



YONGNAM HOLDINGS LIMITED

(the "Company")

(Company Registration No. 199407612N)

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

RESPONSE TO THE SGX'S QUERY REGARDING THE ANNUAL REPORT 2013

The Board of Directors of Yongnam Holdings Limited (the "Company") refers to the Annual Report 2013 which was dispatched to the shareholders on 11 April 2014 and wishes to provide the following additional information in response to the query raised by the Singapore Exchange Securities Trading Limited (the "SGX") on 23 April 2014.

SGX's Query:-

Paragraph 9.4 of the Code of Corporate Governance 2012 (the "Code") states that for transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands.

It was noted that, instead of disclosing the remuneration of each related employees in incremental bands of S\$50,000, the Company stated that remuneration of Mr Seow Khng Chai, Mr Seow Soon Kian and Mr Siau Sze You, being immediate members of the Executive Directors, "exceeded S\$50,000 during the financial year". As required by Rule 1207(12) of the Listing Manual, please make disclosures as recommended in paragraph 9.4 of the Code or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Company's Response:-

The disclosure of remuneration of employees who are immediate family members of a director or the CEO is provided as follows:-

Remuneration band and name of employees who are immediate family members	Relationship with the Directors or Chief Executive Officer of the Company	Designation
Seow Soon Kian S\$50,001 – S\$100,000	Brother of Seow Soon Yong, Seow Soon Hee, Siau Sun King; and Cousin of Tan Tin Nam	Senior Crane Operator
Siau Sze You S\$100,001 – S\$150,000	Son of Siau Sun King, Nephew of Tan Tin Nam, Seow Soon Yong and Seow Soon Hee	Senior Project Manager
Seow Khng Chai S\$150,001 – S\$200,000	Brother of Seow Soon Yong, Seow Soon Hee, Siau Sun King; and Cousin of Tan Tin Nam	General Manager

By Order of the Board

Seow Soon Yong
Chief Executive Officer

24 April 2014