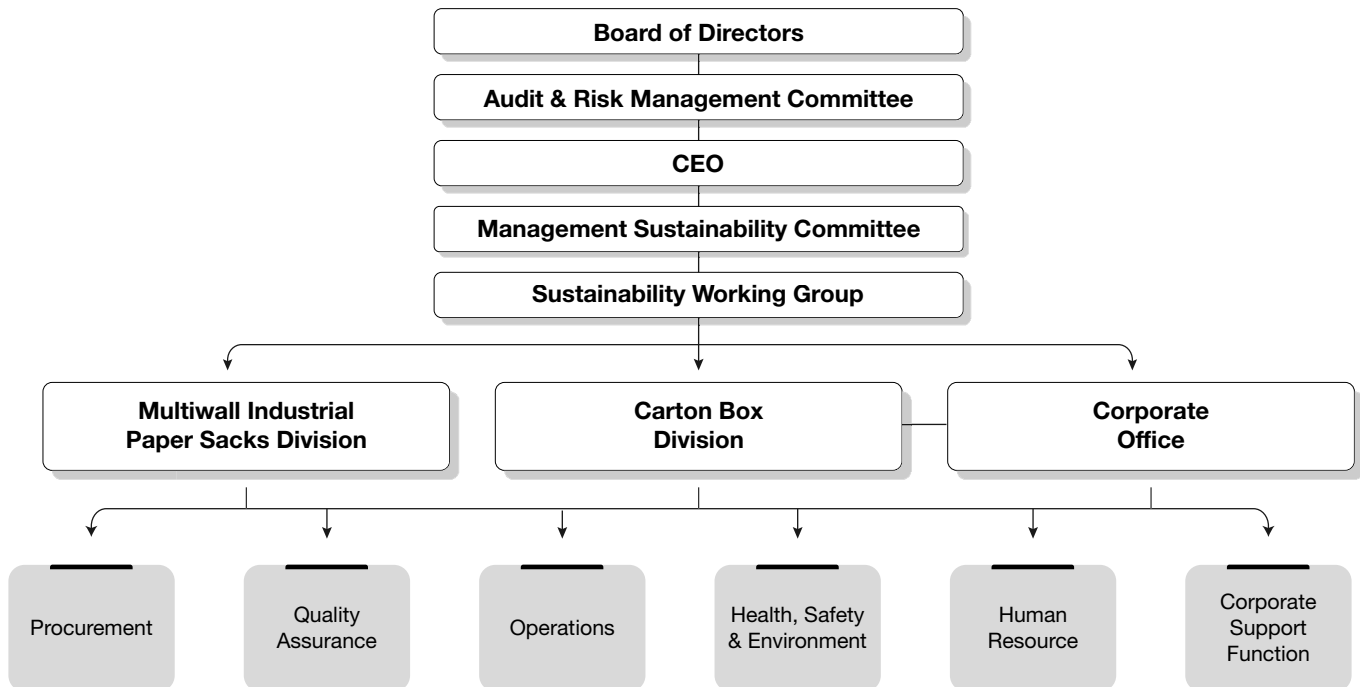


SUSTAINABILITY STATEMENT

(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.



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 Board, through ARMC reviewed material sustainability matters, performance, and targets quarterly. While the Management Sustainability Committee ("SC") led by the Head of Corporate Communications & Administration 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 roles and responsibilities of the BOD, ARMC, 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.

- Ensures sustainability risks are properly incorporated into the risk register and addressed through internal controls;
- Oversees the development and alignment of ESG strategies, priorities, and targets in line with the Group's sustainability commitments.

ARMC

- Supports the Board in overseeing the Group's sustainability strategy, objectives, performance, and initiatives, particularly on environmental and social matters;
- Reviews the effectiveness of identifying, assessing, and managing sustainability-related risks (including environmental, social, and climate risks) within the ERM framework;

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.



SUSTAINABILITY STATEMENT

(CONT'D)

Roles and Responsibilities (Cont'd)

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 Leadership Roundtable Meeting;
- Presents the annual sustainability report for review and comments;
- Monitors data to evaluate the Group's sustainability progress.

Sustainability Working Group

- Comprise representatives from the business divisions within the Group and is led by the Head of Corporate Communications & Administration;
- Facilitates the integration of sustainability priorities into day-to-day operations and long-term planning;
- Deliberates the ESG performance and initiatives to improve performance every month.

Key Policies

KYM Group has several policies to manage material sustainability matters

Child Labour & Yong Workers Policy	Human Rights Policy	Foreign Labour Recruitment Guidelines
Environmental Policy	Food Safety Policy	Safety & Health Policy
Anti-Bribery & Corruption Policy	Supplier Code of Conduct	Whistleblowing Policy

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.

Frequency of Engagement	A	Annually	BA	Bi-annually	Q	Quarterly	AN	As needed
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Our Key Stakeholder	Method of Engagement		Areas of Interest/ Discussions	Our Response
Investors/ Shareholders 	• Annual General Meeting • Announcements to Bursa Malaysia Securities Berhad • Annual Reports • Press releases • Disclosure on the Company's website	A AN A AN AN	• Group's financial and business performance • Business strategy • ESG updates • Integrity and governance • Legal compliance	• Management Discussion & Analysis • Energy Management and Greenhouse Gas Emissions • Climate Change • Business Ethics and Integrity



SUSTAINABILITY STATEMENT

(CONT'D)

Frequency of Engagement	A	Annually	BA	Bi-annually	Q	Quarterly	AN	As needed
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Our Key Stakeholder	Method of Engagement		Areas of Interest/ Discussions	Our Response
Employees 	- Town hall sessions - Newsletter - Employee engagement activities - Employees engagement surveys - Staff performance appraisals	AN Q AN A BA	- Occupational health & safety - Fair compensation - Training and development programme - Career development and progression opportunities - Inclusive and non-discriminate work culture - Employees' needs and wellbeing	- Talent Attraction, Retention & Succession Planning - Occupational Health & Safety (OHS) - Human Rights, Labour Practices, Diversity & Equality
Customers 	- Physical and virtual meetings and call - Customer Satisfaction Surveys - Audit by Customers - Community and networking events	AN A AN AN	- Product quality and innovation - Product pricing - ESG initiatives - Customer-satisfaction	- Sustainable and Innovative Products - Product Quality
Suppliers and Vendors 	- Physical and virtual meetings and calls - Evaluation and performance reviews	AN A	- Reliability of supply - Product quality - Business practices and ethics	- Responsible Sourcing - Business Ethics and Integrity
Government Agencies 	- 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	AN AN A AN	- Environmental management and compliance - Occupational health and safety - Labour practices - Legal and regulatory compliance	- Waste Management - Water Management - Occupational Health & Safety - Human Rights, Labour Practices, Diversity and Equality - Business Ethics and Integrity
Local Communities 	- Community engagement - Corporate website	AN AN	- Social Issues - Impact of business operations - Environmental impacts - Job opportunities	- Waste Management - Water Management - Local Communities

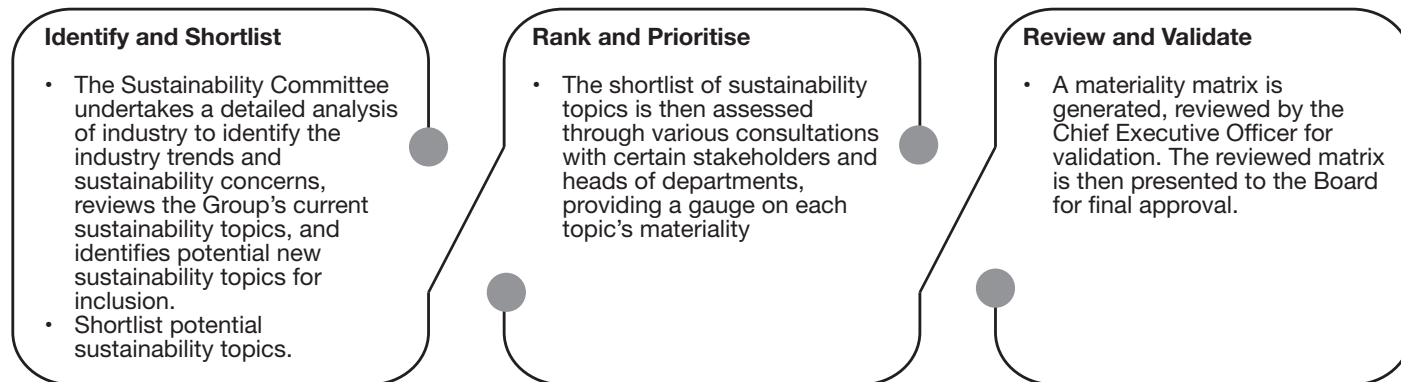


SUSTAINABILITY STATEMENT

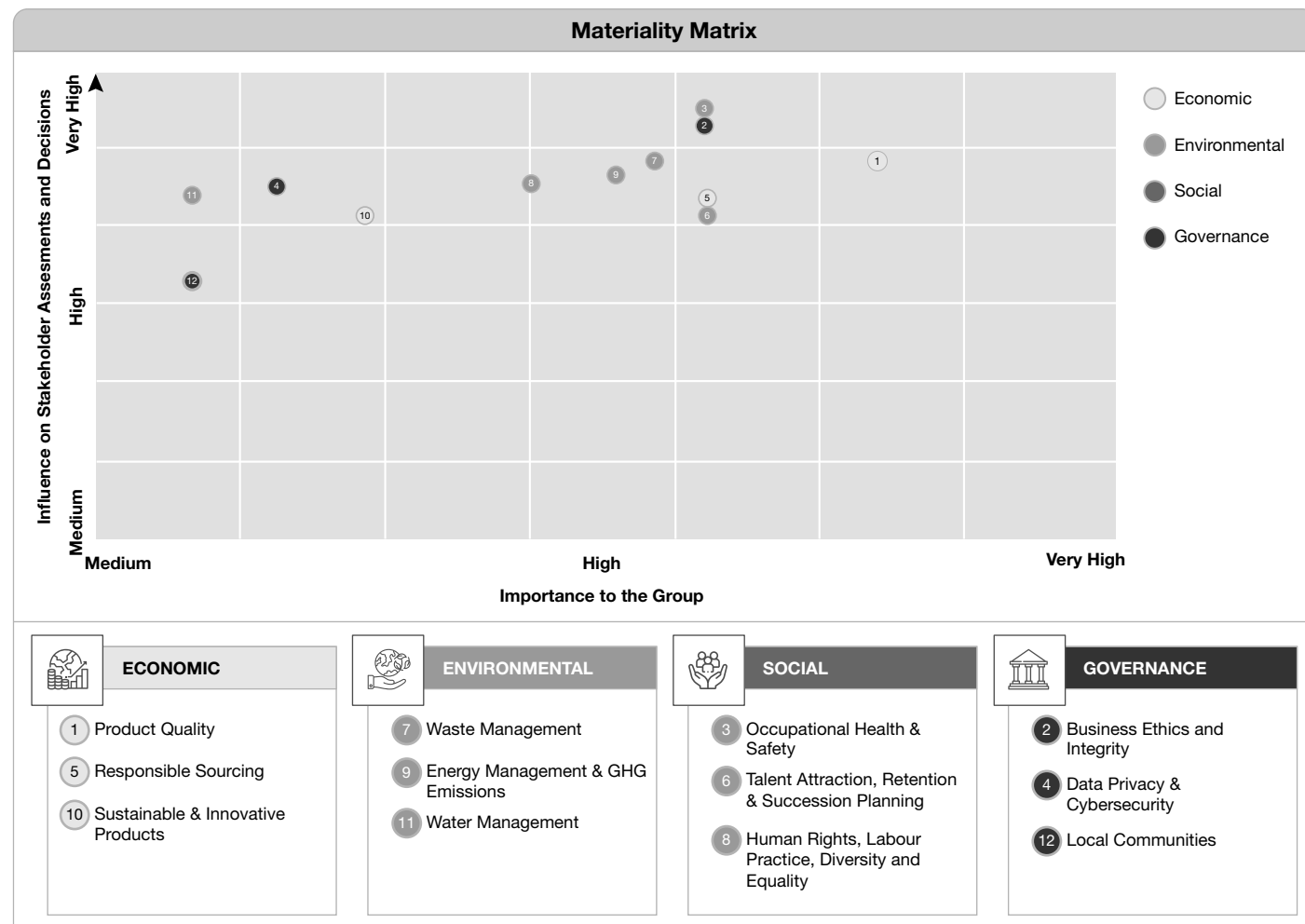
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MATERIALITY ASSESSMENT

We determine material sustainability matters by identifying and prioritizing our most significant impacts on the economy, environment, and people, and by considering matters that substantively influence stakeholder decisions, including Bursa's common sustainability matters.



During the financial year, we performed a review of our current material topics for relevance. Inputs were obtained through a stakeholder survey questionnaire, and the results were subsequently reviewed by Chief Executive Officer and presented to the Board for approval. The resulting material topics and prioritisation are reflected in the updated materiality matrix.





SUSTAINABILITY STATEMENT

(CONT'D)

CLIMATE CHANGE

In line with our commitment to transparent and forward-looking sustainability reporting, we have conducted a climate risk assessment to evaluate both transition and physical risks associated with climate change.

Governance

The Board of Directors has overall oversight of climate-related risks and opportunities as part of its broader responsibility for sustainability. This includes setting the KYM Group's sustainability strategy, priorities and targets, and ensuring that relevant sustainability and climate-related matters are appropriately considered in decision-making.

During the financial year, sustainability considerations, including climate-related risks and opportunities, were formally incorporated into the Board Charter, reinforcing the integration of climate considerations into the Group's governance framework.

The ARMC supports the Board in overseeing the identification, assessment and management of climate-related risks and opportunities, including their integration into the Group's Enterprise Risk Management (ERM) framework. The ARMC's Terms of Reference were enhanced during the financial year to reflect this expanded role.

Further details on the Group's governance structure, roles and responsibilities are set out in the Sustainability Governance Structure section of this report.

Strategy

We conducted a climate-related risk and opportunity assessment focusing on its key operational locations in Selangor and Perak. The assessment aims to evaluate the potential impacts of climate change on the Group's operations and inform strategic decision-making.

Scenario Applied

Scenario analysis was performed using SSP1-1.9 (low emissions scenario) and SSP5-8.5 (high emissions scenario) to evaluate potential physical and transition risks across short, medium, and long-term time horizons.

- **SSP1-1.9 (Low Emission, 1.5°C Pathway)** – assumes strong climate action, rapid decarbonization, and prioritization of limiting global warming to 1.5°C.
- **SSP5-8.5 (High Emission, +4.4°C Pathway)** – assumes business-as-usual with limited climate action, continued reliance on carbon-intensive operations, and a sharp rise in global temperatures.

Time Horizons

The following time horizons are applied to assess how climate-related risks and opportunities may evolve:

Short-term	< 3 years	Medium-term	3 - 10 years	Long-term	More than 10 years
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Physical risks are expected to intensify over the medium to long term, while transition risks may materialise more prominently in the short to medium term as regulatory and market developments evolve.

Under higher emission scenarios (SSP5-8.5), physical risks such as flooding, heat stress, and water stress are expected to intensify, potentially affecting operational continuity, workforce productivity, and asset resilience.

Under lower emission scenarios (SSP1-1.9), transition risks are expected to increase, driven by regulatory developments (e.g. carbon pricing, emissions reporting requirements), technological advancements, and changing market expectations.



SUSTAINABILITY STATEMENT

(CONT'D)

The scenario analysis supports the Group’s understanding of how climate-related risks and opportunities may evolve and impact its operations. We use these insights to inform its strategic planning and enhance resilience by integrating climate considerations into operational and risk management processes, while identifying opportunities to improve efficiency and supporting the development of sustainable products and solutions aligned with a lower-carbon economy.

The key climate-related physical and transition risks identified are presented in a subsequent section of this report.

Risk Management

KYM Group adopts a structured approach to identifying, assessing and managing climate-related risks and opportunities, aligned with its ERM framework. Climate-related risks, including physical and transition risks, are identified through our climate risk assessment process, which incorporates scenario analysis based on different climate pathways. These risks are assessed using the Group’s established ERM methodology, including standardised likelihood and impact criteria, to ensure consistency in risk evaluation and prioritisation.

While climate-related risks are not currently included as standalone items within the Group’s risk register, we are progressively enhancing its risk management processes to further integrate climate-related considerations into its ERM framework.

The ARMC supports the Board in overseeing the management of climate-related risks and ensures that appropriate mitigation measures are considered. Management is responsible for monitoring identified risks and implementing relevant mitigation actions, taking into account evolving regulatory requirements, market developments, and emerging climate-related data.

Climate-related metrics and targets, including greenhouse gas emissions, energy consumption and resource efficiency indicators, are disclosed under the relevant material sustainability topics in this report, where they are monitored and managed as part of the Group’s broader sustainability performance framework.

We will continue to strengthen the integration of climate-related risks into the ERM framework over time, including formal incorporation into the risk register.

Climate-Related Physical Risk

Risk	Scenario	Likelihood	Key Impacts	Severity	Mitigation
Flooding 	SSP1-1.9	Possible	- Operational disruption and temporary downtime - Supply chain and logistics delays - Increased maintenance and operating costs	Moderate	- Strengthen site-level resilience (e.g. drainage improvements) - Business continuity planning (BCP) - Supplier diversification
	SSP5-8.5	Likely	- Asset damage and prolonged operational downtime - Significant supply chain and logistics disruption - Increased repair and recovery cost	High	- Enhanced flood resilience measures - Supply chain diversification - Climate-informed operational planning



SUSTAINABILITY STATEMENT

(CONT'D)

Risk	Scenario	Likelihood	Key Impacts	Severity	Mitigation
Heat Stress 	SSP1-1.9	Possible	- Reduced workforce productivity - Increased energy usage for cooling - Minor machine inefficiency	Minor	- Optimise work scheduling - Improve ventilation and cooling systems
	SSP5-8.5	Likely	- Reduced productivity and Increased absenteeism - Increased machine downtime; - Higher energy consumption and operating cost	Moderate	- Investment in energy-efficient cooling systems; - Implementation of heat management protocols (work-rest cycles, monitoring) - Redesign of shift scheduling aligned with temperature patterns - Heat-management protocol - Process optimisation and automation
Water Scarcity 	SSP1-1.9	Possible	- Minor disruption to cleaning and maintenance processes - Increased water costs - Reduced operational efficiency	Insignificant	- Efficient water usage practices - Water storage for operational continuity
	SSP5-8.5	Possible	- Delays in cleaning cycles affecting operational efficiency - Increased reliance on alternative water sources - Higher water tariffs	Minor	- Water usage monitoring and optimisation - Backup water supply arrangements

While the nature of climate-related impacts remains broadly consistent across scenarios, the severity and frequency of these impacts are expected to increase under higher emission scenarios.

