

OFFER INFORMATION STATEMENT DATED 10 JUNE 2016
(Lodged with the Monetary Authority of Singapore on 10 June 2016)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the section entitled “**Definitions**” of this offer information statement (the “**Offer Information Statement**”) issued by Yongnam Holdings Limited (the “**Company**”).

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered or in respect of which an invitation is made, for investment.

The Listing Approval (as defined herein) has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST, subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation for the Rights Shares will commence after all the conditions imposed by the SGX-ST are satisfied, the certificates relating to the Rights Shares have been issued and the notification letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and/or opinions expressed herein. The Listing Approval granted by the SGX-ST for the listing of and quotation for the Rights Shares are in no way reflective of and are not to be taken as an indication of the merits of the Rights Issue (as defined herein), the Rights Shares (as defined herein), the Company and/or its subsidiaries.

After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of the Rights Shares or allot, issue or sell any Rights Shares on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the allotment or allocation of any Rights Shares on the basis of this Offer Information Statement. Your attention is drawn to the section entitled “Risk Factors” of this Offer Information Statement which you should read carefully.



YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)
(Incorporated in the Republic of Singapore)

RENOUNCEABLE PARTIALLY-UNDERWRITTEN RIGHTS ISSUE WITH A MAXIMUM OF 161,026,441 RIGHTS SHARES (ASSUMING THE MAXIMUM SUBSCRIPTION SCENARIO (AS DEFINED HEREIN)) AND A MINIMUM OF 116,237,830 RIGHTS SHARES (ASSUMING THE MINIMUM SUBSCRIPTION SCENARIO (AS DEFINED HEREIN)) AT AN ISSUE PRICE OF S\$0.21 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES (AS DEFINED HEREIN) HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Manager of the Rights Issue



CIMB Bank Berhad (13491-P)
Singapore Branch
(Incorporated in Malaysia)

Underwriter of the Rights Issue



CIMB Securities (Singapore) Pte. Ltd.
(Company Registration No.: 198701621D)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for splitting and trading of “nil-paid” Rights	:	22 June 2016 at 5.00 p.m.
Last date and time for acceptance and payment of Rights Shares	:	28 June 2016 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications (as defined herein) through ATMs (as defined herein) of the Participating Banks (as defined herein))
Last date and time for renunciation of and payment for Rights Shares	:	28 June 2016 at 5.00 p.m.
Last date and time for excess application and payment for Rights Shares	:	28 June 2016 at 5.00 p.m. (or 9.30 p.m. for Electronic Applications through ATMs of the Participating Banks)

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PROCEDURE TO COMPLETE THE ARE/ARS

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares
currently held by you



Shares as at
[•] January 2015
(Record Date)

Number of Rights
Shares provisionally
allotted*



Issue Price

S\$0.0[•] per Rights Share

This is your
shareholdings as at
Record Date.

This is the date to
determine your rights
entitlements.

This is your number of
rights entitlement.

This is the price that you
need to pay when you
subscribe for one
Rights Share.

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. ATM Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by [•] September 2015 at 9.30 p.m.
Participating Banks are [•], [•] and [•].

2. MAIL Complete section below and submit this form to CDP by [•] September at 5.00 p.m.

- (i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP-[•] RIGHTS ISSUE ACCOUNT**" will be accepted
- (ii) Applications using a PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER will be **rejected**
- (iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the last date
and time to subscribe
for the rights share
through ATM and
CDP.

You can apply for
your Rights Shares
through ATMs of
these Participating
Banks.

This is the payee
name to be issued on
your Cashier's Order
where [•] is the
name of the Issuer.

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of Participating Banks and payee name on the Cashier's Order.

PROCEDURE TO COMPLETE THE ARE/ARS

3. Declaration

C. DECLARATION

Please read the instructions overleaf and fill in the blanks below accordingly.

i. Total Number of Rights Shares Applied: (Provisionally Allotted + Excess Rights Shares) , , ,

ii. Cashier's Order/Banker's Draft Details: (Input last 6 digits of CO/BD)

Signature of Shareholder(s)

Date

Fill in the total number of the Rights Shares and Excess Rights Shares (for ARE)/ number of Rights Shares (for ARS) that you wish to subscribe within the boxes.

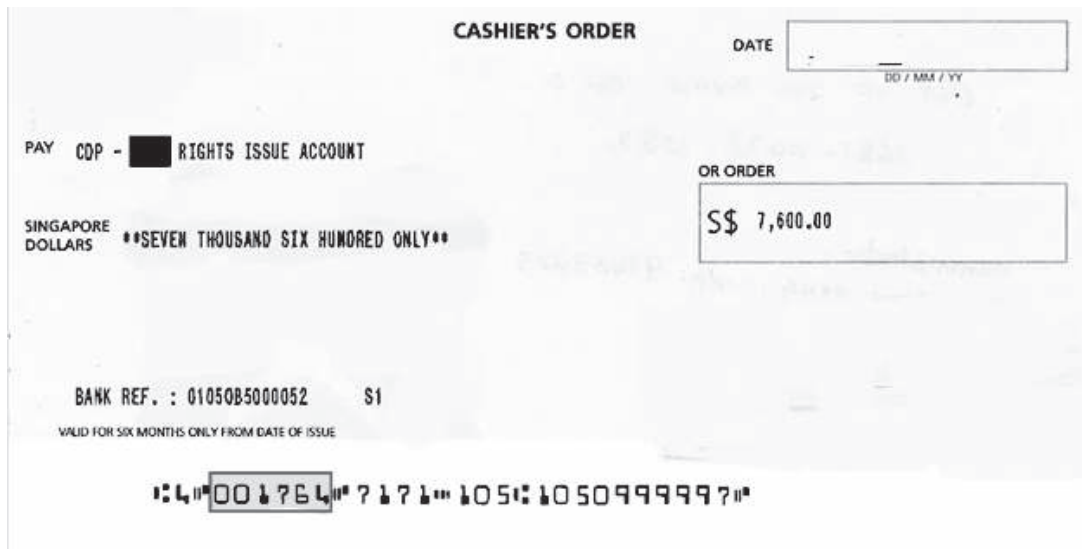
Fill in the 6 digits of the CO/BD number (eg.001764) within the boxes.

Sign within the box.

Notes:

- (i) If the total number Rights Shares applied exceeds the provisionally allotted holdings in your CDP Securities Account as at Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Shares applied will be based on the cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Shares will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one Cashier's Order per application form.

4. Sample of a Cashier's Order



IMPORTANT NOTES

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “Definitions” of this Offer Information Statement.

For Entitled Depositors (which excludes CPF Investors, Entitled Scripholders, SRS Investors and investors who hold Shares through finance companies and/or Depository Agents), acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.).

For CPF Investors, SRS Investors and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant approved banks which they hold their CPF Investment Accounts or SRS Accounts, finance companies and/or Depository Agents (as the case may be). Such investors should provide their relevant approved banks with which they hold their CPF Investment Accounts and/or SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date of the Rights Issue. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

Use of CPF Funds

Shareholders who have subscribed for or purchased Shares under the CPFIS-OA must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares, if they have previously bought their Shares using CPF Funds.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Shareholders hold their CPF Investment Accounts, to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

CPF members should also note that CPF Funds cannot be used for the payment of Rights Shares and/or Excess Rights Shares if they submit their acceptances and/or applications directly through CDP, Electronic Applications, the Share Registrar and/or the Company. Any such acceptance and/or application purporting to use CPF Funds for the payment of Rights Shares and/or Excess Rights Shares will be rejected.

IMPORTANT NOTES

Use of SRS Funds

Shareholders who have subscribed for or purchased Shares under the SRS must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant banks in which they hold their SRS Accounts to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

Information herein relating to CPF Investors, SRS Investors and investors who hold Shares through finance companies and/or Depository Agents is provided in general terms only and such investors should consult their relevant approved banks with which they hold their CPF Investment Accounts or SRS Accounts, finance companies and/or Depository Agents.

The existing Shares are quoted on the Official List of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, risk factors, profits and losses, financial position, performance and prospects of the Company, the Group, the merits of the Rights Issue and the rights and liabilities attaching to the “nil-paid” Rights and the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial or other projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons consult their legal, financial, tax or other professional adviser before deciding whether to acquire any “nil-paid” Rights or the Rights Shares or to invest in any Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue and/or the issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Manager or the Underwriter. Save as may be expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial condition, performance, prospects or policies of the Company and/or the Group. Neither the delivery of this Offer Information Statement nor the offer or issue of the “nil-paid” Rights or the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company and/or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders, their renounees and Purchasers should take note of any such

IMPORTANT NOTES

announcement or supplementary or replacement document and upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company, the Manager and the Underwriter make no representation or warranty to any person regarding the legality of an investment in the “nil-paid” Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, financial, legal or tax advice regarding an investment in the “nil-paid” Rights, the Rights Shares and/or the Shares.

The Company, the Manager and the Underwriter make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the “nil-paid” Rights, the Rights Shares, the Shares, the Company and/or the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or acquire the “nil-paid” Rights, the Rights Shares and/or the Shares. Each prospective subscriber of the Rights Shares should rely on its own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

Notwithstanding anything in this Offer Information Statement, this Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any persons (other than Entitled Shareholders to whom these documents have been despatched by the Company, their renounees and the Purchasers who are in each case entitled to accept and/or apply for Rights Shares in accordance with the terms and conditions of the Rights Issue), or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and does not constitute, an offer, invitation to or solicitation by or on behalf of the Company to subscribe for any Rights Shares and/or may not be used for the purpose of, and do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such an offer, invitation or solicitation is unlawful or unauthorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without any liability whatsoever on the part of the Company, the Manager and/or the Underwriter.

CORPORATE INFORMATION

Directors of the Company	:	Seow Soon Yong (<i>Managing Director and Chief Executive Officer</i>) Tan Tin Nam (<i>Non-Executive and Non-Independent Director</i>) Siau Sun King (<i>Executive Director</i>) Seow Soon Hee (<i>Executive Director</i>) Chia Sin Cheng (<i>Executive Director and Finance Director</i>) Goon Kok Loon (<i>Non-Executive and Lead Independent Director</i>) Lim Ghim Siew Henry (<i>Non-Executive and Independent Director</i>) Richard Liew Jat Yuen (<i>Non-Executive and Independent Director</i>) Tan Eng Kiat, Dominic (<i>Non-Executive and Independent Director</i>)
Registered Office of the Company	:	51 Tuas South Street 5 Singapore 637644
Legal Adviser to the Company	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Legal Adviser to the Underwriter	:	TSMP Law Corporation 6 Battery Road Level 41 Singapore 049909
Share Registrar	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898

DEFINITIONS

For the purposes of this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

GENERAL

"1Q2015"	:	The financial period of the Group for the three (3) months ended 31 March 2015
"1Q2016"	:	The financial period of the Group for the three (3) months ended 31 March 2016
"ARE"	:	The form for application and acceptance of Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
"ARS"	:	The form for application and acceptance of Rights Shares to be issued to Purchasers in respect of their purchases of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
"ATM"	:	Automated teller machine(s) of a Participating Bank
"Authority"	:	The Monetary Authority of Singapore
"BCA"	:	The Building and Construction Authority of Singapore
"Board"	:	The board of directors of the Company as at the date of this Offer Information Statement
"Books Closure Date"	:	5.00 p.m. (Singapore time) on 9 June 2016 being the time and date at and on which the Register of Members and the Share Transfer Books of the Company will be closed to determine, in relation to Entitled Shareholders, their provisional allotments of the Rights Shares under the Rights Issue
"Building Control Act"	:	The Building Control Act, Chapter 29 of Singapore
"CBC"	:	Commissioner of Building Control
"CDP"	:	The Central Depository (Pte) Limited

DEFINITIONS

“Closing Date”	:	(a) 5.00 p.m. on 28 June 2016 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or Excess Application and payment, and renunciation of and payment for, the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (b) 9.30 p.m. on 28 June 2016 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or Excess Application and payment for the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	Yongnam Holdings Limited
“Consortium”	:	A consortium comprising JGC Corporation, Changi Airport Planners and Engineers Pte. Ltd.
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
“CPF”	:	Central Provident Fund
“CPF Board”	:	The Board of the CPF established pursuant to the Central Provident Fund Act, Chapter 36 of Singapore, as amended, modified or supplemented from time to time
“CPF Funds”	:	The CPF account savings of CPF members under the CPFIS-OA
“CPF Investment Account”	:	An account opened by a member of CPF with a CPF agent bank from which money may be withdrawn for, <i>inter alia</i> , payment for the Rights Shares pursuant to the Rights Issue
“CPF Investors”	:	Investors who have purchased Shares pursuant to the CPFIS
“CPFIS”	:	CPF Investment Scheme
“CPFIS-OA”	:	CPF Investment Scheme – Ordinary Account
“CRS”	:	Contractors Registration System

DEFINITIONS

“DCA”	:	Myanmar Department of Civil Aviation
“Directors”	:	The directors of the Company as at the date of this Offer Information Statement
“Electronic Application(s)”	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of one (1) of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement
“Entitled Depositor(s)”	:	Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Books Closure Date and whose registered addresses with CDP were in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholder(s)”	:	Shareholders whose share certificates are not deposited with CDP and who had tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Share Registrar are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholder(s)”	:	Entitled Depositor(s) and Entitled Scripholder(s)
“Ex-Rights Trading Date”	:	The date on which the Shares commence trading on the SGX-ST on the basis that such Shares do not carry any right to participate in the Rights Issue
“Excess Application(s)”	:	Applications for Excess Rights Shares by Entitled Shareholders
“Excess Rights Shares”	:	The provisional allotments of Rights Shares which are not taken up by the Entitled Shareholders as at the Closing Date, and which may be applied for by Entitled Shareholders in excess of the number of Rights Shares provisionally allotted to such Entitled Shareholders
“Exercisable Share Options”	:	5,317,500 Share Options that can be exercised as at the Latest Practicable Date and not taking into account the 12,987,500 Share Options held by the Undertaking Shareholders
“Existing Share Capital”	:	316,735,383 Shares, being the total number of issued Shares as at the Latest Practicable Date

DEFINITIONS

“Foreign Purchasers”	:	Persons purchasing the provisional allotment of Rights Shares through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior thereto, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
“FY2013”	:	The financial year of the Group ended 31 December 2013
“FY2014”	:	The financial year of the Group ended 31 December 2014
“FY2015”	:	The financial year of the Group ended 31 December 2015
“FY2016”	:	The financial year of the Group ending 31 December 2016
“Group”	:	The Company and its subsidiaries
“HIA”	:	Hanthawaddy International Airport
“HIA Project”	:	The construction and management of HIA in Myanmar
“Issue Price”	:	The issue price of S\$0.21 for each Rights Share
“Irrevocable Undertakings”	:	The irrevocable undertakings dated 30 May 2016 given by the Undertaking Shareholders in favour of the Company and the Underwriter, as described in paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by Way of Rights Issue) of this Offer Information Statement
“Latest Practicable Date”	:	6 June 2016, being the latest practicable date prior to the date of lodgement of this Offer Information Statement
“Listing Approval”	:	The approval in-principle of the SGX-ST granted on 1 June 2016 for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Malaysia Property”	:	The land and building known as No. 27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, 79200, Nusajaya, Johor, Malaysia

DEFINITIONS

“Manager”	:	CIMB Bank Berhad, Singapore Branch, as the manager of the Rights Issue
“Management and Underwriting Agreement”	:	The management and underwriting agreement dated 1 June 2016 entered into between the Company, the Manager and the Underwriter pursuant to which the Manager shall manage the Rights Issue and the Underwriter shall underwrite the Underwritten Balance Rights Shares at the Issue Price, on and subject to the terms and conditions therein
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Material Adverse Effect”	:	Means, in the reasonable opinion of the Manager and/or Underwriter, a material adverse effect on: <ul style="list-style-type: none">(a) the financial condition, business or results of operations of the Group, taken as a whole, whether or not arising in the ordinary course of business;(b) the ability of the Company to perform in any material respect its obligation under or with respect to, or consummate the transactions contemplated by the Management and Underwriting Agreement or this Offer Information Statement; or(c) the ability of the Undertaking Shareholders to perform in any material respect his obligation under or with respect to, or consummate the transactions contemplated by the Management and Underwriting Agreement or this Offer Information Statement, including their respective Irrevocable Undertakings
“Maximum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that: <ul style="list-style-type: none">(a) all the Exercisable Share Options have been exercised; and(b) all the Entitled Shareholders subscribe in full for their respective <i>pro rata</i> Rights Shares, and in this scenario, 161,026,441 Rights Shares will be issued pursuant to the Rights Issue

DEFINITIONS

“Minimum Subscription Scenario”	:	Based on the Existing Share Capital and assuming that: (a) none of the Exercisable Share Options have been exercised; (b) none of the Entitled Shareholders subscribe for their respective <i>pro rata</i> Rights Shares (other than the Undertaking Shareholders subscribing for the Rights Shares in accordance with the terms and conditions of their respective Irrevocable Undertakings); and (c) the Underwriter subscribes for the Underwritten Balance Rights Shares in accordance with the terms and conditions of the Management and Underwriting Agreement, and in this scenario, 116,237,830 Rights Shares will be issued pursuant to the Rights Issue
“MOM”	:	Ministry of Manpower
“Net Proceeds”	:	Has the meaning ascribed to it in paragraph 2 of Part IV (Key Information) of this Offer Information Statement
“Offer Information Statement”	:	This document issued by the Company in respect of the Rights Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
“PAL”	:	The provisional allotment letter to be issued to the Entitled Scripholders in respect of their provisional allotments of Rights Shares under the Rights Issue
“Participating Banks”	:	DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited and “Participating Bank” refers to any one of them
“Pro Rata Rights Shares”	:	Such number of Rights Shares representing all of the Rights Shares under the Rights Issue in relation to the Shares directly held by Mr Seow Soon Yong as at the Books Closure Date
“Purchasers”	:	Persons purchasing the provisional allotments of Rights Shares traded on the SGX-ST through the book-entry (scripless) settlement system during the “nil-paid” Rights trading period

DEFINITIONS

“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Rights”	:	Rights to subscribe in accordance with the terms and conditions of this Offer Information Statement for one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement
“Rights Issue”	:	Renounceable partially-underwritten rights issue with a maximum of 161,026,441 Rights Shares (assuming the Maximum Subscription Scenario) and a minimum of 116,237,830 Rights Shares (assuming the Minimum Subscription Scenario) to be issued by the Company at an Issue Price of S\$0.21 for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Issue Period”	:	The period commencing from the date of the Irrevocable Undertakings up to and including the date of listing of and quotation for the Rights Shares on the Official List of the SGX-ST
“Rights Shares”	:	A maximum of 161,026,441 Rights Shares (assuming the Maximum Subscription Scenario) and a minimum of 116,237,830 Rights Shares (assuming the Minimum Subscription Scenario) to be allotted and issued by the Company pursuant to the Rights Issue
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SFR”	:	The Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
“Share Options”	:	The outstanding vested share options granted to participants under the Yongnam ESOS which are exercisable to 18,305,000 Shares
“Share Registrar”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.)
“Shareholders”	:	Persons who are registered as holders of Shares in the Register of Members of the Company, or where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	Supplementary Retirement Scheme, a voluntary scheme to encourage individuals to save for retirement, over and above their CPF savings
“SRS Account”	:	An account opened by a participant in the SRS from which monies may be withdrawn for, <i>inter alia</i> , payment for the subscription of Rights Shares under the Rights Issue
“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“Substantial Shareholder”	:	In relation to the Company, a person who has an interest in one or more voting shares included in one of the classes of shares in the Company and the total votes attached to such share(s) is not less than 5.0% of the total votes attached to all the voting shares included in that class
“Undertaking Shareholders”	:	Mr Seow Soon Yong and Mr Chia Sin Cheng
“Underwriter”	:	CIMB Securities (Singapore) Pte. Ltd., as the underwriter to this Rights Issue
“Underwriting Fee”	:	Has the meaning ascribed to it in paragraph 8 of Part IV (Key Information) of this Offer Information Statement

DEFINITIONS

“Underwritten Balance Rights Shares”	:	Up to 61,904,761 Rights Shares, other than the Rights Shares and Excess Rights Shares which the Undertaking Shareholders have committed to subscribe for pursuant to the Irrevocable Undertakings, for which the Underwriter has agreed to subscribe for and/or procure subscriptions for, subject to the terms and conditions of the Management and Underwriting Agreement
“Unit Share Market”	:	The unit share market of the SGX-ST, which allows the trading of odd lots in quantities less than the board lot size
“YECL”	:	Yongnam Engineering & Construction (Private) Limited, a subsidiary of the Company
“YECSB”	:	Yongnam Engineering & Construction Sdn. Bhd., a subsidiary of the Company
“Yongnam ESOS”	:	The Yongnam Employee Share Option Scheme which was adopted by the Company on 16 June 2004
“Yongnam Malaysia”	:	Yongnam Engineering Sdn. Bhd., a subsidiary of the Company

CURRENCIES, UNITS AND OTHERS

“%” or “per cent.”	:	Per centum or percentage
“HK\$”	:	Hong Kong dollars
“RM”	:	Malaysian ringgit
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“US\$”	:	United States dollars

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to a **“person”** include any individual, company, corporation, firm, partnership, joint venture, association, organisation, institution, trust or agency, whether or not having a separate legal personality.

