



YONGNAM HOLDINGS LIMITED

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

RECEIPT OF LETTER OF DEMAND – LINDE MALAYSIAN SDN BHD

The judicial managers (“**JMs**”) of Yongnam Holdings Limited (Judicial Managers Appointed) (the “**Company**”) wish to update that Yongnam Engineering Sdn Bhd (“**YESB**”), a wholly-owned subsidiary of the Company, received a letter of demand dated 24 November 2023 from the solicitors of Linde Malaysian Sdn Bhd (formerly known as MOX-Linde Gases Sdn Bhd) (“**Linde**”) in relation to an Outstanding Sum (as defined below) due to Linde (the “**LOD**”).

The LOD alleges that YESB and Linde had previously entered into an agreement (as further amended by way of addendums) for Linde to supply oxygen and carbon dioxide to YESB (the “**Agreement**”), and YESB informed Linde in a letter dated 3 February 2023 that it would cease operations of its plant and would no longer require the supply of oxygen and carbon dioxide from Linde. The LOD states that Linde agreed to YESB’s request to terminate the Agreement by way of letter dated 7 March 2023, effective from 2 May 2023, subject to payment of all outstanding product charges, demobilisation costs and facility charges that amount to RM277,610.94 (“**Sum**”). The LOD also alleges that as of 24 November 2023, YESB has not paid the Sum.

The LOD states that it serves as notice that Linde is demanding the Sum together with interest at the monthly rate of 2% calculated on a daily basis from 6 March 2023 until the date of full and final settlement (the “**Outstanding Sum**”), to be paid to Linde within seven days from 24 November 2023, failing which Linde will commence legal proceedings against YESB without further reference to YESB, in which event YESB shall be held liable for all consequential costs and interest arising therefrom.

The LOD also states that it serves as notice that any payment made to Linde, which payment is less than the Outstanding Sum shall be received without prejudice to Linde’s right to commence legal proceedings to recover any outstanding balance and such rights shall be exercisable without further reference to YESB, in which event YESB shall be held liable for all consequential costs and interest arising therefrom.

The JMs 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, 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
6 December 2023

Seow Soon Yong
Chief Executive Officer
6 December 2023