Climate-Related Transition Risk

Risk	Scenario	Likelihood	Key Impacts	Severity	Mitigation
Policy & Regulatory 	SSP1-1.9	Likely	- Increased compliance and emissions reporting requirements - Higher operating and input costs due to adoption of low-carbon materials and processes - Capital investment required for greener technologies	Moderate	- Establish internal emissions monitoring and reporting systems - Integration of climate considerations into procurement decisions and capital expenditure planning - Integration of energy efficiency practices across operations - Proactive regulatory monitoring and compliance planning
	SSP5-8.5	Possible	- Lower domestic regulatory pressure - Potential exposure to international requirements (e.g. CBAM) - Continued need for basic emissions disclosure	Minor	- Maintain emissions tracking capability - Continue monitoring regulatory developments locally and internationally



SUSTAINABILITY STATEMENT

(CONT'D)

Risk	Scenario	Likelihood	Key Impacts	Severity	Mitigation
Technology 	SSP1-1.9	Likely	- Increased capital investment in energy-efficient and low-emission equipment - Risk of obsolescence of existing machinery - Potential supply chain disruption if suppliers lag in adopting new technologies	Moderate	- Develop and implement a technology transition roadmap - Gradual integration of energy-efficient machinery - Engage suppliers on low-carbon transition readiness
	SSP5-8.5	Possible	- Slower pace of technology adoption - Risk of falling behind industry peers adopting more efficient technologies	Minor	- Continue monitoring technological developments - Maintain gradual efficiency improvements
Market 	SSP1-1.9	Possible	- Shifts in customer preferences towards sustainable packaging - Increased cost pressures from sustainable material sourcing - Potential loss of competitiveness if unable to meet customer expectations	Moderate	- Develop sustainable and circular packaging solutions - Engage customers on sustainability requirements - Improve operational efficiency to manage cost pressures
	SSP5-8.5	Unlikely	- Slower shift in customer demand for low-carbon products - Limited immediate market pressure for sustainability	Insignificant	- Monitor market trends - Maintain readiness to respond to future demand shifts
Reputation 	SSP1-1.9	Possible	- Increased stakeholder expectations on ESG performance - Risk of reduced investor confidence if sustainability performance lags - Potential brand impact	Minor	- Enhance ESG disclosures and transparency - Strengthen sustainability initiatives and communication
	SSP5-8.5	Unlikely	- Lower stakeholder pressure on climate-related performance - Reduced immediate reputational impact	Insignificant	Maintain baseline sustainability practices and disclosures

Climate-Risk Related Opportunity

Opportunity	Description	Time Horizon	Key Impacts	Severity
Resource Efficiency 	- Improve production efficiency through optimisation of energy, material usage through lightweight packaging design, and logistics processes - Enhance efficiency in cutting, printing, and converting processes to reduce waste	Short to Medium Term	- Reduced operating costs through lower energy and material consumption - Improved production efficiency and margin enhancement	Moderate



SUSTAINABILITY STATEMENT

(CONT'D)

Opportunity	Description	Time Horizon	Key Impacts	Severity
Low Emission Products & Sustainable Packaging 	- Develop and offer more sustainable packaging solutions including lightweight packaging, reduce plastic lamination, and increase use of fully recyclable or certified raw materials to meet evolving customer expectations - Collaboration with customers to develop sustainable packaging	Medium Term	- Increased revenue from demand for sustainable packaging - Enhanced competitiveness and customer retention	Moderate to High
Market Expansion 	Expand into new markets and customer segments requiring certified sustainable packaging, including export-oriented customers subject to ESG requirements	Medium Term	- Increased revenue opportunities - Access to new customer segments with sustainability requirements	Moderate
Energy Transition 	Increase adoption of renewable energy and energy-efficient technologies in operations, including potential upgrading to energy-efficient machinery	Short to Medium Term	- Reduced exposure to energy price volatility - Long-term operating cost savings - Access to green financing and incentives	Moderate
Operational Resilience 	Strengthen operational resilience through improved process efficiency, supply chain diversification, and adoption of climate-resilient practices	Medium Term	- Improved reliability of operations and supply chain - Reduced disruption risk and improved customer confidence	Minor to Moderate

Climate Transition Plan

The Group progressively enhancing its approach to managing climate-related risks and opportunities in line with IFRS S2 requirements under the National Sustainability Reporting Framework (NSRF). We will continue to strengthen our climate governance and integrate climate-related considerations into the ERM framework, including the formal incorporation of climate-related risks into the risk register over time.

Building on its existing tracking of greenhouse gas emissions, energy consumption and water usage, the Group will further improve data quality, internal systems and reporting processes to support decision-making and regulatory compliance. Operational efficiency will also be enhanced through energy optimisation, adoption of energy-efficient technologies and increased use of renewable energy, where feasible.

In addition, the Group will enhance its product offerings and supply chain practices by increasing the use of certified sustainable materials and developing more sustainable packaging solutions to meet evolving customer expectations.

The Group will adopt a phased approach in strengthening its climate-related disclosures, including enhancing the linkage between climate-related risks and financial implications, in line with evolving regulatory expectations.



SUSTAINABILITY STATEMENT

(CONT'D)

The climate-related risks and opportunities identified above are considered alongside the Group's broader material sustainability topics, as set out below.

The following section outlines the Group's material sustainability topics, including the associated risks and opportunities and the Group's approach in managing them.

Material Topics	Why It's Important	Key Risks	Opportunities	Our Response
ECONOMIC 12 RESPONSIBLE CONSUMPTION AND PRODUCTION				
Product Quality 	Maintain customer's confidence and brand reputation	- Failure to meet quality standard or inconsistent quality control can lead to waste, recalls, reduced sales leads and impact market positioning - Negative impact on Group's reputation and potential loss of revenue	- Involve customers in product development and feedback loops to build trusts and relevance - Enhance brand equity and customer loyalty - Employee-Led Quality Culture to strengthen quality control	- Enforce strict quality assurance protocols across operations - Conduct regular inspections to ensure compliance - Integrate sustainability into quality control and sourcing
Sustainable and Innovative Products 	Innovation supports competitiveness to achieve long-term success and growth	- Uncertainty over customer acceptance of new sustainable products, which may result in lower-than-expected demand and slower revenue growth - Products designed with sustainability in mind may not align with customer preferences - Pricing sensitivity for sustainable products; - Investment in technology and/or higher cost of production	- Increasing customers' preference for lower carbon footprint products - Strategic collaboration to develop sustainable solutions - Expansion into sustainability-driven sectors - Circular packaging economy through improved waste recovery, material utilisation efficiency and energy-efficient production	Source certified raw materials, improve resource and energy efficiency to reduce emissions, optimise material usage, promote recyclable alternatives, and collaborate with customers to transition to more sustainable packaging
Responsible Sourcing 	Responsible procurement of certified raw materials is essential to minimise environmental impact, manage costs, and ensure a reliable supply of products	- Raw material supply disruption and non-conformance of our quality requirements - Supplier non-compliance with ethical, environmental or safety standards may cause reputational and operational risks	- Building resilient supply chains reduces risks and ensures business continuity - Strengthening sustainable procurement practices - Leveraging technologies for supply chain oversight - Increasing use of recycled materials to reduce reliance on virgin wood	Ensure responsible sourcing through certified materials, sustainable procurement practices, and robust supplier governance and assessments



SUSTAINABILITY STATEMENT

(CONT'D)

Material Topics	Why It's Important	Key Risks	Opportunities	Our Response
ENVIRONMENT 				
Energy Management and Greenhouse Gas Emission 	Reducing energy consumption lowers costs and mitigates environmental impact. Climate-related risks impact business continuity, supply chains and operational costs	- Rising energy costs increase operational expenses and reduce competitiveness - Higher energy usage contributes to higher GHG emissions and increases climate risks - Extreme weather events may damage assets, disrupt operations and increase costs	- Improving production efficiency to reduce energy cost in the long term - Investment in energy efficient facilities to reduce GHG emissions	- Initiatives to improve energy efficiency - Transitioned to solar energy to reduce Scope 2 emissions - Asset improvement plan includes the phased replacement of, and/or investment in, more energy-efficient machinery and equipment
Waste Management 	Efficient use of materials leads to reduced cost of purchasing raw materials and cost of production	- Inefficient waste management increases environmental pollution and regulatory risks - Non-compliance with waste disposal laws may lead to fines or legal action, and reputational loss - High waste generation raises operational costs and reduces profitability	- Increased resource efficiency leads to operational cost savings - Circular economy initiatives create new revenue streams from waste recovery	- Optimise waste management - Increase recovery of material - Ensure compliance with environmental waste regulations
Water Management 	Malaysia experiences increased water scarcity due to population growth, urbanization, industrialization, and climate change, alongside water pollution from various sources. Water remains essential for our day-to-day operations.	- High water intensity will lead to higher cost and potential scarcity of water resources, - Water shortages may disrupt operations - Poor water management can result in environmental and reputational risks	- Efficient water-use technologies and management could reduce operational costs and environmental impact - Invest in alternative water sources to reduce dependence on municipal water supplies and reuse technologies	Implement water-saving practices across operations



SUSTAINABILITY STATEMENT

(CONT'D)

Material Topics	Why It's Important	Key Risks	Opportunities	Our Response
SOCIAL 				
Talent Attraction, Retention and Succession Planning 	Talent attraction and retention supported by effective succession planning, is essential to sustaining competitiveness, preserving institutional knowledge, and ensuring business continuity.	- Inability to attract employees with critical skills may limit capacity to deliver growth strategies, meet innovation goals - High employee turnover leads to increased recruitment, training, and onboarding costs - Reliance on limited number of key individuals increases vulnerability of unexpected departures	- Strong employer branding and competitive offerings to improve positioning in the labour market - Strong career pathways to improve retention and attract top talent - Succession planning strategies to develop future leaders	- Increase employee engagement and job satisfaction - Employee upskilling and training programs to instil high performance culture - Support compliance with industry standards and professional development requirements
Occupational Health and Safety 	Workplace safety and health safeguards human assets and resources and it's our license to operate.	- Work injuries and occupational accidents resultant in downtime, production delays, productivity loss and incur cost of recovery - Non-compliance with occupational safety laws and standards may result in fines, penalties, or legal actions and reputational damage	- A safe work environment improves employee wellbeing and enhances productivity - A reputation for safe practices strengthens employer branding - Demonstrating care for employee well-being enhances reputation with customers, investors, regulators, and communities	Conduct effective OHS trainings and activities, enforce the safety rules to minimize injury incident
Human Rights, Labour Practices, Diversity and Equality 	An inclusive workforce supports employee wellbeing and engagement, which contributes to performance and long-term business sustainability. Fair labour practice ensures ethical operations. It's our licence to operate.	- Discriminatory employment practices damage the Group's reputation which may lead to the inability to retain or attract talents - Non-compliance with labour laws may lead to legal penalties and reputational damage - Unfair labour practices can result in low employee morale and high turnover	- Offering job opportunities to all levels of society and talents from different cultural, educational, and experiential backgrounds for broader perspective and innovation boost - Good labour practices enhance employer reputation and workforce stability - Fair wages and ethical treatment improve employee engagement and retention	Ensuring compliance with labour laws, implementing fair employment policies, and maintaining ongoing employee engagement to uphold worker rights and address workplace concerns



SUSTAINABILITY STATEMENT

(CONT'D)

Material Topics	Why It's Important	Key Risks	Opportunities	Our Response
SOCIAL 				
Local Communities 	To understand the well-being and empowerment of local communities in our area of operations and it builds trust, reduces conflict, and enhances Group's reputation.	- Loss of social license to operate - Protests or legal challenges may arise from perceived environmental or social harm	Enhancing community engagement to support sustainability, reduce operational risks, and develop local talent	Operate responsibly, produce sustainability
GOVERNANCE 				
Business Ethics and Integrity 	Good corporate governance and integrity build trust among stakeholders	Poor governance practices may lead to unethical conduct, mismanagement, exposure to legal action, financial penalties, and damage to reputation and stakeholder trust	- Good corporate governance and ethical behaviour enhance credibility and reputation of the Group in business relationship - Robust anti-corruption measures prevent fraud and financial misconduct	- Enforce a zero-tolerance policy on corruption and unethical practices - Strengthen governance frameworks to enhance oversight and accountability - Implement whistleblowing mechanisms for reporting misconduct
Data Privacy & Cybersecurity 	The adoption of digital technologies and infrastructure has made data more susceptible to cybersecurity risks. Cybersecurity threats pose risks to data integrity and business operations	Cyberattacks and data breaches may disrupt operations and undermine customers' trust	- Strong cybersecurity and data protection practices build trust with customers, enhancing retention and brand value - Secure data management can reduce downtime risks and supports innovation in digitalisation and smart manufacturing	Put in place cybersecurity measures to ensure data and systems remain secure



SUSTAINABILITY STATEMENT

(CONT'D)



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 forms 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, while our Corrugated Carton Box division is ISO 9001:2015 certified by SIRIM QAS International Sdn Bhd. To obtain and maintain these certifications, both divisions undergo regular audits by independent certification bodies.

KYM's high-quality products meet customer needs with strong performance in food safety and security practices. We are among the few companies in Southeast Asia to have passed the rigorous Yum! Supplier Food Safety Assessment (FSA) audit, and we are also one of the early pioneers in the local corrugated carton box industry to attain the globally recognised Food Safety System Certification (FSSC 22000). These certifications demonstrate our commitment to food safety and position us as a trusted industry leader in quality.

Customer satisfaction is a top priority for us and is closely linked to the quality of our products. To assess customer satisfaction levels, we conduct an annual customer satisfaction survey, covering various aspects of our operations, including delivery timeliness, product quality, pricing, and service standards. The customer feedback enables us to identify areas for improvements and continuously enhance our products and services to meet customer expectations.

Summary of the customer survey conducted on top 20 customers during the FY2026:

	Satisfactory Level
Multiwall Industrial Paper Sacks division	88% (FY2025: 83%)
Carton Box division	80% (FY2025: 83%)



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 state-of-the art machines, we have increased raw material efficiency for multiwall industrial paper sacks by minimising scrap and achieving lower basis weight without compromising bag strength. We developed ESG Sacks in collaboration with key suppliers and customers, leveraging advanced technology to enhance material efficiency and eliminate plastic film. Since their commercial launch in August 2023, the products have gained positive market acceptance for their quality and sustainability benefits. However, adoption remains influenced by intense market competition, requiring ongoing refinement of our offerings and positioning.

During the financial year, we also successfully transitioned new customers' packaging to more sustainable solutions, supporting their sustainability goals and reducing environmental impact.



SUSTAINABILITY STATEMENT

(CONT'D)



RESPONSIBLE SOURCING

From selecting the right materials to optimising design, ensuring cost-effectiveness, and enhancing logistical efficiency, we aim to deliver exceptional value while prioritising environmental responsibility.

Corrugated carton boxes and industrial paper packaging manufacturing require significant quantities of wood fibres. As such, responsible procurement and production of these materials are essential to minimise adverse environmental impacts, manage material costs, and ensure a reliable supply of products and services.

We are committed to sourcing sustainable raw materials from certified suppliers and maintaining transparency across our supply chain. All procurement decisions are guided by principles of business ethics and our green procurement practices. By integrating environmentally responsible considerations into our supply chain management, we produce packaging solutions with lower environmental impact.

Our sourcing and procurement of goods and services are based on established criteria, including cost, specification fulfilment, and delivery timelines, to ensure optimal value. Procurement personnel across our business divisions are responsible for ensuring that all suppliers adhere to our Supplier Code of Conduct. Suppliers are required to comply with applicable laws and uphold standards relating to human rights, including the prevention of child and forced labour, non-discrimination, fair working hours, and minimum wage requirements. They are also expected to operate in an environmentally responsible manner by integrating environmental considerations into their operations, product design, and service delivery, while actively working to avoid, reduce, and mitigate environmental impacts.

The selection of suppliers is subject to due diligence process, including ensuring adherence to our Anti-Bribery and Corruption Policy. In addition, key suppliers of direct materials are required to complete a standard sustainability self-assessment questionnaire, covering environmental and social criteria. During the financial year, 2 new key suppliers were screened using environmental and social criteria. Based on these responses, no material negative environmental impacts have been identified within suppliers' operations.

KYM Group adopts a responsible sourcing approach across its operations, prioritising the use of certified and recycled materials to support sustainable production and reduce environmental impact. The use of recycled materials, particularly in the Corrugated Carton Box division, contributes to lower energy consumption compared to production from virgin raw materials.

For our Multiwall Industrial Paper Sacks division, the Group prioritises the use of certified materials, with 100% of sack kraft paper sourced from suppliers certified under the Programme for the Endorsement of Forest Certification (PEFC) or the Forest Stewardship Council (FSC). These certifications provide assurance that materials are sourced from sustainably managed forests and are not associated with illegal harvesting, violations of traditional or civil rights, or threats to areas of high biodiversity value.

For our Corrugated Carton Box Division, the Group utilises sheet board made from 100% recycled materials, sourced from local suppliers with recognised certifications and compliance with relevant standards, including RoHS requirements. The board materials used are recyclable and biodegradable, supporting a circular approach to packaging and helping to minimise environmental impacts, including potential effects on soil and groundwater.

During the financial year, our Corrugated Carton Box division obtained the FSC Chain of Custody certification, further strengthening our commitment to responsible sourcing and ensuring traceability of materials throughout the supply chain.

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 Corrugated 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 higher proportion of local procurement spending during the financial year was mainly attributed to reduced material imports, driven by procurement optimisation initiatives and disciplined inventory management.



SUSTAINABILITY STATEMENT

(CONT'D)



RESPONSIBLE SOURCING

	FY2024	FY2025	FY2026
Proportion of Local Procurement Spending (%)	43%	36%	48%
Total No. of Suppliers	183	185	206
Percentage of Local Suppliers (%)	95%	93%	94%

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 13,956 MT. Recycled materials contributed 31% of the total materials consumed by the Group.

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

	FY2024	FY2025	FY2026
Fibre inputs from recycled sources	4,245MT	3,679MT	4,303MT
%	28%	28%	31%

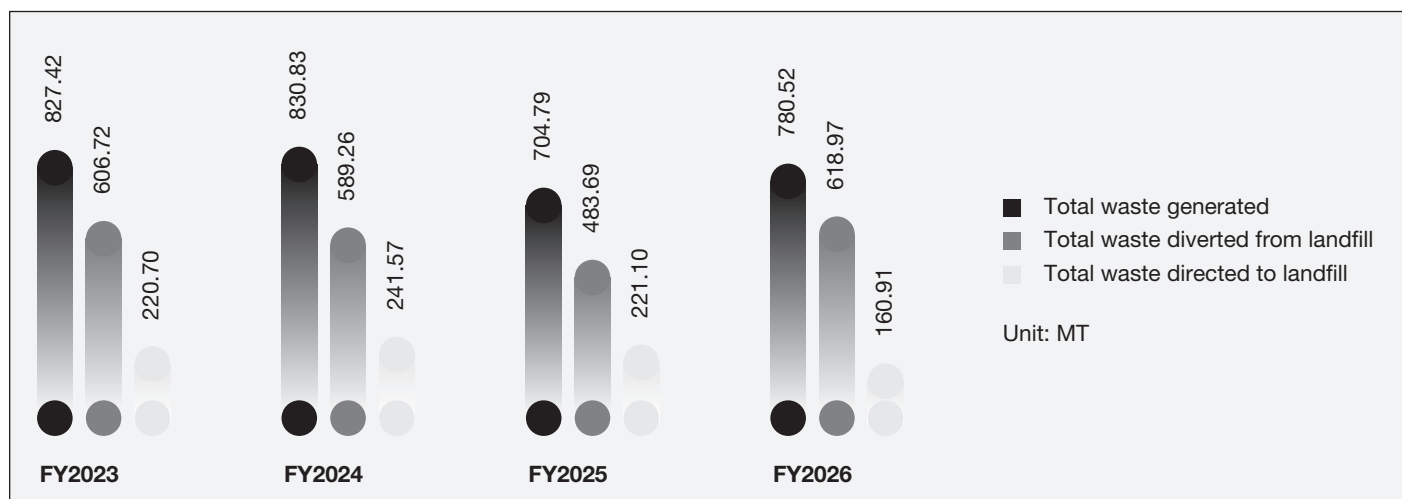


WASTE MANAGEMENT

Waste management is important 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)

Our waste primarily consists of paper scraps generated from the production processes like trimming, die-cutting, and defects. These scraps are collected by licensed collectors, who then sell or transfer them to paper manufacturing plants, where they are recycled and reused.

79% of the total waste are diverted from disposal to landfill.

Scheduled waste generation decreased significantly in FY2026 to 160.91 MT, representing a 27% reduction compared to FY2025 and a 27% reduction compared to FY2023. This improvement reflects enhanced waste management practices and operational efficiencies following a temporary increase in FY2024.

Our scheduled waste mainly comprises glue waste, ink sludge and waste ink. The Health, Safety & Environment ("HSE") officer at the respective plant monitors and ensures compliance with health, safety, and environmental regulations. All scheduled waste generated at our manufacturing facilities are stored in a specially constructed Scheduled Waste Storage Room prior to disposal, and is handled and disposed of 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 appointed scheduled waste contractors 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).

In addition, wastewater generated from manufacturing processes is managed in accordance with applicable environmental regulations. This includes proper treatment prior to discharge to ensure compliance with DOE standards, with regular monitoring to maintain environmental performance.

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.