DEFINITIONS

Any reference to a time of a day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to a time of a day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and Excess Application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the SFR, the Companies Act, the Listing Manual or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, the figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to an “announcement” of or by the Company in this Offer Information Statement, the PAL, the ARE and the ARS includes announcements of or by the Company posted on the website of the SGX-ST, <http://www.sgx.com>.

SUMMARY OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

Number of Rights Shares : Based on the Maximum Subscription Scenario, 161,026,441 Rights Shares are expected to be issued pursuant to the Rights Issue.

Based on the Minimum Subscription Scenario, 116,237,830 Rights Shares are expected to be issued pursuant to the Rights Issue.

Basis of provisional allotments : The Rights Issue is made on a renounceable partially-underwritten basis, based on one (1) Rights Share for every two (2) existing Shares held by the Entitled Shareholders as at the Books Closure Date.

Fractional entitlements to Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for Excess Rights Shares (if any), or disposed of, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of any Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. The Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Issue Price : S\$0.21 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents a discount of approximately:

- (a) 37.3% to the closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016, being the date of the announcement of the Rights Issue; and
- (b) 28.4% to the theoretical ex-Rights trading price of S\$0.293 per Share, calculated based on the closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016 and assuming that the maximum number of Rights Shares are issued under the Maximum Subscription Scenario pursuant to the Rights Issue.

SUMMARY OF THE RIGHTS ISSUE

- Status of Rights Shares** : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls on or before the date of allotment and issue of the Rights Shares.
- Eligibility to participate in the Rights Issue** : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” on pages 25 to 29 of this Offer Information Statement for further details.
- Listing of the Rights Shares** : The SGX-ST had on 1 June 2016 granted the approval-in-principle for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST. The Listing Approval is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.
- Trading of the Rights Issue** : Upon the listing of and quotation for the Rights Shares on the Official List of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purpose of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.
- Acceptance, Excess Application and payment procedures** : Please refer to Appendices A to C of this Offer Information Statement, and the PAL, the ARE or the ARS.
- Net Proceeds** : In the Maximum Subscription Scenario, the estimated Net Proceeds from the Rights Issue (after deducting estimated costs and expenses in connection with the Rights Issue of approximately S\$0.7 million) are expected to be approximately S\$33.1 million.
- In the Minimum Subscription Scenario, the estimated Net Proceeds from the Rights Issue (after deducting estimated costs and expenses in connection with the Rights Issue of approximately S\$0.7 million) are expected to be approximately S\$23.7 million.

SUMMARY OF THE RIGHTS ISSUE

Use of Net Proceeds : The Company intends to utilise the Net Proceeds in both the Minimum Subscription Scenario and Maximum Subscription Scenario for general working capital purposes.

As and when any significant amount of the Net Proceeds is disbursed or deployed, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report.

Pending the deployment of the Net Proceeds for the use mentioned above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interest of the Group.

The Directors are of the opinion that there is no minimum amount which must be raised from the Rights Issue beyond the amount which will be raised pursuant to the Irrevocable Undertakings by the Undertaking Shareholders and the underwriting arrangement with the Underwriter and taking into consideration the intended use of Net Proceeds as disclosed above.

Undertaking Shareholders : To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have provided Irrevocable Undertakings as follows:

- (a) Mr Seow Soon Yong has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
 - (i) not to, directly or indirectly, exercise any of his 9,275,000 outstanding Share Options to subscribe for any Shares during the Rights Issue Period;
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 31,934,980 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date;

SUMMARY OF THE RIGHTS ISSUE

- (iii) to subscribe and pay for in full such number of Rights Shares representing all of the Rights Shares under the Rights Issue in relation to the Shares directly held by him as at the Books Closure Date (“**Pro Rata Rights Shares**”), in accordance with the terms and conditions of the Rights Issue; and
 - (iv) in addition to the Pro Rata Rights Shares, to subscribe and pay for in full for any Excess Rights Shares not taken up by the Entitled Shareholders (other than Mr Chia Sin Cheng) of up to an aggregate of 37,127,748 Rights Shares, in accordance with the terms and conditions of the Rights Issue; and
- (b) Mr Chia Sin Cheng has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
- (i) not to, directly or indirectly, exercise any of his 3,712,500 outstanding Share Options to subscribe for any Shares during the Rights Issue Period;
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 2,475,663 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date; and
 - (iii) to subscribe and pay for in full such number of Rights Shares representing all of the Rights Shares under the Rights Issue in relation to the Shares directly held by him as at the Books Closure Date, in accordance with the terms and conditions of the Rights Issue.

Please refer to paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by Way of Rights Issue) of this Offer Information Statement for further details on the Undertaking Shareholders.

Underwriting

- :
- The Rights Issue will be partially-underwritten by the Underwriter pursuant to the terms and conditions of the Management and Underwriting Agreement.

Please see paragraph 7 of Part VI (The Offer and Listing) of this Offer Information Statement for information of the Underwritten Balance Rights Shares and the Management and Underwriting Agreement.

SUMMARY OF THE RIGHTS ISSUE

Use of CPF Funds : Shareholders who have subscribed for or purchased Shares under the CPFIS-OA must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares, if they have previously bought their Shares using CPF Funds.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Shareholder hold their CPF Investment Accounts, to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds may not, however, be used for the purchase of provisional allotments of Rights Shares directly from the market.

CPF members should also note that CPF Funds cannot be used for the payment of Rights Shares and/or Excess Rights Shares if they submit their acceptances and/or applications directly through CDP, Electronic Applications, the Share Registrar and/or the Company. Any such acceptance and/or application purporting to use CPF Funds for the payment of Rights Shares and/or Excess Rights Shares will be rejected.

Risk factors : Investing in the Rights Shares involves risks. Please refer to the section entitled “Risk Factors” set out in this Offer Information Statement.

Governing law : Laws of the Republic of Singapore.

INDICATIVE TIMETABLE OF KEY EVENTS

An indicative timetable for the Rights Issue is set out below. For events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Shares trade ex-Rights	:	7 June 2016 from 9.00 a.m.
Books Closure Date	:	9 June 2016 at 5.00 p.m.
Despatch of Offer Information Statement (together with the PAL, the ARS and the ARE, as the case may be) to Entitled Shareholders	:	14 June 2016
Commencement of trading of “nil-paid” Rights	:	14 June 2016 from 9.00 a.m.
Last date and time of trading of “nil-paid” Rights	:	22 June 2016 at 5.00 p.m.
Last date and time for splitting of “nil-paid” Rights	:	22 June 2016 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares ⁽¹⁾	:	28 June 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Last date and time for acceptance of and payment for the Rights Shares by renounees	:	28 June 2016 at 5.00 p.m.
Last date and time for application and payment for Excess Rights Shares ⁽¹⁾	:	28 June 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Expected date for issuance of Rights Shares	:	7 July 2016
Expected date for crediting of Rights Shares	:	7 July 2016
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	7 July 2016
Expected date for commencement of trading of Rights Shares	:	7 July 2016 from 9.00 a.m.

Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-Rights trading. Based on the above timetable, the Shares are expected to commence ex-Rights trading on 7 June 2016 from 9.00 a.m..

Shareholders are to note that there will be system maintenance on 25th of June 2016, Saturday. As such, Electronic Applications will not be available for the Participating Banks during the aforesaid date.

INDICATIVE TIMETABLE OF KEY EVENTS

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the above timetable to be modified. However, the Company may, in consultation with the Manager and the Underwriter, and (if necessary) with the approval of the SGX-ST and CDP, decide to modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

Note:

- (1) Investors who hold Shares through finance companies or Depository Agents (including but without limitation those who have paid for their Shares using funds in their CPF Investment Accounts or SRS Accounts), where applicable, will receive notification letter(s) from their relevant approved banks which they hold their CPF Investment Accounts or SRS Accounts, finance companies and/or Depository Agents, and should refer to such notification letter(s) for details of the last date and time to submit applications to their relevant approved banks which they hold their CPF Investment Accounts and/or SRS Accounts, finance companies and/or Depository Agents. Any acceptance and/or application made or purported to be made by these investors directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

ENTITLED SHAREHOLDERS

In order to be eligible for the Rights Issue, a Shareholder must be an Entitled Shareholder, and not be a person to whom it is unlawful to send this Offer Information Statement or make an invitation under the Rights Issue.

All questions as to the eligibility of any person to participate in the Rights Issue, subscribe and/or apply for Rights Shares and as to the validity, form and eligibility (including time of receipt) of any PAL, ARE or ARS is determined by the Company in its sole discretion. The Company's determination as to whether a person is an Entitled Shareholder and as to whether or when a PAL, ARE or ARS is received, whether it is duly completed or whether acceptance is validly revoked shall be final and binding.

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the PAL or the ARE, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP for the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar for the period up to the Closing Date.

Entitled Shareholders have been provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the Books Closure Date, fractional entitlements, if any, being disregarded. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade their "nil-paid" Rights on the SGX-ST during the rights trading period prescribed by the SGX-ST, and are eligible to apply for Excess Rights Shares. Fractional entitlements to any Rights Shares will be disregarded and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allocated to satisfy excess applications (if any) or disposed of or otherwise dealt with in such manner as the Directors in their absolute discretion, deem fit in the interests of the Company.

All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are to be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

Use of CPF Funds

Shareholders who have subscribed for or purchased Shares under the CPFIS-OA must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares, if they have previously bought their Shares using CPF Funds.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Shareholders hold their CPF Investment Accounts, to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

CPF members should also note that CPF Funds cannot be used for the payment of Rights Shares and/or Excess Rights Shares if they submit their acceptances and/or applications directly through CDP, Electronic Applications, the Share Registrar and/or the Company. Any such acceptance and/or application purporting to use CPF Funds for the payment of Rights Shares and/or Excess Rights Shares will be rejected.

Use of SRS Funds

Shareholders who have subscribed for or purchased Shares under the SRS must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant banks in which they hold their SRS Accounts to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

Entitled Depositors should note that all notices and documents will be sent to their last registered address with CDP. Entitled Depositors who may wish to maintain a mailing address with CDP for the purpose of receiving the Rights Issue documents should inform CDP in writing ("**Rights Mailing Address**"). Entitled Depositors are reminded that any request to CDP to register a Rights Mailing Address or any request to CDP to update its records for a new Rights Mailing Address or to effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588, at least three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all notices and documents will be sent to their last registered address with the Company. Shareholders who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue may provide such a Singapore address by notifying the Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898, at least three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders are encouraged to open a Securities Accounts if they have not already done so and to deposit their share certificates with CDP before the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A to C to this Offer Information Statement and in the PAL, the ARE and the ARS.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

FOREIGN SHAREHOLDERS AND FOREIGN PURCHASERS

This Offer Information Statement and its accompanying documents relating to the Rights Issue have been lodged with the Authority in Singapore. This Offer Information Statement and its accompanying documents have not been and will not be registered, lodged or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the legislation applicable in countries other than Singapore, the Rights Shares will not be offered to, and this Offer Information Statement and its accompanying documents have not been and will not be despatched to, Foreign Shareholders. **Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.**

This Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renouncee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of Rights Shares renounced to him.

The Company further reserves the right, but shall not be obliged, to treat as invalid any acceptance or purported acceptance of the provisional allotment of Rights Shares and (if applicable) application or purported application for Excess Rights Shares or to decline such acceptance or purported acceptance and (if applicable) such application or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore or which the Company believes or has reason to believe may violate any applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any representation or warranty or confirmation, whether express or deemed, to be given by such person.

To the extent that it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales (after deducting any applicable brokerage, commissions and expenses, including goods and services tax) will be aggregated and thereafter distributed to Foreign Shareholders in proportion to their respective holdings of Shares or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post to their mailing address maintained with CDP, or in such other manner as the Foreign Shareholders may have agreed with CDP for the payment of any cash distributions, save that in any case no payments will be made

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

for amounts of less than S\$10.00 to any single Foreign Shareholder, and the Company shall be entitled to retain such amount for the sole benefit of the Company or otherwise deal with such amount as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Underwriter, CDP or the Share Registrar in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Underwriter, CDP or the Share Registrar in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy Excess Applications (if any) or otherwise disposed of or dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Underwriter, CDP or the Share Registrar in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any jurisdiction outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation to or solicitation by or on behalf of the Company to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any registration or other regulatory or legal requirements in those jurisdictions.

The Rights Shares which are not otherwise taken up or allotted for any reason or which represent fractional entitlements disregarded in accordance with the terms of the Rights Issue shall be used to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

Fractional entitlements to the Rights Shares will be aggregated and used with provisional allotments which are not taken up or allotted for any reason to satisfy application for Excess Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company.

Fractional entitlements to the Rights Shares, if any, have been disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or the Purchasers, any unsold “nil-paid” provisional allotments of Rights Shares of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions contained in the PAL, the ARE, the ARS and/or

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

any other application form for Rights Shares, be aggregated and used to satisfy Excess Applications for Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sale of the provisional allotments of Rights Shares and for the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A to C to this Offer Information Statement and in the PAL, the ARE and the ARS.

TRADING

LISTING OF AND QUOTATION FOR THE RIGHTS SHARES

The Listing Approval has been obtained from the SGX-ST on 1 June 2016 for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST, subject to certain conditions. The Listing Approval is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

Upon the listing of and quotation for the Rights Shares on the Official List of the SGX-ST, subject to certain conditions, the Rights Shares, when allotted and issued, will be traded under the book-entry (scripless) settlement system. For the purpose of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” and the “Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Rights Shares”, as the same may be amended from time to time. Copies of the above are available from CDP.

ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain a Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identification Card (“**NRIC**”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates for the Rights Shares allotted to them in their own names and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will be forwarded to Entitled Scripholders by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be prima facie evidence of legal title.

If an Entitled Scripholder’s address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

TRADING

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificates with CDP but wishes to trade on the SGX-ST, must deposit with CDP his share certificates, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

RIGHTS TRADING

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the Official List of the SGX-ST can do so for the period commencing on 14 June 2016 from 9.00 a.m., being the date and time of commencement of the “nil-paid” Rights trading period, and ending on 22 June 2016 at 5.00 p.m., being the last date and time of the “nil-paid” Rights trading period.

TRADING OF ODD LOTS

Shareholders should note that most counters on the SGX-ST trade in board lot sizes of 100 shares. Following the Rights Issue, Shareholders who hold odd lots of Shares (i.e. lots other than board lots of 100 Shares) and who wish to trade in odd lots of Shares on the SGX-ST should note that they are able to do so on the Unit Share Market of the SGX-ST which allows trading of odd lots with a minimum of one (1) Share.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its related corporations, directors, officers, executives or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Company’s and the Group’s expected financial position and performance, operating results, business strategies, plans and future prospects are forward-looking statements.

These forward-looking statements, including, but not limited to, statements as to the Company’s and the Group’s revenue and profitability, cost measures, expected industry trends, prospects, future plans, planned strategy and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in more detail in this Offer Information Statement, in particular, but not limited to, discussions under paragraph 9 of Part V (Operating and Financial Review and Prospects) of this Offer Information Statement.

Given the risks, uncertainties and other factors that may cause the Company’s and the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements and information. None of the Manager, the Underwriter, the Company and their respective related corporations, directors, officers, executives and employees or any other person represents or warrants that the Company’s and the Group’s actual future results, performance or achievements will be as discussed in those statements and financial information. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements as a result of, *inter alia*, the risks and uncertainties faced by the Company and the Group.

In light of the volatile global financial markets and global economic uncertainties, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, the Manager, the Underwriter, the Company and their respective related corporations, directors, officers, executives and employees disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgement of this Offer Information Statement with the Authority but before the Closing Date and are materially adverse from the point of view of an investor, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Offer Information Statement may include market and industry data and information that have been obtained from, *inter alia*, internal studies and publicly available information such as government statistical and industry reports, and industry publications. Please note that such information is supplied to you for your personal use only. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but the accuracy and completeness of that information is not guaranteed, and may contain other disclaimers in relation to reliance on their contents. There can therefore be no assurance as to the accuracy or completeness of such information.

While reasonable steps have been taken to ensure that the information is extracted accurately, the Manager, the Underwriter, the Company and their respective related corporations, directors, officers, executives and employees have not independently verified any of the data from third party sources or ascertained the underlying bases or assumptions relied upon therein, nor have the consents of these sources been obtained for the inclusion of such data or information in this Offer Information Statement.

THE SINGAPORE CODE ON TAKEOVERS AND MERGERS

The Code regulates the acquisition of voting shares in, *inter alia*, corporations with a primary listing of their equity securities in Singapore (such as the Company). In general terms, except with the consent of the SIC where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares in a company which, taken together with shares held by persons acting in concert with him, carry 30.0% or more of the voting rights of the company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights in the company and such person, or any party acting in concert with him, acquires in any six (6) month-period additional shares carrying more than 1.0% of the voting rights,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him, may, according to the circumstances of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their position including obligations, if any, under the Code in connection with the acquisition of Rights Shares under the Rights Issue should consult the SIC and/or their professional advisers immediately.

For the avoidance of doubt, the Company may at its discretion scale down any Entitled Shareholder's application to subscribe for Excess Rights Shares to avoid placing such Entitled Shareholder in the position of incurring an obligation to make an offer for shares in the Company under the Code as a result of other Entitled Shareholders not taking up their entitlements to the Rights Shares.

RISK FACTORS

To the best of the Directors' knowledge and belief, the risk factors which are specific to the Group and that are material to Shareholders and prospective investors in making an informed judgement on the Rights Issue are set out below. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industry and countries in which the Group operates as well as those that may generally arise from, inter alia, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.

There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business operations, results of operations, financial condition, net sales, revenues, cash flow, profitability, liquidity, capital resources and/or prospects of the Group could be materially and adversely affected. In that event, the trading price of the Shares and/or the Rights Shares could decline due to any of these considerations and uncertainties, and Shareholders and prospective investors may lose all or part of their investments in the Shares and/or the Rights Shares.

Save as disclosed below and in this Offer Information Statement, the audited financial statements of the Group for FY2013, FY2014 and FY2015, the unaudited financial statements of the Group for 1Q2015 and 1Q2016, and the announcements of the Company and barring any unforeseen circumstances, the Directors are not aware of any trends, uncertainties, demands, commitments or events of the current financial year, that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to not necessarily be indicative of the future operating results or financial condition of the Group, in respect of the performance of the Group for the current financial year and relating to the business and financial prospects of the Group and/or trends that will have a material effect on the financial condition and operating results of the Group.

