



YONGNAM HOLDINGS LIMITED

(the "Company")

(Company Registration No. 199407612N)

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

INCREASE IN THE ISSUED AND PAID UP CAPITAL OF A WHOLLY-OWNED SUBSIDIARY

The Board of Directors (the "**Board**") of Yongnam Holdings Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Yongnam Engineering & Construction (Private) Limited ("**YNEC**"), has increased its paid-up share capital from S\$24,869,197.00 to S\$49,869,197.00 via an allotment and issuance of 25 million ordinary shares to the Company through capitalisation of amount owing of S\$25,000,000.00 by YNEC to the Company (the "**Share Capital Increase**" or "**Capitalisation**").

Following the Share Capital Increase, YNEC will still remain as a wholly-owned subsidiary of the Company.

The Share Capital Increase is by way of Capitalisation 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 2019.

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 the Share Capital Increase and/or Capitalisation.

By Order of the Board

SEOW SOON YONG

Chief Executive Officer

30 January 2019