ENERGY MANAGEMENT

We recognise the significant environmental impact of our manufacturing operations, including material and resource consumption, emissions, and waste generation, which contribute to climate change. As a responsible corporate entity, we are committed to addressing these challenges with urgency and foresight, guided by our Environmental Policy to effectively manage and minimise operational impacts.

Energy consumption is a key focus area in improving the sustainability of our operations. The primary source of energy used in our manufacturing plants is electricity, mainly for our converting and printing processes. We continuously seek to optimise energy use by improving operational efficiency and reducing unnecessary consumption.

In addition to electricity, we also consume fuel such as petrol, diesel, and liquefied petroleum gas (LPG) for mobile vehicles and forklifts used in our operations. We monitor and manage the use of these fuels to enhance operational efficiency and minimise emissions associated with transportation and material handling activities.

Fuel Consumption		FY2024	FY2025	FY2026
Liquefied petroleum gas (LPG)	kg	9,506	8,470	8,442
Petrol	ℓ	5,022	12,137	10,286
Diesel	ℓ	15,368	13,756	18,914

Notes:

(1) Mobile fuel consumption for Corporate Office and Multiwall Industrial Paper Sacks Division was not recorded in FY2024.

Diesel consumption increased during the year was primarily attributable to the addition of a lorry to our internal transportation fleet for logistics purposes. The lorry was subsequently disposed of later in the financial year following an internal assessment of operational efficiency and utilisation.



SUSTAINABILITY STATEMENT

(CONT'D)



ENERGY MANAGEMENT

Total Energy Consumed

Unit: Gigajoules

	FY2023	FY2024	FY2025	FY2026
LPG	NA	466	415	414
Petrol	92	171	413	350
Diesel	431	594	532	732
Electricity	8,283	7,889	7,139	5,937
Renewable energy	-	-	862	2,653
Total Energy	8,807	9,120	9,361	10,085

Note:

All comparative figures previously presented in kilowatt-hours (kWh) have been restated in gigajoules (GJ) accordingly to ensure consistency across reporting periods.

Unit: Gigajoules

	FY2026		
	Multiwall Industrial Paper Sacks division	Carton Box division	Corporate Office
LPG	414	-	-
Petrol	100	125	125
Diesel	229	502	-
Electricity	4,766	933	238
Renewable energy	1,937	716	-
Total Energy Consumed	7,446	2,276	363

For the FY2026, solar energy represented 31% of our total electricity consumption.

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



GREENHOUSE GAS EMISSIONS

Our 3-year ESG roadmap sets out short-term goals to address greenhouse gas emissions, with a key focus on transitioning to renewable energy sources to reduce electricity consumption from the grid and lower our Scope 2 emissions.

Through this initiative and other energy efficiency efforts, we are committed to reducing Scope 2 emissions by 50% by end of 2025 against the FY2023 baseline, upon the full transition of all three plants to solar energy. We also aim to achieve a 30% reduction in Scope 1 and 2 emissions intensity by 2030, driven by our strategy to transition all three plants to solar energy and implement asset improvement plans.



SUSTAINABILITY STATEMENT

(CONT'D)

The transition plan for the third factory remains under consideration, while the facility undergoes operational restructuring to enhance productivity and prepare for future integration into renewable energy initiatives.

With the full operation of solar energy systems at two manufacturing facilities during the financial year, coupled with ongoing energy efficiency improvements, Scope 2 emissions decreased by 28% compared to the FY2023 baseline.

In FY2026, we achieved a 14% reduction in total emissions compared with FY2025, mainly driven by our transition to solar energy initiatives.

	FY2023	FY2024	FY2025	FY2026
Scope 1 Emissions	32.54	70.13	80.28	91.00
Scope 2 Emissions	1,744.08	1,660.34	1,503.10	1,248.49
Scope 3 Emissions				
Employees Commuting	NA	NA	147.44	143.28
Business Travel	NA	NA	9.12	9.23
Scope 3 Emissions	NA	NA	156.57	152.51
Total Emissions	1,776.62	1,730.47	1,739.95	1,492.01

Notes:

- NA: Not available
- 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 Corporate Office 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: GHG Emission from Transport & Mobile Source (September 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).

Through ongoing monitoring, data collection, and continuous improvement initiatives, we aim to strengthen our climate-related performance and operational efficiency, while continuously reviewing our asset improvement plan. This plan includes the phased replacement of existing machinery and investments in more energy-efficient equipment to support our long-term climate strategy.

WATER 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 none of our facilities are located in water-stressed areas, as indicated by the Aqueduct Water Risk Atlas, which classifies water stress levels at all facility locations as low (<10%), 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.

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.



SUSTAINABILITY STATEMENT

(CONT'D)

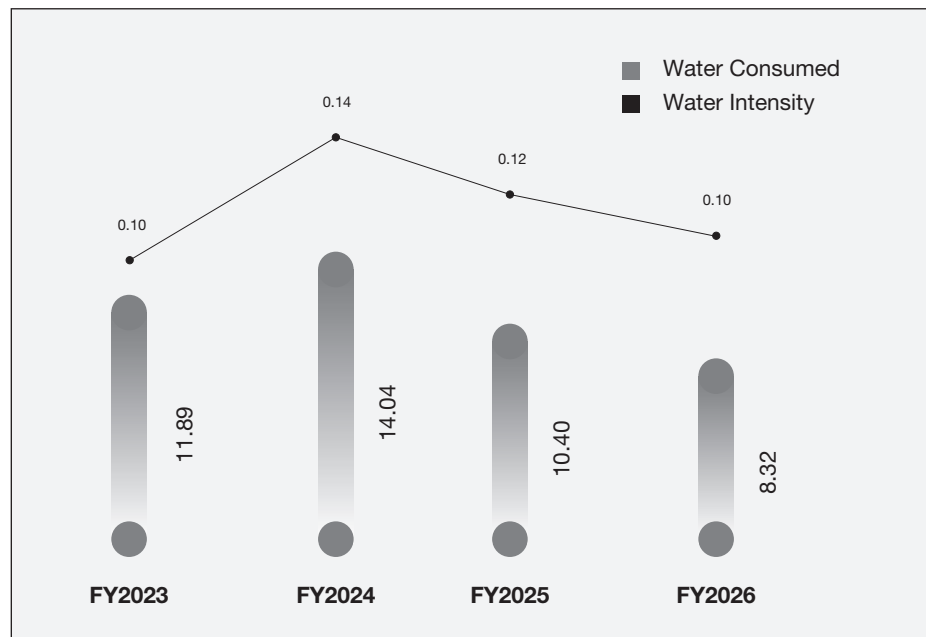
WATER MANAGEMENT

Since FY2024, total water consumption has shown a consistent downward trend over the subsequent two years. Correspondingly, water intensity continued to improve to 0.11 in FY2026. This reflects improved water use efficiency in recent years. However, water intensity remains approximately 10% above the FY2023 baseline of 0.10, indicating that further improvements are required to meet the targeted reduction.

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 facilities in Perak and Selangor are equipped with wastewater treatment plant ("WWTP") to ensure all effluents meet or exceed regulatory standards before being discharged into public drains or 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.

Unit: Megalitres

Water Withdrawal	FY2023	FY2024	FY2025	FY2026
Municipal Water	11.89	14.11	10.51	8.65
Total Water Withdrawn	11.89	14.11	10.51	8.65
Water Discharged				
Treated Water	NA	0.07	0.11	0.33



OCCUPATIONAL HEALTH AND SAFETY

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)

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:-

 Fire & Safety Training	 First-Aid Training	 Fire Drill Exercise
 Audiometric Assessment Test	 Environmental Hazards & Pollution Prevention of Chemicals	 Emergency Response Team training
 Life Cycle Perspective & Its Application on Scheduled Waste	 Scheduled Waste Management	 Safe Handling of Forklift Management

Number of employees who received occupational health and safety training during the financial year:

Management	357
Executive	17
Non-Executive	405

No. of Work-related Fatalities	0
Lost time injury (case)	0
Lost Time Incident Rate (%)	0

At KYM, we believe that a healthier workforce fosters greater resilience and adaptability — qualities essential for navigating the uncertainties of today's fast-paced world. In line with this belief, our Corporate Office remains committed to cultivating a culture of wellbeing through thoughtfully curated initiatives held in conjunction with our annual Health Awareness Months.

This year, we organised a series of engaging Lunch & Learn sessions at the Corporate Office, complemented by wellness initiatives aimed at enhancing employees' well-being and physical health. These programmes were designed to promote healthy living, raise awareness of important health topics, and encourage a deeper connection with the environment.

Employees also benefited from the complimentary on-site health screenings and body composition analyses. The key sessions and activities included –





SUSTAINABILITY STATEMENT

(CONT'D)



HUMAN RIGHTS, LABOUR PRACTICE, DIVERSITY AND EQUALITY

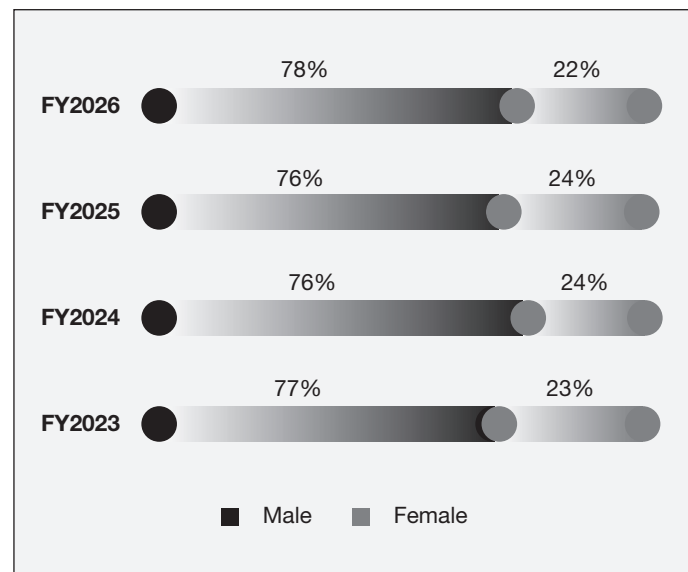
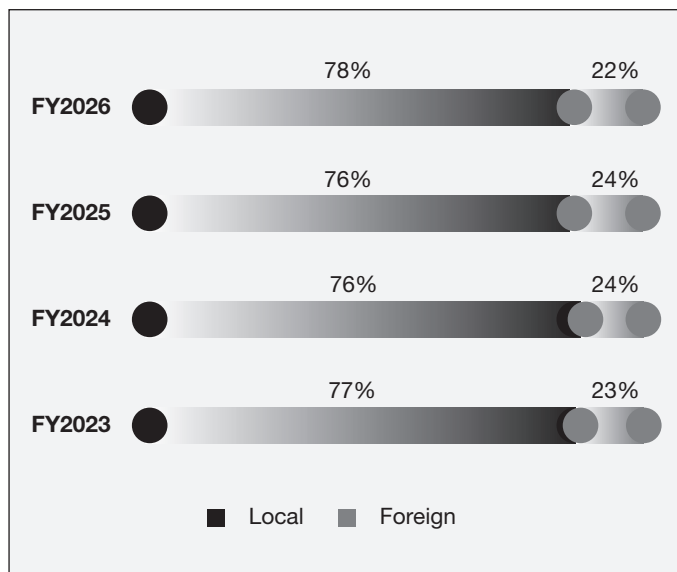
KYM Group is committed to upholding human rights as prescribed in the Universal Declaration of Human Rights. This commitment is guided by our Human Rights Policy and supported by Employees Code of Conduct, Environment, Health and Safety guidelines, Child Labour & Young Workers Policy, Foreign Labour Recruitment Guidelines, and Supplier Code of Conduct, which are applied across our operations and value chain. We expect our business partners and suppliers to uphold their responsibility to respect human rights across the value chain. As part of our commitment to responsible sourcing, we conduct supplier sustainability assessments using a structured questionnaire covering key social aspects, including human rights, child and young labour, labour practices, forced labour, equality, freedom of association, workplace harassment, health and safety, and fair employment conditions.

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 corporate office 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.

The Group is committed to local employment where practical. 78% of our total workforce are Malaysian. Our workforce comprised a healthy mix of young and old generations. While male employees constitute 70% of the workforce, female employees constitute 30%.



All the workers performing work for the KYM Group are employees and the Group does not have any workers who are not employees.

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.



SUSTAINABILITY STATEMENT

(CONT'D)

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. Any incidents or concerns may be reported through the Group's whistleblowing platform, which ensures confidentiality and anonymity, allowing individuals to report violations without fear of retaliation.

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 2025 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. As at the reporting date, one hostel is in the process of renewing its Certificate for Accommodation following its expiry. The Group is actively working with the relevant authorities to complete the renewal and ensure full compliance. This commitment reflects our dedication to fair compensation, regulatory compliance, and sustainable workforce practices.

During the financial year, there were no substantiated complaints concerning human rights violations.



TALENT ATTRACTION, RETENTION AND SUCCESSION PLANNING

Attracting, developing, and retaining skilled talent remains a key priority for KYM Group, as it supports our competitiveness and long-term business growth. Our people are at the heart of our success, contributing to both current performance and future sustainability.

During the year, we continued to strengthen our employer value proposition through enhanced employer branding, competitive remuneration and benefits, and clearly defined career pathways. These efforts support our ability to attract talent in a competitive labour market.

We remain focused on fostering a positive, inclusive, and safe work environment where employees are empowered to learn and grow.

	FY2024	FY2025	FY2026
Total number of employees	243	236	214

Total number of employee turnover by employee category

By Category	FY2024	FY2025	FY2026
Management	2	3	4
Executive	3	4	5
Non-Executive	3	33	38

While employee turnover increased during the year, this was primarily attributable to the departure of foreign workers following the expiry of their work permits, particularly within the non-executive category. The Group continues to actively review and strengthen its retention strategies to enhance employee engagement, preserve institutional knowledge, and maintain operational continuity.

We are committed to supporting employee development through targeted training and development programmes that enhance employee satisfaction and build a strong pipeline of future leaders. Training needs are identified based on role requirements, with employees also encouraged to pursue relevant learning opportunities.



SUSTAINABILITY STATEMENT

(CONT'D)



TALENT ATTRACTION, RETENTION AND SUCCESSION PLANNING

Total hours of training

By Employee Category	FY2024	FY2025	FY2026
Management	726	1,234	2,568
Executive	437	1,569	795
Non-Executive	1,160	4,643	2,194

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

FY2024	FY2025	FY2026
12.72 hours	31.55 hours	25.97 hours

Succession planning remains a key focus to ensure leadership continuity and organisational resilience. Through structured

development programmes and proactive identification of high-potential employees, we aim to build a robust talent pipeline and ensure that critical roles can be filled effectively, reducing risks to our strategic execution.

Our approach is guided by KYM Group's core values—Gratitude, Respect, Accountability, Curiosity, and Empowerment ("G.R.A.C.E")—which shape our culture and support a high-performance work environment. Complementing this, the H.U.G (Happiness, Unity, Growing Together) framework fosters a collaborative and engaged workplace, supporting employee well-being and long-term development.

In addition to annual festive and birthday celebrations, team-building activities, and company trips, KYM introduced Lunch & Learn sessions at the Corporate Office to promote workplace happiness, strengthen unity, and enhance employee engagement. During the year, the Group recorded an employee engagement score of 79%, reflecting the effectiveness of these initiatives.

LOCAL COMMUNITIES

While community engagement remains a core component of the Group's Corporate Social Responsibility ("CSR") initiatives, they represent a lower priority within the Group's overall ESG materiality focus. Nevertheless, we remain committed to supporting the communities in which we operate.

As part of this commitment, we continue to support youth development through our internship programme, which provides students with hands-on experience and exposure across various functions of the Group. In FY2026, we offered a total of 15 youths the opportunity to gain on-the-job experience in various departments from Accounts, Purchasing, IT, QA, HR, Logistics to Marketing.

During the financial year, the Corporate Office and Carton Box Division jointly organised a CSR event in Beranang, marking our first community engagement initiative in the area. The event aimed to foster community engagement, support underprivileged children, and raise awareness on scam prevention. Key activities included a "JanganKenaScam" awareness talk conducted by the Association of Banks Malaysia (ABM), a children's colouring contest, and the distribution of 'Back to School' supplies. A total of 23 employees from the Corporate Office and Beranang manufacturing facility participated in the event. Through such

initiatives, we aim to uplift community knowledge, nurture young talent, and strengthen our relationship with the local community.

In addition, the Multiwall Industrial Paper Sacks Division organised a CSR programme on Basic First Aid and CPR Awareness for the local community at Tapah Road, with the participation of 11 employees from the Tapah plant.

KYM Group also organised its annual Blood Donation Campaign at KYM Tower. With overwhelming support from employees and other members of the office community, the initiative contributed to saving 204 lives during the Blood Donation Drive 2025, representing a 21% increase from 168 lives saved in the previous year.

The Group 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.

During the financial year, KYM partnered with Focus on the Family Malaysia (FOFM) to expand their flagship No Apologies@ program for 2026/2027, to help building value-driven and resilient youth for Malaysia's Future. Our support was through the sponsorship of the printing of the student handbooks and pledge cards in English, Bahasa Malaysia, and Chinese, enabling



SUSTAINABILITY STATEMENT

(CONT'D)

wider access to this impactful youth programme nationwide. This initiative is expected to benefit approximately 15,000 students, equipping them with essential values, resilience, and healthy relationship skills.

Amount Invested	RM19,417.00
Number of Beneficiaries	15,097



BUSINESS ETHICS AND INTEGRITY

The Group adopts a strict zero-tolerance approach towards bribery and corruption. In this regard, all our vendors, suppliers, contractors and other third parties engaged in the course of our business are made aware of our Anti-Bribery & Corruption Policy ("ABC Policy") and are requested to acknowledge the Policy. Accordingly, our business partners and associates are expected to uphold the same standards in promoting an ethical and transparent business relationship. Our commitment to anti-corruption is further enforced by our Supplier Code of Conduct ("SCOC") which requires that all business transactions are to be conducted in a fair and transparent manner. 82% of the total suppliers have acknowledged the ABC Policy and third party declaration of conflict of interest.

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	29	100%
Executives	26	100%
Non-Executives	159	100%

The Group has conducted corruption risk-assessment across its two (2) business divisions representing 100% of its total operations, to identify and analyse risk related to corruption and bribery. The assessment considered key business processes that are more susceptible to corruption risk, including procurement, sales, finance, interaction with government authorities, and the provision of gifts and hospitality, as well as the adequacy of its existing controls and procedures. Risk assessments relating to bribery and corruption, together with corresponding mitigation plans, have been incorporated into the ERM framework.

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 the Group with a platform to raise concerns or disclose any wrongdoing that may adversely impact the Group, without fear of retaliation. The Policy also ensures a transparent and confidential process for addressing such concerns. During the financial year under review, no whistleblowing reports were received.

DATA PRIVACY AND CYBERSECURITY

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 FY2026.

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.

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.