RISKS ASSOCIATED WITH THE GROUP'S BUSINESS AND OPERATIONS

The Group's construction activities are principally carried out in Singapore and accordingly, the Group's business is subject to the cyclical nature of the Singapore property market and construction industry

For FY2015, the Singapore construction industry contributed approximately 90.0% of the Group's revenue. As the Group's construction activities are principally carried out in Singapore, the Group is exposed to the cyclical fluctuations of the Singapore economy which in turn affects the state of the Singapore construction industry.

A downturn in the Singapore economy, as well as the global economy in general, will dampen general sentiments in the local property market and reduce demand for construction activities in Singapore. In addition, a downturn in the construction industry would also erode profit margins for any available construction projects due to keen competition. As such, any downturn in the construction industry will adversely affect the Group's business and financial performance.

RISK FACTORS

The Group is subject to government legislation, regulations or policies which affect the construction industry in Singapore and requires various licences and permits for its operations

The Group is subject to government legislation, regulations or policies which affect the construction industry in Singapore, governing, among other things, the following:

- (a) employment of workers (including foreign workers) in Singapore, including overtime limits, the Man-Year Entitlement allocation system, levies imposed on workers and the conditions of the work permits of foreign workers;
- (b) licensing of builders;
- (c) approval and execution of building works plans;
- (d) workplace safety and health; and
- (e) environmental matters such as public health and noise pollution.

Contravention of any of the above may subject the Group, the Group's employees and/or the Group's directors to significant statutory penalties such as fines imposed by the relevant authorities or may result in the modification, suspension or discontinuation of the Group's operations. Hence, any conviction for such contravention may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The Group also requires various licences and permits for its operations. For example, the Building Control Act, and the Building Control (Licensing of Builders) Regulations 2008 set out the requirements for licensing of builders. Licensing requirements will apply to builders who undertake all building works where plans are required to be approved by the Commissioner of Building Control ("CBC"). The requirements apply to both public and private construction projects. In addition, main contractors registered under General Builder Class 1 will need to comply with the requirements on Construction Registration of Tradesmen Scheme imposed on construction personnel. Licensed Class 1 general builders, such as YECL, undertaking general building works with contract value of S\$20.0 million or more are required to lodge a manpower programme with the CBC. The programme will set out the number and proportion of registered construction personnel to be deployed for the project. In the event that CBC is satisfied that such requirements are not met, the Class 1 General Builder licence of YECL may be affected. This would then have an adverse impact on the Group's reputation and business.

In addition, under the Building Control Act, no person shall commence or carry out, or permit or authorise the commencement or carrying out of, any building works unless the plans of the building works have been approved by the CBC and in the case of structural works, there is in force a permit granted by the CBC to carry out the structural works. In the event that such approvals or permits are not obtained, the Group will not be able to undertake the relevant projects, and its business operations and financial performance will be adversely affected.

The Group's licences and permits may also be granted for fixed periods of time. These licences and permits will need to be renewed as and when they expire. There is no assurance that upon expiration of such licences and permits, the Group will be able to successfully renew them in a timely manner or at all, or that the renewal of such licences and permits will not be attached with conditions which the Group may find it difficult to comply with, or that if the relevant authorities enact new laws and regulations, the Group will be able to successfully meet their requirements.

RISK FACTORS

Failure by the Group to obtain, renew or maintain the required licences and permits, or the cancellation, suspension or revocation of any of the Group's licences and permits may result in the interruption of its operations and may have a material adverse effect on its business.

Government legislations, regulations or policies affecting the construction industry in Singapore are also subject to amendments from time to time. Any such changes could adversely affect the Group's business operations and/or have a negative effect on the demand for its construction services. The compliance with such changes may also increase the Group's costs and any significant increase in compliance costs arising from such changes may adversely affect its financial performance. There is no assurance that any changes in government legislations, regulations and policies will not have an adverse effect on the Group's financial performance and financial condition.

The Group is required to maintain its BCA gradings for its business

In Singapore, although business entities which are not registered with the BCA are not precluded from conducting business as contractors or suppliers outside the public sector, registration in the Contractors Registration System ("CRS") maintained by the BCA is a pre-requisite to tendering for projects in the Singapore public sector. To maintain YECL'S CRS grading status of A1 (under the category CW01 for General Building and CW02 for Civil Engineering), YECL must, amongst others, satisfy BCA that it has:

- (a) a relevant track record and good performance in the scope of work in the workhead and grade in which it is registered;
- (b) sufficient financial resources to meet the financial commitments for the respective workheads and grades; and
- (c) the necessary full-time personnel resources stationed in Singapore to undertake the work corresponding to the registration head applied for.

In the event that YECL does not maintain its A1 status because it fails to comply with any of the requirements laid out by the BCA in respect thereof, YECL's CRS registration status would accordingly be downgraded and this would cause the Group to lose its ability to tender for public construction projects of an unlimited contract value, thereby reducing its tendering capacity in the public sector. In addition, private sector projects may sometimes also adopt the same minimum grading requirements for their tenders. In the event that the Group's CRS gradings are downgraded, its market reputation, business and financial performance may be adversely affected.

The Group's business is vulnerable to keen competition and its performance will depend on the Group's ability to compete effectively against its competitors and adapt to changing market conditions and trends

Although YECL has been graded A1 by the BCA for its construction business, it is still vulnerable to keen competition. According to the BCA's website as at 1 June 2016, there are 77 registered general building contractors, including YECL, graded A1 under the General Building (CW01) category. Furthermore, additional contractors can obtain such grading if they fulfil the BCA's minimum requirements for such grading. In the event that such additional contractors are successful in obtaining such grading, they may compete with the Group in the same category of business. Additionally, the Group may have to submit competitive bid prices in order to secure

RISK FACTORS

tenders in the face of keen competition. If the Group has to lower bid prices to compete effectively and yet face high operating costs from providing competitive and high standards of service quality, this will have an adverse impact on its profit margins.

There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by the Group to remain competitive will adversely affect the demand for its business, its business operations and its financial conditions.

The Group's financial performance is dependent on its continued ability to secure new projects and the non-cancellation of secured projects

As most of the Group's projects are undertaken on a non-recurring basis, it is critical that the Group is able to continuously and consistently secure new projects of similar value and volume. There is no assurance that the Group will be able to do so. In the event that the Group is not able to continually and consistently secure new projects of similar or higher value and on terms and conditions that are favourable to the Group, this would have an adverse impact on its financial performance. In addition, the scale of work, complexity and risk involved in a project will affect the profit margin of the project and the Group's financial performance. Third party subcontractors are often engaged for projects which the Group undertakes and such engagement may result in its profit margins being reduced.

Cancellations or delays in the commencement of secured projects due to factors such as changes in the Group's customers' businesses, poor market conditions and lack of funds on the part of the project owners may adversely affect the Group. In addition, there may be a lapse of time between the completion of the Group's projects and the commencement of its subsequent projects. Any cancellation or delay of projects could lead to idle or excess capacity, and in the event that the Group is unable to secure replacement projects on a timely basis, this may adversely affect the Group's business operations and financial conditions.

Ability to secure new projects may depend on the Group's ability to secure performance bond guarantees and other bank facilities

In line with industry practice, certain construction projects where the Group acts as the contractor require a performance bond to be furnished by a bank or an acceptable financial institution to guarantee the Group's contractual performance of the project. Generally, the performance bond for each such project covers between 5.0% to 10.0% of the contractual value of the project. In the event that the Group defaults on its contractual obligations, the project owner is entitled to call the bond with the bank or financial institution and the Group's liquidity and financial position may be adversely affected.

There is no assurance that the Group can continue to secure performance bonds for its new projects in the future or that the performance bonds may be secured on terms that are acceptable to it or on terms as favourable as those previously obtained. If the Group is unable to secure performance bond guarantees from its banks or acceptable financial institutions, it may be unable to secure new projects, and this would have a material adverse effect on the business, financial condition, prospects and results of operations of the Group.

RISK FACTORS

The Group's order books may not be an accurate indicator of its future performance

As at 31 March 2016, the Group's outstanding order books amounted to approximately S\$399 million. The Group's order books consist of contracts that it has managed to secure from its customers.

The Group's order books may not be an accurate indicator of its future performance as the Group has not taken into account any potential renegotiations, cancellations or deferrals of orders in calculating its order books, the occurrence of any of which will have an adverse impact on the Group's revenue. Potential renegotiations, cancellations or deferrals may be due to factors beyond the Group's control and by nature, are uncertain. There is therefore no assurance that the Group can successfully transform all its existing orders into revenue.

The Group may face liquidity and non-payment risks and is exposed to credit risks of its customers

The nature of the Group's industry is that work is performed before payment is made, even when progress payments are provided for. For the Group's construction business, there is a time lag between expenditure incurred and actual receipt of payment from customers.

Further, in compliance with the Building and Construction Industry Security of Payment Act, Chapter 30B of Singapore, the Group must make payment to its subcontractors, whether or not the Group has received payments from its customers.

Generally the Group bills its customers on a monthly basis according to the proportion of work completed with respect to the contract value of the project as recommended by its customer's quantity surveyor. Such progress payments will be received over the course of the project, which may take between one (1) to three (3) years to complete.

In the event that the Group fails to closely monitor its receivables and/or make timely submissions of its progress payment claims, the Group may encounter liquidity problems. Furthermore, the time lag increases the risk of bad debts as the financial position of the Group's customers may deteriorate over the same period of time. The Group's operating results will be adversely affected if there is any significant default in payment by its customers.

The Group is also exposed to the credit risks of its customers. From time to time, the Group may encounter customers who may have cash flow problems and are unable to pay the Group on time or at all. In such an event, the Group's profitability will be adversely affected through allowance for impairment of receivables.

Variation orders, disputes and claims can adversely affect the Group's operating cash flows, profitability and/or financial condition

During the course of a construction project, the owner, developer, architect or consultant of the project may request the Group to perform additional works which are not specified in the original tender or contract or to carry out variations to the specifications stipulated in the original tender or contract. In line with the industry practice and to ensure that the project is completed on time, on these occasions, the parties may agree that variation orders be performed before the costs for such additional works are finalised between the parties. Therefore, the final value of such variation orders may be subject to a lower valuation by the project consultant. In the event that the Group is required to bear any part of the variation costs, the Group's operating cash flows and its

RISK FACTORS

earnings will be adversely affected. Please refer to paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement under “General Developments between 1 January 2016 and the Latest Practicable Date” for further details.

Disputes and claims may arise due to defective workmanship, non-adherence to contract specifications and interpretation of acceptable quality standards of workmanship and materials supplied. The Group may also incur additional costs during the maintenance period (as further described below) to make good any defective workmanship. Retention monies are normally withheld by customers that will be applied in respect of defective work that may surface only after a period of time. Most of the Group’s customers withhold up to 10.0% of each progress payment due to the Group for work completed as retention monies, until the accumulated retention monies reach the cap which is typically 5.0% of the total contract value. The retention monies will be held by the Group’s customer for the duration of the maintenance period, which is typically in the range of 12 to 18 months after the official handover of a building project. The relevant contract may, however, provide for the early release of half of the retention monies upon obtaining certificate of substantial completion issued by the main contractor. The Group may therefore encounter difficulties in collecting the full sum or any part of the retention monies due and may run the risk of incurring additional costs to make good the defective work under dispute resulting in an erosion of its profit margin or incurring losses for the building project. Moreover, if the Group breaches any terms of the relevant contract, it is liable to pay liquidated damages for delay in completion or other losses suffered by its customers. The customers may also off-set the entire retention monies or enforce the performance bond. In such event, the Group would be required to indemnify the relevant insurance company or financial institution for such payment, as well as any damages arising from disputes. There can be no assurance that there will not be any material disputes in the future that may have a material adverse effect on the Group’s operating cash flows, its earnings and financial performance.

Disputes may also arise between the Group and its subcontractors for various reasons, including defective works, disruption of subcontract works and disputes over contract specifications and the final amount payable for work done on a project. These disputes may lead to legal and other proceedings. In addition, in instances where the Group is appointed as the main contractor of developments, the Group is exposed to the risk of legal suits, by either the Group’s customers or, in respect of defective works in common areas and common property, the management corporation. In such an event, the Group may be liable for damages and incur legal costs, which will have an adverse effect on its financial performance and financial condition.

The Group is liable for defects or failure in the architectural and engineering design for the design and build projects that the Group undertakes as the main contractor

For design-and-build projects, a single contract is awarded by the developer to the main contractor who shall be responsible for the architectural, engineering designs and construction works of the entire project. External consultants such as architects and engineers are always engaged to work on such projects and they will be liable for any defect or failure in the architectural, structural and mechanical and electrical design of the building arising from their default, as the case may be. However, in the event that such defaults are not sufficiently covered by the professional indemnity insurance taken up by the respective consultants, the Group would be liable to the developer for the residual amount of such defaults. Where subcontractors are engaged to work on such projects, such subcontractors will be liable for any defect arising from their default. In the event of any loss or damage which arises from the default of the subcontractors engaged by the Group, the Group, being the main contractor, will nevertheless be liable for its subcontractors’ default.

RISK FACTORS

The Group may be affected by accidents, violation of workplace safety and health regulatory requirements and/or violation of environmental regulatory requirements at its construction sites

Accidents or mishaps may occur at the construction sites of the Group's projects even though the Group has put in place certain safety measures as may be required. As such, the Group is subject to personal injury claims by workers who are involved in accidents at its worksites during the course of their work from time to time.

Such accidents or mishaps may severely disrupt the Group's operations and lead to a delay in the completion of a project, and in the event of such delay, the Group could be liable to pay liquidated damages under the construction contract with its customers. In addition, in Singapore, the Group may incur fines and penalties imposed by the MOM in relation to any breaches of workplace safety and health regulations on worksites. In such an event, the Group's business operations, financial performance and financial condition may be materially and adversely affected. Further, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages suffered by them, and any significant claims which are not covered by the Group's insurance policies may materially and adversely affect the Group's financial performance and financial condition. In addition, any accidents or mishaps resulting in significant damage to the Group's premises, machinery or equipment may also have a significant adverse effect on the Group's business operations, financial performance and financial condition.

Further, in Singapore, the MOM has implemented a demerit points system for the construction sector. All main contractors and subcontractors in the construction sector will be issued with demerit points for breaches under the Workplace Safety and Health Act, Chapter 354A of Singapore ("WSHA") and relevant subsidiary legislation. The number of demerit points awarded depends on the severity of the infringement. A contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning from MOM, while the continued accumulation of demerit points will result in more stringent corrective actions. If a contractor continues to commit workplace safety and health offences, applications from the company for new and renewal of all types of work passes for all foreign employees will be rejected by MOM.

The Group may incur demerit points from time to time on its projects. Accumulation of demerit points may result in the imposition of investigatory or remedial obligations and corrective actions, the revocation or rejection of applications relating to work permits for the Group's foreign employees, or the issuance of injunctions limiting or prohibiting some or all of the Group's operations. In such cases, increase in labour and compliance costs could increase the cost of the Group's operations, which may have an adverse effect on the Group's business operations, financial performance and financial condition.

In addition, under the WSHA, the Commissioner of Workplace Safety and Health may issue a stop-work order in respect of a workplace if he is satisfied that (a) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work, (b) any person has contravened any duty imposed by the WSHA, or (c) any person has done any act, or has refrained from doing any act which, in the opinion of the Commissioner of Workplace Safety and Health, poses or is likely to pose a risk to the safety, health and welfare of persons at work.

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Further, if the CBC is of the opinion that any building works are carried out in such a manner as (a) will cause, or will be likely to cause, a risk of injury to any person or damage to any property, (b) will cause, or will be likely to cause, or may have caused a total or partial collapse of the building in respect of which building works are or have been carried out or any building, street or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works, or any part of such building, street, slope or land, or (c) will render, or will be likely to render, or may have rendered the building in respect of which building works are or have been carried out or any building, street, slope or natural formation opposite, parallel, adjacent or in otherwise close proximity to those building works, or any part of such building, street or land, so unstable or dangerous that it will collapse or be likely to collapse either totally or partially, he may, amongst others, by order, direct the person for whom or on whose behalf those building works are carried out to immediately stop the building works and to execute or caused to be executed such measures as he may specify to prevent the abovementioned situations from happening.

The MOM has also implemented the Business Under Surveillance programme to regulate poor performing companies to focus on developing and implementing a robust safety and health management system to improve their workplace safety and health performance.

In the event that the Group is issued such stop-work orders in the future, this may severely disrupt the Group's operations and lead to a delay in the completion of a project. These circumstances and any future inclusion in the Business Under Surveillance programme may generate negative publicity and adversely affect the Group's market reputation, and may also have a material adverse impact on the Group's business operations, financial performance and financial condition.

In addition, violation of environmental regulatory requirements may occur at the construction sites for the Group's projects even though the Group has put in place certain measures as may be required. The Group may incur fines and penalties imposed by the National Environmental Agency in relation to any breaches of environmental regulations on worksites. In such an event, the Group's business operations, financial performance and financial condition may be materially and adversely affected. In the event that the Group is issued such stop-work orders in the future, this may severely disrupt the Group's operations and lead to a delay in the completion of a project. These circumstances may generate negative publicity and adversely affect the Group's market reputation, and may also have a material adverse impact on the Group's business operations, financial performance and financial condition.

Cost overruns can adversely affect the Group's profitability

In preparation for the Group's projects, the Group carries out internal costing and budgetary estimates, which are based on quotations from its suppliers and subcontractors, and its own estimation of costs. However, unforeseen circumstances such as adverse soil conditions, unfavourable weather conditions, unanticipated construction constraints at the worksite arising during the course of construction, fluctuations in the cost of labour, raw materials, equipment and sub-contracted services, unanticipated variations in labour and equipment productivity over the term of a contract, corrective works for poor workmanship or any delays or errors that occurred during the course of the project or costs not previously factored into the Group's contract value may lead to cost overruns. In addition, some of the Group's contracts do not allow for adjustments to the contract value consequent upon a rise in the cost, amongst others, of labour, materials, equipment and sub-contracted services. Under such circumstances, the cost overruns would have to be absorbed by the Group. In such event, the Group's profitability and financial performance would be adversely affected.

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The Group's projects typically take approximately two (2) to three (3) years to complete and materials and labour costs may increase beyond the Group's initial estimates. The time taken and the costs involved in completing the Group's construction projects can be adversely affected by several factors including shortage of materials, shortage of equipment and labour, adverse weather conditions, disputes with contractors or subcontractors, accidents, poor site management, wastage, damage of materials, delay in approval from the authorities and other unforeseen circumstances. Any of these factors could delay the completion of the Group's construction projects and/or may result in cost overruns. The Group's profitability and financial performance will be affected if it is not able to pass the cost overruns on to its customers or subcontractors or obtain extension for the completion of its construction projects. Furthermore, delay in project completion beyond the scheduled dates may expose the Group to liquidated damages payable to the owners of the project.

Price fluctuations in raw materials and/or the rental of equipment and machinery may affect the Group's earnings

Steel is the main raw material utilised by the Group. Typically, steel constitute in excess of 20.0% of the total cost of a structural steelwork project. Steel prices rise and fall depending on the demand and supply of steel which, in turn, are affected by many factors beyond the Group's control. These include the general state of the global economy, the level of industrial development worldwide, industrial productivity levels and imposition of import duties and levies.

The estimated costs of steel are taken into consideration from the amount required when submitting a project quotation which is typically valid for between 30 days to 90 days. There is usually a time lag between the timing of project quotation and the actual sourcing of prices for steel materials from the suppliers. Prior to giving a project quotation, the Group will monitor closely the prices of steel and anticipate any fluctuation in steel prices. Where possible, in quoting for a project, the Group will also negotiate a back-to-back arrangement with its suppliers. Any unanticipated significant increase in the price of steel which cannot be passed on to other parties may increase project costs and erode the Group's margin.

