

General Announcement

Reference No KH-110928-67649

Company Name	:	KYM HOLDINGS BERHAD
Stock Name	:	KYM
Date Announced	:	29/09/2011

Type : Reply to query

Reply to : IJ-110923-39077

Bursa

Malaysia

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Subject : FURTHER CLARIFICATIONS ON THE MEMORANDUM OF AGREEMENT ("MOA") BETWEEN PT SAMANA CITRA AGUNG ("SCA") AND KYM MINERAL SDN BHD ("KYM MINERAL")

Descripti on : Further to our announcements dated 22 September 2011 and 26 September 2011, we wish to provide additional information as follows:

Query : We refer to the Company's announcement dated 22 September 2011, in
Letter respect of
content the aforesaid matter.

In this connection, kindly furnish Bursa Malaysia Securities Berhad ("Bursa Securities") with the following additional information for public release:-

The exact location of the mining concession in Aceh, Indonesia;
Total reserves available together with the extraction rates and returns that is expected to be derived from the iron sand mining activities;
The rationale for the Company to venture into iron sand mining activities;
The outlook of the iron sand mining industry;
The prospects of the mining venture in light of the industry outlook;
The background information of SCA;
The salient terms of the MOA, including but not limited to the duration of the rights granted by SCA to KYM Mineral, the exclusivity/ non-exclusivity of the rights granted by SCA to KYM Mineral, and SCA's and KYM Mineral's rights and obligations under the MOA.
The date when the concession was obtained by SCA and the name of the relevant authority that granted the concession;
Estimated total investment/capital outlay for the mining venture (including the setting up of the processing plant) and its source of funds; and
The risks in relation the iron sand mining operations which could materially affect your Company and the mitigating factors to minimise such risks.

Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.

Yours faithfully

HENG TECK HENG
Head, Issuers
Listing Division
Regulation

HTH/IJ

copy to:- General Manager & Head, Market Surveillance, Securities Commission

Announcement Details/Table Section :

Rationale

China iron ore imports accumulated to 448 million tons in the first eight months of 2011 up by 42.71 million tonnes or 10.6%YoY. CIF of imported iron ore averaged at USD 164.36 per ton zooming by 37.5%YoY. Thus China spent additional USD 20.05 billion foreign currencies due to the rising price of imported iron ore raising steel industry cost by nearly CNY 130 billion (Sources: China Mining Association)

China, the world's largest steelmaker and iron ore consumer, is further diversifying its overseas ore supplies by significantly increasing imports from non-traditional countries (countries other than Australia, Brazil, India and South Africa). (Sources: China Iron and Steel Association).

The Company believes that this mining venture will be a good stepping stone towards other mining operations in the region.

Information on SCA

SCA was incorporated under the laws of Republic of Indonesia on 19 April 1986. The issued and paid-up capital of SCA is Rupiah 4,700 million divided into 470 shares of Rupiah 10 million each. The Directors and shareholders of SCA are as follows:

Directors/Shareholders

No. of Shares Held (%)