SUSTAINABILITY STATEMENT

(CONT'D)

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 2: General Disclosures 2021			
2-1	Organisational details	2	Corporate information
2-2	Entities included in the organisation's sustainability reporting	13	Reporting Scope and Boundary
2-3	Reporting period, frequency and contact point	13	About this statement Feedback
2-4	Restatements of information		Restatements are indicated via footnotes in the relevant sections
2-5	External assurance	13	Data and Assurance
2-6	Activities, value chain and other business relationships	14	Sustainability in our business process
2-7	Employees	38	Human Rights, Labour Practice, Diversity and Equality
2-8	Workers who are not employees	38	The Group does not have any workers who are not employees
2-9	Governance structure and composition	17 & 53	Sustainability Governance Structure section and Corporate Governance Overview Statement
2-10	Nomination and selection of the highest governance body	55 - 56	
2-11	Chair of the highest governance body	2	
2-12	Role of the highest governance body in overseeing the management of impacts	53 - 54	
2-13	Delegation of responsibility for managing impacts	17 - 18	
2-14	Role of the highest governance body in sustainability reporting	17	
2-15	Conflicts of interest	61 - 64	Audit Committee & Risk Management Report
2-16	Communication of critical concerns	61 - 64	
2-17	Collective knowledge of the highest governance body	53 - 54	Corporate Governance Overview Statement
2-18	Evaluation of the performance of the highest governance body	56	Corporate Governance Overview Statement under Nomination & Remuneration Committee
2-19	Remuneration policies	58	Corporate Governance Overview Statement under Remuneration
2-20	Process to determine remuneration	58	
2-22	Statement on sustainable development strategy	14 - 15	Sustainability Strategy
2-23	Policy commitments	41	Business Ethics and Integrity
2-24	Embedding policy commitments	32 - 35, 41	Waste Management, Energy Management, Greenhouse Gas Emissions, Water Management, Business Ethics and Integrity
2-25	Processes to remediate negative impacts	41	Business Ethics and Integrity
2-26	Mechanisms for seeking advice and raising concerns	41	Business Ethics and Integrity
2-27	Compliance with laws and regulations	32, 41	Waste Management, Water Management, Business Ethics and Integrity
GRI 2: General Disclosures 2021			
2-28	Membership associations	13	Our Membership in Association
2-29	Approach to stakeholder engagement	18 - 19	Stakeholders Engagement



SUSTAINABILITY STATEMENT

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GRI Standard	Disclosure	Page	Brief Information on Disclosures			
GRI 2: General Disclosures 2021						
2-30	Collective bargaining agreements	38	Human Rights, Labour Practice, Diversity and Equality			
3-1	Process to determine material topics	20	Materiality Assessment			
3-2	List of Material topics	20	Materiality Matrix			
GRI 201: Economic Performance 2016						
3-3	Management of Material Topics	30	Sustainable and Innovative Products			
201-1	Direct economic value generated and distributed					
					FY2026	
			Revenue		80,806	
			Operating cost		80,799	
		Employee wages and benefits		10,597		
201-2	Financial implications and other risks and opportunities due to climate change	26	Table on key risks, opportunities, and related financial consideration			
201-3	Defined benefit plan obligations and other retirement plans	-	The Group's defined benefit plan is mainly contribution to EPF, SOCSO. There is no other retirement plans.			
201-4	Financial assistance received from government	-	During the financial year, the group did not receive any financial assistance from government			
GRI 204: Procurement Practices 2016						
3-3	Management of Material Topics	31 - 32	Responsible Sourcing			
204-1	Proportion of spending on local suppliers	32	Performance Data			
GRI 205: Anti-Corruption 2016						
3-3	Management of Material Topics	41	Business Ethics and Integrity Performance Data			
205-1	Operations assessed for risks related to corruption	41				
205-2	Communication and training about anti-corruption policies and procedures	41				
205-3	Confirmed incidents of corruption and actions taken	-	There were no corruption-related cases reporting during the financial year under review.			
GRI 301: Materials 2016						
3-3	Management of Material Topics	31 - 32	Responsible Sourcing			
301-1	Materials used	32				
301-2	Recycled input	32				
GRI 302: Energy 2016						
3-3	Management of Material Topics	33	Energy Management Performance Data			
302-1	Energy consumption within the organisation	34				
302-3	Energy intensity					
302-4	Reduction of energy consumption	33				
302-5	Reductions in energy requirements of products and services	-				



SUSTAINABILITY STATEMENT

(CONT'D)

GRI Standard	Disclosure	Page	Brief Information on Disclosures								
GRI 303: Water and Effluents 2018											
3-3	Management of Material Topics	35	Water Management								
303-1	Interactions with water as a shared resource	35									
303-2	Management of water discharge-related impacts	35									
303-3	Water withdrawal	36									
303-4	Water discharged	36									
303-5	Water consumption	36									
GRI 305: Emissions 2016											
3-3	Management of Material Topics	34	Greenhouse Gas Emissions								
305-1	Direct (Scope 1) GHG emissions	35									
305-2	Energy Indirect (Scope 2) GHG emissions	35									
305-3	Other Indirect (Scope 3) GHG emissions	35									
305-4	GHG emissions intensity	16									
305-5	Reduction of GHG emissions	16, 35									
GRI 306: Waste 2020											
3-3	Management of Material Topics	32	Waste Management								
306-1	Waste generation and significant waste-related impacts	32									
306-2	Management of significant waste-related impacts	32									
306-3	Waste generated	32									
306-4	Waste diverted from disposal	32									
306-5	Waste directed to disposal	32									
GRI 308: Supplier Environmental Assessment 2016											
3-3	Management of Material Topics	31	Responsible Sourcing								
308-1	New suppliers that were screened using environmental criteria	31									
308-2	Negative environmental impacts in the supply chain and actions taken	31									
GRI 401: Employment 2016											
303-1	Management of Material Topics	39	Talent Attraction, Retention and Succession Planning								
GRI 401-1	New employee hires and employee turnover	39	New hires during the financail year: <table><tr><td>Management</td><td>2</td></tr><tr><td>Executive</td><td>5</td></tr><tr><td>Non-Executive</td><td>14</td></tr><tr><td>Total</td><td>21</td></tr></table>	Management	2	Executive	5	Non-Executive	14	Total	21
Management	2										
Executive	5										
Non-Executive	14										
Total	21										



SUSTAINABILITY STATEMENT

(CONT'D)

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 401: Employment 2016			
GRI 402-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	38	Human Rights, Labour Practice, Diversity and Equality
GRI 402-3	Parental leave	38	
GRI 403: Occupational Health and Safety 2018			
3-3	Management of Material Topics	37	Occupational Health and Safety
403-1	Occupational health and safety management system	37	
403-2	Hazard identification, risk assessment, and incident investigation	37	
403-3	Occupational health services	37	
403-4	Worker participation, consultation, and communication on occupational health and safety	37	
403-5	Worker training on occupational health and safety	37	
403-6	Promotion of worker health	37	Annual audiometric test for workers, period noise monitoring, health talks
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	Supplier Code of Conduct
403-9	Work-related injuries	37	Occupational Health and Safety
403-10	Work-related ill health	37	
GRI 404: Training and Education 2016			
3-3	Management of Material Topics	40	Talent Attraction, Retention and Succession Planning
404-1	Average hours of training per year per employee	40	
404-2	Programs for upgrading employee skills and transition assistance programs	-	
404-3	Percentage of employees receiving regular performance and career development reviews	40	All employees undergo annual employees performance appraisal.
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of Material Topics	38	Human Rights, Labour Practice, Diversity and Equality
405-1	Diversity of governance bodies and employees	38, 54	Human Rights, Labour Practice, Diversity and Equality, and Corporate Governance Overview Statement
GRI 406: Non-Discrimination 2016			
3-3	Management of Material Topics	38	Human Rights, Labour Practice, Diversity and Equality
406-1	Incidents of discrimination and corrective actions taken	40	No incidence of discrimination was reported during the financial year.
GRI 407: Freedom of Association and Collective Bargaining 2016			
3-3	Management of Material Topics	38	Human Rights, Labour Practice, Diversity and Equality
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	None



SUSTAINABILITY STATEMENT

(CONT'D)

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 408: Child Labor 2016			
3-3	Management of Material Topics	38	Human Rights, Labour Practice, Diversity and Equality
408-1	Operations and suppliers at significant risk for incidents of child labor	-	None
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of Material Topics	38	Human Rights, Labour Practice, Diversity and Equality
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	None
GRI 413: Local Communities 2016			
3-3	Management of Material Topics	40	Local Communities
413-1	Operations with local community engagement, impact assessments, and development programs	29	
413-2	Operations with significant actual and potential negative impacts on local communities	-	
GRI 414: Supplier Social Assessment 2016			
3-3	Management of Material Topics	31	Responsible Sourcing
414-1	New suppliers that were screened using social criteria	31	
414-2	Negative social impacts in the supply chain and actions taken	31	
GRI 416: Customer Health & Safety 2016			
3-3	Management of Material Topics	30	Product Quality
416-1	Assessment of the health and safety impacts of product and service categories	30	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	30	Product Quality. There were no incidents of non-compliance for the year
GRI 418: Customer Privacy 2016			
3-3	Management of Material Topics	41	Data Privacy and Cybersecurity
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	41	There were no substantiated complaints received concerning breaches of customer privacy and losses of customer data during the financial year



SUSTAINABILITY STATEMENT

(CONT'D)

Date & Time: 2026-05-19J7:03:02
Main Market | Group 2 | EYE 31/01/2026

KYM HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100	100	100	No assurance	Internal documentation
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	100	100	No assurance	Internal documentation
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	100	100	100	No assurance	Internal documentation
Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	100	100	No assurance	Internal documentation
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	0	Zero	No assurance	Internal documentation
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Ringgit Malaysia	1,000	19,417	-	No assurance	Internal documentation
Community/Society	Total number of beneficiaries of the investment in communities	Number	1	15,301	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Male Management	Percentage	68	69	-	No assurance	Internal documentation

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SUSTAINABILITY STATEMENT

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Main Market | Group 2 | FYE 31/01/2026

KYM HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Percentage of employees by gender and age group, for each employee category - Male Executive	Percentage	64	45	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Male Non-Executive	Percentage	69	74	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Female Management	Percentage	32	31	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Female Executive	Percentage	36	55	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Female Non-Executive	Percentage	31	26	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Management under 30 years old	Percentage	0	0	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Executive under 30 years old	Percentage	24	28	-	No assurance	Internal documentation



SUSTAINABILITY STATEMENT

(CONT'D)

Date & Time: 2026-05-19J7:03:02
Main Market | Group 2 | EYE 31/01/2026

KYM HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Percentage of employees by gender and age group, for each employee category - Non-Executive under 30 years old	Percentage	27	25	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Management 30 - 50 years old	Percentage	43	55	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Executive 30 - 50 years old	Percentage	64	34	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Non-Executive 30 - 50 years old	Percentage	50	53	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Management over 50 years old	Percentage	57	45	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Executive over 50 years old	Percentage	12	38	-	No assurance	Internal documentation
Diversity	Percentage of employees by gender and age group, for each employee category - Non-Executive over 50 years old	Percentage	23	22	-	No assurance	Internal documentation

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SUSTAINABILITY STATEMENT

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Main Market | Group 2 | EYE 31/01/2026

KYM HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Diversity	Percentage of directors by gender and age group - Male	Percentage	60	60	-	No assurance	Internal documentation
Diversity	Percentage of directors by gender and age group - Female	Percentage	40	40	-	No assurance	Internal documentation
Diversity	Percentage of directors by gender and age group - Under 30 year old	Percentage	0	0	-	No assurance	Internal documentation
Diversity	Percentage of directors by gender and age group -- 30 - 50 year old	Percentage	60	60	-	No assurance	Internal documentation
Diversity	Percentage of directors by gender and age group - Over 50 year old	Percentage	40	40	-	No assurance	Internal documentation
Energy Management	Total energy consumption	Gigajoules	9,361	10,085	-	No assurance	Internal documentation
Energy management	Purchased electricity	Gigajoules	7139	5,937	-	No assurance	Internal documentation
Energy management	Solar energy	Gigajoules	862	2,653	-	No assurance	Internal documentation
Energy management	LPG	Gigajoules	415	414	-	No assurance	Internal documentation
Energy management	Petrol	Gigajoules	413	350	-	No assurance	Internal documentation
Energy management	Diesel	Gigajoules	532	732	-	No assurance	Internal documentation
Health & Safety	Number of work-related fatalities	Number	0	0	Zero fatalities	No assurance	Internal documentation
Health & Safety	Lost time incident rate	Number	0	0	-	No assurance	Internal documentation
Health & Safety	Number of employees trained on health and safety standards	Number	1,188	779	-	No assurance	Internal documentation

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SUSTAINABILITY STATEMENT

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Main Market | Group 2 | EYE 31/01/2026

KYM HOLDINGS BHD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
Labour practices and standards	Total hours of training by employee category - Management	Hours	1,234	2,568	-	No assurance	Internal documentation
Labour practices and standards	Total hours of training by employee category - Executive	Hours	1,569	795	-	No assurance	Internal documentation
Labour practices and standards	Total hours of training by employee category - Non-Executive	Hours	4,643	2,794	-	No assurance	Internal documentation
Labour practices and standards	Percentage of employees that are contractors and temporary staff	Percentage	1	0	-	No assurance	Internal documentation
Labour practices and standards	Total number of employee turnover by employee category - Management	Number	3	4	-	No assurance	Internal documentation
Labour practices and standards	Total number of employee turnover by employee category - Executive	Number	4	5	-	No assurance	Internal documentation
Labour practices and standards	Total number of employee turnover by employee category - Non-Executive	Number	33	38	-	No assurance	Internal documentation
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	0	-	No assurance	Internal documentation
Supply chain and management	Proportion of spending on local suppliers	Percentage	36	48	-	No assurance	Internal documentation
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	-	No assurance	Internal documentation
Water	Total volume of water used	Megalitres	10,40	8,38	-	No assurance	Internal documentation

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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 2026 (“FY2026”).

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 2026 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 Malaysian Code on Corporate Governance 2021 (“MCCG”) during the FY2026.

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, which is reviewed from time to time to ensure its continued relevance and alignment with regulatory requirements and best practices. In September 2025, the Board Charter was updated, to include the extended scope covering the oversight of sustainability risks and opportunities.

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 61 to 65 of this Annual Report while the composition and activities carried out by the NRC during the financial year are set out on pages 55 to 56.

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

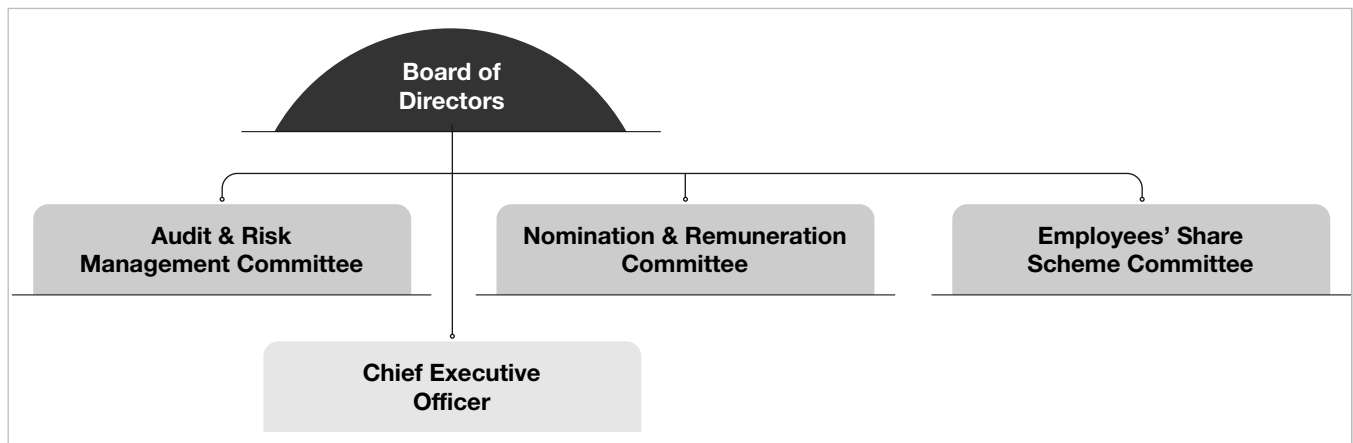
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PRINCIPLE A

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 governance framework is depicted as follows:



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	5/5

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 behavior. 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 deliberates and approves the Group's business strategy, taking into consideration key risks and opportunities, and sustainability factors to support long-term value creation. The Board reviews key issues and challenges, monitors KPI, and approves the annual financial budgets including capital expenditure proposal for the following year at the scheduled Board Meeting. The approved financial budget is subject to review half yearly whereby actual performance assessed against approved targets to facilitate the timely identification of variances and implementation of appropriate corrective actions.

The Board monitors the conducts of business by reviewing the financial performance of each segment at its quarterly meeting.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

1 Board Responsibilities (Cont'd)

In addition, the Board oversees the integration of sustainability considerations into the Group's strategy and operations, including the setting of sustainability goals and monitoring the progress of related initiatives. The Board also reviews the Group's sustainability performance and the progress of key sustainability initiatives on a quarterly basis to ensure alignment with its strategic objectives.

In fulfilling this role, the Board remains informed of the sustainability issues relevant to the Group and its business. The Board monitors key sustainability metrics, including electricity consumption and energy intensity, Scope 2 GHG emissions, water consumption and water intensity as well as waste management and occupational, health and safety. The Board receives quarterly updates from Management, and has attended relevant ESG-related training programmes to ensure they remain equipped to effectively discharge their responsibilities.

The detailed activities of the Board for FY2026 are provided in the CG Report 2026.

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.

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 recognizes 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 9 years.

The Board values innovation and creativity arising from a diverse composition. In promoting boardroom diversity, including gender diversity, the Board currently comprises 2 female Directors. In line with the Diversity Policy, appointments to the Board continue to be based on an appropriate balance of competencies, skills, experience and knowledge, which remain the primary considerations.



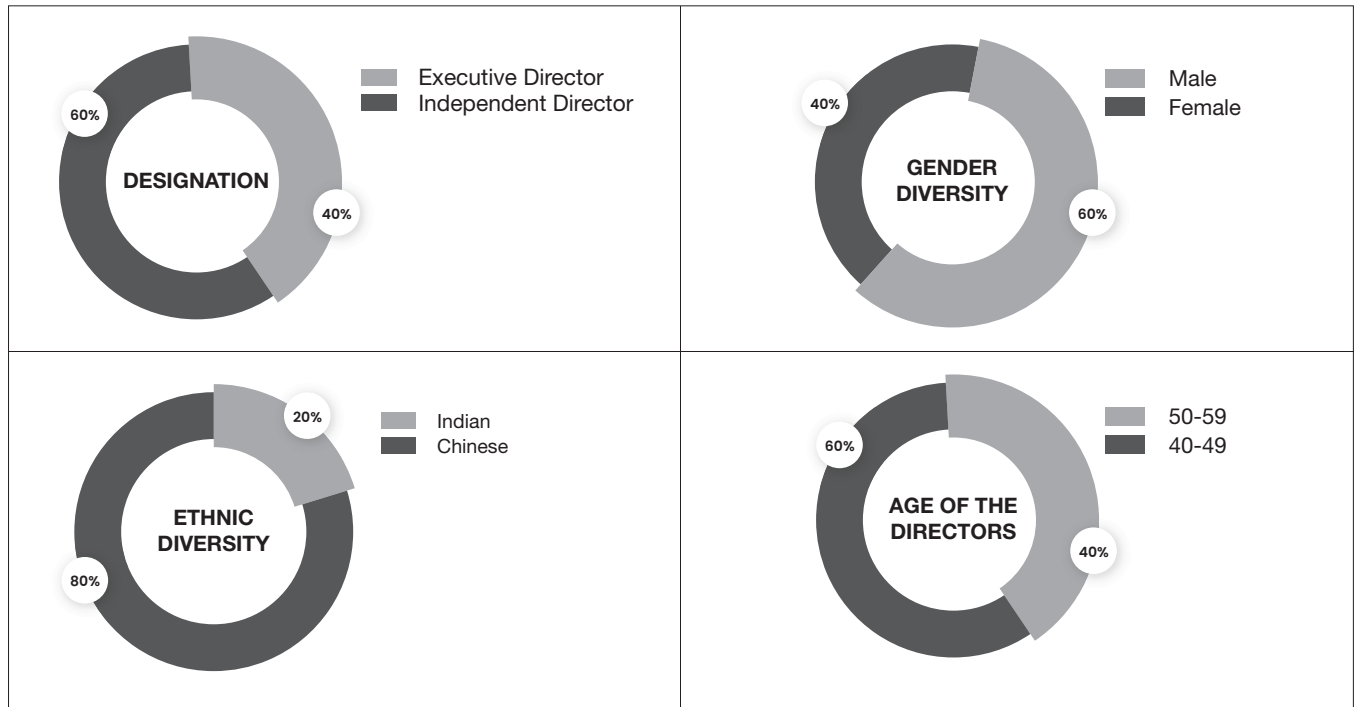
CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

2 Board Composition (Cont'd)



Nomination & Remuneration Committee

The NRC, comprising all Independent Non-Executive Directors, is chaired by Ms Gan Chia Hui. 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 and Designation	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

During the financial year, the Terms of Reference (TOR) for the NRC was updated to formalise the nine-year tenure limit for Independent Non-Executive Directors, strengthen the annual performance evaluation framework for the Board, Board Committees and individual Directors, reinforce succession planning and talent management oversight for key leadership positions, and provide clearer governance over the Group's remuneration policy and framework.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

2 Board Composition (Cont'd)

Nomination & Remuneration Committee (Cont'd)

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

Matters discussed at the NRC meeting include the following: -

- Reviewed Board and Management succession planning, including periodic assessments of future skills gaps at Board and Senior Management levels across the Group;
- Reviewed the progress of the digitalization of the performance management system and the CEO's Balanced Scorecard;
- Reviewed the remuneration of Non-Executive Directors;
- Reviewed the factors in determining remunerations for Executive Directors and Senior Management;
- Reviewed the Remuneration Policy for Directors and Senior Management and recommended it to the Board, which subsequently approved the policy;
- Observed and discussed the results of annual Board Effectiveness Evaluation ("BEE") for the period from 1 February 2024 to 31 January 2025 ("BEE 2024/2025") presented by the external consultant, and deliberated the action plans;
- Reviewed the re-election of retiring directors; and
- Reviewed evaluation criteria(s) for the annual BEE for the period from 1 February 2025 to 31 January 2026 ("BEE 2025/2026").

