



YONGNAM HOLDINGS LIMITED

(the "Company")

(Company Registration No. 199407612N)

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

ESTABLISHMENT OF WHOLLY-OWNED SUBSIDIARY - YONGNAM ENGINEERING & CONSTRUCTION SDN. BHD.

The Board of Directors (the "Board") of Yongnam Holdings Limited (the "Company") wishes to announce that the Company has established a wholly-owned subsidiary in Malaysia, namely, Yongnam Engineering & Construction Sdn. Bhd. (Company Registration Number 1140692-T) ("Subsidiary"), with an initial paid-up capital of RM2.00 only. The principal activity of the newly set up Subsidiary is related to those of engineering detailing, fabrication and erection of structural steel works, mechanical and specialized civil engineering.

The establishment of the Subsidiary is funded through internal sources and is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the current financial year ending 31 December 2015.

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in this transaction contemplated herein.

By Order of the Board

SEOW SOON YONG
Chief Executive Officer

26 May 2015