In addition, the Group's projects require heavy use of construction equipment and machinery. Where the Group's own equipment is not sufficient to handle its projects and/or new equipment is required for its projects, the Group may acquire or lease additional equipment from suppliers. In the event of unforeseen delays, to ensure that the project schedule can be met, the Group may rent additional equipment and machinery, thereby driving up the Group's project costs. In the event that the Group is unable to continue to acquire or lease construction equipment and machinery at prices or rental rates that are within its projected budget in the future, the Group's financial performance may be adversely affected.

The Group may be involved in legal and other proceedings from time to time

In general, the Group is exposed to the risk of litigation by various parties such as suppliers, customers, employees and other parties involved in its business, including the risk of being joined as third parties to litigation actions or involvement in frivolous claims. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and time wastages. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that may result in financial losses. There can be no assurance that these disputes will be settled, or settled on terms which are favourable to the Group. In the event such

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disputes are not settled on terms which are favourable to the Group, or at all, the Group's business, prospects, profitability, financial condition and results of operations may be adversely affected.

The Group may have inadequate insurance coverage

The Group's businesses are subject to liability for property damage, personal injury and other hazards. Although the Group has obtained insurance in accordance with industry standards to address such risks, the same may not be sufficient to cover the full extent of any liability. Additionally, certain risks may not be insurable, or such insurance may not be available on terms favourable to the Group. The payment for any uninsured liabilities would reduce the funds available to the Group.

The Group is reliant on foreign labour

The construction industry is highly labour intensive. Most of the Group's construction workers in Singapore are foreign workers who come mainly from India, Bangladesh and China and are subject to foreign workers' levies. Consequently, the Group's operations and financial performance are susceptible to shortages in the supply of foreign workers and increases in costs of foreign labour.

Changes in the labour policies of Singapore or those of the foreign workers' countries of origin may affect the supply and/or cost of foreign labour and cause disruption to the Group's operations, delay in the completion of projects and/or increase in project costs. For instance, the availability of the foreign workers to the construction industry in Singapore is regulated by the MOM through policy instruments such as the imposition of levies and quotas based on the Man-Year Entitlement allocation system. The Group is susceptible to any increases in such levies and any sudden withdrawals in the supply of foreign workers will negatively impact the Group's earnings and financial performance. Similarly, any increases in such levies and any sudden withdrawals in the supply of foreign workers may also result in a corresponding increase in the payroll costs of the Group's suppliers and subcontractors which may affect their ability to supply the products and/or carry out the work for which they were contracted, thus delaying the completion or resulting in the non-completion of the Group's construction projects, resulting in additional costs for the Group or exposing the Group to the risk of liquidated damages.

In addition, if the MOM imposes further restrictions on the supply of foreign labour, the Group may have to explore alternative and more costly sources of labour for its projects. In such event, the Group's payroll costs may increase and the profitability of the Group may be materially and adversely affected. If the Group is unable to seek alternative source of labour for its projects, the Group's financial performance may be materially and adversely affected.

Similarly, the Group's suppliers and subcontractors may be entitled to employ fewer foreign workers and if they are unable to seek alternative sources of labour at the same or lower cost, this may affect their ability to supply the products and/or carry out the work for which they were contracted for, thus delaying the completion or resulting in the non-completion of the Group's construction projects, leading to additional costs for the Group or exposing the Group to the risk of liquidated damages.

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The Group's business is dependent on the services of its suppliers and subcontractors

The Group purchases its raw materials and/or acquires or leases equipment from its suppliers for its construction projects. The Group also engages subcontractors to provide various services for its construction projects, including piling and foundation works, structural works, architectural works, mechanical and electrical installation, utilities installation, interior decoration and any other specialist work. These suppliers and subcontractors are selected based on, amongst others, the Group's past working experiences with them, their competitiveness in terms of their pricing and their past performances. The Group cannot be assured that the products and services rendered by its suppliers and subcontractors will be satisfactory to the Group or that they will meet the quality or project requirements. In the event of any loss or damage which arises from the default of the suppliers or subcontractors engaged by the Group, the Group, being the main contractor, will nevertheless be liable for its suppliers' or subcontractors' default if it is unable to pass on such losses or damages to its suppliers or subcontractors. Furthermore, these suppliers or subcontractors may experience financial or other difficulties that may affect their ability to supply the products or carry out the work for which they were contracted for, thus delaying the completion or resulting in the non-completion of the Group's construction projects, leading to additional costs for the Group and/or exposing the Group to the risk of liquidated damages. Any of these factors could result in a material adverse impact on the Group's business operations, financial performance and financial condition.

Excessive warranty claims will adversely affect the Group's financial position

The Group provides limited warranty for certain of its construction projects for a standard period of up to 10 years on certain items of the works. The limited warranty covers defects and any premature wear and tear of the materials and workmanship used in the projects. Rectification and repair works to be carried out by the Group that are covered under the limited warranty are not chargeable to the customers. The Group provides warranties jointly with its suppliers and subcontractors. In the event its suppliers and/or subcontractors are not able to perform its obligations under the warranty, the Group would be liable for claims pursuant to the warranty. Excessive warranty claims for rectification and repair works will have an adverse effect on the Group's business and financial performance.

The Group is subject to risks associated with joint ventures

The Group may, as a matter of business strategy, from time to time enter into construction projects through the formation of joint ventures. The Group currently has joint ventures in Singapore, India and Myanmar. These joint ventures involve a certain amount of business risks such as the inability or unwillingness of joint venture partners to fulfil their obligations under the joint venture agreements (if any). Political uncertainties or new government regulations such as restrictions on ownership can also result in a decline in the value of the Group's investments in these joint ventures or a loss in the Group's ability to influence the management, directors and decisions made by these companies. There is no assurance that the Group will not, in the future, encounter such business risks which, if financially material, will have an adverse effect on the Group's business operations, financial performance and financial condition.

Introduction of new laws or changes to existing laws and uncertainties in a country's developing legal system

The Group's business and operations in the region are governed by the legal systems of the respective countries in the region. The governments of each of these countries may be in the process of developing its legal system, so as to meet the needs of the investors and to encourage

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foreign investments. As the economies of certain countries may be undergoing development generally at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, may be subjected to changes. There may also be new laws or regulations introduced from time to time that may have an impact on the Group's business and operations in the respective country.

Furthermore, precedents to the interpretation, implementation and enforcement of the respective countries' laws and the regulations may be limited and may not be consistently applied. Accordingly, the outcome of dispute resolutions may not be as consistent or predictable as compared to other more developed jurisdictions and it may be difficult to obtain swift and equitable enforcement of the law in these countries, or to obtain enforcement of a judgement by a court of another jurisdiction.

The Group is subject to specific risks pertaining to Myanmar

The Group engages in certain business activities in Myanmar and Myanmar is an emerging market undergoing political and economic reform. There are risks associated with doing business in Myanmar and these include political, socio-economical, regulatory, and financing risks.

In terms of the political risks, the country has historically gone through an upheaval in the nature of a military coup in 1962 and is currently being reformed and in the process of transiting towards a liberal democracy. However, if the rule of law is not rigorously observed, investments made into Myanmar are subject to expropriation risks on the basis of the exertion of sovereign rights. Unless there are sound foreign investment laws, there is no guarantee of compensation against the expropriation of the Company's investment into Myanmar with respect to the Group's project in Myanmar (being the Hanthawaddy International Airport project). This risk is mitigated by the existence of (a) the Request for Proposal issued by the Department of Civil Aviation of Myanmar, which grants the consortium between the Company, JGC Corporation and Changi Airport Planners and Engineers Pte. Ltd. the right to collect revenues realised from the operation of the project and related functions for a period of 30 years from the date of the official inauguration of the Hanthawaddy International Airport, and (b) the current investment regulations of Myanmar which purport to protect investors against nationalisation and expropriation. However, implementation of these agreements and regulations is not a proven process.

In terms of the socio-economical risks, Myanmar is still undergoing the initial stages of financial reforms which have been characterised by high rates of annual inflation and large budget deficits. There is no assurance that such economic developments in Myanmar will not have a material adverse effect on the business, results or operations or financial condition of the Group.

In terms of the regulatory risks, the laws relating to foreign investment are still currently being reformed. There may be uncertainty in the interpretation of such laws, and there is no guarantee that the reformed laws would remain attractive to foreign investors.

There may also be risks in obtaining financing as project financing and trade financing within Myanmar is limited and may continue to be so until sanctions are fully lifted and banks have a better ability to assess Myanmar's risk.

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The Group is subject to specific risks pertaining to Hong Kong

The Group engages in certain business activities in Hong Kong. There are risks associated with doing business in Hong Kong, and these include political, socio-economical and regulatory risks that may attach to the carrying out of business in Hong Kong.

In terms of the political risks, Hong Kong is a special administrative region of the PRC and enjoys a high level of autonomy under the principle of “one country, two systems” according to the Basic Law of Hong Kong. However, the Group is not in any position to guarantee the implementation of the “one country, two systems” principle and the level of autonomy as currently in place at the moment. Any change of such political arrangements may pose immediate threat on the stability of the economy in Hong Kong, thereby adversely affecting the Group’s results of operations and financial positions.

In terms of the socio-economic risks, if there were any material adverse changes in the social, political and economic conditions in the region including: (a) change in local government policies, rules or regulations; (b) riots, natural disasters and other acts of god; (c) breakdown in the transportation system which may disrupt the Group’s material supplies; or (d) a sudden downturn in the economy or consumer demands, the Group’s operations, financial results and profitability may be adversely affected.

In terms of the regulatory risks, the construction industry is a highly regulated industry and the Group may be required to maintain certain permits and licences, such as construction noise permits and water pollution control licences, under the laws of Hong Kong in order to operate its business. In order to renew and maintain these permits and licences, the Group may be required to comply with applicable criteria set by the relevant governmental authorities. These permits and licences may be subject to a fixed validity period upon expiry of which, the Group will need to apply for renewal with the relevant governmental authorities. In addition, the standards of compliance required may from time to time be subject to changes without substantial advance notice. The Group cannot assure that all the required permits and licences can be maintained or renewed in a timely manner or at all. If the Group fails to maintain or renew such relevant permits and licences, or if the Group’s permits and licences are suspended, or if there are any changes in the existing policies by the governmental authorities in relation to the permits and licences concerning the construction industry, it may cause an interruption to the Group’s operations, which would have a material adverse effect on the Group’s business and financial condition and results of operations.

The Group may be affected by terrorist attacks and other acts of violence, wars, or outbreaks of diseases

Terrorist attacks worldwide such as the recent Paris and Belgium attacks and the Syria crisis have resulted in substantial and continuing global economic volatility and social unrest. Further developments stemming from these events or other similar events could cause further volatility. The direct and indirect consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its business operations and results. Any further response by attacked nations or their allies or any further terrorist activities could also materially and adversely affect international financial markets and the economies in which the Group operates and may thereby adversely affect its business, financial condition, prospects and results of operations.

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The Group is dependent on key management personnel and other skilled personnel

The Group is dependent on the continued services of its executive officers and management, as well as other skilled personnel such as project managers and engineers. Having a team of experienced management staff and other skilled personnel is critical in fulfilling the Group's contractual obligations and maintaining its relationships with its clients. The Group's continued success depends to a significant extent on its strong management team and skilled personnel. The loss of any of these personnel without timely and suitable replacement and the inability to attract and retain qualified and experienced personnel may have an adverse effect on its business, financial condition and results of operations.

The Group's businesses are capital intensive and the Group may be unable to obtain financing on terms which are acceptable

The Group's businesses are capital intensive. The availability of adequate financing is crucial to its ability to continue participating actively in infrastructural development opportunities. Further, to remain competitive, the Group must continue to make significant investments in capital equipment and machinery. The Group finances its capital expenditure through internal funds and loans from financial institutions.

The Group's ability to arrange adequate financing on terms which are acceptable to the Group depends on a number of factors that are beyond its control, including general economic and political conditions in Singapore and the countries in which the Group operates, the terms on which financial institutions are willing to extend credit to the Group and the availability of other sources of debt or equity financing. Financing may not be available to the Group on acceptable terms or at all. The capital and credit markets have been experiencing extreme volatility and disruption during the past year, generally resulting in less attractive financing terms for borrowers and reduced availability of certain types of financing.

Continued uncertainty in the capital and credit markets may adversely affect the Group's ability to obtain financing on terms which are acceptable to the Group. If the Group is unable to obtain financing on terms which are acceptable to the Group, it may have to curtail its capital expenditure. Any curtailment of capital expenditure could result in a reduction in net sales, inability to tender for construction projects, harm to reputation, or other adverse effects to the Group's business, financial condition and results of operations.

The high level of financial obligations may have a material adverse effect on the Group's financial condition

Due to the scale of the Group's business, the Group has a high level of gearing as well as financial obligations. Although the Group's operating cash flows are expected to be sufficient to service these obligations, risks arise if there is a general economic slowdown that may impact the Group's performance. This might affect the Group's ability to service its interest and debt obligations. The high leverage also opens the Group to interest rate risks and potential restrictions from bank covenants that might limit the Group's ability to pursue favourable business and investment opportunities.

A high level of indebtedness could have important consequences, such as:

- (a) requiring a substantial portion of the Group's cash flows to be dedicated to debt service payments instead of funding growth, working capital, capital expenditures, investments or acquisitions or other cash requirements;

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- (b) reducing the Group's flexibility to adjust to changing business conditions or obtain additional financing; or
- (c) exposing the Group to the risk of increased interest rates as certain of its borrowings, including borrowings under its credit facilities, are at variable rates of interest.

The Group's bank facilities may contain restrictive covenants that, if not satisfied or waived, could impact the Group's ability to borrow money under these facilities and could result in acceleration of the Group's debt obligations under these facilities that may be outstanding from time to time

The Group's failure to comply with restrictive covenants in the Group's bank facilities could result in an event of default which, if not satisfied or waived, could preclude the Group from borrowing money under one or more of these facilities or may result in the Group being required to repay any borrowings it may have under the Group's facilities. If the Group were unable to borrow under these facilities to finance its operations or if it were unable to refinance borrowings under the Group's facilities that may fall due, the Group's business, financial condition and results of operations may be adversely affected.

The Group breached one of the financial covenants associated with a club bank loan. The Group has since obtained approval from the club banks on the waiver of the breach of the financial covenant on 24 May 2016.

The Group experienced a loss after tax for FY2014 and FY2015

The Group recorded a loss after tax of approximately S\$8.5 million in FY2014 and S\$2.7 million in FY2015.

The tailing down of projects and slow starts in new projects such as Marina One and Changi Airport Terminal 4 resulted in a lower level of fabrication and erection activities in FY2014. Consequently, the Group's fixed production and overhead costs could not be sufficiently absorbed. In addition, lower margin projects coupled with provisions made in anticipation of lower variation orders for certain projects contributed negatively to the Group's gross profit margin, and when combined with lower level of activities resulted in a gross loss of S\$32.6 million in FY2014.

In FY2015, the Group recorded a gross profit of S\$19.7 million on the back of a 27.1% improvement in revenue to S\$269.9 million compared to S\$212.1 million in FY2014. However, overall earnings were largely affected by a provision of S\$11.0 million made in relation to the Singapore Sports Hub project.

As the Group continues to expand and grow our business and operations, there can be no assurance that the Group will not experience losses after tax in the future.

The Group may require additional financing in the future

The Group may from time to time need to obtain additional capital through debt or equity financing to fund its business operations. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares, and such new equity securities may have rights, preferences or privileges senior to those of existing Shareholders. Additional debt financing, if obtained, may expose the Group and/or the Company to the covenants imposed by the financial institutions or lenders.

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These covenants may:

- (a) limit the ability of the Group and/or the Company to pay dividends or require the Group and/or the Company to seek consent for the payment of dividends;
- (b) increase the Group's and/or the Company's vulnerability to general adverse economic and industry conditions;
- (c) limit the Group's and/or the Company's ability to pursue the Group's and/or the Company's growth plan; and/or
- (d) require the Group and/or the Company to dedicate a substantial portion of its cash from operations to payments on its debts, thereby reducing the availability of its cash flow to fund capital expenditure, working capital and other general corporate purposes.

Failure to raise the required capital in the future on acceptable terms, or at all, will affect the Group's ability to plan for, or react to, changes in its business and its industry.

RISKS ASSOCIATED WITH INVESTMENT IN THE SHARES

Investors may not be able to participate in future issues of the Shares

In the event that the Group issues new Shares, the Group will be under no obligation to offer those Shares to the Group's existing Shareholders at the time of issue, except where the Group elects to conduct a rights issue. If the Group offers to the Shareholders rights to subscribe for additional Shares or any rights of any other nature or other equity issues, the Group will have the discretion and be subject to the relevant laws, rules and regulations as to the procedures to be followed in making such rights offering available to the Group's existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them. The Group may choose not to offer the rights or other equity issues to the Shareholders or investors having an address outside Singapore, hence overseas Shareholders or investors may be unable to participate in future offerings of the Shares and may experience dilution of their interests in the Group.

Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company

In the event that Entitled Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if the Entitled Shareholder sells his Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

The Rights Issue may cause the price of the Shares to immediately decrease, and this decrease may continue

The Issue Price is not an indication of the underlying value of the Company's Shares. The Issue Price represents a discount of approximately (a) 37.3% to closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016, being the date of the announcement of the Rights Issue, and (b) 28.4% to the theoretical ex-Rights trading price of S\$0.293 per Share, calculated based on the closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016 and assuming that the

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maximum number of Rights Shares are issued under the Maximum Subscription Scenario pursuant to the Rights Issue. The discount of the Rights Shares, along with the number of Rights Shares, may result in an immediate decrease in the market value of the Shares. The Issue Price does not bear a direct relationship to the book value of the Group's assets, past operations, cash flow, earnings, financial condition or other established criteria for value. Hence, the Issue Price is not an indication of any underlying value of Shares or of the future performance of the Company or the trading price of the Shares. This decrease in market value may continue after the completion of the Rights Issue.

No assurance that an active market for the Shares will develop after the Rights Issue

There is also no assurance that the market price for the Rights Shares will not decline below the Rights Issue Price after the Rights Issue. Volatility in the trading price of the Shares may be caused by factors outside the Group's control and may be unrelated to its operating results. Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares and who wish to trade in odd lots should note that there is no assurance that they will be able to acquire such number of Rights Shares to make up one board lot of 100 Rights Shares or to dispose of their odd lots (whether in part or whole). Further, Entitled Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares.

Negative publicity may adversely affect the price of the Shares

Any negative publicity or announcement, whether justifiable or not, relating to the Group may adversely affect the Group's share price.

The Group may not be able to pay dividends in the future

The Group's ability to declare dividends in relation to the Shares will depend on, among others, operating results, financial condition, other cash requirements including capital expenditures, the terms of borrowing arrangements, and other contractual restrictions. This is in turn dependent on the successful implementation of the Group's strategy and financial, regulatory and general economic conditions and other factors that may be specific to the Group or specific to the industry, many of which are beyond the Group's control. There is no assurance that the Group will pay dividends on the Shares in the future.

The Group is unable to assure that its share price will not be subject to significant fluctuation

The global financial markets have experienced significant price and volume fluctuations and market prices of shares may continue to be volatile. Volatility in the price of the Shares may be caused by factors outside the Group's control and may be unrelated or disproportionate to the Group's operating results. Examples of such factors include but are not limited to:

- (a) changes in securities analysts' estimates of the Group's financial performance;
- (b) developments affecting the Group, our customers or competitors;
- (c) fluctuations in stock market prices and volume;
- (d) changes in general economic, financial, equity and credit market conditions;

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- (e) negative publicity involving the Group or any directors or executive officers of the Group; and
- (f) other events or factors described in this Offer Information Statement.

Any of these events may adversely affect the price of the Shares, including the Rights Shares, during and after the Rights Issue.

