



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, all 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

As announced in the Company’s monthly update dated 23 January 2024, the Judicial Managers have commenced the process of executing offers to proceed with realising security interests to reduce bank debt, including drafting and concluding the respective definitive agreement(s), reaching out to various key stakeholders for the projects, and discussing with relevant authorities for approval(s).

The Judicial Managers are progressing on the discussions with various key stakeholders for the projects and relevant authorities, including drafting and negotiating the terms of the respective agreements.

Other than disclosed above, there are no further updates to be made regarding the state of any negotiations between the issuer and its principal bankers.

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 dated 26 January 2024, announcing that the directors of Yongnam Engineering Sdn Bhd (“**YESB**”), a wholly-owned subsidiary of the Company, passed a resolution to, among others, appoint Adrian Hong Boo Kiat and Lok Peng Chuan, care of KPMG Corporate Restructuring PLT, to act as joint and/or several interim liquidators of YESB for the purposes of winding up;

2. the Company's General Announcement dated 29 January 2024, announcing that the Judicial Managers had on 24 January 2024 made applications to the High Court to seek, among others, orders that the Judicial Managers be granted an extension of time of six months up to and including 10 August 2024 for their term of office and to comply with certain requirements of the Insolvency, Restructuring and Dissolution Act 2018 ("**IRDA**");
3. the Company's General Announcement dated 30 January 2024, announcing YESB's receipt of judgment in default dated 6 December 2023 and a letter of demand dated 5 January 2024 from Rasvin Sodhi & Co in relation to Johor Bahru Court proceedings;
4. the Company's General Announcement dated 8 February 2024, announcing that the applications made by the Judicial Managers to the High Court on 24 January 2024 were heard and orders had been made to, among others, grant an extension of time of six months up to and including 10 August 2024 for the term of office of the Judicial Managers and to comply with sections 107 and 108 of the IRDA, read with Regulations 23, 25 and 30 of the Insolvency, Restructuring and Dissolution (Judicial Management) Regulations 2020;
5. the Company's General Announcement dated 23 February 2024, announcing that YNEC had entered into a novation agreement for a sub-contract involving design, submission, supply, install, dismantle and removal of earth retaining stabilising structure system with Oncod Pte Ltd (as the replacement sub-contractor) and China Communications Construction Company Ltd (Singapore Branch) (as the main contractor) in respect of the ARC project;
6. the Company's General Announcement dated 28 February 2024, announcing that Adrian Hong Boo Kiat and Lok Peng Chuan, care of KPMG Corporate Restructuring PLT, have resigned as the interim liquidators of YESB as of 21 February 2024 and have been appointed to act as joint and/or several liquidators for the creditors' voluntary winding up of YESB by the resolutions passed at the Meeting and the resolutions passed at the meeting of the creditors of YESB held on 21 February 2024; and
7. the Company's General Announcement dated 29 February 2024, announcing that Yongnam Engineering & Construction Sdn. Bhd., a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (the "**Agreement**") with SGR Land Development Sdn. Bhd. dated 9 January 2024 for the sale of six pieces of freehold land in Mukim Jeram Batu, Daerah Pontian, Negeri Johor, Malaysia. The Agreement took effect on 23 January 2024.

Other than disclosed above, there are no further updates to be made regarding the Company's future direction, or other material development that may have a significant impact on the Company's financial position.

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
29 February 2024

Seow Soon Yong
Chief Executive Officer
29 February 2024