



YONGNAM HOLDINGS LIMITED

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

MONTHLY UPDATE PURSUANT TO RULE 704(23) OF THE LISTING MANUAL OF THE SGX-ST

By an Order of Court dated 14 August 2023, Yongnam Holdings Limited (Judicial Managers Appointed) (the “**Company**”) and its subsidiary, Yongnam Engineering & Construction (Private) Limited (Judicial Managers Appointed) (“**YNEC**”), was placed under judicial management and Messrs Toh Ai Ling, Bob Yap Cheng Ghee and Chan Kwong Shing, Adrian, care of KPMG Services Pte. Ltd., were appointed as the joint and several judicial managers of the Company and YNEC (“**Judicial Managers**”).

Pursuant to Rule 704(23) of the Listing Manual of the SGX-ST (the “**Listing Manual**”), the Judicial Managers would like to provide an update on the Issuer’s financial situation.

The state of any negotiations between the Company and its principal bankers

The Judicial Managers refer to:

1. the Company’s General Announcement dated 24 October 2023, announcing that the Judicial Managers have been in discussions with the secured lenders on, amongst other things, the realisation of their security interests to reduce the bank debt. The Judicial Managers wish to update that term sheet(s) from several parties have been considered by the secured lenders. The secured lenders have since accepted certain offers to proceed with the realisation of their security interest to reduce the bank debt. The Judicial Managers have commenced the process of executing these offers, including the drafting and concluding the respective definitive agreement(s); and
2. the Company’s General Announcement dated 7 November 2023, announcing that YNEC entered into a sale and purchase agreement for the sale of struts, which were approved for sale by the secured lenders.

The Company’s future direction, or other material development that may have a significant impact on the Company’s financial position

The Judicial Managers refer to:

1. the Company’s General Announcement announcement dated 27 October 2022 in respect of the legal proceedings between YNEC and Mero Asia Pacific Pte. Ltd. (“**Mero**”). Mero filed an application in HC/OA 1009/2023 for permission to continue its counterclaim in HC/S 856/2021. The Judicial Managers wish to update that the Company and Mero have agreed to stay HC/S 856/2021 and HC/OA 1009/2023 until the expiry of the judicial management;

2. the Company's following General Announcements:
- (a) dated 7 September 2023 on the receipt of a letter of demand by Yongnam Engineering & Construction Sdn. Bhd. from Malayan Banking Berhad;
 - (b) dated 11 September 2023 on the receipt of a writ of summons and statement of claim by Yongnam Engineering Sdn. Bhd. ("YESB") from RHB Trustees Berhad (as trustee for Axis Real Estate Investment Trust) in relation to Malaysian court proceedings;
 - (c) dated 12 September 2023 on the receipt of a letter of demand by YNEC from Ergo Insurance Pte. Ltd.;
 - (d) dated 18 September 2023 on the receipt of a letter of demand by YNEC from Arcent (Singapore) Pte Ltd;
 - (e) dated 28 September 2023 on the receipt of a notice of demand by YNEC from Continental Steel Pte Ltd;
 - (f) dated 23 October 2023 on the receipt of judgment in default of appearance dated 3 October 2023 and a letter of demand from Shearn Delamore & Co in relation to Malaysian court proceedings;
 - (g) dated 31 October 2023 on the receipt of sealed judgment in default of appearance dated 8 October 2023 and letter of demand from Wajdi Mohamad & Company in relation to Malaysian court proceedings;
 - (h) dated 6 November 2023 on the application for extension of time to comply with requirements under the Insolvency, Restructuring and Dissolution Act 2018 ("IRDA");
 - (i) dated 14 November 2023 on the order for extension of time to summon a creditors' meeting and to comply with requirements under the IRDA;
 - (j) dated 28 November 2023 on the receipt of a letter of demand by YNEC from Seng Yap Engineering Enterprise;
 - (k) dated 28 November 2023 on the receipt of a letter of demand by YNEC from Soon Kim Engineering Works;
 - (l) dated 4 December 2023 on the receipt of a statutory notice of demand by YESB from RHB Trustees Berhad; and
 - (m) dated 6 December 2023 on the receipt of a letter of demand by YESB from Linde Malaysian Sdn Bhd.

3. the Company's General Announcement dated 24 October 2023, announcing that YNEC had entered into a novation agreement for a structural steelwork contract with Kuan Construction Engineering Pte Ltd ("**Kuan Construction**") (as the replacement sub-contractor) and Hyundai-Keong Hong JV Limited Partnership (as the main contractor) in respect of the Punggol Regional Sport Centre Project; and
4. the Company's General Announcement dated 24 November 2023, announcing that YNEC had entered into novation agreements for two construction contracts with Kuan Construction (as the replacement sub-contractor) and Hexacon Construction Pte Ltd (as the main contractor) in respect of the Rochester Park Project and Central Boulevard Project.

Further announcements will be released as and when there are material developments which warrant disclosure, in compliance with the Company's 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
14 December 2023

Seow Soon Yong
Chief Executive Officer
14 December 2023