A fall in the price of the Shares could have a material adverse impact on the value of the Rights Shares. The Group cannot assure investors that they will be able to sell the Rights Shares at a price equal to or greater than the Issue Price. Accordingly, holders of the Shares who are existing Shareholders or have acquired Rights in the secondary market and/or subscribed for Rights Shares, whether existing Shareholders or not, may suffer a loss.

Liquidity of the Shares

Generally, the liquidity of the Shares is dependent on, *inter alia*, the size of the free float, the price of each board lot, institutional interest, the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares traded on the SGX-ST may not change or decline after the Rights Issue.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART II (IDENTITY OF DIRECTORS, ADVISERS AND AGENTS)

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.
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Name	Designation	Address
Seow Soon Yong	Managing Director and Chief Executive Officer	c/o 51 Tuas South Street 5 Singapore 637644
Tan Tin Nam	Non-Executive and Non-Independent Director	c/o 51 Tuas South Street 5 Singapore 637644
Siau Sun King	Executive Director	c/o 51 Tuas South Street 5 Singapore 637644
Seow Soon Hee	Executive Director	c/o 51 Tuas South Street 5 Singapore 637644
Chia Sin Cheng	Executive Director and Finance Director	c/o 51 Tuas South Street 5 Singapore 637644
Goon Kok Loon	Non-Executive and Lead Independent Director	c/o 51 Tuas South Street 5 Singapore 637644
Lim Ghim Siew Henry	Non-Executive and Independent Director	c/o 51 Tuas South Street 5 Singapore 637644
Richard Liew Jat Yuen	Non-Executive and Independent Director	c/o 51 Tuas South Street 5 Singapore 637644
Tan Eng Kiat, Dominic	Non-Executive and Independent Director	c/o 51 Tuas South Street 5 Singapore 637644

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

2. Provide the names and addresses of –

- (a) the issue manager to the offer, if any;**
- (b) the underwriter to the offer, if any; and**
- (c) the legal adviser for or in relation to the offer, if any.**

Manager to the Rights Issue	:	CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623
Underwriter to the Rights Issue	:	CIMB Securities (Singapore) Pte. Ltd. 50 Raffles Place #19-00 Singapore Land Tower Singapore 048623
Legal Adviser to the Company in relation to the Rights Issue	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Legal Adviser to the Underwriter in relation to the Rights Issue	:	TSMP Law Corporation 6 Battery Road Level 41 Singapore 049909

3. Provide the names and addresses of the registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Share Registrar and Transfer Agent	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898
Receiving Banker	:	CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART III (OFFER STATISTICS AND TIMETABLE)

1. For each method of offer, the number of securities being offered.

Method of offer : Renounceable partially-underwritten rights issue with a maximum of 161,026,441 Rights Shares to be issued (assuming the Maximum Subscription Scenario) and a minimum of 116,237,830 Rights Shares (assuming the Minimum Subscription Scenario) to be issued by the Company at an Issue Price of S\$0.21 per Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Please refer to Part X (Additional Information Required for Offer of Securities by Way of Rights Issue) of this Offer Information Statement for more details.

Number of Rights Shares : Based on the Maximum Subscription Scenario, 161,026,441 Rights Shares are expected to be issued pursuant to the Rights Issue.

Based on the Minimum Subscription Scenario, 116,237,830 Rights Shares are expected to be issued pursuant to the Rights Issue.

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to:

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

Please see paragraphs 3 to 7 below.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is unknown on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.
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Offer period	:	Please refer to the section entitled "Indicative Timetable of Key Events" on pages 23 to 24 of this Offer Information Statement for information in relation to the offer period.
Circumstances under which the offer period may be modified	:	As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled "Indicative Timetable of Key Events" on pages 23 to 24 of this Offer Information Statement to be modified. However, the Company may, upon consultation with the Manager and the Underwriter, and (if necessary) with the approval of the SGX-ST and CDP, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at http://www.sgx.com .
Name and address of person to whom purchase or subscription to applications are to be submitted	:	Please refer to Appendices A to C of this Offer Information Statement, and the PAL, the ARE and the ARS for details of the procedures for and the terms and conditions applicable to, acceptance of and/or Excess Applications for, and payment for the Rights Shares, including the names and addresses of the persons to whom the acceptance, application (if any) and payment are to be submitted.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Acceptances should be made in the manner set out in this Offer Information Statement as well as the PAL, the ARE or the ARS to the persons named therein to the following address:

- (a) in the case of Entitled Depositors, by hand to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at 9 NORTH BUONA VISTA DRIVE #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, at the sender's own risk, to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**; and
- (b) in the case of Entitled Scripholders, by post in the self-addressed envelope provided, at the sender's own risk, to **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #11-02, SINGAPORE 068898**.

4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

Applicable procedures for making payment

The Rights Shares and Excess Rights Shares are payable in full upon acceptance and/or application. All payments for Rights Shares and Excess Rights Shares must be made either:

- (a) by way of Electronic Applications in the case of Entitled Depositors or the Purchasers; or
- (b) if the acceptance for Rights Shares and/or application for Excess Rights Shares, as the case may be, is made by sending the relevant completed ARE or ARS to the CDP, then remittance must be attached to the duly completed and signed ARE or ARS, as the case may be, in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore for the full amount payable to "**CDP – YONGNAM RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**". The applicant's name and Securities Account number must be clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft; or

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (c) if the acceptance for Rights Shares and/or application for Excess Rights Shares is made by sending the duly completed PAL to the Share Registrar, payment for the full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**YONGNAM RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the remittance. The completed PAL and form of payment should be addressed and forwarded, at the sender's own risk, to **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #11-02, SINGAPORE 068898.**

The detailed procedures for, the terms and conditions applicable to, acceptances, splitting, renunciation and/or sales of the provisional allotments of the Rights Shares and for the application for Excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices A to C of this Offer Information Statement and in the PAL, the ARE and the ARS.

Time for payment

The last date and time for acceptances of the Rights Shares and/or application for Excess Rights Shares and payment for Rights Shares and/or Excess Rights Shares is on **28 June 2016 at 5.00 p.m.** through CDP or through the Share Registrar (as the case may be) or, in the case of acceptances for Rights Shares and/or application for Excess Applications and payment through an ATM of a Participating Bank, on **28 June 2016 at 9.30 p.m.**

Shareholders are to note that there will be system maintenance on 25th of June 2016, Saturday. As such, Electronic Applications will not be available for the Participating Banks during the aforesaid date.

5. State where applicable, the methods and time limits for:

- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**
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The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 13 June 2016 by crediting the provisional allotments of Rights Shares into the Securities Accounts of the respective Entitled Depositors or through despatch of PALs to Entitled Scripholders.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

In the case of Entitled Scripholders and their renounees with valid acceptances and successful applications of Excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificates representing such number of Rights Shares will be sent by registered post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days from the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the PAL) with valid acceptances and successful applications of Excess Rights Shares and who have furnished valid Securities Account numbers in the relevant form(s), share certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days from the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. It is expected that CDP will then send a notification letter to the relevant subscribers, at the subscribers' own risk, stating the number of Rights Shares that have been credited to their Securities Account.

Please refer to Appendices A to C to this Offer Information Statement and the PAL, the ARE and the ARS for further details.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

7. Provide a full description of the manner in which results of the allotment or allocation of securities are to be made public and, where appropriate, the manner for refunding the excess amounts are paid by applicants (including whether interest will be paid).

Results of Rights Issue

The Company will publicly announce, *inter alia*, the results of the allotment or allocation of the Rights Shares, as soon as practicable after the Closing Date, via a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Manner of refund

If any acceptance of Rights Shares is invalid and/or if no Excess Rights Shares are allotted to Entitled Depositors or if the number of Excess Rights Shares allotted to them is less than that applied for, the amount paid on acceptance, application and/or the surplus application monies, as the case may be, will be returned or refunded by CDP, on behalf of the Company, to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom within three (3) business days after the commencement of trading of the Rights Shares by any one or a combination of the following:

- (a) by crediting their bank accounts with the relevant Participating Banks at their own risk (if they accept and (if applicable) apply by way of an Electronic Application), the receipt by such bank being a good discharge to the Company, CDP and the Manager of their obligations, if any, thereunder; or
- (b) by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses as maintained in the records of CDP (if they accept and (if applicable) apply through CDP).

If any acceptance of Rights Shares is invalid and/or if no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on acceptance, application and/or the surplus application monies, as the case may be, will be returned or refunded to such Entitled Scripholders by the Company without interest or any share of revenue or other benefit arising therefrom within three (3) business days after the commencement of trading of the Rights Shares, by means of a crossed cheque drawn on a bank in Singapore and sent to them at their mailing addresses as maintained with the Share Registrar by ordinary post and at their own risk.

Please also refer to Appendices A to C to this Offer Information Statement for further details on the refunding of excess amounts paid by applicants.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART IV (KEY INFORMATION)

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
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Please see paragraphs 2 to 7 below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
-

In the Maximum Subscription Scenario, the estimated net proceeds from the Rights Issue (after deducting estimated costs and expenses in connection with the Rights Issue of approximately S\$0.7 million) are expected to be approximately S\$33.1 million.

In the Minimum Subscription Scenario, the estimated net proceeds from the Rights Issue (after deducting estimated costs and expenses in connection with the Rights Issue of approximately S\$0.7 million) are expected to be approximately S\$23.7 million.

The above estimated net proceeds for the Minimum Subscription Scenario and Maximum Subscription Scenario shall be referred to as “**Net Proceeds**” as applicable.

All Net Proceeds from the Rights Issue will be received by our Company for allocation to the principal intended uses as set out in paragraph 3 of Part IV (Key Information) of this Offer Information Statement.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
-

The Company intends to utilise the Net Proceeds in both the Minimum Subscription Scenario and the Maximum Subscription Scenario for general working capital purposes.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As and when any significant amount of the proceeds is disbursed or deployed, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report.

Pending the deployment of the Net Proceeds for the use mentioned above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interest of the Group.

The Directors are of the opinion that there is no minimum amount which must be raised from the Rights Issue beyond the amount which will be raised pursuant to the Irrevocable Undertakings by the Undertaking Shareholders and the underwriting arrangement with the Underwriter and taking into consideration the intended use of Net Proceeds as disclosed above.

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- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**
-

As the final proceeds from the Rights Issue cannot be determined as at the Latest Practicable Date, please find below the breakdown based on the gross proceeds in the event of (a) the Minimum Subscription Scenario; and (b) the Maximum Subscription Scenario:

Use of gross proceeds from the Rights Issue	Assuming Minimum Subscription Scenario		Assuming Maximum Subscription Scenario	
	Estimated amount (S\$ million)	Per S\$ of gross proceeds	Estimated amount (S\$ million)	Per S\$ of gross proceeds
General working capital purposes	23.7	0.97	33.1	0.98
Estimated expenses incurred in connection with the Rights Issue	0.7	0.03	0.7	0.02
Total	24.4	1.00	33.8	1.00

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- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
-

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

6. **If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
-

Not applicable. As at the Latest Practicable Date, the Company has no intention to use the Net Proceeds to finance or refinance the acquisition of another business.

7. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
-

Not applicable. The Net Proceeds from the Rights Issue will not be used to discharge, reduce or retire the indebtedness of the Group.

8. **In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or the other placement or selling agents in relation to the offer and the persons making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
-

In consideration of the Underwriter's agreement to partially-underwrite the Rights Issue, the Company will pay the Underwriter an underwriting fee of 3.5% of the aggregate Issue Price ("**Underwriting Fee**") for the total number of the Underwritten Balance Rights Shares in accordance with the terms and conditions of the Management and Underwriting Agreement.

Please refer to paragraph 7 of Part VI (The Offer and Listing) of this Offer Information Statement for further information on the Management and Underwriting Agreement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**

Registered office address and principal place of business	:	51 Tuas South Street 5 Singapore 637644
Telephone number	:	+65 6758 1511
Facsimile number	:	+65 6758 0753

- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

The Company was incorporated under the laws of Singapore in 19 October 1994 under the name of Yong Nam Holdings (Pte) Ltd. On 10 November 1995, it changed its name to Yongnam Holdings (Private) Ltd. The Company was converted to a public company limited by shares on 20 September 1999 and in connection thereto, the Company changed its name to Yongnam Holdings Limited. On 11 October 1999, the Company was admitted to the Official List of the SGX-ST.

The Group is a multi-disciplinary engineering and construction group focusing on three core business activities: structural steelwork, specialist civil engineering and mechanical engineering. With a track record of more than 20 years and a fabrication capacity of 84,000 tonnes of steel per year, the Group is one of the region's leading fabrication specialists. It supplies fabricated steel structures to countries worldwide and provides complete solutions; from structural design to erection of steel structures. In specialist civil engineering, the Group's modular strutting system of support and interchangeable components for cofferdam construction enables it to respond immediately to customers' requests for installing temporary support for excavation works. The Group also provides specialist services in the supply, fabrication and installation of mechanical equipment for chemical plants, refineries and other infrastructure projects.

The principal activity of the Company is that of an investment holding company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Further information on the principal activities of the subsidiaries of the Group as at the Latest Practicable Date are set out as follows:

Name of subsidiary	Country of incorporation and principal place of business	Principal activities	Effective interest held by the Company (%)
Held by the Company			
Yongnam Engineering & Construction (Private) Limited	Singapore	Engineering contractors	100
Yongnam Development Pte Ltd	Singapore	Dormant	100
Yongnam Investment Pte Ltd	Singapore	Dormant	100
Yongnam Engineering Sdn. Bhd.	Malaysia	Engineering contractors	100
Yongnam Engineering & Construction (Thailand) Ltd	Thailand	Engineering contractors	48.4 ⁽¹⁾
Yongnam Steel Work System Engineering (Shanghai) Co., Ltd	People's Republic of China	Dormant	100
Yongnam Steel Work Engineering (JinJiang) Co., Ltd	People's Republic of China	Dormant	100
Yongnam Myanmar Co. Ltd	Myanmar	Dormant	100
Yongnam Engineering & Construction Sdn. Bhd.	Malaysia	Dormant	100
Held through Yongnam Engineering & Construction (Private) Limited			
YNE Project Engineering Pte. Ltd.	Singapore	Engineering contractors	100
Yongnam Engineering (HK) Limited	Hong Kong	Engineering contractors	100
Yongnam Jian Huang Joint Venture	Singapore	Engineering contractors	51

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Name of subsidiary	Country of incorporation and principal place of business	Principal activities	Effective interest held by the Company (%)
Held through YNE Project Engineering Pte. Ltd.			
Jiwa Harmoni Offshore Sdn. Bhd.	Malaysia	Engineering contractors	100

Note:

- (1) The Group holds 48.4% (2013: 48.4%) equity in Yongnam Engineering & Construction (Thailand) Ltd. The Group considers Yongnam Engineering & Construction (Thailand) Ltd as a subsidiary by virtue of the Group having board control. Accordingly, the results and net assets of the subsidiary have been included in the consolidated financial statements.

(c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
-

The significant developments in the business of the Group in chronological order since FY2013 are set out below. The significant developments described in this Section include matters extracted from the related announcements released by the Company via SGXNET and such information presented herein is correct as at the dates of the relevant announcements. Shareholders are advised to refer to the related announcements for further details.

General Developments in FY2013

In January 2013, the Company's American depository receipts commenced trading on the OTCQX. This market platform allowed the Company's shares to trade more easily on an international basis, enabling the Company to diversify its shareholder base, encourage trading liquidity, and improve access to new capital markets.

In March 2013, the Company joined the Consortium to evaluate the requirements of submitting a tender for the HIA Project.

Further in March 2013 and in connection with the above HIA Project, the Company announced that it intended to diversify the Group's business into the business of investing into infrastructural developments in addition to the Group's current core.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

In April 2013, the investment by the Company in the Consortium in connection with the HIA Project and the business diversification of investing into infrastructural developments as mentioned above was approved by Shareholders at an extraordinary general meeting of the Company.

In April 2013, the Consortium submitted a proposal to the Myanmar Department of Civil Aviation (“**DCA**”) for the right to design, construct, operate and maintain Yangon International Airport and its facilities.

In May 2013, the Consortium submitted a proposal to the DCA for the right to design, construct, operate and maintain HIA and its facilities.

In May 2013, the Group signed a S\$130.0 million senior transferable term loan facility. The Group appointed CIMB Bank Berhad, Singapore Branch, DBS Bank Ltd and Oversea-Chinese Banking Corporation Limited as the mandated lead arrangers, with Oversea-Chinese Banking Corporation Limited acting as the mandated coordinator. The mandated lead arrangers and Chinatrust Commercial Bank Co., Ltd, serves as lenders for the S\$130.0 million senior transferable term loan facility, with its final maturity date being five (5) years from the facility agreement dated 28 May 2013.

In June 2013, the Company announced that in respect of its involvement in a project with the Mass Rapid Transit Downtown Line Stage 2 as one of the subcontractors supporting Alpine Bau GmbH, the main contractor, in the supply, lease, installation and removal of steel struts and walers for a cut and cover tunnel and the Tan Kah Kee Station in a subcontract valued at S\$25.0 million, after Alpine Bau GmbH filed for insolvency, the Company estimated its exposure to the insolvency of Alpine Bau GmbH for the remainder of the project to be approximately S\$5.0 million.

In June 2013, the Company secured two (2) new specialist civil engineering subcontracts worth HK\$166.0 million (S\$27.0 million) for works on the Hong Kong Express Link Central-Wan Chai Bypass Tunnel and the Shatin to Central Link of the Hong Kong Mass Transit Railway.

In August 2013, the Company announced that the Consortium had not been successful in its tender bids to design, construct, operate and maintain Yangon International Airport and HIA, and had been named as back-up tenders for both airports.

In November 2013, the Company secured a structural steel subcontract worth S\$168.0 million for works at Marina One, a mixed-use development located at Marina South, Singapore’s new Central Business District. This subcontract was a record win for the Company in terms of value and structural steelwork quantity and brought the Company’s order book to S\$397.0 million.

General Developments in FY2014

In February 2014, the Company announced that the Consortium received an invitation from DCA to enter into negotiation on the design, construction, operation and maintenance of HIA and its facilities.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Also in February 2014, the Company announced that the Consortium was one (1) of four (4) shortlisted consortiums invited by the DCA to resubmit its proposal for the design, construction, operation and maintenance of HIA and its facilities.

In March 2014, the Company secured S\$54.3 million worth of subcontracts in Singapore, involving more than 10,000 tonnes of structural steelwork. These subcontracts included a subcontract for structural steelwork at the upcoming Changi International Airport Terminal 4 and a structural steel subcontract in the redevelopment of the UIC Building along Shenton Way, Singapore.

In April 2014, Mr Goon Kok Loon was appointed as the lead independent Director of the Company with effect from 28 April 2014.

In May 2014, the Company announced that the Commercial Affairs Department had closed the case in which Mr Chia Sin Cheng and Mr Seow Soon Yong were assisting the Commercial Affairs Department in its investigation on possible infringement of Section 218 of the Securities and Futures Act, Chapter 289 of Singapore.

In October 2014, the Company, through its wholly-owned subsidiary, Yongnam Malaysia, entered into a sale and purchase agreement with RHB Trustees Berhad in its capacity as trustee for Axis Real Estate Investment Trust pursuant to which Yongnam Malaysia had agreed to sell, and Axis Real Estate Investment Trust had agreed to purchase, the land and building known as No. 27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, 79200, Nusajaya, Johor, Malaysia (the “**Malaysia Property**”) upon the terms and subject to the conditions of the above sale and purchase agreement. Pursuant to this, Yongnam Malaysia would remain as the tenant of the Malaysia Property for a term of 15 years pursuant to the concurrent execution of a lease agreement entered into between the Axis Real Estate Investment Trust (as lessor) and Yongnam Malaysia (as lessee) which was being held in escrow (the “**Sale and Leaseback Transaction**”).

