



YONGNAM HOLDINGS LIMITED

(Co Reg No 199407612N)
(Judicial Managers Appointed)

RECEIPT OF LETTER OF DEMAND

The judicial managers (the “**JMs**”) of Yongnam Holdings Limited (the “**Company**”) wishes to update the shareholders of the Company (the “**Shareholders**”) that Yongnam Engineering & Construction Sdn Bhd (“**YEC**”), a wholly-owned subsidiary of the Company, has on 5 September 2023 received a letter of demand dated 24 August 2023 (the “**LOD**”) from the attorney of Malayan Banking Berhad (“**MBB**”) in relation to outstanding payments due under three loan facilities extended to YEC by MBB (“**Loan Facilities**”).

The LOD states that (a) YEC had failed, refused and/or neglected to comply with the demand as particularised in a notice of demand dated 26 June 2023; and (b) the Company as the corporate guarantor has been placed in judicial management by the Singapore High Court. As a result, YEC had committed events of default and the Loan Facilities are thereby cancelled and terminated with immediate effect and all principal and advances being outstanding and unpaid with interest thereon and all other amounts payable by YEC to MBB (whether in connection with the principal, interest, fees, costs, expenses or otherwise) shall become immediately due and payable.

The LOD states that YEC is indebted to MBB in the sum of RM15,941,701.49 as at 31 July 2023 and further interest thereon (the “**Outstanding Sum**”) being the outstanding balance due from the Loan Facilities and payable by YEC to MBB.

Accordingly, the LOD is demanding the repayment of the Outstanding Sum within 14 days from 5 September 2023, failing which, MBB shall take all actions it deems fit including but not limited to commencing legal proceedings and/or enforcement proceedings against YEC and/or any other security parties without further reference. In such event, YEC will be liable for costs and expenses incurred in relation thereto.

The JMs have instructed their legal counsel to review MBB’s claims and will make further announcements on the SGXNET in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

For and On Behalf of the Company

Toh Ai Ling

Joint and Several Judicial Manager

7 September 2023

Seow Soon Yong

Chief Executive Officer

7 September 2023