

General Announcement

Reference No KH-110926-66560

Company Name	:	KYM HOLDINGS BERHAD
Stock Name	:	KYM
Date Announced	:	26/09/2011

Type : Reply to query

Reply to : IJ-110923-39077

Bursa

Malaysia

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Letter -

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

Description : KYM HOLDINGS BHD ("KYM" OR THE "COMPANY")
REPLY TO QUERIES IN RESPECT OF THE MEMORANDUM OF
AGREEMENT ("MOA") BETWEEN PT SAMANA CITRA AGUNG ("SCA")
AND KYM MINERAL SDN BHD ("KYM MINERAL")

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 :

We refer to your query dated 23 September 2011 in relation to the MOA between SCA and KYM Mineral, KYM wishes to announce the following:

1. *The exact location of the mining concession in Aceh , Indonesia*

The location is at Kabupaten Pidie, Muara Tiga in Aceh Province.

2. *Total reserves available together with the extraction rates and returns that is expected to be derived from the iron sand mining activities*

The estimated iron fines reserve is 6.4 million metric tons (mt) at a monthly throughput of 30,000 mt and expected a favourable return to the investment.

3. *The rationale for the Company to venture into iron sand mining activities*

The Company venture into iron sand mining activities to diversify the earnings.

4. *The outlook of the iron sand mining industry*

The outlook of the iron sand mining industry is very good due to the demand for iron ore from China and increased prices of mineral commodities.

5. *The prospects of the mining venture in light of the industry outlook*

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