Also in October 2014, YECL, a wholly-owned subsidiary of Company, secured two (2) new subcontracts for the Thomson-East Coast Line Napier Station and the Thomson-East Coast Line Marina South Station and Tunnels in Singapore. In addition, Yongnam Engineering (HK) Limited, a wholly-owned subsidiary of the Company, had secured a subcontract for a temporary steel bridge in Hong Kong. The combined value of the contracts was S\$76.6 million.

Further in October 2014, in connection with the HIA Project, the Consortium was selected as the successful tenderer by Myanmar’s Department of Civil Aviation for the design, construction, operation and maintenance of HIA and its facilities on the basis of a public-private partnership agreement for a 30-year concession period.

In November 2014, YECL, a wholly-owned subsidiary of the Company, secured new contracts in Singapore worth a combined S\$93.1 million. These included structural steelwork for Project Jewel, a mixed-use complex located on a 35,000 square metres plot in the heart of Changi Airport, a contract for the fabrication of steel components for jack-up structures in the offshore sector and contracts for the supply of kingposts for the Thomson-East Coast Mass Rapid Transit Line.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

In November 2014, the Sale and Leaseback Transaction in relation to the Malaysia Property was approved by Shareholders at an extraordinary general meeting of the Company.

In December 2014, Yongnam Engineering (HK) Limited., a wholly-owned subsidiary of the Company, secured a specialist civil engineering contract in Hong Kong for the Central-Wan Chai Bypass Tunnel development. Another wholly-owned subsidiary, YECL, had also secured a mechanical engineering contract for Addition & Alteration works for the Trisonic Wind Tunnel in Singapore. The combined value for the two contracts was S\$22.8 million.

In December 2014, the Company decided to exit from OTCQX as the Company's initial objectives of listing in the OTCQX did not materialise.

Further in December 2014, the Company completed the Sale and Leaseback Transaction in relation to the Malaysia Property.

General Developments in FY2015

In March 2015, YECL formed a 51%:49% joint venture with Jian Huang Construction Co. Pte Ltd (the "**JV**"), and the JV had secured a S\$159.0 million contract for the JTC Food Hub @ Senoko. This project would see the JV undertake the building and development of a new seven-storey ramp-up development in the Senoko Food Zone. Construction work on this project was expected to commence from March 2015, with completion slated for the first half of 2017.

Further in March 2015, the Company announced a share consolidation of every four (4) existing issued ordinary shares in the capital of the Company held by Shareholders into one (1) ordinary Share ("**2015 Share Consolidation**").

In April 2015, the 2015 Share Consolidation was approved by Shareholders at an extraordinary general meeting of the Company. The 2015 Share Consolidation was completed in May 2015.

Further in May 2015, the Company had established a wholly-owned subsidiary in Malaysia, namely, YECSB, with an initial paid-up capital of RM2.00 only. The principal activity of the newly set up subsidiary was related to those of engineering detailing, fabrication and erection of structural steel works, mechanical and specialised civil engineering.

In September 2015, YECSB entered into a conditional sale and purchase agreement with Vee Sen Property Sdn Bhd pursuant to which YECSB would purchase three (3) pieces of adjacent freehold industrial lands located at Ulu Choh, Pontian, Johor, Malaysia from Vee Sen Property Sdn Bhd.

In December 2015, the Company established a wholly-owned subsidiary in Myanmar, namely, Yongnam Myanmar Company Limited, with an initial paid-up capital of US\$25,000. The principal activity of the newly set up subsidiary was related to those of design consultancy and project management services.

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General Developments between 1 January 2016 and the Latest Practicable Date

In February 2016, the Consortium signed a framework agreement with Myanmar's Department of Civil Aviation for the design, construction and management of HIA on the basis of a public-private partnership. This marked an important step towards the eventual inking of the HIA concession agreement. The HIA was estimated to be completed in 2022 and the Company holds a 25.0% interest in the Consortium.

Further in February 2016, the Group was awarded four (4) contracts worth a total of S\$69.8 million for projects in Singapore and the Middle East. The contracts included two (2) structural steelwork subcontracts in Singapore for work to be carried out on Jewel Changi Airport and the redevelopment of Robinson Tower; and two (2) contracts for the Middle East market involving the supply and fabrication of heat recovery steam generator non-pressure parts for two (2) power plants in Qatar and Egypt respectively.

In March 2016, the Group secured two (2) contracts worth a combined total of S\$49.5 million. The two (2) projects included a structural steelwork sub-contract for the proposed 19-storey mixed-use development which houses the future Outram Community Hospital in Singapore, and a specialist civil engineering sub-contract for the Hong Kong Mass Transit Railway Shatin to Central Line Cross Harbour Tunnel.

Furthermore, in March 2016, the Company announced that additional provisions amounting to \$11.0 million relating to the Singapore Sports Hub project has been made for FY2015.

In June 2016, the Group secured two (2) contracts worth a combined total of S\$29.6 million. The two (2) projects consists of a fast-tracked design and build contract for light industrial developments at 1 & 3 Kallang Junction in Singapore, and a specialist civil engineering contract for infrastructure works at the Kai Tak Development in Hong Kong.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

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As at the Latest Practicable Date, the share capital and loan capital of the Company comprise:

Issued and paid-up share capital	:	S\$96,379,119
Number of ordinary shares in issue (excluding treasury shares)	:	316,735,383
Number of treasury shares	:	Nil.
Loan capital which have been issued and remain outstanding	:	Nil.

(e) where –

- (i) the relevant entity is a corporation, state the number of shares of the relevant entity owned by each substantial shareholder as at the Latest Practicable Date; or
- (ii) the relevant entity is not a corporation, state the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the Latest Practicable Date;

The Substantial Shareholders and their interests as at the Latest Practicable Date, as recorded in the Register of Substantial Shareholders kept by the Company under Section 88 of the Companies Act are as follows:

	Direct interest		Deemed interest		No. of outstanding Share Options
	No. of Shares	%	No. of Shares	%	
Substantial Shareholders					
Seow Soon Yong	31,934,980	10.08	4,082,108 ⁽¹⁾	1.29	9,275,000
Delta Lloyd Asset Management NV	–	–	31,279,899 ⁽²⁾	9.88	N.A.

Notes:

- (1) Mr Seow Soon Yong holds 50.0% of the share capital of Yongnam Private Limited and is accordingly deemed interested in the Shares held by Yongnam Private Limited.
- (2) Delta Lloyd Asset Management NV is deemed to be interested in ordinary shares held by Delta Lloyd Azie Deelnemingen Fonds N.V. (custodian being KAS Bank N.V.) and Delta Lloyd L Asian Participation Fund (custodian being Banque de Luxembourg S.A.) by virtue of Section 7 of the Companies Act.

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- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the twelve (12) months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;
-

Save as disclosed in this Offer Information Statement and in all public announcements made by the Company via SGXNET, as at the date of lodgement of this Offer Information Statement, our Directors are not aware of any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the twelve (12) months preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Group taken as a whole.

- (g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the Latest Practicable Date:—
- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or
 - (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests;
-

No securities or equity interests have been issued for cash or services within the twelve (12) months immediately preceding the Latest Practicable Date.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years before the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.
-

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A summary of the material contracts, not being contracts entered into in the ordinary course of business, entered into by the Group during the two (2) years immediately preceding the date of lodgement of this Offer Information Statement is set out below:

- (a) a conditional sale and purchase agreement dated 3 October 2014 between Yongnam Malaysia (as vendor), and RHB Trustees Berhad (as purchaser) in relation to the sale of the land and building known as No. 27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, 79200, Nusajaya, Johor, Malaysia;
- (b) a lease agreement dated 3 October 2014 between RHB Trustees Berhad (as lessor) and Yongnam Malaysia, a wholly-owned subsidiary of the Company (as lessee) in respect of the land and building known as No. 27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, 79200, Nusajaya, Johor, Malaysia;
- (c) a sale and purchase agreement dated 1 September 2015 between Vee Sen Property Sdn Bhd (as vendor) and YECSB (as purchaser) in relation to the purchase of three (3) pieces of adjacent freehold industrial land located at Ulu Choh, Pontian, Johor, Malaysia; and
- (d) the Management and Underwriting Agreement.

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PART V (OPERATING AND FINANCIAL REVIEW AND PROSPECTS)

1. Provide selected data from –
 - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.
 2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and in addition include the following items:
 - (a) dividends declared per share in both currency of the financial statements and the Singapore currency, including the formula used for any adjustments to dividends declared;
 - (b) earnings or loss per share; and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.
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The audited consolidated income statements of the Group for FY2013, FY2014, FY2015 and the unaudited consolidated income statements of the Group for 1Q2015 and 1Q2016 are set out below:

Consolidated income statement

	← Audited →			← Unaudited →	
	FY2013 S\$'000	FY2014 S\$'000	FY2015 S\$'000	1Q2015 S\$'000	1Q2016 S\$'000
Revenue	361,636	212,083	269,618	65,977	73,766
Cost of sales	(323,490)	(244,659)	(249,935)	(59,980)	(65,150)
Gross (loss)/profit	38,146	(32,576)	19,683	5,997	8,616
Other income	265	33,232	539	343	310
General and administrative expenses	(31,082)	(15,078)	(18,967)	(3,985)	(5,616)
Finance income	28	52	152	142	2
Finance costs	(3,007)	(4,639)	(5,545)	(1,454)	(1,711)
(Loss)/Profit before taxation	4,350	(19,009)	(4,138)	1,043	1,601
Taxation	1,189	10,518	1,443	(310)	109
Net (loss)/profit for the year	5,539	(8,491)	(2,695)	733	1,710
Attributable to equity holders of the Company	5,539	(8,491)	(3,340)	733	1,169
Attributable to non-controlling interest	–	–	645	–	541
Dividend per share (cents) ⁽¹⁾	2.4	–	–	–	–
Earnings per share (cents) before the Rights Issue					
– Basic	1.75	(2.68)	(1.05)	0.23	0.37
– Diluted	1.72	(2.65)	(1.05)	0.23	0.37
<u>Assuming Minimum Subscription Scenario</u>					
Earnings per share (cents) ⁽²⁾ after adjusting for the Rights Issue					
– Basic	1.28	(1.96)	(0.77)	0.17	0.27
– Diluted	1.26	(1.95)	(0.77)	0.17	0.27
<u>Assuming Maximum Subscription Scenario</u>					
Earnings per share (cents) ⁽²⁾ after adjusting for the Rights Issue					
– Basic	1.15	(1.76)	(0.69)	0.15	0.24
– Diluted	1.15	(1.76)	(0.69)	0.15	0.24

Notes:

- (1) With adjustments made retrospectively due to the share consolidation of every four (4) Shares into one (1) Share in the capital of the Company.
- (2) Calculated based on the weighted average number of Shares of all the Shares in FY2013, FY2014, FY2015, 1Q2015 and 1Q2016, with adjustments made retrospectively due to the share consolidation of every four (4) Shares into one (1) Share in the capital of the Company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

3. In respect of –

- (a) each financial year (being one of the three (3) most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

FY2014 vs FY2013

The Group's revenue for FY2014 decreased 41.4% to S\$212.2 million from S\$361.6 million in FY2013. This is largely due to the completion of major projects and final revenue recognition of the Marina Coastal Expressway contracts at the end of FY2013, and the Singapore Sports Hub at the end of the first quarter of FY2014, as well as the slow start of new projects such as Marina One and Changi Airport Terminal 4, resulting in a lower level of fabrication and erection activities in FY2014. Consequently, the Group's fixed production and overhead costs could not be sufficiently absorbed. In addition, lower margin projects coupled with provisions made in anticipation of lower variation orders for certain projects contributed negatively to the Group's gross profit margin, and when combined with lower level of activities resulted in a gross loss of S\$32.6 million in FY2014.

Other income of S\$33.2 million in FY2014 mainly relates to a one-off gain on disposal of a Malaysian property. The Group reported general and administrative expenses of S\$15.1 million in FY2014, which is S\$2.8 million lower than the general and administrative expenses of S\$17.9 million in FY2013 (excluding a one-off S\$8.1 million loss on disposal of fixed assets and a S\$5.1 million provision made on amounts owing from an insolvent main contractor). The reduction was mainly due to lower staff costs and professional fees incurred in FY2014. Finance costs increased from S\$3.0 million to S\$4.6 million in FY2014 due to higher borrowings, bank interest and charges. Consequently, the Group recorded a net loss after tax of S\$8.5 million, compared to a net profit after tax of S\$5.5 million for FY2013.

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FY2015 vs FY2014

The Group's revenue for FY2015 increased 27.1% to S\$269.6 million from S\$212.2 million in FY2014 mainly due to higher contribution from the structural steelworks business segment. Revenue from the structural steelworks business segment increased 50.6% to S\$177.1 million in FY2015 due to contributions from projects including Marina One, Changi Terminal 4 and Senoko Food Hub, while revenue from the specialist civil engineering business segment decreased 9.0% to S\$86.0 million in FY2015, mainly due to the substantial completion of MRT Downtown Line 2 by end of FY2014. Revenue contribution from the mechanical engineering business segment was S\$5.8 million, largely due to the Singapore Wind Tunnel Facility projects.

The Group reported a gross profit of S\$19.7 million in FY2015, reversing the gross loss of S\$32.6 million in FY2014. The improved margins were mainly due to better margins achieved from ongoing projects in FY2015, save for the provision of S\$11.0 million made for the Singapore Sports Hub project. In addition, gross profit in FY2014 was impacted by provisions made for certain projects.

Consequently, the Group reported a net loss after tax of S\$2.7 million in FY2015 (net loss after tax was S\$8.5 million in FY2014).

1Q2016 (unaudited) vs 1Q2015 (unaudited)

The Group's revenue increased by 11.8% to \$73.8 million for 1Q2016 as compared to \$66.0 million in 1Q2015, mainly due to higher contributions from the Group's structural steelwork and mechanical engineering business activities.

The Group's gross profit increased by 43.7%, from \$6.0 million to \$8.6 million due to better margins from on-going projects. Gross profit margin of the Group also improved from 9.1% to 11.7%.

General and administrative expenses increased from \$4.0 million in 1Q2015 to \$5.6 million in 1Q2016, mainly due to higher staff and associated bidding costs from the newly set-up division, design and build and tender, of the Group. Finance costs increased marginally, from \$1.5 million to \$1.7 million, due to higher bank charges and interests.

Consequently, the Group reported a net profit of \$1.7 million in 1Q2016, an increase of nearly 1.5 times from \$0.7 million in 1Q2015.

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4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of:
- (a) the most recent completed financial year for which audited financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.
5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

Statement of financial position

	Audited FY2015 S\$'000	Unaudited 1Q2016 S\$'000
Non-current assets		
Property, plant and equipment	307,410	306,446
Investment in joint venture	1,468	1,468
Other investment	140	140
	309,018	308,054
Current assets		
Inventories	50,121	51,823
Gross amount due from customers for contract work-in-progress	123,171	131,323
Trade receivables	31,032	29,761
Other receivables and deposits	16,365	14,999
Prepayments	2,576	2,240
Cash and cash equivalents	8,095	8,220
	231,360	238,366
Total assets	540,378	546,420

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	Audited FY2015 S\$'000	Unaudited 1Q2016 S\$'000
Current liabilities		
Gross amount due to customers for contract work-in-progress	10,371	11,495
Trade payables	61,461	66,757
Other payables and accruals	9,865	14,726
Borrowings	69,675	69,307
Hire purchase creditors	4,513	3,959
Provision for taxation	815	1,027
	<hr/> 156,700	<hr/> 167,271
Net current assets/(liabilities)	74,660	71,095
Non-current liabilities		
Borrowings	65,000	60,000
Hire purchase creditors	3,216	3,584
Deferred taxation	18,089	17,650
	<hr/> 86,305	<hr/> 81,234
Net assets	<hr/> 297,373	<hr/> 297,915
Equity		
Share capital	96,379	96,379
Capital reserves	6,837	6,837
Share option reserve	12,800	12,800
Foreign currency translation reserve	(4,647)	(5,815)
Retained earnings	185,359	186,528
Non-controlling interest	645	1,186
Total equity	<hr/> 297,373	<hr/> 297,915
NAV before Rights Issue		
Number of shares ('000)	316,735	316,735
NAV per share (cents) ⁽¹⁾	93.68	93.68
<u>Assuming Minimum Subscription Scenario</u>		
Number of Shares after Rights Issue ('000)	432,973	432,973
NAV after Rights Issue (S\$'000)	320,438	320,439
NAV per Share after Rights Issue (cents)	74.01	74.01
<u>Assuming Maximum Subscription Scenario</u>		
Number of Shares after Rights Issue ('000)	483,079	483,079
NAV after Rights Issue (S\$'000)	334,175	334,176
NAV per Share after Rights Issue (cents)	69.18	69.18

Note:

(1) Calculated based on the weighted average number of Shares of 316,735,383 Shares in FY2015 and 1Q2016.

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6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:
- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.
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Consolidated statement of cash flows

	Audited	Unaudited
	FY2015	1Q2016
	S\$'000	S\$'000
Cash flow from operating activities		
(Loss)/profit before taxation	(4,138)	1,601
Add/(less):		
Depreciation on property, plant and equipment	27,441	6,791
Consumption allowance for steel beams and columns	4,844	1,669
Finance income	(152)	(2)
Finance costs	5,545	1,711
Write-back of steel materials	(24)	–
Allowance/(Write-back) of receivables	2,160	–
Loss/(Gain) on disposal of property, plant and equipment	2,799	6
Effects of changes in foreign exchange	(542)	700
Operating cash flows before changes in working capital	37,933	12,476
Decrease in trade and other receivables	(19,775)	(9,562)
Decrease in trade and other payables	4,232	3,028
Decrease/(increase) in steel materials and work-in-progress	(2,950)	7,133
Cash flows generated from operations	19,440	13,075
Income tax refund/(paid)	(39)	25
Interest received	152	2
Interest paid	(5,545)	(1,711)
Net cash flows generated from operating activities	14,008	11,391

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	Audited	Unaudited
	FY2015	1Q2016
	S\$'000	S\$'000
Cash flows from investing activities		
Payments for property, plant and equipment	(23,963)	(5,495)
Proceeds from disposal of property, plant and equipment	52,106	371
Net cash flows generated from/(used in) investing activities	28,143	(5,124)
Cash flows from financing activities		
Proceeds from borrowings	9,096	3,807
Repayment of borrowings	(41,222)	(8,500)
Payments for hire purchase instalments	(8,044)	(1,449)
Net cash flows (used in)/from financing activities	(40,130)	(6,142)
Net (decrease)/increase in cash and cash equivalents	2,021	125
Effect of exchange rate changes on cash and cash equivalents	85	-
Cash and cash equivalents at beginning of year	5,989	8,095
Cash and cash equivalents at end of year	8,095	8,220

Review of cash flows for FY2015

Cash and cash equivalents increased by S\$2,021,000 in FY2015 because:

Net cash flow generated from operating activities

The Group has generated net cash flow from operating activities of S\$14.0 million in FY2015. This comprised of operating cash flow before working capital changes of S\$37.9 million, and adjusted for net working capital outflows of S\$18.5 million and income tax and interest payment of S\$5.4 million.

Net cash flow generated from investing activities

The Group had net cash flows generated from investing activities of S\$28.1 million mainly due to disposal of the Company's factory in Malaysia.

Net cash flow used in financing activities

The Group had net cash flows used in financing activities of S\$40.1 million mainly due to repayment of borrowing and hire purchase instalments.

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Review of cash flows for 1Q2016

Cash and cash equivalents increased by S\$125,000 in 1Q2016 because:

Net cash flow generated from operating activities

The Group has generated net cash flow from operating activities of S\$11.4 million in 1Q2016. This comprised of operating cash flow before working capital changes of S\$12.5 million, and adjusted for net working capital inflows of S\$0.6 million and income tax and interest payment of S\$1.7 million.

Net cash flow generated from investing activities

The Group had net cash flows generated from investing activities of S\$5.1 million mainly due to purchases of the Company's property, plant and equipment.

