



YONGNAM HOLDINGS LIMITED

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

RECEIPT OF LETTER OF DEMAND

The judicial managers of Yongnam Holdings Limited (the “**Company**”) wish to update that Yongnam Engineering & Construction (Private) Limited (“**YNEC**”), a wholly-owned subsidiary of the Company, has received a letter of demand dated 3 August 2023 (the “**LOD**”) on 11 September 2023 from Mitsui Bussan Pana Harrison Pte. Ltd (“**Mitsui**”). The LOD was issued by the solicitors of Ergo Insurance Pte. Ltd. (“**Ergo**”) in relation to outstanding payments due under a Workman’s Compensation Policy (“**Policy**”) issued on 28 September 2022. Ergo had, at the request of YNEC, through its broker, Mitsui, issued the Policy, which effective period is from 1 October 2022 to 30 September 2023.

The LOD states that while YNEC had notified Mitsui on 22 May 2023 to terminate the Policy with effect from 1 June 2023, YNEC is still liable to pay outstanding sums due and owing for instalments for the Policy because YNEC had made a total of seven claims during the period in which the Policy was in force despite issuing the written notice to terminate the Policy, and is therefore still liable to Ergo, as of 1 August 2023, for the sum of S\$305,372.70 (the “**Outstanding Sum**”) being the outstanding balance due from the Policy and payable by YNEC to Ergo, exclusive of all bank charges for transferring the Outstanding Sum (which for the avoidance of doubt, should be borne by YNEC).

Accordingly, the LOD demanded the repayment of the Outstanding Sum within seven days from the LOD dated 3 August 2023 i.e., 10 August 2023, failing which, Ergo will proceed to commence legal proceedings to recover the Outstanding Sum without any further reference to YNEC.

The Company and YNEC are in the process of taking legal advice and will make further announcements as and when there are material updates in relation to the abovementioned matters.

Shareholders, creditors and holders of existing debts and securities of the Company are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, they 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
12 September 2023

Seow Soon Yong
Chief Executive Officer
12 September 2023