

YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)

(Incorporated in the Republic of Singapore on 19 October 1994)

ANNOUNCEMENT

The Board of Directors (the “**Board**”) of Yongnam Holdings Limited (the “**Company**”) wishes to announce that the Company has been informed on 10 February 2012 by its Chief Executive Officer and Executive Director Mr Seow Soon Yong that he is assisting the Commercial Affairs Department (“**CAD**”) of the Singapore Police Force in its investigation on possible infringement of section 218 of the Securities and Futures Act (Chapter 289). The CAD has required him to produce certain documents in the period between 1 January 2009 and 1 June 2009. He was also informed by the CAD that there have arisen reasonable grounds for believing that he has committed an offence under section 218 of the Securities and Futures Act.

He disputes the allegation by CAD and has indicated that he will cooperate fully with CAD in its investigation.

Pending the CAD investigation, the business and operation of the Company remain normal.

The Company will monitor the progress of the investigation and will make such further announcement(s) as appropriate.

BY ORDER OF THE BOARD

Pan Mi Keay
Company Secretary
10 February 2012