Net cash flow used in financing activities

The Group had net cash flows used in financing activities of S\$6.1 million mainly due to repayment of borrowing and hire purchase instalments.

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7. **Provide a statement by the directors or equivalent persons of the relevant entity whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary, is proposed to be provided.**
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Our Directors are of the opinion that, after taking into account the Group's internal cash resources, operating cash flows, existing banking facilities and Net Proceeds (based on the Minimum Subscription Scenario), the Group's working capital as at the date of lodgement of this Offer Information Statement is sufficient to meet its present funding requirements.

8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide:**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan; and**
 - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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The Group has breached one of the bank covenants, i.e. the debt service coverage ratio, associated with a club bank loan. The Group has obtained approval from club banks on waiver of breach of the covenant on 24 May 2016.

Save as disclosed in this Offer Information Statement and in all public announcements made by the Company via SGXNET, as at the Latest Practicable Date and to the best of the Directors' knowledge, the Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investment by holders of securities in the Company.

Trend Information and Profit Forecast or Profit Estimate

- 9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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The challenging business environment experienced in FY2015 is expected to continue into FY2016. While fewer large-scale commercial developments are expected, investments from governments in infrastructural projects in Singapore and the region are expected to remain strong. Even though construction of the upcoming Thomson-East Coast Line of the Singapore Mass Rapid Transit System has only recently commenced, planning for new rail projects such as the Cross Island Line, Jurong Region Line, Circle Line 6 and the North-East Line Extension are already underway by the Singapore Government. Also on the horizon is the long-awaited 21.5 km North-South Corridor, an expressway connecting towns in northern Singapore to its city centre. In Hong Kong, the Mass Transit Rail System is still undergoing expansion, as well as other road projects to enhance the transport network in Hong Kong. Opportunities in the Middle-East include expansion of the Dubai Metro with new stations to be added to both its Red and Green Lines in preparation for the World Expo to be held in Dubai in 2020, stadiums and other infrastructure for the 2022 World Cup in Qatar, and public sector projects in the UAE and Saudi Arabia.

The Group has undertaken several initiatives to make its business model more robust in view of the increasingly challenging business environment. Riding on its A1 Grading in both the General Building and Civil Engineering categories obtained from the Singapore Building and Construction Authority in FY2014, the Group has selectively partnered established main contractors to bid for infrastructural projects.

A significant milestone for the HIA Project in Myanmar was reached with the signing of a framework agreement with the Myanmar authorities on 30 January 2016. The Group, as part of a consortium comprising JGC Corporation and Changi Airports International Pte Ltd, will hold further discussions with Myanmar's Department of Civil Aviation for the realisation of this landmark project. Planned for completion by 2022, the HIA project will be partially funded by the Official Development Assistance (ODA) loan from the Japanese government.

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The Group will also continue to focus on tapping on opportunities presented by the infrastructure sector in Singapore and the region, backed by the Group's strong track record and expertise accumulated over the years. In Singapore, the BCA expects S\$27 billion to S\$34 billion worth of construction contracts to be awarded in 2016, with about 65.0% to come from the public sector. The Group is currently in active pursuit of S\$1.0 billion worth of new infrastructural and commercial projects in Singapore, Hong Kong, Malaysia and the Middle East.

Save as disclosed in this Offer Information Statement and in all public announcements made by the Company via SGXNET, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

-
- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

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- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

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- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
-

Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

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- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:**
-

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
 - (b) a statement by an auditor of the relevant party, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.
-

Not applicable. No profit forecast or profit estimate has been disclosed in this Offer Information Statement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

15. Disclose any event that has occurred from the end of:

- (a) the most recent completed financial year for which financial statements have been published; or**
- (b) if interim financial statements have been published for any subsequent period, that period,**

to the latest practicable date which may have a material effect on the financial position and results of the relevant party or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement and as disclosed by the Company on the SGXNET, our Directors are not aware of any event which has occurred since 31 March 2016 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

Meaning of “published”

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VI (THE OFFER AND LISTING)

Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**
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The Issue Price for each Rights Share is S\$0.21, payable in full on acceptance and/or application.

The expenses incurred by the Company in the Rights Issue will not be specifically charged to subscribers of the Rights Shares. The Company understands, based on information from the Participating Banks, that an administrative fee will be incurred for each successful application made through the ATMs of the respective Participating Banks. Such administrative fee shall be borne by the subscribers of the Rights Shares.

- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Not applicable. The Rights Shares shall be traded on the Official List of the SGX-ST.

- 3. If –**
 - (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" on pages 25 to 29 of this Offer Information Statement for further details.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange:
- (a) in a case where the first-mentioned securities have been listed for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
 - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
 - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
 - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

-
- (a) The highest and lowest traded prices and volume of the Shares traded on the SGX-ST over the last twelve (12) months immediately preceding the Latest Practicable Date and for the period from 1 June 2016 to the Latest Practicable Date are as follows:

	Share Price (S\$)		Volume ⁽⁴⁾
	High ⁽²⁾	Low ⁽³⁾	
June 2015	0.575	0.400	3,753,700
July 2015	0.440	0.385	1,939,800
August 2015	0.400	0.350	3,215,400
September 2015	0.405	0.375	1,652,900
October 2015	0.410	0.390	2,398,200
November 2015	0.400	0.380	2,582,700

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

	Share Price (S\$)		Volume ⁽⁴⁾
	High ⁽²⁾	Low ⁽³⁾	
December 2015	0.380	0.350	1,076,900
January 2016	0.390	0.310	2,283,700
February 2016	0.365	0.325	3,493,084
March 2016	0.400	0.335	10,914,900
April 2016	0.380	0.345	4,809,600
May 2016	0.350	0.320	1,973,100
1 June 2016 to the Latest Practicable Date	0.335	0.250	4,024,200

Source: Bloomberg⁽¹⁾

Notes:

- (1) *Bloomberg L.P.* has not consented to the inclusion of the prices quoted under this section and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company, the Manager and the Underwriter have included the above information in their proper form and context in this Offer Information Statement and have not verified the accuracy of these statements.
 - (2) Based on the highest market price for the Shares in a particular month/period.
 - (3) Based on the lowest market price for the Shares in a particular month/period.
 - (4) Based on the total volume of the Shares traded in a particular month/period.
- (b) Not applicable as the Shares have been listed and quoted for more than twelve (12) months immediately preceding the Latest Practicable Date.
 - (c) Save for the temporary trading halt requested on 29 October 2014 to cater for the release of announcement by the Company over the SGXNET in accordance with the requirements of the Listing Manual, there has been no trading suspension that has occurred on the Official List of the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.
 - (d) The Shares are regularly traded on the Official List of the SGX-ST.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
 - (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.
-

Not applicable as the Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Rights Shares are to be issued pursuant to the share issue mandate granted to the Directors at the Annual General Meeting of the Company held on 29 April 2016.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.
-

Number of Rights Shares : Based on the Maximum Subscription Scenario, 161,026,441 Rights Shares are expected to be issued pursuant to the Rights Issue.

Based on the Minimum Subscription Scenario, 116,237,830 Rights Shares are expected to be issued pursuant to the Rights Issue.

Basis of provisional allotment : The Rights Issue is made on a renounceable partially-underwritten basis, based on one (1) Rights Share for every two (2) existing Shares held by the Entitled Shareholders as at the Books Closure Date.

Fractional entitlements to Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for Excess Rights Shares (if any), or disposed of, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of any Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. The Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Issue Price : S\$0.21 per Rights Share

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Entitled Shareholders : Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or (in the case of Entitled Depositors) trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors will be able to trade their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST. **For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or renounees of Entitled Shareholders) shall be entitled to apply for Excess Rights Shares.**

Fractional entitlements to the Rights Shares, if any, have been disregarded in arriving at the entitlements of Entitled Shareholders and will, together with such Rights Shares that are not validly taken up by Entitled Shareholders, the original allottees or their respective renounee(s) or the Purchasers, any unsold "nil-paid" provisional allotments of Rights Shares of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions contained in the PAL, the ARE, the ARS and/or any other application form for Rights Shares, be aggregated and issued to satisfy applications for Excess Rights Shares (if any) or otherwise disposed of or otherwise dealt with in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit.

The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence over the Company in connection with its day to day affairs or the terms of the Rights Issue or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of the Excess Rights Shares.

The Rights Shares are not offered through the selling efforts of any broker or dealer, other than the Manager and/or the Underwriter.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Foreign Shareholders : As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, Foreign Shareholders will not be entitled to participate in the Rights Issue subject to and upon the terms and conditions set out in this Offer Information Statement.

Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” on pages 25 to 29 of this Offer Information Statement for further details.

Terms and conditions : The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, including the Appendices to this Offer Information Statement, the PAL, the ARE and the ARS.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

The Underwriter has agreed, on and subject to the terms and conditions of the Management and Underwriting Agreement, to partially-underwrite the Rights Issue, i.e. the Underwritten Balance Rights Shares, for an Underwriting Fee of 3.5% of the aggregate Issue Price of the Underwritten Balance Rights Shares.

The obligations of the Underwriter to underwrite the Underwritten Balance Rights Shares are conditional upon, *inter alia*, the following:

- (a) the lodgement of the Offer Information Statement with the Authority pursuant to Section 277 of the Securities and Futures Act;
- (b) the Listing Approval remaining in full force and effect, and there not occurring any withdrawal, revocation or adverse modification of the Listing Approval and if such approval is subject to conditions, such conditions being reasonably satisfactory to the Company, the Manager and the Underwriter;
- (c) each of the Irrevocable Undertakings having been duly executed and delivered and remaining in full force and effect and there not having been any breach or non-compliance (whether in whole or in part) by any of the parties to such agreements and/or undertakings (other than the Manager and the Underwriter) of their respective obligations thereunder in any material respect; and
- (d) there having been no breach of the representations, warranties or undertakings provided for in the Management and Underwriting Agreement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

In addition, subject to the terms and conditions of the Management and Underwriting Agreement, the Underwriter is entitled to terminate the Management and Underwriting Agreement upon the occurrence of certain events, including the following:

- (i) there occurs any breach of, or any event rendering untrue, misleading or incorrect in any respect (or in the case of any representation or warranty which is not qualified by materiality, in any material respect) any of the warranties, representations and undertakings contained in the Management and Underwriting Agreement;
- (ii) any change in the capital or long-term debt of the Company and the Group, or any change, or any development involving a prospective change, which will have a Material Adverse Effect on the business, financial condition or results of operations of the Company and the Group, taken as a whole;
- (iii) any material and adverse change, crisis or any development likely to lead to a material and adverse change or crisis, in national or international monetary, financial, economic or political conditions (including but not limited to conditions in any stock market, foreign exchange market or money market or inter-bank market both in Singapore and overseas, international outbreak of hostilities, terrorist attacks or outbreak of any virulent disease or epidemic) or foreign exchange controls or the occurrence of any combination of any of the foregoing which in the reasonable opinion of the Manager and/or Underwriter exercised in good faith and after consultation with the Company would be likely to materially and adversely prejudice or affect the success of the Rights Issue, or the distribution or sale of the Rights Shares whether in the primary or secondary market; and
- (iv) any change in or introduction of or any prospective change in or any prospective introduction of any legislation, regulation, directive, policy, guideline or interpretation or application thereof in any relevant jurisdiction which, in the reasonable opinion of the Underwriter exercised in good faith and after consultation with the Company, materially and adversely affects or is likely to materially and adversely affect the business or operations of the Group and which in the reasonable opinion of the Manager and/or Underwriter and after consultation with the Company would be likely to materially and adversely prejudice or affect the success of the Rights Issue, or the distribution or sale of the Rights Shares whether in the primary or secondary market.

Any termination of the Management and Underwriting Agreement pursuant to, *inter alia*, the above provisions by the Underwriter which is exercised after the Ex-Rights Trading Date shall not take effect without the approval of the SGX-ST.

All Entitled Shareholders and persons subscribing for Rights Shares agree and acknowledge that in the event the Rights Issue is cancelled for any reason and the Rights Shares have been issued, the Company may have to carry out a capital reduction and/or the purchase of Rights Shares issued under the Rights Issue. However, such capital reduction and/or purchase of Rights Shares is subject to compliance with applicable laws, regulations and the requirements of any competent authority including the SGX-ST and the Authority.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VII (ADDITIONAL INFORMATION)

Statement by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
-

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

Consents from Issue Managers and Underwriters

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) in the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

The Manager has given, and has not, before the lodgement of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as Manager of the Rights Issue.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Underwriter has given, and has not, before the lodgement of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as Underwriter of the Rights Issue.

- 5. Include particulars of any other matters not disclosed under any paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity’s business, operations or financial position or results; or**
 - (b) investments by holders of securities in the relevant entity.**
-

Save as disclosed in this Offer Information Statement and to the best of our Directors’ knowledge, our Directors are not aware of any other matter which could materially affect, directly or indirectly:

- (a) the Company’s business operations or financial position or results; or
- (b) investments by holders of securities in the Company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VIII (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES)

Not applicable.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART IX (ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES)

Not applicable.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART X (ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE)

1. Provide –

- (a) the particulars of the rights issue;**
 - (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**
 - (c) the last day and time for acceptance and payment for the securities to be issued pursuant to the rights issue;**
 - (d) the last day and time for the renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;**
 - (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue.**
-

(a) Particulars of the Rights Issue:

Number of Rights Shares : Based on the Maximum Subscription Scenario, 161,026,441 Rights Shares are expected to be issued pursuant to the Rights Issue.

Based on the Minimum Subscription Scenario, 116,237,830 Rights Shares are expected to be issued pursuant to the Rights Issue.

Basis of provisional allotment : The Rights Issue is made on a renounceable partially underwritten basis, based on one (1) Rights Share for every two (2) existing Shares held by the Entitled Shareholders as at the Books Closure Date.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Fractional entitlements to Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for Excess Rights Shares (if any), or disposed of, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of any Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. The Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of our Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

Issue Price : S\$0.21 for each Rights Share, payable in full on acceptance and/or application.

The Issue Price represents a discount of approximately:

- (i) 37.3% to the closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016, being the date of the announcement of the Rights Issue; and
- (ii) 28.4% to the theoretical ex-Rights trading price of S\$0.293 per Share, calculated based on the closing price of S\$0.335 per Share on the SGX-ST on 1 June 2016 and assuming that the maximum number of Rights Shares are issued under the Maximum Subscription Scenario pursuant to the Rights Issue.

Status of Rights Shares : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls on or before the date of allotment and issue of the Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- Eligibility to participate in the Rights Issue** : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” on pages 25 to 29 of this Offer Information Statement for further details.
- Listing of the Rights Shares** : The SGX-ST had on 1 June 2016 granted the approval-in-principle for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST. The Listing Approval is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.
- Trading of the Rights Issue** : Upon the listing of and quotation for the Rights Shares on the Official List of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. For the purpose of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.
- Acceptance, Excess Application and payment procedures** : Please refer to Appendices A to C of this Offer Information Statement, and the PAL, the ARE or the ARS.
- Net Proceeds** : In the Maximum Subscription Scenario, the estimated net proceeds from the Rights Issue (after deducting estimated costs and expenses in connection with the Rights Issue of approximately S\$0.7 million) are expected to be approximately S\$33.1 million.
- In the Minimum Subscription Scenario, the estimated net proceeds from the Rights Issue (after deducting estimated costs and expenses in connection with the Rights Issue of approximately S\$0.7 million) are expected to be approximately S\$23.7 million.
- Use of Net Proceeds** : The Company intends to utilise the Net Proceeds in both the Minimum Subscription Scenario and Maximum Subscription Scenario for general working capital purposes.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As and when any significant amount of the Net Proceeds is disbursed or deployed, the Company will make the necessary announcements on SGXNET and subsequently provide a status report on the use of such proceeds in its annual report.

Pending the deployment of the Net Proceeds for the use mentioned above, the Net Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interest of the Group.

The Directors are of the opinion that there is no minimum amount which must be raised from the Rights Issue beyond the amount which will be raised pursuant to the Irrevocable Undertakings by the Undertaking Shareholders and the underwriting arrangement with the Underwriter and taking into consideration the intended use of Net Proceeds as disclosed above.

- Undertaking Shareholders** : To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have provided Irrevocable Undertakings as follows:
- (a) Mr Seow Soon Yong has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
 - (i) not to, directly or indirectly, exercise any of his 9,275,000 outstanding Share Options to subscribe for any Shares during the Rights Issue Period;
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 31,934,980 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date;

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (iii) to subscribe and pay for in full such number of Rights Shares representing his Pro Rata Rights Shares, in accordance with the terms and conditions of the Rights Issue; and
 - (iv) in addition to the Pro Rata Rights Shares, to subscribe and pay for in full for any excess Rights Shares not taken up by the Entitled Shareholders (other than Mr Chia Sin Cheng) of up to an aggregate of 37,127,748 Rights Shares, in accordance with the terms and conditions of the Rights Issue; and
- (b) Mr Chia Sin Cheng has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
- (i) not to, directly or indirectly, exercise any of his 3,712,500 outstanding Share Options to subscribe for any Shares during the Rights Issue Period;
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 2,475,663 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date; and
 - (iii) to subscribe and pay for in full such number of Rights Shares representing all of the Rights Shares under the Rights Issue in relation to the Shares directly held by him as at the Books Closure Date, in accordance with the terms and conditions of the Rights Issue.

Please refer to paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by Way of Rights Issue) of this Offer Information Statement for further details on the Undertaking Shareholders.

Underwriting

- : The Rights Issue will be partially-underwritten by the Underwriter pursuant to the terms of the Management and Underwriting Agreement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Please see paragraph 7 of Part VI (The Offer and Listing) of this Offer Information Statement for information of the Underwritten Balance Rights Shares and the Management and Underwriting Agreement.

Use of CPF Funds

- : Shareholders who have subscribed for or purchased Shares under the CPFIS-OA must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares, if they have previously bought their Shares using CPF Funds.

Such Shareholders who wish to accept their entitlements to Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Shareholder hold their CPF Investment Accounts, to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds may not, however, be used for the purchase of provisional allotments of Rights Shares directly from the market.

CPF members should also note that CPF Funds cannot be used for the payment of Rights Shares and/or Excess Rights Shares if they submit their acceptances and/or applications directly through CDP, Electronic Applications, the Share Registrar and/or the Company. Any such acceptance and/or application purporting to use CPF Funds for the payment of Rights Shares and/or Excess Rights Shares will be rejected.

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Risk factors : Investing in the Rights Shares involves risks. Please refer to the section entitled "Risk Factors" set out in this Offer Information Statement.

Governing law : Laws of the Republic of Singapore

- (b) The last date and time for splitting of the provisional allotments of Rights Shares is on 22 June 2016 at 5.00 p.m.
- (c) The last date and time for acceptance of Rights Shares, application for the Excess Rights Shares and payment for Rights Shares and/or Excess Rights Shares is on 28 June 2016 at 5.00 p.m. (9.30 p.m. for Electronic Applications).
- (d) The last date and time for acceptance of and payment by the renounee for the Rights Shares is on 28 June 2016 at 5.00 p.m.
- (e) The allotment and issue of the Rights Shares are governed by the terms and conditions as set out in this Offer Information Statement, in particular, Appendices A to C of this Offer Information Statement and the PAL, the ARE and the ARS.

For CPF Investors, SRS Investors and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant approved banks in which they hold their CPF Investment Accounts and/or SRS Accounts, finance companies and/or Depository Agents. **Such investors should provide their relevant approved banks with which they hold their CPF Investment Accounts or SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date of the Rights Issue.** Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

Use of CPF Funds

Shareholders who have subscribed for or purchased Shares under the CPFIS-OA must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares, if they have previously bought their Shares using CPF Funds.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Shareholders hold their CPF Investment Accounts, to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

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CPF members should also note that CPF Funds cannot be used for the payment of Rights Shares and/or Excess Rights Shares if they submit their acceptances and/or applications directly through CDP, Electronic Applications, the Share Registrar and/or the Company. Any such acceptance and/or application purporting to use CPF Funds for the payment of Rights Shares and/or Excess Rights Shares will be rejected.

