



YONGNAM

Company Registration No.: 199407612N
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Yongnam Holdings Limited (the "Company") will be held at 51 Tuas South Street 5, Singapore 637644 on Tuesday, 29 April 2008 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

- To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2007 and the Reports of the Directors and the Auditors thereon. (Resolution 1)
- To approve the Directors' fees of S\$123,500 for the financial year ended 31 December 2007. (2006: S\$67,500.00) (Resolution 2)
- To re-elect the following Directors retiring in accordance with the Company's Articles of Association:-
 - Mr. Tan Tin Nam (retiring under Article 104) (Resolution 3)
 - Mr. Siau Sun King (retiring under Article 104) (Resolution 4)
 - Mr. Tan Eng Kiat Dominic (retiring under Article 108) (Resolution 5)
- To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

SPECIAL BUSINESS

- To consider and, if thought fit, pass the following ordinary resolution with or without modifications:
Authority to allot and issue shares
 - "That, pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
 - issue shares and convertible securities in the capital of the Company whether by way of rights, bonus or otherwise;
 - make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively referred as "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
 - issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;
 - (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) Issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force, provided always that
 - the aggregate number of shares and convertible securities to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) of the Company, of which the aggregate number of shares and convertible securities (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company, and for the purpose of this resolution, the issued share capital shall be the issued share capital of the Company at the time this resolution is passed, after adjusting for:-
 - new shares arising from the conversion or exercise of convertible securities,
 - new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and
 - any subsequent consolidation or subdivision of the Company's shares.
 - such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (Resolution 7)

(See Explanatory Note 1)

- To consider and, if thought fit, pass the following ordinary resolution with or without modifications:
Authority to grant options and to issue shares under the Yongnam Employee Share Option Scheme
"That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Yongnam Employee Share Option Scheme (the "Scheme"), and, pursuant to Section 161 of the Companies Act, Chapter 50, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time, as determined in accordance with the provisions of the Scheme." (Resolution 8)
(See Explanatory Note 2)

OTHER BUSINESS

- To transact any other ordinary business that may be properly transacted at an Annual General Meeting of the Company.

BY ORDER OF THE BOARD

SEOW SOON YONG
Chief Executive Officer

14 April 2008

Notes:

- A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy and vote in his stead.
- A proxy need not be a member of the Company.
- If the appoint is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- The instrument appointing a proxy must be deposited at the registered office of the Company at 51 Tuas South Street 5, Singapore 637644 not later than 48 hours before the time appointed for the Meeting.

Explanatory Notes:

- The Ordinary Resolution No. 7 in item no. 5 above, if passed, will authorise the Directors of the Company from the date of the Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares (excluding treasury shares) of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company. Rule 806(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited currently provides that the percentage of issued share capital is based on the share capital of the Company at the time the mandate is passed after adjusting for:-
 - new shares arising from the conversion or exercise of convertible securities;
 - new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited; and
 - any subsequent consolidation or subdivision of the shares.This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.
- The Ordinary Resolution No. 8 in item no. 6 above, if passed, will empower the Directors of the Company to offer and grant options under the Yongnam Employee Share Option Scheme and to allot and issue shares pursuant to the exercise of such options under the Yongnam Employee Share Option Scheme. The aggregate nominal amount of new Shares over which the Company may grant Options on any date, when added to the nominal amount of new Shares issued and issuable in respect of (a) all options granted under the Scheme, and (b) all awards granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company and for the time being in force, shall not exceed 15 per cent of the total number of issued shares (excluding treasury shares) of the Company from time to time.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of YONGNAM HOLDINGS LIMITED (the "Company") will be held at 51 Tuas South Street 5, Singapore 637644 on 29 April 2008 at 11.00 a.m. (or as soon thereafter as the Annual General Meeting to be held at 10.00 a.m. on the same day and at the same place, is concluded or adjourned) for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

APPROVAL FOR THE ACQUISITION OF 49% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF AASIA STEEL FACTORY CO. LTD ("AASIA") COMPRISING 2,450 SHARES (THE "ACQUISITION") AS AN INTERESTED PERSON TRANSACTION.

- That approval be and is hereby given to the Directors of the Company in respect of the Acquisition by the Company of 49% of the issued and paid-up share capital of Aasia comprising of 2,450 Sale Shares of SAR 1,000 each from the Vendor, for the total consideration of approximately S\$1,036,608 (the equivalent of SAR 2,450,000), on the terms and conditions set out in the Agreement and the transactions contemplated thereunder; and
- That the Directors be and are hereby authorised to do all such acts and things as they may consider necessary, desirable or expedient to give effect to the Acquisition and/or the transactions contemplated under the Agreement and/or this Resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alteration or modification to any document (including the Agreement) and affix the common seal of the Company to any such documents, if required.

All capitalised terms used in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular to the shareholders of the Company ("Shareholders") dated 14 April 2008.

BY ORDER OF THE BOARD

SEOW SOON YONG
Chief Executive Officer

14 April 2008

Notes:

- A member of the Company entitled to attend and vote at the Extraordinary General Meeting ("Meeting") is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
- If the appointer is a corporation, the instrument appointing a proxy or proxies must be executed either under its seal or under the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 51 Tuas South Street, Singapore 637644 not later than 48 hours before the time appointed for the Meeting.