The Board is responsible for ensuring that there is an effective and orderly succession plan within KYM Group. During the financial year, the NRC deliberated on the progress of the development programmes for identified successors to key senior management personnel, including the achievement of key milestones and progress status, to support leadership continuity and the execution of the Group's business strategies.

The Board through its NRC carries out the annual BEE covering the Board, Board Committee, and individual directors, based on the agreed evaluation process, criteria and methodology. The assessment questions are developed and structured with reference to the key roles and responsibilities of the Board. During the financial year, an external consultant, Boardroom Corporate Services Sdn Bhd ("Boardroom") was engaged to facilitate the evaluation process and analysis for the BEE 2024/2025. Interview sessions and online questionnaires were conducted, and the findings and insights derived from these assessments were reviewed and considered by the NRC.

The NRC acknowledged the strengths highlighted in the BEE 2024/2025 report, which includes: -

1. Leadership of the Board Chairman and Board Committee Chairpersons;
2. KYM boardroom dynamics is centralised upon professionalism, respect, and collegiality.
3. The current board comprises majority of Independent Directors, Board Committees are composed exclusively of Independent Directors. This structure promotes stronger checks and balances, while deliberations are enriched by the contributions of Directors with diverse backgrounds.

The NRC took note of the areas for improvement highlighted in the BEE 2024/2025 report, particularly in relation to strategic planning, integration of sustainability oversight into the Audit and Risk Management Committee's Terms of Reference and succession planning. The Board has implemented the relevant enhancements during the financial year and will continue to strengthen and enhance its governance practice.

Directors recognize the importance of broadening their perspectives and stays mindful and updated with market developments and regulatory changes to contribute effectively and enhance their ability in discharging duties. Directors are regularly provided with opportunities to take part in ongoing training and development programs.

Where necessary, the Company arranges specific training programs requested by the Directors that are relevant and beneficial to their roles.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

2 Board Composition (Cont'd)

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

Lee Ji Jin Darren	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP) on 18 and 19 June 2025; • Bursa Malaysia - Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level on 28 July 2025; • PLCT Event on investor relations on 10 September 2025; • Bursa PLCs IR4U Series 8: The Power of Perception: Using Media to 10x Your Valuation on 23 October 2025; • Bursa PLCs IR4U Series 10: The BIG Programme: Catalysing Corporate Innovation on 28 November 2025; • The Foresight Boardroom: Decoding 2025 & Designing 2026 on 12 December 2025; and • (CEO) Innovation Forum 29/01 (Asia School of Business, KL) on 29 January 2026.
Lim Tze Thean	• Diversity and Inclusion on 9 March 2025; • AI Engagement on 21 March 2025; • GTRI (US Tariffs) on 15 April 2025; • MSF AI in SMART Manufacturing on 25 June 2025; • ASEAN-Japan Next Generation Automotive Industry on 3 July 2025; • SMART Manufacturing on 25 July 2025; and • I-eSDG and SDG Benchmarking on 12 August 2025.
Sharman A/L Arumugam	• Key Insights from the APA Small Business Survey Malaysia Spotlight (KL) on 13 March 2025; • CPA Congress 2025 on 6 November 2025; and • ICDM; The Foresight Boardroom: Decoding 2025 & Designing 2026 on 12 December 2025.
Gan Chia Hui	• ASB / MIFC Leadership Council Event: Leadership in Finance with Dame Susan Rice on 17 February 2025; • SID Webinar: A director's guide for navigating climate change on 19 March 2025; • INSEAD webinar: Power and Progress: Redefining Growth in the age of AI on 20 March 2025; • INSEAD webinar: Why we fight: The hidden triggers of conflict and how to manage them on 26 March 2025; • INSEAD webinar: Geopolitics in 2025 on 14 May 2025; • INSEAD fireside chat; Unshaken: Women Leading Through the Noise on 14 May 2025; • INSEAD webinar: InfoSys: Digital Innovation and Tennis - Transforming Traditional Sports Partnerships on 26 June 2025; • ASB: Panel on Leadership & Entrepreneurship: The Resilience Playbook on 15 August 2025; • ASB: Climate First...or Last? on 8 September 2025; • SID webinar: Strategies for a New World Order on 9 September 2025; and • SID webinar: Driving Impact through Board-Management Alignment on 23 September 2025.
Lee Li Choon	• How are Boards Tracking the Progress and Quality of Sustainability Reporting ? on 4 November 2025; and • The People Lab - A Taste of High-Performance Teams, Unlock the Hidden Science of Teamwork (and Dutch Flavors) in Just One Afternoon on 5 November 2025.



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, motivate and retain the Directors needed to run the Company effectively, taking into consideration the role, workload and responsibilities. The objective of the Group's remuneration policy is to attract, motivate, and retain Directors and senior management by aligning performance-driven rewards with long-term shareholder value, strategic goals, and sustainable business growth.

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. The individuals concerned abstain from discussions of their own remuneration. Directors Fees and Non-Executive Directors' remuneration are a matter for the Board as a whole, depending on any additional responsibilities taken. The annual directors' fees payable to Directors and meeting attendance allowance payable to Non-Executive Directors are presented to the shareholders at the Annual General Meeting for their approval. Directors who are shareholders shall abstain from voting at the Annual General Meeting of the Company to approve their fees.

The remuneration components of Executive Directors including Executive Chairman and CEO shall consist of basic salary, performance-based bonus, defined contribution plan, Directors fee, benefits-in-kind and other allowance. 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.

The NRC shall assist the Board in implementing its policies and procedures on remuneration including reviewing the remuneration framework and recommending remuneration of Executive Directors to the Board. The remuneration of Executive Directors shall be approved by the Board after considering the NRC's recommendations and the Company's overall circumstances. The Executive Directors concerned shall not participate in the discussion to decide on their own remuneration but may attend the NRC meetings at the invitation of the Chairperson of the NRC, if their presence is required.

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	567,441	-	20,000	-	96,876	-	-	684,317
Lee Ji Jin Darren	20,000	-	-	20,000	703,225	-	20,000	-	111,360	-	-	834,585
Non-Executives:												
Sharman A/L Arumugam	30,000	5,000	-	35,000	-	-	30,000	5,000	-	-	-	35,000
Gan Chia Hui	25,000	5,000	-	30,000	-	-	25,000	5,000	-	-	-	30,000
Lee Li Choon	20,000	5,000	-	25,000	-	-	20,000	5,000	-	-	-	25,000
TOTAL	115,000	15,000	-	130,000	1,270,666	-	115,000	15,000	208,236	-	-	1,608,902

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B

EFFECTIVE AUDIT & RISK MANAGEMENT

1 Audit & Risk Management Committee

During the financial year, the composition of the Audit & Risk Management Committee ("ARMC") remained unchanged and as of the date of this statement, the ARMC comprises three (3) Non-Executive Directors, all being Independent Directors including the Chairman. The ARMC Chairman is not the Chairman of the Board. None of the ARMC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the Terms of Reference (TOR) of the ARMC.

Details of the composition of the ARMC are set out in the ARMC Report. All members possess the appropriate expertise and experience, have sufficient understanding of the Company and the Group business, and are able to objectively review, analyse, challenge and make recommendations on matters within the purview of the ARMC, including the financial reporting process.

The ARMC conducted an annual assessment of the External Auditors in accordance with the Company's External Auditors Appointment and Independence Policy to assess their suitability and independence. Further details on the External Auditors are set out in the ARMC Report.

The Board through its NRC conducts an annual assessment of the ARMC oversight through the BEE, to ensure that the ARMC carries out their duties in accordance with the TOR. Based on the outcome of the BEE 2024/2025, the NRC and the Board were satisfied with the performance of the ARMC as a whole, which functioned effectively in identifying pertinent issues and providing constructive oversight, thereby enabling the Board to address risks and strengthen the Group's risk management practices.

During the financial year, the ARMC's TOR were enhanced to include the oversight of sustainability-related matters, covering the review of the Company's sustainability governance framework, the integration of material Environmental, Social, and Governance (ESG) factors into risk management and internal control systems, and the integrity of sustainability-related disclosures. The ARMC also evaluates the adequacy and effectiveness of the risk management and internal control process while operational risk management responsibilities remain with the respective strategic business unit.

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 65 to 72 of this Annual Report.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1 Communication with Stakeholders

The Company recognizes 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 is committed to upholding best practices in all business dealings with stakeholders, vendors, customers and all relevant parties within the Group and the Company to support its long-term sustainability.

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.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1 Communication with Stakeholders (Cont'd)

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 43rd AGM was held on 10 July 2025 as a hybrid meeting at the corporate office at KYM Tower which served as the Main Venue, with remote participation and electronic voting facilities ("RPV Facilities"). Notice of the 43rd AGM was issued on 30 May 2025, providing more than 28 days' notice prior to the meeting.

All Directors including the respective chairs of the various board committees were physically present at AGM to deal with any questions on matters under their purview. During the meeting, shareholders were provided with the opportunity to raise questions and provide comments or suggestions for improvement, either at the Main Venue or via the RPV Facilities, and to 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.

Agmo Digital Solutions Sdn Bhd was appointed as the Poll Administrator to conduct the polling process while Aegis Communication Sdn Bhd was appointed as the independent scrutineer to verify the polling results. The polling for all resolutions was conducted upon the completion of the deliberation of all items transacted at the AGM, and the results were duly announced and published.

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 19 May 2026.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of KYM Holdings Bhd (“Board”) is pleased to present the Audit & Risk Management Committee (“ARMC”) Report for the financial year ended 31 January 2026 (“FY2026”).

COMPOSITION AND MEETINGS

		Attendance
Sharman A/L Arumugam (Chairman)	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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The term of office and the performance of the ARMC as a whole is evaluated through the annual Board Committee effectiveness evaluation. 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 FY2026, the ARMC members met five (5) times and the details of attendance of each committee member are as stated above. The Chief Executive Officer (CEO) and Financial Controller attended all the meetings to brief the ARMC on the developments and issues relating to their areas of responsibility. Representatives from the Internal or External Auditors and relevant senior management personnel were invited to attend the meeting to assist the ARMC’s discussions and consideration of reports and to respond to queries in relation to internal or external audit reviews and improvement recommendations.

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

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 9 September 2025, 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 financial matters and reporting to ensure the integrity of the Group’s financial statements. Information pertaining to the financial matters is made available to the ARMC members to ensure effective discharge of their responsibilities.

The ARMC engages with both Internal and External Auditors to review audit findings, discuss any concerns or reservations arising from the audit process, evaluate internal control systems and ensure that appropriate actions are taken.

The ARMC also oversees risk management, including the review and monitoring of key risks, and provides oversight on sustainability strategies, priorities and performance.

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 FY2026.



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 the aim of 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 ("Act") and paragraph 9.22, including Appendix 9B, of the Main Market Listing Requirements and recommended to the Board for approval. During the review, Management provided explanations on the analysis of the quarterly results and major variances, as well as insight into the Group's business operations, factors affecting its 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 the adoption of new accounting standards as well as accounting treatments used in the financial statements; and
- At each Board Meeting where the interim financial report or financial statements were reviewed, the Chairman of the ARMC briefed the Board on the significant accounting issues raised and presented the ARMC's recommendations for the Board's approval.

External Auditors

- The ARMC, on 26 March 2025, 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 2025 ("FY2025");
- The ARMC, on 26 May 2025, reviewed with the External Auditors, the final draft of the audited financial statements of the Company for FY2025 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 the Group in accordance with the MFRSs, IFRSs and the requirements of the Act;
- The ARMC assessed the performance, suitability and independence of the External Auditors in accordance with the External Auditors Appointment and Independence Policy. The assessment was based on the quality of work of the audit team, sufficiency of resources, the ARMC's communication with the External Auditors during interaction and private sessions with the lead engagement partner and engagement team, as well as the observations and feedback from the personnel of KYM who had substantial dealings 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, Crowe Malaysia PLT, at the meeting held on 26 March 2025 confirmed to the ARMC their independence throughout the conduct of the audit engagement in accordance with all relevant professional and regulatory requirements. The non-audit services provided by the External Auditors comprised the annual review of the Statement of Risk Management and Internal Control. The total fees incurred by the Group for non-audit services rendered by the External Auditors during FY2025 amounted to RM6,000. 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 expressed full satisfaction with the performance of the external audit team, who demonstrated independence, objectivity and professional skepticism, as well as the suitability of Crowe Malaysia PLT as a firm, and recommended to the Board the re-appointment of Crowe Malaysia PLT as External Auditors. At the 43rd Annual General Meeting held on 10 July 2025, Crowe Malaysia PLT was re-appointed as the External Auditors.

At the meeting held on 8 December 2025, the ARMC reviewed and discussed with the External Auditors the Group's audit plan prior to the commencement of audit for FY2026 ("2026 APM"). The 2026 APM outlined 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 on the latest changes in accounting standards and interpretations. The External Auditors also presented a summary of the Transparency Report, which outlined the firm's structure, audit quality and risk management, indicators of audit quality, and other initiatives.



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

ACTIVITIES OF THE AUDIT & RISK MANAGEMENT COMMITTEE (Cont'd)

External Auditors (Cont'd)

This included an explanation of the firm's legal and governance structure, as well as disclosure on partners with equity in the partnership, the firm's system of quality management, monitoring of audit partners' workload, and the capacity and competence of the audit practice. It also covered the firm's investment to uphold audit quality, internal and external monitoring reviews, and its Environmental, Social and Governance practices. The ARMC, upon due deliberation, approved the 2026 APM for implementation in accordance with the audit timeline; and

- During the financial year, two (2) private discussions were held by the ARMC on 26 May 2025 and 8 December 2025 with the External Auditors without the presence of the CEO and Management.

Internal Auditors

- On 24 June 2025, the ARMC reviewed and approved the internal audit plan proposed by the outsourced internal audit function for FY2026, taking into consideration the Group's corporate and strategic goals, industry risks, operating environment, and the discussions with the ARMC and Management;
- The ARMC reviewed the internal audit report presented by the Internal Auditors, considered Management's response and the follow-up actions taken to ensure that significant findings were adequately addressed. The Managing Director of the relevant Strategic Business Unit (SBU) was invited to attend the ARMC Meeting to facilitate discussions and provide further information and clarification;
- A status report on the follow-up audit issues together with Management's explanations on overdue outstanding items, was tabled to the ARMC; and
- The ARMC assessed the performance of the Internal Auditors for FY2025 and was satisfied with the performance of the outsourced internal audit function.

Risk Management

- The ARMC oversaw the implementation of the Group's risk management framework, policies and procedures. During the financial year, the ARMC evaluated the Group's risks exposure, rating matrix and risks profile. The ARMC determined that the risks profile should be monitored on a quarterly basis, and that risk impacts are to be observed over two (2) consecutive quarters before any adjustments to the risk ratings and risk categories are made; and
- The ARMC reviewed the Group's top five (5) existing risks and emerging risks, together with the corresponding mitigation strategies and action plans, and considered their alignment with the Group's risk appetite established under the ERM framework.

Sustainability Matters

- The ARMC reviewed the risks associated with the pre-identified sustainability topics, including their impacts, corresponding mitigation measures, and related opportunities. The ARMC recommended focusing on talent development and implementing KPIs to measure its effectiveness; and
- The ARMC oversaw the implementation of the Group's 3-year sustainability roadmap, strategies, and ESG initiatives, and reviewed performance against established targets.

Related Party Transactions

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



AUDIT & RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

ACTIVITIES OF THE AUDIT & RISK MANAGEMENT COMMITTEE (Cont'd)

Others

- The ARMC monitored 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 presented by the Chief Integrity Officer, who is also the Company Secretary on a quarterly basis, and provided oversight of the Group's compliance with the Anti-Bribery and Anti-Corruption ("ABC") Policy, ensuring that adequate controls and procedures were implemented to prevent, detect and respond to bribery and corruption risks.
- During the financial year, the ARMC reviewed and updated its Terms of Reference to reflect its evolving roles and responsibilities, including the expansion of scope to cover sustainability oversight and enhanced clarity on risk management responsibilities.
- The ARMC reviewed the Audit & Risk Management Committee Report and Statement on Risk Management and Internal Control and recommended them to the Board for approval and inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent external party, 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.

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

- Procurement To Pay; and
- Credit Control Management

A total of four (4) observations were raised of which four (4) requires attention for enhancement of corrective maintenance process, which implementation of action shall commence within the next 6 months from the date of the report.

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 the previous audit reports and confirmed that all four (4) observations had been successfully implemented by the Management.

The ARMC reviewed the assessment and was satisfied that appropriate actions had been taken to address the identified weaknesses within the agreed timeline.

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

The cost incurred for the internal audit function in respect of FY2026 was RM38,000.00.

CONCLUSION

The Board is of the view that the ARMC and all its members have discharged their duties and responsibilities effectively during FY2026.

This statement is made in accordance with a resolution of the Board of Directors of KYM Holdings Bhd dated 19 May 2026.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control is issued in accordance with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad Listing Requirements which requires the Board of Directors to provide a statement on the adequacy and effectiveness of the Group's risk management and internal control framework.

This statement will outline the nature and scope of the system of risk management and internal control of the Group (comprising the Company and its subsidiaries) for the financial year ended 31 January 2026 and up to the date of approval of this Statement for inclusion in the Company's Annual Report.

BOARD RESPONSIBILITIES

The Board is responsible for determining the nature and extent of risks it is willing to take in pursuing the Group's objectives for maintaining effective governance, a sound risk management framework, and an adequate system of internal controls covering financial reporting, compliance and operational activities of the Group. These systems are designed to manage, rather than eliminate, risks of failure to achieve business objectives, and to safeguard shareholders' investment and the Group's assets. The Audit & Risk Management Committee ("ARMC") provides oversight on the implementation of risk management framework, policies and procedures and recommend the appropriate enterprise risk management ("ERM") framework and methodology across the Group's business operations. As such, these systems provide reasonable and not absolute assurance against material misstatement or loss, taking into account the inherent limitations of any control framework.