Use of SRS Funds

Shareholders who have subscribed for or purchased Shares under the SRS must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant banks in which they hold their SRS Accounts to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

Information herein relating to CPF Investors, SRS Investors and investors who hold Shares through finance companies and/or Depository Agents is provided in general terms only and such investors should consult their relevant approved banks with which they hold their CPF Investment Accounts, SRS Accounts, finance companies and/or Depository Agents.

(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest holders, as the case may be, of the relevant entity to subscribe for their entitlements; and

As at the Latest Practicable Date, the Undertaking Shareholders have direct interests in 34,410,643 Shares, representing approximately 10.9% of the Existing Share Capital.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have provided Irrevocable Undertakings as follows:

- (a) Mr Seow Soon Yong has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
- (i) not to, directly or indirectly, exercise any of his 9,275,000 outstanding Share Options to subscribe for any Shares during the Rights Issue Period;
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 31,934,980 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date;

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFER OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (iii) to subscribe and pay for in full such number of Rights Shares representing his Pro Rata Rights Shares, in accordance with the terms and conditions of the Rights Issue; and
 - (iv) in addition to the Pro Rata Rights Shares, to subscribe and pay for in full for any excess Rights Shares not taken up by the Entitled Shareholders of the Company (other than Mr Chia Sin Cheng) of up to an aggregate of 37,127,748 Rights Shares, in accordance with the terms and conditions of the Rights Issue; and
- (b) Mr Chia Sin Cheng has unconditionally and irrevocably undertaken and confirmed, *inter alia*:
- (i) not to, directly or indirectly, exercise any of his 3,712,500 outstanding Share Options to subscribe for any Shares during the Rights Issue Period;
 - (ii) not to, directly or indirectly, transfer, sell or dispose of or otherwise reduce any of his interests in the 2,475,663 Shares held by him from the date of his Irrevocable Undertaking up to the Books Closure Date; and
 - (iii) to subscribe and pay for in full such number of Rights Shares representing all of the Rights Shares under the Rights Issue in relation to the Shares directly held by him as at the Books Closure Date, in accordance with the terms and conditions of the Rights Issue.

A written confirmation from financial institutions that each of the Undertaking Shareholders has sufficient financial resources to fulfil their respective obligations under their respective Irrevocable Undertakings has been obtained.

In the Minimum Subscription Scenario, Mr Seow Soon Yong will subscribe for 53,095,238 Rights Shares and Mr Chia Sin Cheng will subscribe for 1,237,831 Rights Shares in accordance with the Irrevocable Undertakings, and the Underwriter will subscribe for the 61,904,761 Underwritten Balance Rights Shares. Consequently, the shareholdings of Mr Seow Soon Yong, Mr Chia Sin Cheng and the Underwriter in the enlarged share capital will be 19.6%, 0.9% and 14.3%, respectively.

No commission or fee will be payable by the Company to the Undertaking Shareholders in consideration of the Irrevocable Undertakings.

(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

Not applicable. The Underwriter has agreed, on and subject to the terms and conditions of the Management and Underwriting Agreement, to underwrite the Underwritten Balance Rights Shares.

Please refer to paragraph 7 of Part VI (The Offer and Listing) of this Offer Information Statement for further information on the Management and Underwriting Agreement.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES
UNDER APPENDIX 8.2 OF THE LISTING MANUAL**

Working Capital

Provide a review of the working capital for the last 3 financial years and the latest half year, if applicable.

The working capital of the Group as at 31 December 2013, 31 December 2014, 31 December 2015 and 31 March 2016 are as follows:

	Audited as at 31 December 2013 S\$'000	Audited as at 31 December 2014 S\$'000	Audited as at 31 December 2015 S\$'000	Unaudited as at 31 March 2016 S\$'000
Total Current Assets	238,757	246,940	231,360	238,366
Total Current Liabilities	131,796	161,184	156,700	167,271
Net Current Assets	106,961	85,756	74,660	71,095

Review of Working Capital

31 December 2014 versus 31 December 2013

The Group's working capital decreased by S\$21.2 million from S\$107.0 million as at 31 December 2013 to S\$85.8 million as at 31 December 2014. This was due to an increase in current liabilities of S\$29.4 million, offset by an increase in current assets of S\$8.2 million.

The increase in current liabilities of S\$29.4 million was mainly due to an increase in bank borrowings from \$50.8 million as at 31 December 2013 to S\$81.8 million as at 31 December 2014.

31 December 2015 versus 31 December 2014

The Group's working capital decreased by S\$11.1 million from S\$85.8 million as at 31 December 2014 to S\$74.7 million as at 31 December 2015. This was due to a decrease in current assets of S\$15.6 million, offset by a decrease in current liabilities of S\$4.5 million.

The decrease in current assets of S\$15.6 million was mainly due to:

- (a) decrease in other receivables and deposits of S\$33.9 million from S\$50.3 million as at 31 December 2014 to S\$16.4 million as at 31 December 2015. The decrease was due to receipt of monies held in escrow in relation to the disposal of the Company's factory in Malaysia in FY2014;
- (b) decrease in inventory of S\$10.1 million from S\$60.2 million as at 31 December 2014 to S\$50.1 million as at 31 December 2015; and
- (c) partially offset by increase in gross amount due from customers for contract work-in-progress, trade receivables, prepayments and cash and cash equivalents of S\$28.4 million.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

31 March 2016 versus 31 December 2015

The Group's working capital decreased by S\$3.6 million from S\$74.7 million as at 31 December 2015 to S\$71.1 million as at 31 March 2016. This was due to an increase in current assets of S\$7.0 million, offset by an increase in current liabilities of S\$10.6 million.

The increase in current assets was mainly due to:

- (a) increase in gross amount due from customers for project work-in-progress from S\$123.2 million as at 31 December 2015 to S\$131.3 million as at 31 March 2016;
- (b) increase in inventory of S\$1.7 million from S\$50.1 million as at 31 December 2015 to S\$51.8 million as at 31 March 2016; and
- (c) offset by a decrease in prepayment, trade and other receivables of S\$2.8 million from S\$58.0 million as at 31 December 2015 to S\$55.2 million as at 31 March 2016.

The increase in current liabilities of S\$10.6 million was mainly due to an increase in trade and other payables from S\$71.3 million as at 31 December 2015 to S\$81.5 million as at 31 March 2016.

Convertible Securities

- (i) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.**
 - (ii) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of "nil-paid" rights commences.**
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- (i) Not applicable. The Rights Issue does not involve an issue of convertible securities.
 - (ii) Not applicable. The Rights Issue does not involve an issue of convertible securities.
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Responsibility Statement

A responsibility statement by the financial adviser stating that to the best of the financial adviser's knowledge and belief, the document constitutes full and true disclosure of all material facts about the rights issue, the issuer and its subsidiaries, and the financial adviser is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.

As provided in Appendix 8.2 of the Listing Manual, this requirement is not applicable if an issuer has to comply with the offer information statement requirements in the Securities and Futures Act.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

Acceptances of the provisional allotment of and any Excess Applications for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of acceptance	Form A
Request for splitting	Form B
Form of renunciation	Form C
Form of nomination	Form D
Application of Excess Rights Shares	Form E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce or split all or part of their provisional allotments are set out in the PAL.

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the PAL, the ARE, the ARS and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application and present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Right Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renounee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renounee. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.

Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares should note that all dealings in and transactions of the provisional allotments of Rights Shares through SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the Official List of SGX-ST.

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this PAL and/or this Offer Information Statement has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1. Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #11-02, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

2.2. Insufficient payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder; or
- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder;

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix A entitled "Appropriation" which sets out the circumstances and manner in which the Company and the Share Registrar shall be entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

2.3. Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

3. REQUEST FOR SPLITTING (FORM B), FORM OF RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

Entitled Scripholders who wish to accept a portion of their provisional allotments of Right Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one (1) person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements.

The duly completed Form B together with the PAL, in its entirety, should be returned by post in the self-addressed envelope provided, at the sender's own risk, to reach **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #11-02, SINGAPORE 068898**, not later than **5.00 p.m. on 22 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 22 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing the Form for Renunciation (Form C) before delivery to the renounee(s). Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any, and forward the said Split Letter(s) together with remittance for the payment in the prescribed manner to **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #11-02, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s). The renounee should complete and sign Form D and send Form D, together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80**

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

ROBINSON ROAD, #11-02, SINGAPORE 068898, not later than **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (the “**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALs AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

4. PAYMENT

Payment for full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**YONGNAM RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the remittance. The completed PAL and remittance should be addressed and forwarded, by post in the self-addressed envelope provided at the sender’s own risk, to **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #11-02, SINGAPORE 068898**, so as to arrive not later than **5.00 P.M. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the prescribed manner as set out in the PAL is not received by **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapsed and become void and such provisional allotments not so accepted will be used to satisfy Excess Applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or share of revenue or benefit arising therefrom within three (3) business days after the commencement of trading of the Rights Shares.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

Form E contains full instructions with regard to the application for Excess Rights Shares, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares.

Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the form for the application for Excess Rights Shares (Form E) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above, by post in the self-addressed envelope provided at their own risk, to **YONGNAM HOLDINGS LIMITED C/O TRICOR BARBINDER SHARE REGISTRATION SERVICES (A DIVISION OF TRICOR SINGAPORE PTE. LTD.), 80 ROBINSON ROAD, #11-02, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

The Excess Rights Shares are available for application subject to the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E and (if applicable) the Constitution of the Company.

In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day to day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason whatsoever. CDP takes no responsibility for any decision that the Directors may make. In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by the Company, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within three (3) business days after the commencement of trading of the Rights Shares, **BY ORDINARY POST** at their **OWN RISK**.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

6. GENERAL

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications. **Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, legal adviser, accountant or other professional adviser immediately.**

Upon listing of and quotation for on the Official List of the SGX-ST, the Rights Shares when issued, will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and who wish to trade the Rights Shares issued to them on the Official List of SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts before accepting any Rights Shares or applying for any Excess Rights Shares in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identification Card ("**NRIC**")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the Official List of SGX-ST under the book-entry (scripless) settlement system, although they will continue to be prima facie evidence of legal title. These physical share certificates will be sent **BY ORDINARY POST** to person(s) entitled thereto at his/their **OWN RISK**.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments will be sent to their addresses last registered with CDP. A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly stamped and executed instrument(s) of transfer in favour of CDP, pay the applicable fees and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

APPENDIX A – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5.00 P.M. ON 28 JUNE 2016 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

7. GENERAL

By completing and delivering the PAL, an Entitled Scripholder (i) consents to the collection, use and disclosure of his personal data by the Share Registrar, CDP, the SGX-ST, the Company, the Manager and the Underwriter (the “**Relevant Persons**”) for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for Excess Rights Shares, and in order for the Relevant Person to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

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APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for Excess Rights Shares are set out in this Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

Use of CPF Funds

Shareholders who have subscribed for or purchased Shares under the CPFIS-OA must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares, if they have previously bought their Shares using CPF Funds.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Shareholders hold their CPF Investment Accounts, to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

CPF members should also note that CPF Funds cannot be used for the payment of Rights Shares and/or Excess Rights Shares if they submit their acceptances and/or applications directly through CDP, Electronic Applications, the Share Registrar and/or the Company. Any such acceptance and/or application purporting to use CPF Funds for the payment of Rights Shares and/or Excess Rights Shares will be rejected.

Use of SRS Funds

Shareholders who have subscribed for or purchased Shares under the SRS must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS accounts to pay for the acceptance of their entitlements to the Rights Shares and (if applicable) application for Excess Rights Shares.

Such Shareholders who wish to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant banks in which they hold their SRS Accounts to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with this Offer Information Statement. Such Shareholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for Excess Rights Shares. **SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.**

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) Excess Application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application, and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the Excess Application is in breach of the terms of the ARE or this Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

- 1.4 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

An Entitled Depositor may accept his provisional allotment of Rights Shares specified in his ARE and (if applicable) apply for Excess Rights Shares either through CDP or by way of Electronic Application through an ATM of the Participating Banks as described below. For CPF Investors, SRS Investors and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant approved banks which they hold their CPF Investment Accounts or SRS Accounts, finance companies and/or Depository Agents (as the case may be). Such investors should provide their relevant approved banks with which they hold their CPF Investment Accounts and/or SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date of the Rights Issue. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix C of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

Shareholders are to note that there will be system maintenance on 25th of June 2016, Saturday. As such, Electronic Applications will not be available for the Participating Banks during the aforesaid date.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
 - (i) by hand to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588**; or
 - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 P.M. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – YONGNAM RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix B which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

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The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to Purchasers as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the "nil-paid" Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. You may obtain a copy from CDP. Alternatively, you may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) ORDINARY SHARES AT AN ISSUE PRICE OF S\$0.21)

As an illustration, if an Entitled Depositor has 1,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 500 Rights Shares as set out in his ARE. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

Procedures to be taken

- | | |
|--|--|
| (a) Accept his entire provisional allotment of 500 Rights Shares and (if applicable) apply for Excess Rights Shares. | (1) By way of Electronic Application. Accept his entire provisional allotment of 500 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 28 June 2016 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company);
or |
|--|--|

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AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

Alternatives

Procedures to be taken

- (2) **Through CDP.** Complete and sign the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 500 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$105.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – YONGNAM RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

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Alternatives

Procedures to be taken

(b) Accept a portion of his provisional allotment of Rights Shares, for example 100 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

- (1) **By way of Electronic Application.** Accept his provisional allotment of 100 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 28 June 2016**; or
- (2) **Through CDP.** Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 100 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$21.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 400 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

(c) Accept a portion of his provisional allotment of Rights Shares, for example 100 provisionally allotted Rights Shares, and reject the balance.

- (1) **By way of Electronic Application.** Accept his provisional allotment of 100 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) **Through CDP.** Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 100 Rights Shares and forward the original signed ARE, together with a single remittance for S\$21.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Alternatives

Procedures to be taken

The balance of the provisional allotment of 400 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 28 June 2016** or if an acceptance is not made through CDP by **5.00 p.m. on 28 June 2016**.

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 28 JUNE 2016 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; AND**
- (B) 5.00 P.M. ON 28 JUNE 2016 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy Excess Applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All moneys received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix B, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Right Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Substantial Shareholders and Directors who have control or influence over the Company in connection with the day to day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 3 business days after the commencement of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP (if they had applied for Excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – YONGNAM RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft is submitted by hand to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

provided, **AT THE SENDER'S OWN RISK**, to **YONGNAM HOLDINGS LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

APPENDIX B – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' for Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application through an ATM of a Participating Bank, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM, an Entitled Depositor (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, the SGX-ST, the Company, the Manager and the Underwriter (the "**Relevant Persons**") for the purposes of facilitating his application for the Rights Shares and (if applicable) his application for Excess Rights Shares, and in order for the Relevant Person to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

Shareholders are to note that there will be system maintenance on 25th of June 2016, Saturday. As such, Electronic Applications will not be available for the Participating Banks during the aforesaid date.

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Bank (the “**Steps**”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or the Purchaser who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the excess Rights Shares through an ATM of the Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, the Participating Banks before he can make an Electronic Application through an ATM of the Participating Banks.

The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Bank. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Applicant and should not be submitted with any ARE/ARS.

For CPF Investors, SRS Investors and investors who hold Shares through finance companies and/or Depository Agents, acceptances of the Right Shares and (if applicable) applications for Excess Rights Shares must be done through their relevant approved banks which they hold their CPF Investment Accounts or SRS Accounts, finance companies and/or Depository Agents (as the case may be). Such investors should provide their relevant approved banks which they hold their CPF Investment Accounts and/or SRS Accounts, finance companies and/or Depository Agents (as the case may be) with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application by the Closing Date of the Rights Issue. Any acceptance and/or application made or purported to be made directly through CDP, the Share Registrar, the Company and/or by way of Electronic Application at any ATM of a Participating Bank will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares must be done through the respective finance companies or Depository Agents. Such renounees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Applications, the Share Registrar and/or the Company will be rejected.

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below:

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, CDP, CPF, the SGX-ST and the Company and any other relevant parties (the “Relevant Parties”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) Excess Application.**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such excess Rights Shares or not to allot any number of excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key, as the case may be, on the ATM) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares and (if applicable) instructions to apply for excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be), whether directly to CDP and/or by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of the Participating Bank, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance and payment as at the Closing Date. The Company and/or CDP, in determining the number of Rights Shares for which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of acceptance by Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares both by way of ARE and by Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions to apply for, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of the ARE, whether directly to CDP and/or by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the excess Rights Shares, whether by way of Cashier's Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.
- (7) The Applicant irrevocably requests and authorises the Company to:
 - (a) register or procure the registration of the Rights Shares and (if applicable) the excess Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

- (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within three (3) business days after the commencement of trading of the Rights Shares; and
 - (c) return or refund without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within three (3) business days after the commencement of trading of the Rights Shares.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of the Company, CDP, the CPF Board, the Share Registrar and/or the Participating Banks) and any other events whatsoever beyond the control of the Company, CDP, the CPF Board, the Share Registrar and/or the Participating Banks and if, in any such event, the Company, CDP, the CPF Board, the Share Registrar and/or the Participating Bank do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 28 June 2016**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Company, CDP, the CPF Board, the Share Registrar and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) Excess Application therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made through an ATM of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m.. SHAREHOLDERS ARE TO NOTE THAT THERE WILL BE SYSTEM MAINTENANCE ON 25TH OF JUNE 2016, SATURDAY. AS SUCH, ELECTRONIC APPLICATIONS WILL NOT BE AVAILABLE FOR THE PARTICIPATING BANKS DURING THE AFORESAID DATE.**
- (11) Electronic Applications shall close at **9.30 p.m. on 28 June 2016** or such other time as the Company may, in its absolute discretion, decide.
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

not be completed. Any Electronic Application made through the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Bank will be rejected.

- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in S\$ (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within three (3) business days after the commencement of trading of the Rights Shares. An Electronic Application may also be accepted in part, in which case the balance amount of application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 28 June 2016** (or such other time(s) and/or date(s) as the Company may, in its absolute discretion, decide) and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not any supplementary or replacement document is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by, and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP the CPF Board, the Share Registrar, or the Participating Banks shall be liable for any delay, failure or inaccuracy in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) application for Excess Rights Shares;
 - (e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained in herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

or vary (including any release or compromise of any liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.

- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of ARE and/or ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within three (3) business days after the commencement of trading of the Rights Shares by any one (1) or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent BY ORDINARY POST at his own risk to his mailing address, as recorded with CDP, if he accepts and (if applicable) applies through CDP; and/or
 - (b) crediting the Applicant's bank account with the relevant Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of the Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of the Rights Shares which he can validly accept, the Company and/or CDP are entitled and the Applicant authorises the Company and/or CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of the Rights Shares that the Applicant has validly accepted, whether under the ARE and/or any other application form (including Electronic Application through an ATM) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of the Rights Shares which has been disposed of by the Applicant.

APPENDIX C – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM

The Applicant acknowledges that the Company's and/or CDP's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of the Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Constitution of the Company and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the "Free Balance" of the Applicant's Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

Dated this 10 of June 2016

**Board of Directors of
Yongnam Holdings Limited**

Seow Soon Yong
Managing Director and
Chief Executive Officer

Tan Tin Nam
Non-Executive and
Non-Independent Director

Siau Sun King
Executive Director

Seow Soon Hee
Executive Director

Chia Sin Cheng
Executive Director and
Finance Director

Goon Kok Loon
Non-Executive and
Lead Independent Director

Lim Ghim Siew Henry
Non-Executive and
Independent Director

Richard Liew Jat Yuen
Non-Executive and
Independent Director

Tan Eng Kiat, Dominic
Non-Executive and Independent Director