



YONGNAM HOLDINGS LIMITED

(the “**Company**”)

(Company Registration No. 199407612N)

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

PROPOSED PLACEMENT AND ISSUANCE OF UP TO S\$15,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF REDEEMABLE CONVERTIBLE BONDS – APPROVAL IN-PRINCIPLE

All capitalised terms used herein shall unless otherwise defined, have the meanings ascribed to them in the Previous Announcements.

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Yongnam Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s earlier announcements dated 22 May 2019 and 23 May 2019 (the “**Previous Announcements**”) in relation to the proposed placement and issue of up to S\$15,000,000 in aggregate principal amount of Bonds.

2. RECEIPT OF APPROVAL IN-PRINCIPLE

The Board is pleased to announce that the SGX-ST has on 29 May 2019 granted the approval in-principle (“**AIP**”), subject to the following:

- (a) compliance with the SGX-ST’s listing requirements;
- (b) announcement of the conditions under which the Conversion Price may be adjusted and the conditions under which the Bonds may be redeemed; and
- (c) submission of the following documents:
 - (i) a written confirmation from the Company that the terms of the Bonds comply with Rule 829(1) of the Listing Manual;
 - (ii) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the Bonds and where proceeds are to be used for working capital purposes, it will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
 - (iii) a written undertaking from the Company and the placement agent that they will comply with Rule 803 of the Listing Manual;
 - (iv) a written confirmation from the Company that it will not issue the Bonds to persons prohibited under Rule 812(1) of the Listing Manual;
 - (v) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual; and

- (vi) a written confirmation from the placement agent that the Bonds will not be placed out to persons prohibited under Rule 812(1) of the Listing Manual.

The AIP granted by the SGX-ST is not to be taken as an indication of the merits of the Bonds, the Shares, the Company and/or its subsidiaries.

In relation to the condition in paragraph (b) above, as stated in the Company's announcement dated 22 May 2019, the Conversion Price is subject to adjustments under certain circumstances including without limitation, consolidation, subdivision or reclassification of shares, capitalisation issues, rights issues and certain capital distributions. The conditions under which the Bonds are redeemable include, redemption upon maturity, redemption in connection with a delisting of the Company and redemption upon an event of default.

3. FURTHER ANNOUNCEMENTS

The Company will continue to keep shareholders updated and release announcements relating to the Proposed Placement (including any material developments and progress made) as may be appropriate from time to time.

By Order of the Board
YONGNAM HOLDINGS LIMITED

SEOW SOON YONG
Chief Executive Officer
29 May 2019