



YONGNAM HOLDINGS LIMITED

(the “Company”)

(Company Registration No. 199407612N)

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

RENOUNCEABLE PARTIALLY-UNDERWRITTEN RIGHTS ISSUE OF UP TO 161,026,441 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“RIGHTS SHARES”), 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 ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”)

- RESULTS OF THE RIGHTS ISSUE

The Board of Directors refers to the Company’s announcements on 1 June 2016 and 10 June 2016 relating to the Rights Issue (“Rights Announcements”). Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the offer information statement lodged with the Monetary Authority of Singapore on 10 June 2016 (the “Offer Information Statement”).

1. RESULTS OF THE RIGHTS ISSUE

1.1. Level of Subscription

Further to the Rights Announcements, the Board of Directors wishes to announce that, as at the close of the Rights Issue on 28 June 2016, valid acceptances and excess applications for a total of 109,000,446 Rights Shares were received (inclusive of Rights Shares accepted by each of the Undertaking Shareholders pursuant to the Irrevocable Undertakings). This represents approximately 68.8% of the 158,367,548 Rights Shares available for subscription under the Rights Issue.

Accordingly, the Rights Issue is undersubscribed and the 49,367,102 Rights Shares (representing approximately 31.2% of the 158,367,548 Rights Shares) not taken up will be subscribed by CIMB Securities (Singapore) Pte. Ltd. (the “Underwriter”) pursuant to the terms of the Management and Underwriting Agreement.

Details of the valid acceptances and excess applications for the Rights Shares are as follows:

- (a) Valid acceptances were received for a total of 56,809,486 Rights Shares, representing approximately 35.9% of the 158,367,548 Rights Shares available for subscription under the Rights Issue;
- (b) Such valid acceptances in paragraph (a) above included acceptances of 17,205,321 Rights Shares, representing approximately 10.9% of the 158,367,548 Rights Shares available for subscription under the Rights Issue, from the Undertaking Shareholders pursuant to the Irrevocable Undertakings, details of which are set out in the following table:

Undertaking Shareholder	Number of Rights Shares subscribed for
Seow Soon Yong	15,967,490
Chia Sin Cheng	1,237,831

- (c) Valid excess applications were received for a total of 52,190,960 Rights Shares (including excess application for 37,127,748 Rights Shares by Mr Seow Soon Yong pursuant to his Irrevocable Undertaking) representing approximately 33.0% of the

158,367,548 Rights Shares available for subscription under the Rights Issue (the “**Excess Applications**”).

1.2. Allocation of Rights Shares for Excess Applications

As the Rights Issue is undersubscribed, all valid Excess Applications will be allotted with the relevant Rights Shares applied for.

1.3. Allotment of Rights Shares

CDP will send Entitled Depositors with valid acceptances of Rights Shares and successful applications for Excess Rights Shares, by ordinary post on or about 7 July 2016, at their own risk, to their respective mailing addresses in Singapore as maintained with CDP, a notification letter stating the number of Rights Shares credited to their respective Securities Accounts.

1.4. “Nil-paid” Rights in respect of Foreign Shareholders

A total of 1,509,095 “nil-paid” Rights which would otherwise have been provisionally allotted to Foreign Shareholders have been sold on the SGX-ST. The net proceeds of such sales (after deduction 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 Shareholder may have agreed with CDP for the payment of any cash distributions, save that in any case no payments will be made for amounts 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 and Underwriter, CDP or the Share Registrar in connection therewith.

1.5. Net Proceeds from the Rights Issue

The Company has raised net proceeds of approximately S\$32.6 million (after deducting estimated expenses of approximately S\$0.7 million) from the Rights Issue (“**Net Proceeds**”). In line with the information disclosed in the Offer Information Statement, the Company intends to utilise the Net Proceeds for the general working capital purposes of the Company.

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.

2. INVALID AND/OR UNSUCCESSFUL ACCEPTANCES AND EXCESS APPLICATIONS

In the case of invalid and/or unsuccessful acceptances of Rights Shares and/or Excess Applications, the amount paid on such acceptances and/or applications, will be refunded to such applicants 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 the relevant applicant’s bank account with the relevant Participating Bank (where acceptance and/or application is through Electronic Application) at their own risk, the receipt by such bank being a good discharge to the Company and CDP and the Manager of their obligations, if any thereunder;
- (b) by means of a crossed cheque in Singapore currency drawn on a bank in Singapore (where acceptance and/or application is through CDP) sent by ordinary post at the

relevant applicant's own risk to such applicant's mailing address as maintained in the records of CDP; or

- (c) by means of a crossed cheque in Singapore currency drawn on a bank in Singapore (where acceptance and/or application is through the Share Registrar) sent by ordinary post at the relevant applicant's own risk to such applicant's mailing address as maintained with the Share Registrar.

3. ISSUE AND LISTING OF THE RIGHTS SHARES

The Company expects 158,367,548 Rights Shares to be issued on 7 July 2016, and to be credited into the relevant Securities Account on or about 7 July 2016.

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.

The Rights Shares are expected to be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 7 July 2016. Further announcement on the listing of the Rights Shares will be made in due course.

The Company wishes to take this opportunity to thank the Shareholders for their support and contribution towards the successful completion of the Rights Issue.

4. PUT AND CALL OPTION AGREEMENT

A put and call option agreement (the "**Option Agreement**") dated 1 July 2016 was entered into between Mr Seow Soon Yong and the Underwriter wherein Mr Seow Soon Yong has granted the Underwriter a put option (the "**Put Option**") and the Underwriter has granted Mr Seow Soon Yong a call option (the "**Call Option**") for the sale and purchase, respectively, of up to 49,367,102 Shares ("**Option Shares**"). Under the terms of the Put Option, the Underwriter is entitled to require Mr Seow Soon Yong and/or his nominees(s) to purchase any balance of Option Shares held by the Underwriter, at S\$0.21 per Option Share at any time during the period of two (2) weeks following the expiry of four (4) months from the date of the Option Agreement. The Underwriter may sell any or all of the balance Option Shares to parties other than Mr Seow Soon Yong at any time during the four (4) month period commencing from the date of the Option Agreement, provided that such Option Shares are sold at a consideration of or above S\$0.21 per Option Share. Under the Call Option, Mr Seow Soon Yong is entitled to, at any time during the four (4) month period commencing from the date of the Option Agreement, require the Underwriter to sell to him and/or his nominees(s) any balance of Option Shares held by the Underwriter at the point of exercise of the Call Option, at S\$0.21 per Option Share plus applicable holding costs.

By Order of the Board

SEOW SOON YONG
Chief Executive Officer

1 July 2016