Management is accountable to the Board for identifying and assessing risks relevant to the Group's business objectives and strategies, as well as for implementing and monitoring the Group's risk management and internal control systems. This includes developing and maintaining appropriate policies and procedures to manage risks in accordance with the Group's strategic vision and overall risk appetite, and for providing assurance to the Board on the adequacy and effectiveness of these systems. The Board has 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 framework 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)

RISK MANAGEMENT FRAMEWORK (Cont'd)

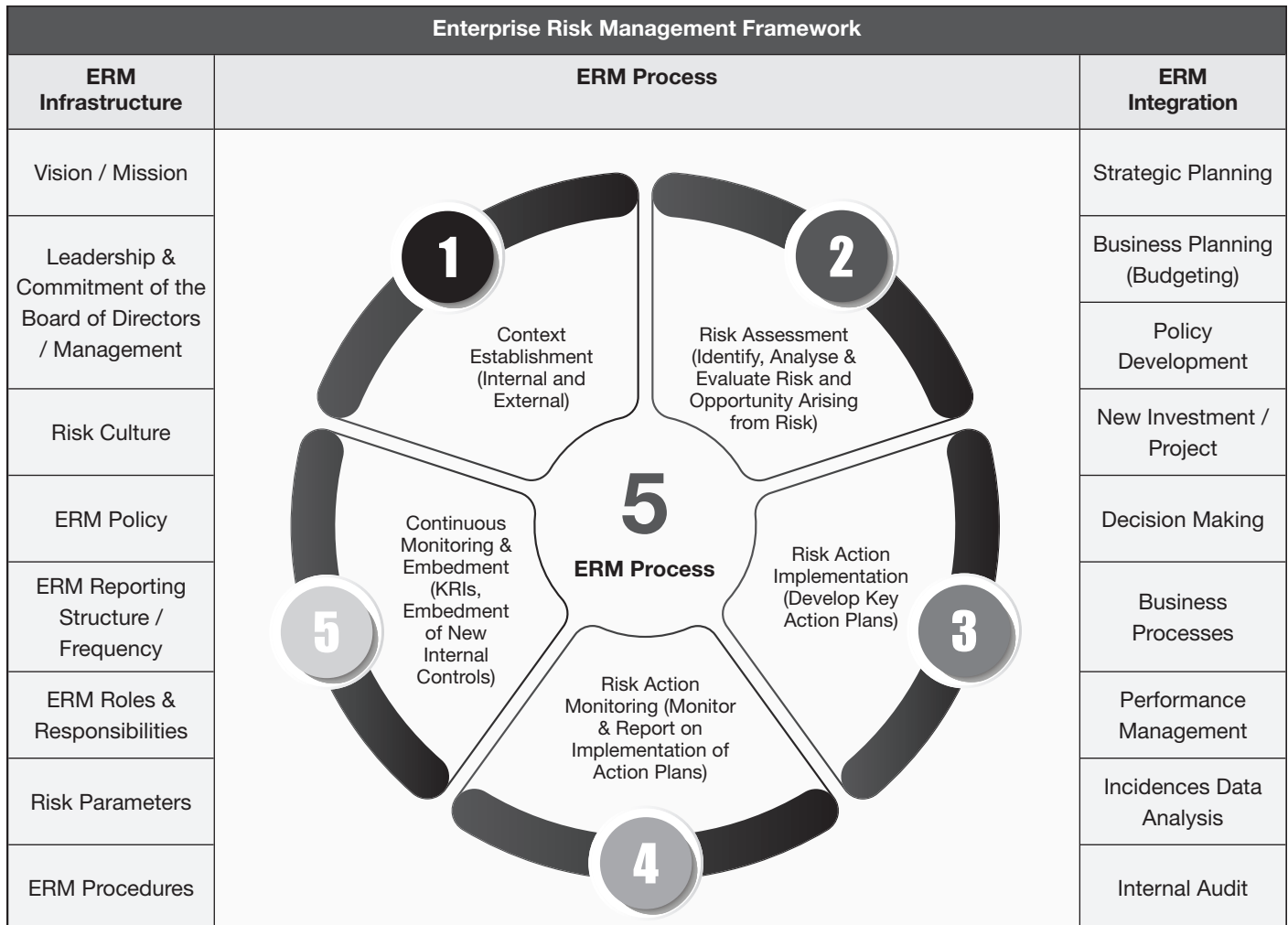
Chief Executive Officer	Recommend ERM policies to the Board and monitor consistent enforcement of the policies across the Group; review and endorse the risk parameters, risk appetite, risk profiles, risk treatment options and risk action plans; provide guidance and advice on appropriateness of risk treatment 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)

RISK MANAGEMENT FRAMEWORK (Cont'd)



To support clarity and consistency in risk-taking, the Group has formalised its risk appetite, which articulates the extent and types of risk the Group is prepared to accept in the execution of its strategy. These risk appetite and risk tolerance statements are reviewed periodically to reflect changes in the operating environment, strategic priorities and performance expectations, and serves as a reference point for evaluating risk exposures and management actions.

The Group's risk assessment process begins with the establishment of context, which defines the scope of risk management and sets the criteria for risk assessment and evaluation. This includes an understanding of the Group's business processes and the internal and external factors that may impact the achievement of its strategic objectives.

Internal factors encompass the Group's governance, operations, financial position, people, resources and organisational capabilities, while external factors include geopolitical, economic, regulatory, environmental, social and technological developments that may influence the Group's strategy and direction. These factors provide the basis for identifying and assessing risks across the Group.

Identified risks are then assessed based on their likelihood of occurrence and potential impact, being the severity of consequences should the risk materialise. The combination of these factors determines the inherent risk rating, which is mapped onto a risk matrix to facilitate the prioritisation and monitoring of risks.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (Cont'd)

The Risk Matrix is shown as below:

Likelihood	Magnitude of Impact				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Medium	Medium	High	Extreme	Extreme
Likely	Medium	Medium	High	High	Extreme
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	High	High
Rare	Low	Low	Medium	Medium	High

The risks that fall under the top right corner of the matrix should be given high priority, that is the Group should direct a significant proportion of its resources to manage these risks. The risks that fall along the diagonal line from top left corner to bottom right corner are considered as medium priority and are managed accordingly. The risks at the bottom left corner are considered as low priority risks but are still monitored with a peripheral focus.

Outlined below are the risk areas being assessed include the following (but not limited to):

Strategic	Operational	Financial	Compliance & Governance
Competitive Threats	Assets Utilisation	Fluctuation in Foreign Exchange Currency	Legal and regulatory
Geopolitical Uncertainty	Product Quality	Liquidity	Corruption Risk
Failure to achieve Growth Transformation Plan	Machinery Breakdown	Credit risks	Cybersecurity
Dependency on key personnel	Manpower shortage	Fluctuation of raw material prices	
Disruption in supply chain	Inventory Management		
	Workforce competency		
	Health, Safety, Environmental (HSE) Hazards		
	Fire risk		



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (Cont'd)

Key Risk Categories

For the financial year under review, the assessment of the top five (5) key risks and emerging risks that could have significant impact to the Group were presented to the Board where internal controls and risk mitigation strategies were highlighted.

Key Risk	Mitigation
Strategic Risks Competitive Threats The Group is exposed to strategic risks arising from competitive pressures within the industry, including pricing pressures from competitors and customers, which may impact the Group's profit margins and market position.	The Group implemented margin-recovery actions, including customer mix optimisation, pricing oversight and operational restructuring to enhance productivity and fulfilment efficiency to stay competitive. The Group is also strengthening its value proposition through sustainability initiatives and product reliability, and refining its commercial strategies to reduce reliance on price-driven competition.
Operational Risks Inefficiency in utilisation of non-core assets The Group is exposed to operational risks arising from the inefficiency in the utilisation of non-core assets. Inefficiencies in managing non-core assets may lead to higher maintenance costs thereby affecting the Group's overall financial performance.	The Group addresses these risks through ongoing efforts to optimise asset utilisation, including the prioritisation of divestment of non-core assets, adaptive reuse, and potential joint ventures. These measures are intended to enhance portfolio performance while limiting non-essential expenditure. By ensuring asset management aligns with market demand and financial planning, the Group aims to reduce risk and support long-term value creation.
Operational Risks Product Quality The Group is exposed to operational risks arising from product quality issues. Product quality issues may impact revenue and reputation, thereby affecting the Group's overall financial performance.	The Group mitigates product quality risks by establishing and maintaining comprehensive SOPs and guidelines to ensure process consistency, implementing a structured customer complaint management system to address issues and drive continuous improvement, introducing quality gates at key inspection stages to prevent defective products from reaching customers, and investing in advanced machinery and technology to enhance production capabilities and overall product quality.
Financial Risks Fluctuation in Foreign Exchange Currency The Group's primary financial risk relates to foreign exchange exposure, due to its reliance on foreign currencies for both procurement and revenue generation.	To manage this risk, the Group closely monitors foreign exchange movements based on market information provided by its banking partners and maintains active engagement with its bankers. The Group also undertakes forward hedging in accordance with its Foreign Exchange Policy to mitigate the impact of currency fluctuations.

The Executive Team conducts quarterly review of existing risks and emerging risks, including trending risks that may impact the Group, together with the corresponding mitigating measures. The top five (5) key risks are reviewed by the ARMC on a quarterly basis. Significant risk(s) identified are escalated to the Board for its attention and oversight on a timely basis.

Management performs separate risk assessments for new business proposals or major investments. Key risk areas are identified, and appropriate action plans are developed to address these risks prior to submission to the Board for consideration.

The Group recognises the increasing importance of environmental, social and governance ("ESG") considerations in its risk management processes. The Board and the ARMC oversee the identification, assessment and monitoring of sustainability-related risks and opportunities as part of the Group's overall risk management framework.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (Cont'd)

Key Risk Categories (Cont'd)

Sustainability-related risks and key performance indicators, including greenhouse gas ("GHG") emissions, energy intensity and water management, are monitored on a quarterly basis against established targets. The Group tracks its performance against these metrics to assess potential risks, identify areas for improvement and support the achievement of its sustainability objectives.

Selected ESG risks, such as product quality, occupational safety and health, business ethics and cybersecurity, have been incorporated into the Group's ERM framework. These risks are assessed using the Group's risk evaluation methodology, including likelihood and impact assessment, and are mapped onto the risk matrix for prioritisation and monitoring.

The Group continues to enhance its ERM framework to progressively integrate additional ESG risks, ensuring a structured and holistic approach to managing sustainability-related risks in line with evolving regulatory expectations and business priorities.

The adequacy and effectiveness of the Group's internal controls were reviewed by the ARMC based on audits conducted by the outsourced internal audit function, Axcelasia Sdn Bhd during the financial year. Audit findings, together with Management's responses and actions taken to address the issues raised by the internal auditors were deliberated at ARMC meetings. The minutes of the ARMC meetings, which recorded such deliberations were presented to the Board.

INTERNAL CONTROL STRUCTURE AND PROCESSES

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

(1) Governance Structure and Delegation of Authority

- The Group has established an organisational structure with clearly defined roles and responsibilities, supported by appropriate limits of authority. The Board has delegated specific responsibilities to its committees, including the ARMC and the NRC, to oversee and monitor the implementation of the Board's policies and controls in accordance with their respective terms of 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 Group's operations to the CEO.
- Defined limits of authority are established for different categories of management in relation to the procurement of capital expenditure and the approval of general and operational expenses. Cheque signatories and their respective authority limits are also clearly defined and enforced.

The Limits of Authority and categories of transactions are reviewed periodically to ensure their continued relevance and appropriateness.

- The Group's core values of Gratitude, Respect, Accountability, Creativity and Empowerment support its control environment by promoting a culture of integrity, ethical conduct and accountability. These values reinforce compliance with policies and regulations, clear ownership of responsibilities, and timely identification and escalation of risks, thereby strengthening the effectiveness of the Group's internal control and risk management framework.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

INTERNAL CONTROL STRUCTURE AND PROCESSES (Cont'd)

(2) Strategic Planning and Monitoring

- The Group's corporate objectives and values, as deliberated at Board meetings, are communicated to management through scheduled monthly Leadership Roundtable meetings. Significant business risks that have impacted, or are likely to impact, each business unit are regularly identified and discussed at its monthly management meetings. Appropriate action plans and control procedures are implemented to mitigate identified risks and issues. The CEO closely monitors business and operational risks, reviews relevant management and operational reports, and ensures that the Group's corporate objectives are achieved. Significant risks are escalated to the Board at scheduled Board meetings.
- The annual budgeting process is a key control activity of the Group. All operating subsidiaries prepare their respective budgets and business plans, which are reviewed by the Executive Team prior to being tabled to the Board for deliberation and approval. The Board reviews actual performance against the approved financial budgets on a half-yearly basis, while financial performance variances are reported to the Board on a quarterly basis.
- Monthly Leadership Roundtable Meetings are held to discuss strategic issues, market trends, the status of sustainability initiatives, and the performance of material sustainability matters, as well as to review performance of the business units and address operational and administrative challenges. Variances against budgeted financial and operational targets are analysed, and reasons for shortfalls are identified and addressed in a timely manner. In addition, material risks are reviewed on a quarterly basis to ensure that appropriate mitigation measures are in place.

(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 Group has implemented policies covering critical areas such as health and safety, environmental and data privacy, reinforcing its commitment to responsible business practices, employee well-being, and regulatory compliance. These policies support a structured internal control environment by promoting accountability, ethical conduct, and risk awareness across the organisation.
- The manufacturing subsidiaries that have adopted ISO 9001:2015 Quality Management System (QMS) benefit from the enhanced risk management, operational effectiveness, and efficiency. The QMS framework provides systematic guidance and tools to the subsidiaries to ensure that products and services are reliable, safe, consistent, meet customer expectations, and comply with applicable legal and regulatory requirements. Audit of the QMS is carried out regularly to ensure continual improvement and effectiveness.

(4) Code of Conduct and Business Ethics

- 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 Anti-Bribery and Corruption Policy ("ABC Policy"), approved by the Board on 26 March 2020, reflects the Group's zero-tolerance approach towards bribery and corruption. Any violation of the ABC Policy is regarded as a serious matter and may result in disciplinary action, including dismissal or termination, in accordance with applicable laws.

To reinforce awareness and compliance, refresher training on anti-bribery and anti-corruption is conducted periodically for employees. In addition, all business partners and vendors are required to acknowledge and commit to adhering to the ABC Policy.

- 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.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

INTERNAL CONTROL STRUCTURE AND PROCESSES (Cont'd)

(5) Assurance Compliance

- The Internal Audit function provides independent and objective assurance on the effectiveness of the areas of operations reviewed, and offers recommendations on best practices to enhance and add value to the Group's internal control systems. Audit reports, together with audit findings, Management's responses and corrective actions, are presented by the Internal Auditors to the ARMC on a periodical basis. In assessing the adequacy and effectiveness of the Group's internal control systems and financial control procedures, the ARMC reports to the Board on its activities, significant audit findings and recommendations, including the necessary actions to be undertaken by Management to address identified issues.
- Management continuously monitors the gaps and issues highlighted by the Internal and External Auditors and remains committed to enhancing existing processes and strengthening internal controls.

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 Section 7 of the Statement on Risk Management and Internal Control: 2025 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 19 May 2026.



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 2026, 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	204,900	52,500
Non-Audit Services	6,000	6,000

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 2026 or since the end of the previous financial year.

4. EMPLOYEES' SHARE SCHEME 2022 ('ESS')

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	-	120,000	4,415,000



ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

4. EMPLOYEES' SHARE SCHEME 2022 ('ESS') (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	-	465,000
	Shares		122,000	122,000	-
Total			4,535,000		4,415,000

	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%

No ESS Options nor ESS Shares were granted and vested to non-executive directors pursuant to the ESS 2022 during the financial year.

FINANCIAL STATEMENT

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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 2026.

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/(Loss) after taxation for the financial year	1,008	(6,564)
Attributable to:- Owners of the Company	1,008	(6,564)

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 19 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

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 31.1.2026
	At 1.2.2025	Acquired	Sold	
The Company				
<i>Direct Interests</i>				
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 1.2.2025	Granted	Exercised	At 31.1.2026
The Company				
<i>Direct Interests</i>				
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" section 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 40 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:-

	From the Company RM'000	From the Subsidiaries RM'000
Fees	115	-
Salaries, bonuses and other benefits	15	1,271
Defined contribution plan	-	208
	130	1,479

INDEMNITY AND INSURANCE COST

During the financial year, the amount of insurance effected for the directors and certain officers of the Company were RM10 million.

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	205	53
Non-audit fees	6	6
	211	59

Signed in accordance with a resolution of the directors dated 19 May 2026

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 86 to 146 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2026 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 19 May 2026

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 86 to 146 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 19 May 2026

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 2026, 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 86 to 146.

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 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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.
(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 11 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
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"). 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. The value-in-use model used to assess the risk of impairment is based on assumptions including revenue forecasts, gross margins and discount rate. 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.	Our procedures included, amongst others: (a) Reviewed management's estimate of the recoverable amount and test of cash flow forecast for their accuracy. (b) Making enquiries of and challenging the management on the key assumptions made in the cash flow forecast, which included the following: (i) the achievability of the business plan; and (ii) sales growth, profit margins, discount rate and terminal value. (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 (d) Assessing the adequacy of disclosure of goodwill in the financial statements.

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.

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, IFRS Accounting 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.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KYM HOLDINGS BHD.

(Incorporated in Malaysia)

Registration No: 198201004556 (84303 - A)

Responsibilities of the Directors for the Financial Statements (Cont'd)

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.



INDEPENDENT AUDITORS' REPORT

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

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

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.

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

19 May 2026

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



STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2026

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	28,260	28,260
Other investments	6	2	2	*	*
Property, plant and equipment	7	29,360	32,767	*	*
Investment properties	8	42,180	42,180	-	-
Right-of-use assets	9	12,965	13,375	553	348
Finance lease receivables	10	14	-	-	-
Goodwill	11	4,667	4,667	-	-
		89,188	92,991	28,813	28,608
CURRENT ASSETS					
Inventories	12	19,786	28,568	-	-
Trade receivables	13	19,891	18,886	-	-
Other receivables, deposits and prepayments	14	2,001	1,829	325	303
Amount owing by subsidiaries	15	-	-	21,644	28,911
Finance lease receivables	10	24	-	-	-
Current tax assets		2,117	3,397	-	-
Short-term investments	16	14,612	16,977	5	175
Fixed deposits with licensed banks	17	354	360	-	-
Cash and bank balances		13,566	2,510	25	34
		72,351	72,527	21,999	29,423
TOTAL ASSETS		161,539	165,518	50,812	58,031

Note:

* Less than RM1,000.

