

**YONGNAM HOLDINGS LIMITED**  
(Company Registration No.: 199407612N)

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**DISPOSAL OF PROPERTY BY YONGNAM DEVELOPMENT PTE LTD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

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The Board of Directors of Yongnam Holdings Limited (“**Board**”) wishes to announce that one of its wholly owned subsidiaries, Yongnam Development Pte Ltd (“**YDPL**”) had on 26 May 2010 sold its asset held for sale property at 3 Anson Road #23-01 Springleaf Tower Singapore (“**Property**”) to Borderless Property Investors Pte Ltd. on a willing buyer willing seller basis, for an aggregate consideration of \$14,380,000 satisfied in full in cash (the “**Disposal**”). The book value of the Property was \$14,186,000.

Yongnam Holdings Limited and its subsidiaries (the “**Group**”) are not in the business of property development. The Property was acquired in 1999 by the Group pursuant to a settlement agreement for work done by one of its operating subsidiaries as the client was unable to settle the outstanding debt. Subsequently, a legal dispute over the ownership of the property arose between the Group and the mortgagee of the Property. The Group was successful in its legal suit and had on 24 May 2010, obtained legal title of the Property. The Board is of the view that the proceeds from the disposal could be better utilized in the operations of the Group. The Group intends to use the net proceeds for general working capital purposes.

**Financial Effects of the Disposal**

NTA per Share

Assuming the Disposal had been completed on 31 December 2009 and based on the audited consolidated financial statements of the Group for financial year ended 31 December 2009, the estimated proforma financial effects which the Disposal would have on the NTA per Share are as follows:

	<b>Before Disposal</b>	<b>After Disposal</b>
NTA (\$'000)	187,567	187,567
Number of Shares('000)	1,231,956	1,231,956
NTA per Share (Cents)	15.22	15.22

EPS

Assuming the Disposal had been completed on the 1 January 2009 and based on the audited consolidated financial statements of the Group for financial year ended 31 December 2009, the estimated proforma financial effects which the Disposal would have on the EPS are as follows:

	<b>Before Disposal</b>	<b>After Disposal</b>
Profit after tax (\$'000)	40,075	40,075
Weighted average number of Shares ('000)	1,226,033	1,226,033
EPS (Cents)	3.27	3.27

### **Relative Figures computed pursuant to Rule 1006 of the Listing Manual**

The relative figures for the Disposal in accordance with the bases set out in Rule 1006 of the Listing Manual based on the audited financial statement of the Group for the year ended 31 December 2009 are as follows:

<b>Bases</b>	<b>Relative Figure (%)</b>
(a) Net asset value of the Property compared with the NAV of the Group	7.6
(b) Net profits attributable the Property compared with the Group's net profits	Nil
(c) Aggregate value of consideration received compared with the Company's market capitalisation <sup>(1)</sup>	5.3
(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

As the relative figures computed on the bases set out in Rule 1006(c) of the Listing Manual exceed 5% but below 20%, the Disposal constitutes a "Discloseable Transaction" as defined in Chapter 10 of the Listing Manual.

#### **Notes:**

- (1) The Company's market capitalisation is based on the weighed average price of its issued shares of 1,242,581,502 on 25 May 2010, being the market day immediately preceding the date of Disposal.

### **Interests of Directors and Substantial Shareholders**

None of the Directors has any interest, direct or indirect, in the above transaction. As far as the Directors as aware, no Substantial Shareholder of the Company has an interest, direct or indirect, in the above transaction and the Directors have not received any notification of any interest in the transaction from any Substantial Shareholder.

### **Documents for inspection**

A copy of the Sale and Purchase Agreement is available for inspection at the office of the Company's registered office at 51 Tuas South Street 5, Singapore 637644 during normal business hours for a period of three (3) months from the date of this announcement.

### **BY ORDER OF THE BOARD**

**SEOW SOON YONG**  
Chief Executive Officer  
Yongnam Holdings Limited  
27 May 2010