



YONGNAM HOLDINGS LIMITED

(the “**Company**”)

(Company Registration No. 199407612N)

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

ENTRY INTO SUPPLEMENTAL LETTERS TO BOND SUBSCRIPTION AGREEMENTS

Unless otherwise defined, capitalised terms used in this announcement shall have the meanings ascribed to them in the Company’s announcement dated 4 June 2021.

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 its announcement dated 4 June 2021 in relation to the entry by the Company on 3 June 2021 into, *inter alia*, Bond Subscription Agreements with each of the Existing Bondholders in relation to the subscription and issue of S\$9.5 million in aggregate principal amount of new seven (7) per cent. redeemable convertible bonds (the “**2021 Bonds**”) to be issued by the Company to the Existing Bondholders (in proportion to the Existing Bonds held by them) (the “**4 June 2021 Announcement**”).

2. SUPPLEMENTAL LETTER

The Board of Directors wishes to inform the shareholders of the Company (the “**Shareholders**”) that the Company has on 23 August 2021, entered into a supplemental letter with each Existing Bondholder in relation to its Bond Subscription Agreement (collectively, the “**Supplemental Letters**”):-

- (a) to amend the provisions relating to an adjustment to the conversion price upon occurrence of certain events or circumstances to clarify that upon occurrence of such events, the Company shall request an independent investment bank of international repute to determine the adjustment to be made so as to restore the economic position of the bondholders to the same position as if the diluting effect of such events or circumstances had not occurred; and
- (b) to clarify that any material alteration to the terms of the 2021 Bonds after issue which is to the advantage of the bondholders but is also materially prejudicial to the interests of the Company’s shareholders, shall first require approval of the Company’s shareholders.

Save for the amendments mentioned above, the provisions of the Bond Subscription Agreements continue in full force and effect.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Bond Subscription Agreements or the Supplemental Letters, other than through their directorships and/or shareholdings in the Company.

4. DOCUMENTS FOR INSPECTION

Copies of the Bond Subscription Agreements and the Supplemental Letters may be inspected at the registered office of the Company at 51 Tuas South Street 5, Singapore 637644 during normal business hours for a period of three (3) months commencing from the date of this announcement.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Bond Subscription Agreements and the Supplemental Letters, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement 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 announcement in its proper form and context.

6. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read the 4 June 2021 Announcement, this announcement and any further announcements by the Company carefully. The proposed issue of 2021 Bonds is subject to the fulfilment of certain conditions. There is no certainty or assurance as at the date of this announcement that the proposed issue of 2021 Bonds or any part thereof will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors of the Company should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their legal, financial, tax or other professional adviser immediately.

By Order of the Board
YONGNAM HOLDINGS LIMITED

SEOW SOON YONG
Chief Executive Officer
23 August 2021