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



STATEMENTS OF FINANCIAL POSITION

AS AT 31 JANUARY 2026 (CONT'D)

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	18	111,582	111,582	111,582	111,582
Reserve	19	529	540	529	540
Retained profits/(Accumulated losses)		2,795	1,776	(91,521)	(84,968)
Equity attributable to owners of the Company		114,906	113,898	20,590	27,154
Non-controlling interests		-	-	-	-
TOTAL EQUITY		114,906	113,898	20,590	27,154
NON-CURRENT LIABILITIES					
Hire purchase payables	20	122	337	-	-
Lease liabilities	21	10,731	10,997	475	366
Deferred tax liabilities	22	6,947	7,165	-	-
		17,800	18,499	475	366
CURRENT LIABILITIES					
Trade payables	23	10,976	10,696	-	-
Other payables and accruals	24	5,214	6,520	507	427
Amount owing to subsidiaries	15	-	-	28,989	29,877
Amount owing to related parties	25	176	166	-	-
Hire purchase payables	20	215	214	-	-
Lease liabilities	21	1,468	1,612	251	207
Short-term borrowings	26	9,207	9,898	-	-
Bank overdrafts	27	1,577	4,015	-	-
		28,833	33,121	29,747	30,511
TOTAL LIABILITIES		46,633	51,620	30,222	30,877
TOTAL EQUITY AND LIABILITIES		161,539	165,518	50,812	58,031

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 2026

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
REVENUE	28	80,806	84,865	-	1,104
COST OF SALES	29	(69,564)	(68,138)	-	-
GROSS PROFIT		11,242	16,727	-	1,104
OTHER INCOME	30	2,567	1,086	213	5
		13,809	17,813	213	1,109
SELLING AND DISTRIBUTION EXPENSES	31	(2,670)	(2,965)	-	-
ADMINISTRATIVE EXPENSES	32	(7,693)	(8,126)	(472)	(435)
OTHER EXPENSES	33	(872)	(887)	(6,273)	(181)
FINANCE COSTS	34	(1,329)	(2,043)	(32)	(39)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	35	-	(783)	-	-
PROFIT/(LOSS) BEFORE TAXATION		1,245	3,009	(6,564)	454
INCOME TAX EXPENSE	37	(237)	(1,096)	-	-
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		1,008	1,913	(6,564)	454
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		1,008	1,913	(6,564)	454
EARNINGS PER SHARE (SEN)	38				
Basic		0.66	1.25		
Diluted		0.66	1.25		

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



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

The Group	Share Capital 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 1.2.2024	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 31.1.2025/1.2.2025	111,582	540	1,776	113,898	-	113,898
Profit after taxation/Total comprehensive income for the financial year	-	-	1,008	1,008	-	1,008
Transactions with owners of the Company: - ESS shares and options forfeited	-	(11)	11	-	-	-
Balance at 31.1.2026	111,582	529	2,795	114,906	-	114,906

The Company	Share Capital RM'000	Employees' Share Scheme Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
Balance at 1.2.2024	111,582	540	(85,422)	26,700
Profit after taxation/Total comprehensive income for the financial year	-	-	454	454
Balance at 31.1.2025/1.2.2025	111,582	540	(84,968)	27,154
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(6,564)	(6,564)
Transactions with owners of the Company: - ESS shares and options forfeited	-	(11)	11	-
Balance at 31.1.2026	111,582	529	(91,521)	20,590

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



STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	1,245	3,009	(6,564)	454
Adjustments for:-				
Dividend income	-	-	-	(1,104)
Depreciation of property, plant and equipment	4,355	4,044	-	-
Depreciation of right-of-use assets	1,789	1,704	186	181
Fair value loss/(gain) on quoted investments	*	(1)	*	-
Gain on disposal of property, plant and equipment, net	(29)	-	-	-
Gain on recognition of finance lease receivables	(21)	-	-	-
Impairment loss on financial assets	-	783	-	-
Interest expenses	1,329	2,043	32	39
Interest income	(533)	(634)	-	(5)
Inventories written off	33	33	-	-
Other receivables written off	-	15	-	-
Waiver of debt by subsidiary	-	-	(213)	-
Written off on amount owing by subsidiaries	-	-	6,087	-
Operating profit/(loss) before working capital changes	8,168	10,996	(472)	(435)
Decrease/(Increase) in inventories	8,722	(10,916)	-	-
(Increase)/Decrease in trade and other receivables	(1,177)	6,353	(22)	(2)
Decrease in finance lease receivables	10	-	-	-
(Decrease)/Increase in trade and other payables	(1,026)	431	80	(19)
Decrease/(Increase) in amount owing by subsidiaries	-	-	1,393	(1,350)
(Decrease)/Increase in amount owing to subsidiaries	-	-	(888)	897
Increase/(Decrease) in amount owing to related parties	10	(1)	-	-
CASH FROM/(FOR) OPERATIONS	14,707	6,863	91	(909)
Income tax refunded	1,774	40	-	-
Income tax paid	(949)	(1,705)	-	-
Interest paid	(232)	(326)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	15,300	4,872	91	(909)
Balance carried forward	15,300	4,872	91	(909)

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 2026 (CONT'D)

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Balance brought forward		15,300	4,872	91	(909)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of a subsidiary		-	-	-	-
Dividend received from subsidiaries		-	-	-	1,104
Interest received		533	634	-	5
Proceeds from disposal of assets held for sale and investment property		-	-	-	-
Proceeds from disposal of property, plant and equipment		29	-	-	-
Purchase of property, plant and equipment	39(a)	(948)	(2,141)	-	-
Withdrawal/(Placement) of fixed deposits pledged to licensed banks		6	(14)	-	-
Withdrawal/(Placement) of short-term investment		2,365	1,206	170	(125)
NET CASH FROM/(FOR) INVESTING ACTIVITIES		1,985	(315)	170	984
CASH FLOWS FOR FINANCING ACTIVITIES					
Interest paid		(1,097)	(1,717)	(32)	(39)
Repayment of hire purchase payables		(214)	(189)	-	-
Repayment of lease liabilities		(1,789)	(1,563)	(238)	(225)
Net repayment of bills payable		(199)	(4,164)	-	-
Repayment of term loans		(75)	(86)	-	-
Net drawdown of bankers' acceptances		583	236	-	-
Net (repayment)/drawdown of revolving credit		(1,000)	800	-	-
NET CASH FOR FINANCING ACTIVITIES	39(b)	(3,791)	(6,683)	(270)	(264)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		13,494	(2,126)	(9)	(189)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(1,505)	621	34	223
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	39(d)	11,989	(1,505)	25	34

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026

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 19 May 2026.

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"), IFRS Accounting 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 121: Lack of Exchangeability

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.

- 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 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

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.

(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 11 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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)

(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 12 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 13 to the financial statements.

(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 14 and 15 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 amount of current tax assets as at the reporting date is RM2,117,000 (2025: RM3,397,000).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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

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).

(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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(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.

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 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, computer software, 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

(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	
	2026	2025
	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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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:-

Name of Subsidiary	Percentage of Issued Share Capital Held by Parent		Principal Activities
	2026 %	2025 %	
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	Wholesale and retail of industrial machinery, equipment and supplies, renting and leasing of other machinery, equipment and tangible goods, and 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.
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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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
	2026 %	2025 %	
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.
Subsidiaries of HMSB			
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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Quoted shares, at fair value	2	2	-	-
Unquoted shares, at fair value	*	*	*	*
	2	2	*	*

Note:

* Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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							
2026							
<i>Carrying Amount</i>							
At 1.2.2025	10,426	18,666	1,427	489	212	1,547	32,767
Additions	-	50	513	-	112	273	948
Depreciation charges	(295)	(3,005)	(593)	(177)	-	(285)	(4,355)
Transfer from/(to)	-	280	-	-	(290)	10	-
At 31.1.2026	10,131	15,991	1,347	312	34	1,545	29,360
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

Notes:

- # Other assets consist of office equipment, computer, computer software, furniture and fittings, renovation and electrical installation.
- * Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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							
2026							
At Cost	14,548	59,542	6,209	1,328	34	8,082	89,743
Accumulated Depreciation	(4,417)	(42,220)	(4,862)	(1,016)	-	(6,537)	(59,052)
Accumulated Impairment	-	(1,331)	-	-	-	-	(1,331)
Carrying Amount	10,131	15,991	1,347	312	34	1,545	29,360
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

Note:

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

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

	Other Assets # RM'000	Total RM'000
The Company		
2026		
<i>Carrying Amount</i>		
At 1.2.2025	*	*
Depreciation charges	-	-
At 31.1.2026	*	*
2025		
<i>Carrying Amount</i>		
At 1.2.2024	*	*
Depreciation charges	-	-
At 31.1.2025	*	*
2026		
At Cost	1,035	1,035
Accumulated Depreciation	(1,035)	(1,035)
Carrying Amount	*	*
2025		
At Cost	1,035	1,035
Accumulated Depreciation	(1,035)	(1,035)
Carrying Amount	*	*

Notes:

- # Other assets consist of office equipment, computer, computer software, furniture and fittings, renovation and electrical installation.
- * Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

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

- (a) The buildings of the Group amounting to RM9,677,000 (2025: RM9,961,000) have been pledged to financial institutions as security for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.
- (b) The following is the carrying amount of the assets held under hire purchase arrangements:-

	The Group	
	2026	2025
	RM'000	RM'000
Plant and machinery	212	315
Motor vehicles	310	486

These assets have been pledged as security for the hire purchase payables as disclosed in Note 20 to the financial statements.

8. INVESTMENT PROPERTIES

	The Group	
	2026	2025
	RM'000	RM'000
<i>Carrying Amount</i>		
At 1 February 2025/2024	42,180	42,180
Gain on changes in fair value	-	-
At 31 January	42,180	42,180

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

	The Group	
	2026	2025
	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 (2025: RM19,400,000) have been pledged to financial institutions as security for banking facilities granted to the Group as disclosed in Note 26 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

8. INVESTMENT PROPERTIES (CONT'D)

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

	The Group	
	2026 RM'000	2025 RM'000
Direct operating expenses	355	356

(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							
2026							
<i>Carrying Amount</i>							
At 1.2.2025	2,665	266	82	4,956	5,246	160	13,375
Addition	-	-	-	-	-	198	198
Depreciation charges	(47)	(76)	(110)	(935)	(554)	(67)	(1,789)
Modification of lease liabilities (Note 21)	-	59	332	782	8	-	1,181
At 31.1.2026	2,618	249	304	4,803	4,700	291	12,965
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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

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

	Office Building RM'000	Signage RM'000	Total RM'000
The Company			
2026			
<i>Carrying Amount</i>			
At 1.2.2025	266	82	348
Depreciation charges	(76)	(110)	(186)
Modification of lease liabilities (Note 21)	59	332	391
At 31.1.2026	249	304	553
2025			
<i>Carrying Amount</i>			
At 1.2.2024	337	192	529
Depreciation charges	(71)	(110)	(181)
At 31.1.2025	266	82	348

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 RM2,619,000 (2025: RM2,666,000) have been pledged to financial institutions as security for banking facilities as disclosed in Note 27 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 3 forklifts for 4 years. During the financial year, the Group has leased another 2 forklifts for 4 years. |



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

10. FINANCE LEASE RECEIVABLES

	The Group	
	2026 RM'000	2025 RM'000
At 1 February 2025/2024	-	-
New leases entered into during the financial year	48	-
Lease payments received during the financial year	(10)	-
At 31 January	38	-

The present value of finance lease receivables may be analysed as follows:-

	The Group	
	2026 RM'000	2025 RM'000
Receivables within 12 months	25	-
Receivables after 12 months	15	-
	40	-
Less: unearned finance income	(2)	-
	38	-

Finance lease receivables are related to lease of equipment. The weighted average effective interest rate is 5.45% (2025: Nil) per annum.

11. GOODWILL

	The Group	
	2026 RM'000	2025 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

11. GOODWILL (CONT'D)

- (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:-

	2026 %	2025 %
Gross profit margin	14	14
Growth rate	0 to 2.5	0.2 to 3
Discount rate	8.68	8.68

- (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.

12. INVENTORIES

	The Group	
	2026 RM'000	2025 RM'000
Raw materials	11,919	21,938
Work-in-progress	276	170
Finished goods	5,231	4,364
Consumables	2,360	2,096
	19,786	28,568
Recognised in profit or loss:-		
Inventories recognised as cost of sales	53,012	51,762
Inventories written off	33	33
Reversal of inventories previously written down	*	-

Note:

* Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

13. TRADE RECEIVABLES

	The Group	
	2026 RM'000	2025 RM'000
Trade receivables	20,551	19,638
Allowance for impairment losses	(660)	(752)
	19,891	18,886
Allowance for impairment losses:-		
At 1 February 2025/2024	(752)	(2)
Addition (Note 35)	-	(750)
Foreign exchange differences	92	-
At 31 January	(660)	(752)

The Group's normal trade credit terms range from 14 to 90 (2025: 14 to 90) days.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other receivables:-				
Third parties	196	85	1	-
Goods and services tax recoverable	26	25	-	-
	222	110	1	-
Allowance for impairment losses	(33)	(33)	-	-
	189	77	1	-
Advances to suppliers	49	111	-	-
Deposits	1,309	1,239	283	283
Prepayments	454	402	41	20
	2,001	1,829	325	303
Allowance for impairment losses:-				
At 1 February 2025/2024	(33)	-	-	-
Addition (Note 35)	-	(33)	-	-
At 31 January	(33)	(33)	-	-

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2026 RM'000	2025 RM'000
Amount owing by subsidiaries	45,989	53,256
Allowance for impairment losses	(24,345)	(24,345)
	21,644	28,911
Amount owing to subsidiaries	(28,989)	(29,877)

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

16. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unit trust funds, at fair value	14,612	16,977	5	175

17. FIXED DEPOSITS WITH LICENSED BANKS

- (a) 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% (2025: 2.00% to 2.85%) per annum. The fixed deposits of the Group and of the Company have maturity periods ranging from 1 month to 3 years (2025: 1 month to 3 years).
- (b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM354,000 (2025: RM360,000) which have been pledged to licensed banks as security for credit facilities granted to certain subsidiaries as disclosed in Note 27 to the financial statements.

18. SHARE CAPITAL

	The Group/The Company			
	2026 Number Of Shares ('000)	2025 RM'000	2026 RM'000	2025 RM'000
Issued and Fully Paid-Up				
Ordinary Shares				
At the beginning/end of the reporting period	152,602	152,602	111,582	111,582

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

19. 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).

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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

19. RESERVE (CONT'D)

ESS Option (Cont'd)

The movement of ESS options granted are as follows:-

	Offer date	Number of ordinary shares granted under ESS			
		At 1.2.2025	Granted	Exercised	At 31.1.2026
ESS Option I	28 April 2023	4,465,000	-	-	(50,000)
					4,415,000

20. HIRE PURCHASE PAYABLES

	The Group	
	2026 RM'000	2025 RM'000
Current liabilities	215	214
Non-current liabilities	122	337
	337	551

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

21. LEASE LIABILITIES

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 February 2025/2024	12,609	14,049	573	798
Additions	198	123	-	-
Changes due to lease modification (Note 9)	1,181	-	391	-
Interest expense recognised in profit or loss (Note 34)	586	784	32	39
Repayment of principal	(1,789)	(1,563)	(238)	(225)
Repayment of interest expense	(586)	(784)	(32)	(39)
At 31 January	12,199	12,609	726	573
Analysed by:-				
Current liabilities	1,468	1,612	251	207
Non-current liabilities	10,731	10,997	475	366
	12,199	12,609	726	573



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

22. DEFERRED TAX LIABILITIES

	The Group	
	2026	2025
	RM'000	RM'000
At 1 February 2025/2024	7,165	7,208
Recognised in profit or loss (Note 37)	(218)	(43)
At 31 January	6,947	7,165

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

	The Group	
	2026	2025
	RM'000	RM'000
Deferred tax liabilities:-		
Accelerated capital allowances	3,952	4,242
Revaluation arising from deemed cost property	825	848
Fair value changes of investment properties	4,483	4,553
	9,260	9,643
Deferred tax assets:-		
Inventories	(1)	-
Unabsorbed capital allowances	(1,658)	(1,836)
Unused tax losses	(52)	(52)
Others	(602)	(590)
	(2,313)	(2,478)
	6,947	7,165

23. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 (2025: 30 to 90) days.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Other payables:-				
Third parties	1,942	2,692	320	225
Sales and service tax payable	995	877	-	-
Advances from customer	2	-	-	-
	2,939	3,569	320	225
Deposits received	39	39	-	-
Accruals	2,236	2,912	187	202
	5,214	6,520	507	427

In the previous financial year, included in other payables consist of amount owing to a director of a subsidiary amounting to RM639,000. The amount owing was non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

25. 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.

26. SHORT-TERM BORROWINGS

	The Group	
	2026	2025
	RM'000	RM'000
Secured:-		
Bankers' acceptances	4,718	4,135
Bills payable	4,489	4,688
Revolving credit	-	1,000
Term loans	-	75
	9,207	9,898

- The bankers' acceptances and bills payable 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

26. SHORT-TERM BORROWINGS (CONT'D)

- (b) The revolving credit and term loans are secured by:-
- (i) legal charges over the freehold land, leasehold land and buildings of certain subsidiaries;
 - (ii) a corporate guarantee of the Company and a subsidiary.

27. BANK OVERDRAFTS

The bank overdrafts are secured in the same manner as the bills payable as disclosed in Note 26 to the financial statements and by a pledge of the fixed deposits of a subsidiary.

28. REVENUE

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sales of goods	80,805	84,865	-	-
Revenue from Other Sources				
Finance income on lease receivables	1	-	-	-
Dividend income	-	-	-	1,104
	80,806	84,865	-	1,104

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 42 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:-

Finance Income on Lease Receivables

Finance income on lease receivables is recognised according to the effective interest rate method so as to provide constant periodic rate of return on the net investment.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

28. REVENUE (CONT'D)

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

Dividend Income

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

29. COST OF SALES

	The Group	
	2026	2025
	RM'000	RM'000
Included in cost of sales are:-		
Depreciation:		
- property, plant and equipment	3,824	3,634
- right-of-use assets	1,577	1,497
Inventories written off	33	33
Lease expenses on short-term leases	-	25
Realised gain on foreign exchange	(5)	(636)
Reversal of inventories previously written down	*	-
Staff costs:		
- salaries, bonuses and other benefits	6,449	6,425
- defined contribution plan	473	476

Note:

* Less than RM1,000.

30. OTHER INCOME

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Included in other income are:-				
Fair value gain on quoted investments	-	1	-	-
Gain on disposal of property, plant and equipment	29	-	-	-
Interest income	533	634	*	5
Gain on recognition of finance lease receivables	21	-	-	-
Realised gain on foreign exchange	*	-	-	-

Note:

* Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

31. SELLING AND DISTRIBUTION EXPENSES

	The Group	
	2026	2025
	RM'000	RM'000
Included in selling and distribution expenses are:-		
Staff costs:		
- salaries, bonuses and other benefits	853	908
- defined contribution plan	93	104
Carriage outwards	1,552	1,784

32. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Included in administrative expenses are:-				
Auditors' remuneration:				
- audit fees	205	203	53	53
- non-audit fees	6	6	6	6
Directors' remuneration (Note 36(a))	2,467	2,705	130	126
Lease expenses:				
- short-term leases	30	29	-	-
- low-value assets	5	6	-	-
Staff costs (including other key management personnel as disclosed in Note 36(b)):				
- salaries, bonuses and other benefits	2,502	2,753	-	-
- defined contribution plan	227	250	-	-

33. OTHER EXPENSES

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	-	6,087	-
Depreciation:				
- property, plant and equipment	531	410	-	-
- right-of-use assets	212	207	186	181
Fair value loss on quoted investments	*	-	-	-
Other receivables written off	-	15	-	-
Realised loss on foreign exchange	129	255	-	-
	872	887	6,273	181

Note:

* Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

34. FINANCE COSTS

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- term loans	4	6	-	-
- bank overdrafts	224	317	-	-
- bankers' acceptances	211	229	-	-
- bills payable	267	652	-	-
- revolving credit	4	23	-	-
- hire purchase payables	25	23	-	-
- lease liabilities	586	784	32	39
- others	8	9	-	-
	1,329	2,043	32	39

35. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2026	2025
	RM'000	RM'000
Impairment losses on:-		
- trade receivables (Note 13)	-	750
- other receivables (Note 14)	-	33
	-	783

36. 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	
	2026	2025	2026	2025
	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	1,286	1,463	15	11
	1,401	1,578	130	126
Defined contribution plan	208	231	-	-
	1,609	1,809	130	126



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

36. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
(a) Directors (Cont'd)				
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	731	763	-	-
Defined contribution plan	127	133	-	-
	858	896	-	-
Total directors' remuneration	2,467	2,705	130	126
(b) Other Key Management Personnel				
Short-term employee benefits	739	991	-	-
Total compensation for other key management personal	739	991	-	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the subsidiaries were RM45,000 (2025: RM45,000).

37. INCOME TAX EXPENSE

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Current tax expense	630	1,123	-	-
(Over)/Underprovision in the previous financial year	(175)	16	-	-
	455	1,139	-	-
Deferred tax (Note 22):				
- origination and reversal of temporary differences	(114)	(43)	-	-
- overprovision in the previous financial year	(104)	-	-	-
	237	1,096	-	-



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

37. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) 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	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation	1,245	3,009	(6,564)	454
Tax at the statutory tax rate of 24% (2025: 24%)	299	722	(1,575)	109
Tax effects of:-				
Non-taxable income	(129)	(145)	-	(265)
Non-deductible expenses	419	594	1,575	157
Deferred tax assets not recognised during the financial year	299	359	*	-
Realisation of deferred tax liabilities arising from revaluation surplus	(23)	(14)	-	-
	865	1,516	-	1
Realisation of deferred tax liabilities arising from fair value changes of investment properties	(70)	(424)	-	-
Utilisation of deferred tax assets previously not recognised	(279)	(12)	-	(1)
(Over)/Underprovision in the previous financial year:				
- current tax	(175)	16	-	-
- deferred tax	(104)	-	-	-
Income tax expense for the financial year	237	1,096	-	-

Note:

* Less than RM1,000

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2025: 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	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Excess of depreciation over capital allowances	46	53	-	-
Unabsorbed capital allowances	9,570	11,950	836	836
Unabsorbed reinvestment allowances*	-	2,979	-	-
Unused tax losses:				
- expires year of assessment 2028	30,123	27,668	933	930
- expires year of assessment 2030	20	19	-	-
Balance carried forward	39,759	42,669	1,769	1,766



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

37. INCOME TAX EXPENSE (CONT'D)

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 (Cont'd):-

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Balance brought forward	39,759	42,669	1,769	1,766
Unused tax losses (Cont'd):				
- expires year of assessment 2031	188	188	-	-
- expires year of assessment 2032	143	143	-	-
- expires year of assessment 2035	6	6	-	-
- expires year of assessment 2036	6	-	-	-
Others	7	-	-	-
	40,109	43,006	1,769	1,766

Certain comparative figures have been restated to reflect tax losses carry forward and other temporary differences available to the Group.

