



YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)
(Incorporated in the Republic of Singapore on 19 October 1994)

NEWS RELEASE

YONGNAM SECURES S\$21.3 MILLION CONTRACT TO BUILD BELT CONVEYOR STRUCTURE IN MALAYSIA

- *First Key Project in Malaysia since 2005*

Singapore, August 29, 2012 – Yongnam Holdings Limited (“Yongnam” or the “Group”), a leading and well established structural steel contractor and specialist civil engineering solutions provider, has secured a significant project worth S\$21.3 million to supply, fabricate, surface-treat and deliver 7,000 tonnes of structural steel for a belt conveyor structure for German company, Beumer Maschinenfabrik GmbH & Co. KG (“Beumer Group”) in Lumut, State of Perak, Malaysia. This is the Group’s first significant project in Malaysia since its last major project at Tanjung Bin Power Plant in 2005, and will be undertaken by the Group’s wholly-owned Malaysian subsidiary, Yongnam Engineering Sdn Bhd.

Commented Mr Seow Soon Yong, Chief Executive Officer of Yongnam: “This contract heralds Yongnam’s return to Malaysia since 2005. It is also significant that the Beumer Group, one of the most established and a leading market player in intralogistics for conveying, loading, palletising, packaging, sortation and distribution technology, has placed its confidence in Yongnam to fabricate its offshore belt conveyor structure in Lumut, where a regional iron ore distribution centre is being built. The distribution centre will operate as a regional hub where iron ore will be shipped to Perak from Brazil for storage and distributed to customers across the region.

“We believe this contract signals the re-opening of an old market which has the potential to provide a stream of new contracts for the Group as we continue to diversify our markets.”

The project is expected to be completed in the third quarter of 2013.

This contract is expected to have a positive impact on the Group's financial performance for the year ending December 31, 2012.

About Beumer Maschinenfabrik GmbH & Co. KG

The BEUMER Group is an international leader in the manufacture of intralogistics for conveying, loading, palletising, packaging, sortation and distribution technology. With approximately 3,000 employees and an annual revenue of approximately EUR450 million, the BEUMER Group serves a variety of industries worldwide.

About Yongnam Holdings Limited

With 40 years of experience in steel fabrication, Yongnam excels in adding value to steel construction. The Group's two production facilities in Singapore and Nusajaya, Johor, Malaysia have a total production capacity of 78,000 tons of steel fabrication.

The Group utilizes the latest fabrication technologies and design innovation to offer solutions to its clients on a fast-track basis. Yongnam's modular strutting system continues to give the Group a strong competitive edge in meeting increasingly more stringent design and project requirements in infrastructure and construction projects. With a traceability procedure that meets the requirements of the Singapore Building and Construction Authority, its modular strutting system is the first to be certified by an independent auditor for reusability in earth retaining or stabilising structures.

Yongnam's technical and value engineering solutions for steel fabrication and erection have resulted in increased productivity, improved yield and lower costs. The Group's in-house pool of experienced and qualified engineers, detailers, technicians, welders, riggers and fitters are consistently adding value to clients' projects.

Yongnam is an ISO-9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified company and accredited fabricator of the highest S1 category from the Singapore Structural Steel Society. The Group's Quality Management System takes a planned approach towards continuous improvement of its products, processes and services.

Moving forward, Yongnam aims to be the provider of choice and partner in solutions for the steel industry.

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096/12/006/YHL

August 29, 2012