

**General Announcement**  
**Reference No KH-110930-38626**

## Amended Announcement

(Please refer to the earlier announcement reference number: KH-110928-67649)

<b>Company Name</b>	:	<b>KYM HOLDINGS BERHAD</b>
<b>Stock Name</b>	:	KYM
<b>Date Announced</b>	:	30/09/2011

Type : Reply to query

Reply to : IJ-110923-39077

Bursa  
Malaysia  
's Query  
Letter -  
Reference ID

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

Description : 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***

Iron ore is the key ingredients used to make steel. The Company sees good prospect in the iron ore mining industry due to the demand for iron ore particularly the surging demand from China, the world's largest steel producing country. The MOA provides an opportunity to KYM Group to capitalise on the rising market demand for iron ore, particularly in China, as well as the strong growth potential that this venture could offer which will enable the KYM group of companies to enhance its financial performance. By venturing into iron sand mining, the KYM Group will benefit from the rising market demand and prices for iron ore. The proposed iron sand mining activities are expected to contribute positively to the earnings and Net Assets of KYM Group for financial year ending 31 January 2013.

### ***Outlook of Iron Sand Mining Industry and Prospects of the Mining Venture***

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***