Based on the current legislation, the unabsorbed reinvestment allowances are allowed to be utilised for 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 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forwards indefinitely.

* Unabsorbed reinvestment allowances amounting to RM2,979,000 (2025: Nil) has expired during the financial year.

38. 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	
	2026	2025
Profit attributable to owners of the Company (RM'000)	1,008	1,913
Weighted average number of ordinary shares ('000)	152,602	152,602
Basic earnings per share (sen)	0.66	1.25



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

38. EARNINGS PER SHARE (CONT'D)

(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	
	2026	2025
Profit attributable to owners of the Company (RM'000)	1,008	1,913
Weighted average number of ordinary shares in issue (Basic) ('000)	152,602	152,602
Effect of exercise of ESS options ('000)	*	*
Weighted average number of ordinary shares in issue (Diluted) ('000)	152,602	152,602
Diluted earnings per share (sen)	0.66	1.25

* 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 diluted earnings per share.

39. 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	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 7)	948	2,289	-	-
Less: Acquired through hire purchase arrangements (Note 39(b))	-	(148)	-	-
	948	2,141	-	-
Right-of-use assets				
Cost of right-of-use assets acquired (Note 9)	198	123	-	-
Less: Additions of new lease liabilities (Note 39(b))	(198)	(123)	-	-
	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

39. 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
2026							
At 1 February 2025	551	12,609	75	4,135	4,688	1,000	23,058
<u>Changes in Financing Cash Flows</u>							
Proceeds from drawdown	-	-	-	12,925	18,278	-	31,203
Repayment of principal	(214)	(1,789)	(75)	(12,342)	(18,477)	(1,000)	(33,897)
Repayment of interests	(25)	(586)	(4)	(211)	(267)	(4)	(1,097)
	(239)	(2,375)	(79)	372	(466)	(1,004)	(3,791)
<u>Other Changes</u>							
Acquisition of new leases (Note 39(a))	-	198	-	-	-	-	198
Modification of leases	-	1,181	-	-	-	-	1,181
Interest expense recognised in profit or loss	25	586	4	211	267	4	1,097
	25	1,965	4	211	267	4	2,476
At 31 January	337	12,199	-	4,718	4,489	-	21,743



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

39. 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
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 39(a))	148	-	-	-	-	-	148
Acquisition of new leases (Note 39(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 2026 (CONT'D)

39. 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
2026	
At 1 February 2025	573
<u>Changes in Financing Cash Flows</u>	
Repayment of principal	(238)
Repayment of interests	(32)
	(270)
<u>Other Changes</u>	
Modification of leases	391
Interest expense recognised in profit or loss	32
	423
At 31 January	726
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

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

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Payment of short-term leases	30	54	-	-
Payment of low-value assets	5	6	-	-
Interest paid on lease liabilities	586	784	32	39
Payment of lease liabilities	1,789	1,563	238	225
	2,410	2,407	270	264



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

39. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	354	360	-	-
Cash and bank balances	13,566	2,510	25	34
Bank overdrafts	(1,577)	(4,015)	-	-
	12,343	(1,145)	25	34
Less:-				
Fixed deposits pledged to licensed banks	(354)	(360)	-	-
	11,989	(1,505)	25	34

40. RELATED PARTY DISCLOSURES

(a) Subsidiaries

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

(b) Significant Related Party Transactions and Balances

The Group and the Company carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	-	1,104
Rental charged by related parties	2,194	2,137	269	264
Support fee charged to a related party	332	258	-	-
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 15 and 25 to the financial statements.

41. 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

The Group is organised into 4 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.

All other segments - involved in business of wholesale and retail of industrial machinery, equipment and supplies, providing management services for manufacturing warehouse. It also involved in business of renting and leasing of other machinery, equipment and tangible goods.

- (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.

	Manufacturing RM'000	Investment Holding RM'000	Property RM'000	Others^ RM'000	Group RM'000
2026					
<u>Revenue</u>					
External revenue	80,753	-	-	53	80,806
Inter-segment revenue	-	-	-	1,615	1,615
	80,753	-	-	1,668	82,421
Adjustments and eliminations					(1,615)
Consolidated revenue					80,806



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

	Manufacturing RM'000	Investment Holding RM'000	Property RM'000	Others^ RM'000	Group RM'000
2026					
<u>Results</u>					
Results before following adjustments	10,653	(1,870)	2,264	(2,883)	8,164
Interest income	(6)	-	539	-	533
Interest expense	(1,298)	(31)	-	-	(1,329)
Depreciation of property, plant and equipment	(4,337)	-	(1)	(17)	(4,355)
Depreciation of right-of-use assets	(1,602)	(187)	-	-	(1,789)
Fair value loss on quoted investments	-	-	-	*	*
Gain on recognition of finance lease receivables	-	-	-	21	21
Profit/(Loss) before taxation	3,410	(2,088)	2,802	(2,879)	1,245
Income tax expense					(237)
Consolidated profit after taxation					1,008
<u>Assets</u>					
Segment assets	96,190	5,936	56,500	796	159,422
Unallocated asset:- Current tax assets					2,117
Consolidated total assets					161,539
<u>Liabilities</u>					
Segment liabilities	37,245	1,242	943	256	39,686
Unallocated liability:- Deferred tax liabilities					6,947
Consolidated total liabilities					46,633
<u>Other Segment Items</u>					
Non-current assets other than financial instruments:- Additions on:					
- Property, plant and equipment	928	-	-	20	948
- Right-of-use assets	198	-	-	-	198
	1,126	-	-	20	1,146

Note:

* Less than RM1,000.

^ Involved in business of wholesale and retail of industrial machinery, equipment and supplies, providing management services for manufacturing warehouse and business of renting and leasing of other machinery, equipment and tangible goods.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

41. 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
<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

Note:

^ Involved in business of providing management services for manufacturing warehouse.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

41. OPERATING SEGMENTS (CONT'D)

	Manufacturing RM'000	Investment Holding RM'000	Property RM'000	Others^ RM'000	Group RM'000
2025					
<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

Note:

^ Involved in business of providing management services for manufacturing warehouse.

42. 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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Malaysia	75,070	78,315	89,188	92,991
Singapore	3,132	1,649	-	-
Thailand	2,604	3,105	-	-
Mauritius	-	1,783	-	-
Sweden	-	13	-	-
	80,806	84,865	89,188	92,991

Major Customers

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

	The Group		Segment
	2026 RM'000	2025 RM'000	
Customer #1	13,479	12,271	Manufacturing
Customer #2	-	10,097	Manufacturing



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

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.

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") and Euro ("EUR"). 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
2026					
<u>Financial Assets</u>					
Other investments	-	-	-	2	2
Trade receivables	-	490	120	19,281	19,891
Other receivables	-	-	-	163	163
Short-term investments	-	-	-	14,612	14,612
Fixed deposits with licensed banks	-	-	-	354	354
Cash and bank balances	163	-	942	12,461	13,566
	163	490	1,062	46,873	48,588
<u>Financial Liabilities</u>					
Hire purchase payables	-	-	-	337	337
Trade payables	4,262	-	3,080	3,634	10,976
Other payables and accruals	-	-	54	4,124	4,178
Amount owing to related parties	-	-	-	176	176
Bankers' acceptances	-	-	-	4,718	4,718
Bills payable	3,358	-	1,131	-	4,489
Bank overdrafts	-	-	-	1,577	1,577
	7,620	-	4,265	14,566	26,451
Net financial (liabilities)/assets/Balance carried forward	(7,457)	490	(3,203)	32,307	22,137



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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
2026					
Balance brought forward	(7,457)	490	(3,203)	32,307	22,137
Less:- Net financial assets denominated in the respective entities' functional currencies	-	-	-	(32,307)	(32,307)
Currency Exposure	(7,457)	490	(3,203)	-	(10,170)

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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					
<u>Financial Liabilities</u>					
Hire purchase payables	-	-	-	551	551
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	18,567	30,930
Net financial (liabilities)/assets	(7,685)	402	(3,715)	18,855	7,857
Less:-					
Net financial assets denominated in the respective entities' functional currencies	-	-	-	(18,855)	(18,855)
Currency Exposure	(7,685)	402	(3,715)	-	(10,998)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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	
	2026	2025
	RM'000	RM'000
Effects on Profit After Taxation		
USD/RM:		
- strengthened by 10%	(567)	(584)
- weakened by 10%	567	584
SGD/RM:		
- strengthened by 10%	37	30
- weakened by 10%	(37)	(30)
EUR/RM:		
- strengthened by 10%	(243)	(283)
- weakened by 10%	243	283

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

(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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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	
	2026	2025
	RM'000	RM'000
Effects on Profit After Taxation		
Increase of 100 basis points	(82)	(106)
Decrease of 100 basis points	82	106

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.

(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 (2025: three customers) which constituted approximately 44% (2025: 44%) of its trade receivables, net of loss allowance, at the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile (Cont'd)

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	
	2026	2025
	RM'000	RM'000
Malaysia	19,319	18,367
Singapore	490	396
Thailand	120	123
	19,929	18,886

(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 RM10,785,000 (2025: RM13,913,000), 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 2026 (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 and Finance Lease Receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and finance lease 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 (2025: 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions that correlate to the historical loss rates.

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 Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
2026				
Current (not past due)	17,693	-	-	17,693
1 to 30 days past due	1,588	-	-	1,588
31 to 60 days past due	334	-	-	334
61 to 90 days past due	180	-	-	180
91 to 180 days past due	96	-	-	96
Credit impaired	660	(658)	(2)	-
Trade receivables	20,551	(658)	(2)	19,891
Finance lease receivables	38	-	-	38
	20,589	(658)	(2)	19,929



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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 and Finance Lease Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance 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

The movements in the loss allowances in respect of trade receivables is disclosed in Note 13 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 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 14 to the financial statement.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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)

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 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.

The Company considers loans and advances to subsidiaries to be of low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. This is because the Company is able to determine the timing of payments and the loans and advances are to be in default when the subsidiaries are unable to pay when demanded.

The Company considers a loan or advances 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.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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)

Allowance for Impairment Losses

The Company	Gross Amount RM'000	Lifetime Loss Allowance RM'000	Carrying Amount RM'000
2026			
Low credit risk	2,182	-	2,182
Credit impaired	43,807	(24,345)	19,462
	45,989	(24,345)	21,644
2025			
Low credit risk	2,421	-	2,421
Credit impaired	50,835	(24,345)	26,490
	53,256	(24,345)	28,911

Financial Guarantee Contracts

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

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 to 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 2026 (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
2026						
<u>Non-derivative Financial Liabilities</u>						
Hire purchase payables	5.02	337	377	239	78	60
Lease liabilities	5.78	12,199	14,503	2,407	8,383	3,713
Trade payables	-	10,976	10,976	10,976	-	-
Other payables and accruals	-	4,178	4,178	4,178	-	-
Amount owing to related parties	-	176	176	176	-	-
Bankers' acceptances	4.74	4,718	4,718	4,718	-	-
Bills payable	4.88	4,489	4,489	4,489	-	-
Bank overdrafts	7.95	1,577	1,577	1,577	-	-
		38,650	40,994	28,760	8,461	3,773
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 2026 (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
2026					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	5.59	726	785	285	500
Other payables and accruals	-	507	507	507	-
Amount owing to subsidiaries	-	28,989	28,989	28,989	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries	-	-	10,785	10,785	-
		30,222	41,066	40,566	500
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

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 because their fair value on initial recognition were not material.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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	
	2026 RM'000	2025 RM'000
Hire purchase payables	337	551
Lease liabilities	12,199	12,609
Bankers' acceptances	4,718	4,135
Bills payable	4,489	4,688
Revolving credit	-	1,000
Term loans	-	75
Bank overdrafts	1,577	4,015
	23,320	27,073
Less: Cash and bank balances	(13,566)	(2,510)
Net debt	9,754	24,563
Total equity	114,906	113,898
Debt-to-equity ratio	0.08	0.22

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 2026 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other investments	2	2	*	*
Short-term investments	14,612	16,977	5	175
	14,614	16,979	5	175
<u>Amortised Cost</u>				
Trade receivables	19,891	18,886	-	-
Other receivables	163	52	1	-
Amount owing by subsidiaries	-	-	21,644	28,911
Fixed deposits with licensed banks	354	360	-	-
Cash and bank balances	13,566	2,510	25	34
	33,974	21,808	21,670	28,945
Financial Liability				
<u>Amortised Cost</u>				
Hire purchase payables	337	551	-	-
Trade payables	10,976	10,696	-	-
Other payables and accruals	4,178	5,604	507	427
Amount owing to subsidiaries	-	-	28,989	29,877
Amount owing to related parties	176	166	-	-
Bankers' acceptances	4,718	4,135	-	-
Bills payable	4,489	4,688	-	-
Revolving credit	-	1,000	-	-
Term loans	-	75	-	-
Bank overdrafts	1,577	4,015	-	-
	26,451	30,930	29,496	30,304

Note:

* Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	539	611	*	5
<u>Amortised Cost</u>				
Net gains/(losses) recognised in profit or loss	20	(774)	(6,087)	*
Financial Liability				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(1,458)	(1,661)	(32)	(39)

Note:

* Less than RM1,000.

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:-

	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	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2026								
<u>Financial Assets</u>								
Other investments:								
- quoted	2	-	-	-	-	-	2	2
- unquoted	-	*	-	-	-	-	*	*
Short-term investments	-	14,612	-	-	-	-	14,612	14,612
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	337	-	337	337

Note:

* Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (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 Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	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

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2026								
<u>Financial Assets</u>								
Other investments:								
- unquoted	-	*	-	-	-	-	*	*
Short-term investments	-	5	-	-	-	-	5	5

2025

<u>Financial Assets</u>								
Other investments:								
- unquoted	-	*	-	-	-	-	*	*
Short-term investments	-	175	-	-	-	-	175	175

Note:

* Less than RM1,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2026 (CONT'D)

43. FINANCIAL INSTRUMENTS (CONT'D)

43.5 FAIR VALUE INFORMATION (CONT'D)

(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) In the previous financial year, the fair value of term loans that carry floating interest rates approximated their carrying amounts as they were repriced to market interest rates on or near the reporting date.
- (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	
	2026	2025
	%	%
Hire purchase payables (fixed rate)	3.74 - 6.18	3.74 - 6.18

44. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group		The Company	
	As Previously Reported RM'000	As Restated RM'000	As Previously Reported RM'000	As Restated RM'000
Statement of Cash Flows (Extract):-				
Net cash (for)/from investing activities	(1,521)	(315)	1,109	984
Net decrease in cash and cash equivalents	(3,332)	(2,126)	(64)	(189)
Cash and cash equivalents at beginning of the financial year	18,804	621	273	223
Cash and cash equivalents at end of the financial year	15,472	(1,505)	209	34



ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2026

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	34	692	0.00
100 – 1,000	450	341,201	0.22
1,001 – 10,000	809	4,411,251	2.89
10,001 – 100,000	458	15,278,686	10.01
100,001 – 7,630,087	107	62,469,923	40.94
7,630,088 and above	3	70,100,000	45.94
Total	1,861	152,601,753	100.00

SUBSTANTIAL SHAREHOLDERS

As registered in the Register of Substantial Shareholders as at 30 April 2026

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	5,050,000	3.18	20,500,000 ⁽³⁾	16.74

(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 2026

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	3.27%
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 2026 (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	954,500	0.63%
16. Lim Tze Thean	850,000	0.56%
17. How Bee Lay	784,000	0.51%
18. Magnitude Network Sdn Bhd	775,273	0.51%
19. Loh Toh Heoh	682,300	0.45%
20. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Jeffry Hew Bin Abdullah	673,900	0.44%
21. Lim Soo Hien	652,000	0.43%
22. Lai Thiam Poh	582,700	0.38%
23. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Ji Jin Darren	527,900	0.35%
24. Yee Kwok Yim	510,000	0.33%
25. Lee Chee Beng	483,100	0.32%
26. Ho Peng Chong	476,000	0.31%
27. Lau Tiam Aik	451,300	0.30%
28. Lim Soo Hien	450,000	0.30%
29. Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Chu Hui	448,200	0.29%
30. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Jen Tong	425,000	0.28%
	117,128,673	76.75%

DIRECTORS' INTEREST IN SHARES

as at 30 April 2026

Name	Direct	Ordinary Shares %	Indirect	%
Lim Tze Thean	50,500,000	3.31	20,500,000 ⁽¹⁾	13.43
Lee Ji Jin Darren	2,010,000	1.32	-	-
Sharman A/L Arumugam	193,100	0.13	-	-
Gan Chia Hui	-	-	-	-
Tang Kae Sue	-	-	-	-

(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 2026

Location/Address	Land Area (m ²)	Built up size	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	(31.12.2025)	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	(31.12.2025)	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	(31.12.2025)	Residential, Commercial; Vacant	-	7,600,000
12 & 14 Lorong Medan Tuanku Satu 50300 Kuala Lumpur	1,485	-	Freehold	(31.12.2025)	2 adjoining units of 5-storey shop/office buildings; Vacant	41 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	33 years	5,602,917
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	34 years	4,923,028
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	15 years	1,416,279
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	-	4,392	99 years leasehold expiring on 9.12.2109	10.6.2016	Apartment units used for worker hostel	10 years	908,608
No. 443 & 443A Jalan Wallagonia 18 Taman Universiti Wallagonia 35400 Tapah Road Perak Darul Ridzuan	260	-	99 years leasehold expiring on 15.02.2112	(31.12.2025)	Single storey terrace house	9 years	360,000



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 44th 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 on Thursday, 9 July 2026 at 11.00 a.m. for the following purposes:-

1. To receive the Financial Statements for the financial year ended 31 January 2026 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 2026 and the payment of Directors' benefit (excluding Directors' Fee) to Non-Executive Directors of up to an amount of RM24,000 from the date of 44th 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. Lim Tze Thean (Article 81) (RESOLUTION 2)
 - ii. Sharman A/L Arumugam (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

"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

"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 2025 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 ("Act") (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act; 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."

(RESOLUTION 6)

- 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

29 May 2026



NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Notes:-

1. Only members registered in the Record of Depositors on or before 5.00 p.m. as at 2 July 2026 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.
2. 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.
3. 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.
4. 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.
5. 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 at least 48 hours before the time appointed for holding the Meeting or any adjournment thereof, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.

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:

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



NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

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. In line with the Board's proposal, the meeting allowance for the Board Committee meetings has been revised. Furthermore, the increased frequency of Board Committee meetings during this period has resulted in a corresponding adjustment to the overall estimated benefits. 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 44th Annual General Meeting.

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.

Mr. Lim Tze Thean and Mr. Sharman A/L Arumugam being eligible, have offered themselves for re-election at this AGM.

All Directors have undergone an individual evaluation to assess the performance and contribution of each individual Director, 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.

The Nomination & Remuneration Committee and the Board have considered the results of the evaluation conducted for the financial year ended 31 January 2026, the performance of each retiring Director was found satisfactory and met the fit and proper assessment criteria.

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 Act

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 2025 which will lapse at the conclusion of the 44th AGM.

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.



NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

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 issue 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 2026

The softcopy of the Annual Report 2026 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 2026 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 2026 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 44th 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 44th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 44th 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 44TH 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 44th 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

as *my/our proxy to vote for *me/us and on *my/our behalf at the 44th 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 on Thursday, 9 July 2026 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 Lim Tze Thean		
3.	Re-election of Sharman A/L Arumugam		
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		
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 _____, 2026.

Signature of Member/Common Seal

Notes:

- Only members registered in the Record of Depositors on or before 5.00 p.m. as at 2 July 2026 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.
- 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 at least 48 hours before the time appointed for holding the Meeting or any adjournment thereof, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.



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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

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KYM HOLDINGS BHD.

Reg No.: 198201004556 (84303-A)

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



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