



YONGNAM HOLDINGS LIMITED

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

MONTHLY UPDATE PURSUANT TO RULE 704(23) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (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**”), were 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 Company’s financial situation.

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

On 24 July 2024, a settlement deed was entered into amongst the principal bankers in relation to, *inter alia*, the ranking, rights and priority of payment of moneys from the realised secured assets in an agreed proportion, of which joint instructions were received by the Judicial Managers from the principal bankers, for distribution of the sale proceeds from the realised secured assets to-date, and payments were subsequently made to the principal bankers.

A portion of the secured proceeds have been paid to the principal lenders. The Judicial Managers are continuing to (a) realise security interests to reduce bank debt and (b) progress on the discussions with various key stakeholders for the remaining projects and with relevant authorities for approval(s), including drafting and negotiating the terms of the respective definitive agreement(s).

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 5 July 2024, announcing that YNEC had entered into a novation agreement with Aztec Steel Pte. Ltd. (“**Aztec Steel**”) (as the replacement sub-contractor) and Sinohydro Corporation Limited (Singapore Branch) (as the main contractor) for a sub-contract involving the leasing and supply of materials and undertaking of certain fabrication, installation and removal works in connection with Contract T217;

2. the Company's General Announcement dated 22 July 2024, announcing that YNEC had separately entered into novation agreements with Aztec Steel (as the replacement sub-contractor) and Shanghai Tunnel Engineering Co (Singapore) Pte Ltd for (a) a sub-contract involving certain supply, fabrication, delivery, installation and dismantling of related works for Contract T316 and (b) a sub-contract involving certain design, supply, fabrication, delivery, installation and dismantling of related works for Contract N109A;
3. the Company's General Announcement dated 22 July 2024, announcing that YNEC had separately entered into novation agreements with Aztec Steel (as the replacement sub-contractor) and China State Construction Engineering Corporation Limited Singapore Branch for (a) a sub-contract involving the supply, fabrication, delivery, installation, dismantling and removal of temporary steel works in relation to Contract 882 and (b) a sub-contract involving the supply, fabrication, delivery, installation, dismantling and removal of temporary steel works in relation to Contract 883; and
4. the Company's General Announcement dated 30 July 2024, announcing that YNEC had separately entered into novation agreements with Aztec Steel (as the replacement sub-contractor) and Daewoo-Yongnam Joint Venture for a sub-contract involving certain earth retaining stabilising structure works, temporary protection enclosure works, noise reduction works and other miscellaneous external structural steel works to certain mass rapid transit lines in relation to J109 Project.

In addition, the Judicial Managers would like to provide an update on the termination and/or settlement (as applicable) of the following agreements:

1. Termination of Proposed Erection Of 7-Storey Business Park (White) Development Comprising 1 Basement and 1 Basement Mezzanine Ancillary Use And 1 Basement Carpark on Lot 01838M MK09 Pt At Cleantech Loop (Western Water Catchment DGP) between Boustead Projects E&C Pte. Ltd. ("**Boustead Projects**") and YNEC ("**Contract SJC**").

On 29 September 2023, YNEC had issued a notice of disclaimer under Section 230 of the Insolvency, Restructuring and Dissolution Act 2018 ("**IRDA**") to Boustead Projects pursuant to which, *inter alia*, YNEC disclaimed all interest in Contract SJC from the date of the notice on the basis that Contract SJC was considered onerous property.

2. Termination of The Supply And Apply 2hrs Fire Rated Intumescent Paint At SJ Campus (YNEC/CS-1305/SJC/KA/PROD/PO), Supply And Apply Of Fireproofing Works (CS-106/1305/KA/C-001) and all other similar contracts entered into between K.A. Fireproofing Pte. Ltd. ("**K.A. Fireproofing**") and YNEC in relation to the SJ Campus project (collectively, the "**Fireproofing Contract Works at SJC**").

On 29 September 2023, YNEC had issued a notice of disclaimer under Section 230 of the IRDA to K.A. Fireproofing pursuant to which, *inter alia*, YNEC disclaimed all interest in the Fireproofing Contract Works at SJC from the date of the notice on the basis that the Fireproofing Contract Works at SJC were considered onerous property.

