



YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)

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

RECEIPT OF WRIT OF SUMMONS

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or “**Directors**”) of Yongnam Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” and each a “**Group Company**”) refers to the announcements dated (a) 23 November 2022 in relation to the responses to SGX queries and a letter to its shareholders in relation to an update on the Company’s affairs; and (b) 2 December 2022 in relation to the status update on receipt of a letter of demand by Yongnam Engineering Sdn Bhd (“**YESB**”), a wholly-owned subsidiary of the Company; and (c) 29 December 2022 in relation to the receipt of a letter of demand by the Company (collectively, the “**Previous Announcements**”).
- 1.2. Unless otherwise defined in this announcement, capitalised terms shall bear the meanings as ascribed to them in the Previous Announcements.

2. RECEIPT OF WRIT OF SUMMONS

- 2.1. The Board wishes to update its shareholders that pursuant to the letters of demand as disclosed in the Previous Announcements, YESB has been served with a writ of summons dated 23 December 2022 (the “**Writ**”) by RHB Trustees Berhad (as Trustee for Axis Real Estate Investment Trust) (“**AXIS Trustee**”) in relation to arrears of rental, compensation charges and legal fees due for premises known as AXIS Steel Centre @ SiLC(JB), No. 27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, 79200 Bandar Nusajaya, Johor Darul Ta’zim, Malaysia (the “**Premises**”). A total of RM8,456,194.20 (equivalent to approximately S\$2,577,448¹) is being claimed by AXIS Trustee pursuant to the Writ (the “**Claim**”).
- 2.2. The service of the Writ was by Registered Post to YESB which was received on 3 January 2023. The Company has been seeking legal advice and the relevant translation from its Malaysian counsel since the receipt of the Writ, resulting in the timing of this announcement.
- 2.3. YESB has appointed Trevor George Partnership as its legal advisers and in this regard, will be filing a memorandum of appearance with the High Court of Malaya at Johor Bahru on or before 16 January 2023.

3. OTHER UPDATES

- 3.1. The Company remains in the final stages of discussions for the Investment. The intention of undertaking the Investment is to ensure that the Company is able to have sufficient funds to service its borrowings and is able to continue as a going concern.
- 3.2. The Board will also like to update that it is still in active engagement with its lenders to secure arrangements for revisions of repayment terms, in light of the Investment. Pending the resolution of these discussions, the repayment of amounts due under the relevant financing agreements remains halted. Further, the Company continues to manage its payments to its trade creditors such that the Company can manage its cash flows, in light of the Investment.

¹ Based on the exchange rate of RM1:S\$0.3048

4. FURTHER ANNOUNCEMENTS

The Company is in consultation with its advisers, including its auditors, to assess the potential financial impact to the Group arising from the Claim. The Company will make further announcements as and when there are material updates in relation to the abovementioned matters, and will endeavour to resume the trading of its shares as soon as possible, in compliance with the applicable rules and regulations.

For and on behalf of the Board of Directors of
YONGNAM HOLDINGS LIMITED

Seow Soon Yong
Chief Executive Officer
14 January 2023