

## General Announcement

Reference No KH-101230-62775

<b>Company Name</b>	:	<b>KYM HOLDINGS BERHAD</b>
<b>Stock Name</b>	:	<b>KYM</b>
<b>Date Announced</b>	:	<b>30/12/2010</b>

Type : Reply to query

Reply to : NN-101230-37812

Bursa

Malaysia

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Subject : KYM HOLDINGS BHD. ("KYM" OR THE "COMPANY")  
REPLY TO QUERIES IN RESPECT OF THE PROPOSED PRIVATE  
PLACEMENT OF 5,000,000 NEW ORDINARY SHARES OF RM0.50 EACH  
IN KYM ("KYM SHARES") ("PLACEMENT SHARES") REPRESENTING  
APPROXIMATELY 5% OF THE ISSUED AND PAID-UP SHARE CAPITAL  
OF KYM ("PROPOSED PRIVATE PLACEMENT")

Contents : We refer to your query dated 30 December 2010 in relation to the Proposed Private Placement, KYM wishes to announce the following:

## 1. DETAILS OF DEVELOPMENT EXPENDITURE

Approximately RM3 million of the proceeds raised from the Proposed Private Placement which is allocated for working capital requirements of KYM and its subsidiaries will be utilised for tender expenses and payment to contractors, consultants and suppliers.

## 2. ISSUANCE OF SHARES DURING THE PRECEEDING TWELVE (12) MONTHS

On 20 January 2010, MIMB Investment Bank Berhad ("MIMB") had on behalf of KYM announced that KYM proposed to undertake a private placement of up to 8,113,450 new KYM Shares representing 10% of the issued and paid-up share capital of KYM which was listed and completed on 5 February 2010 ("Private Placement I"). The issuance of up to 8,113,450 new KYM Shares pursuant to the Private Placement I was based on the general mandate obtained pursuant to Section 132D of the Companies Act, 1965 ("Act") from the shareholders of KYM at its 27th Annual General Meeting ("AGM") convened on 30 July 2009.

On 29 December 2010, MIMB had on behalf of KYM announced that KYM proposed to undertake a proposed private placement of 5,000,000 Placement Shares representing approximately 5% of the issued and paid-up share capital of KYM at RM2.55 per Placement Share to investors to be identified at a later stage. The issuance of 5,000,000 Placement Shares pursuant to the Proposed Private Placement was based on the general mandate obtained pursuant to Section 132D of the Act from the shareholders of KYM at its 28th AGM convened on 28 July 2010.

However, pursuant to Paragraph 6.03 of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"), notwithstanding the existence of a resolution pursuant to Section 132D of the Act, a listed issuer must not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds 10% of the nominal value of the issued and paid-up share capital (excluding treasury shares) of the listed issuer except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

Premise on the above and in compliance to the Listing Requirements, KYM shall ensure that the 5,000,000 Placement Shares will be issued and listed on or after 5 February 2011 being twelve (12) months after the completion of the Private Placement I.

This announcement is dated 30 December 2010.

Query : We refer to your Company's announcements dated 29 December 2010, 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:-

To elaborate further on the development expenditure and quantify the amount allocated for this purpose; and  
It is noted that 8.1 million KYM shares issued pursuant to a private placement was listed on 5 February 2010 and Paragraph 6.03 of the Main Market Listing Requirements ("MMLR") states that a listed issuer must not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the listed issuer.

In this respect, kindly clarify and confirm whether the Proposed Private Placement will be undertaken in accordance to Paragraph 6.03 of the MMLR.

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

Yours faithfully,

HENG TECK HENG  
Senior Manager, Issuers  
Listing Division  
Regulation

HTH/NN

copy to:- General Manager & Head, Market Surveillance, Securities  
Commission  
(via fax)

Announcement Details :