3. Termination of Proposed Conservation & Additions And Alterations To Existing Block 1, 9, 14 And NCO Club And New Erection Of 2 Tower Blocks Of 34 & 45 Storey, 4 Podium Blocks And 3 Basement Levels, Comprising Hotels, Offices, Retail Units And Residential Dwelling Units (Total 190 Units) On Lot 858K TS11 At Beach Road (Subcontract No. HD/SGASO/SC/0017) between Hyundai Engineering and Construction Co. Ltd (“**Hyundai Engineering**”) and YNEC (“**Subcontract No. HD/SGASO/SC/0017**”).

On 29 September 2023, YNEC had issued a notice of disclaimer under Section 230 of the IRDA to Hyundai Engineering pursuant to which, *inter alia*, YNEC disclaimed all interest in Subcontract No. HD/SGASO/SC/0017 from the date of the notice on the basis that Subcontract No. HD/SGASO/SC/0017 was considered onerous property.

4. Termination of Design and Construction of North-South Corridor (Tunnel) Between Kampong Java Road and Suffolk Walk (Subcontract No. N103/SC/038) between Leighton Contractors (Asia) Limited (Singapore Branch) (“**Leighton Contractors**”) and YNEC (“**Subcontract No. N103/SC/038**”).

On 27 March 2024, YNEC had issued a notice of disclaimer under Section 230 of the IRDA to Leighton Contractors pursuant to which, *inter alia*, YNEC disclaimed all interest in Subcontract No. N103/SC/038 from the date of the notice on the basis that Subcontract No. N103/SC/038 was considered onerous property.

5. Settlement of Supply Only (Equipment Supply) Contract Reference MM0003 between YNEC, John Holland Pty Ltd (“**John Holland**”), Lendlease Engineering Pty Ltd and Bouygues Construction Australia Pty Ltd (“**Bouygues**”) dated 16 January 2019, as novated on or about 14 August 2020 (collectively, “**Contract MM0003**”).

Under Contract MM0003, YNEC agreed to, *inter alia*, supply various materials to CYP Design & Construction Joint Venture (being an unincorporated joint venture comprising Lendlease Melbourne Metro Pty Limited, John Holland and Bouygues) (the “**D&C JV**”) and buy back such materials from the D&C JV in accordance with the provisions therein for the purposes of the Metro Tunnel Project (Tunnel and Stations PPP).

On 27 June 2024, YNEC had entered into a supply contract settlement deed (the “**Settlement Deed**”) with the D&C JV pursuant to which, *inter alia*, (a) Contract MM0003 was terminated by mutual consent with immediate effect with no provisions surviving termination and (b) in full and final settlement of all claims arising from Contract MM0003 and its termination pursuant to the Settlement Deed, YNEC agreed to purchase certain stored materials which were previously supplied by YNEC to the D&C JV under Contract MM0003.

6. Termination of Design and Construction of Tavistock Station and Tunnels for Supply, Fabrication, Delivery, Installation, Dismantling and Removal of H-Piles and ERSS Retaining Wall at Teck Ghee Park (PR No. CR115-016) between Sato Kogyo (S) Pte. Ltd. (“Sato Kogyo”) and YNEC (“Contract PR No. CR115-016”).

On 22 July 2024, YNEC had issued a notice of disclaimer under Section 230 of the IRDA to Sato Kogyo pursuant to which, *inter alia*, YNEC disclaimed all interest in Contract PR No. CR115-016 from the date of the notice on the basis that Contract PR No. CR115-016 was considered onerous property.

7. Termination of Design and Construction of Boon Lay Station and Viaduct including Addition and Alteration to the Existing East West Line (EWL) Boon Lay Station for Jurong Region Line – Supply, Fabricate, Deliver & Install Traffic Decking System (Steel Pile Excluded) (Subcontract No. 273) between China Communications Construction Company Limited (Singapore Branch) (“China Communications”) and YNEC (“Contract No. 273”).

On 22 July 2024, YNEC had issued a notice of disclaimer under Section 230 of the IRDA to China Communications pursuant to which, *inter alia*, YNEC disclaimed all interest in Contract No. 273 from the date of the notice on the basis that Contract No. 273 was considered onerous property.

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
31 July 2024

Seow Soon Yong
Chief Executive Officer
31 July 2024