

## General Announcement

Reference No KH-110922-64569

<b>Company Name</b>	:	<b>KYM HOLDINGS BERHAD</b>
<b>Stock Name</b>	:	KYM
<b>Date Announced</b>	:	22/09/2011

Type : Announcement

Subject : MEMORANDUM OF UNDERSTANDING

Description : MEMORANDUM OF AGREEMENT BETWEEN PT SAMANA CITRA AGUNG AND KYM MINERALS SDN. BHD.

## Announcement Details/Table Section :

The Board of Directors of KYM Holdings Bhd (“KYM” or “the Company”) is pleased to announce that KYM Mineral Sdn Bhd (“KYM Mineral”), an wholly owned subsidiary company of KYM has on 22 September 2011 entered into a Memorandum of Agreement (“MOA”) with PT Samana Citra Agung (“SCA”), a company established under the laws of Republic of Indonesia for the development of the iron sand mining project. SCA as holder of mining concession wishes to grant KYM Mineral the rights to operate, mine, process and sell the products from the iron sand mining concession at Aceh province, Sumatra, Indonesia, measuring an area of approximately 158 Ha (“Project”).

For a period of three (3) months from the date of agreement, KYM Mineral shall have the exclusive rights to conduct and complete a due diligence on the Project. If the due diligence has not been completed after three (3) months, and/or if the outcome of the study is not satisfactory in KYM Mineral’s opinion, either party shall have the rights to terminate this MOA.

If KYM Mineral is satisfied with the outcome of the due diligence, KYM shall have the absolute rights to proceed or commence mining operation, including setting up of a processing plant at or near the concession. The time frame to establish the processing plant is anticipated to take not longer than six (6) months.

Upon commencement of operations, this MOA may be ended if KYM Mineral is of the opinion that the agreed area is no longer productive or not economic value or is improper to do so. KYM Mineral shall submit such notice in writing along with data of studies made, six (6) months in advance of any such intention.

We will continue to provide more information on the project after the completion of the due diligence exercise.

None of the Directors, Substantial Shareholders or persons connected to them has any interest, direct or indirect in the MOA.

This announcement is dated 22 September 2011.

