



YONGNAM HOLDINGS LIMITED

(Company Registration No. 199407612N)

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

RECEIPT OF WRIT BY THE COMPANY

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; (c) 29 December 2022 in relation to the receipt of a letter of demand by the Company; and (d) 14 January 2023 in relation to the receipt of a writ of summons by YESB (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 BY THE COMPANY

- 2.1. In relation to the Previous Announcements on the LOD received by the Company and the Writ received by YESB, the Board wishes to update its shareholders that, the Company has been served with the following:

- (a) a notice of writ to be served out of jurisdiction dated 29 March 2023;
- (b) writ dated 8 February 2023;
- (c) amended statement of claim dated 31 March 2023; and
- (d) order (granting leave to serve outside jurisdiction) dated 9 March 2023,

through a letter dated 4 April 2023, by the solicitors of RHB Trustees Berhad (as Trustee for Axis Real Estate Investment Trust) (“**AXIS Trustee**”), which the Company had received on 13 April 2023.

- 2.2. In relation to the above, AXIS Trustee is seeking to claim (a) the sum of RM2,537,980.20 (approximately S\$764,500) (which is the remaining arrears of rental¹ pursuant to deduction of the security deposit); (b) compensation charges; (c) cost; and (d) such other or further reliefs as deemed fit and just by the High Court of Malaya at Johor Bahru (the “**Court**”), from the Company (as guarantor for YESB) (the “**Claim**”).

¹ For the 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.

3. UPDATE ON WRIT OF SUMMONS RECEIVED BY YESB

- 3.1. As previously announced, YESB had appointed Trevor George Partnership as its legal advisers and a defense has been filed for YESB in the matter. AXIS Trustee then applied for summary judgment which is currently pending before the Johor Bahru High Court. The next Case Management is on 27 April 2023 when the Court will fix a hearing date for the summary judgment application.

4. OTHER UPDATES

- 4.1. Separately, the Company had previously announced on 13 February 2023 that it had been granted moratoria relief up to 15 May 2023 (the “**Moratorium**”), where any creditor seeking a judgement in Singapore will be subject to. Notwithstanding, as the Moratorium does not have extra-territorial effect, the Company has appointed Trevor George Partnership as its Malaysian legal advisers and is currently seeking legal advice on the Claim.
- 4.2. The Company’s legal advisers will enter an appearance in the said action, and proceed to file a defense in due course.

5. 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.

6. CAUTIONARY STATEMENT

Notwithstanding that the trading of the Company’s securities is suspended, shareholders, securityholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders, securityholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Shareholders, securityholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

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

Seow Soon Yong
Chief Executive Officer
16 April 2023