



YONGNAM HOLDINGS LIMITED

(the “**Company**”)

(Company Registration No. 199407612N)

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

(1) PROPOSED ISSUE OF 19,736,836 NEW SHARES AND (2) PROPOSED ISSUE OF S\$9.5 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF NEW REDEEMABLE CONVERTIBLE BONDS TO HOLDERS OF THE EXISTING REDEEMABLE CONVERTIBLE BONDS DUE 2021

APPROVAL IN-PRINCIPLE IN RELATION TO THE FACILITATION PAYMENT SHARES

Unless otherwise defined, capitalised terms used in this announcement shall have the meanings ascribed to them in the Previous Announcement.

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Yongnam Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s earlier announcement dated 4 June 2021 (the “**Previous Announcement**”) in relation to (1) the proposed issue of 19,736,836 new shares and (2) the proposed issue of S\$9.5 million in aggregate principal amount of new redeemable convertible bonds to holders of the existing redeemable convertible bonds due 2021.

2. APPROVAL IN-PRINCIPLE IN RELATION TO THE FACILITATION PAYMENT SHARES

The Board is pleased to announce that the SGX-ST has on 18 June 2021 granted its approval in-principle (“**AIP**”) for the listing and quotation of 19,736,836 new ordinary shares in the capital of the Company (the “**Facilitation Payment Shares**”) to be allotted and issued to the Existing Bondholders (in proportion to the 2021 Bonds to be subscribed by them) in satisfaction of the facilitation payment in the aggregate amount of S\$1.5 million, pursuant to the Facilitation Payment Agreements.

The listing and quotation of the shares is subject to the following conditions:

- (a) The signing of the Facilitation Payment Agreements and Bond Subscription Agreements;
- (b) A written undertaking from the Company that it will comply with Listing Rules 704(30) and 1207(20) in relation to the use of the remaining proceeds from the issuance of the Existing Bonds which are retained pursuant to the Facilitation Payment Agreements and Bonds Subscription Agreements, and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
- (c) A written undertaking from the Company that it will comply with Listing Rule 803; and
- (d) A written confirmation from the Company that it will not issue the new shares pursuant to the Facilitation Payment Agreements to persons prohibited under Rule 812(1) of the Listing Manual.

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

The Facilitation Payment Shares have to be placed out within 7 market days from the date of the AIP.

3. FURTHER ANNOUNCEMENTS

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

By Order of the Board

SEOW SOON YONG
Chief Executive Officer
21 June 2021