



YONGNAM HOLDINGS LIMITED

(the “Company”)

(Company Registration No. 199407612N)

(Incorporated in the Republic of Singapore on 19 October 1994)

(1) PROPOSED ISSUE OF 19,736,836 NEW SHARES AND (2) PROPOSED ISSUE OF S\$9.5 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF NEW REDEEMABLE CONVERTIBLE BONDS TO HOLDERS OF THE EXISTING REDEEMABLE CONVERTIBLE BONDS DUE 2021

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Yongnam Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 3 May 2021 pursuant to which the Company had notified Shareholders that the maturity date of its existing redeemable convertible bonds (the “**Existing Bonds**”) falls on 4 June 2021 (the “**Existing Bonds Maturity Date**”).

As previously announced by the Company on 4 June 2019, an aggregate principal amount of S\$12.5 million of the Existing Bonds were previously issued by the Company.

Further to the announcement of 3 May 2021, the Company wishes to inform Shareholders that the Company has, following discussions with the holders of the Existing Bonds (the “**Existing Bondholders**”) in relation to the fulfilment of its obligations under the Existing Bonds and with their support, on 3 June 2021 entered into the following agreements with the Existing Bondholders:

- (a) a separate facilitation payment agreement with each Existing Bondholder (each, a “**Facilitation Payment Agreement**” and collectively, the “**Facilitation Payment Agreements**”); and
- (b) a separate bond subscription agreement with each Existing Bondholder in relation to the subscription and issue of S\$9.5 million (the “**Aggregate Principal Amount**”) in aggregate principal amount of new seven (7) per cent. redeemable convertible bonds (the “**2021 Bonds**”) to be issued by the Company to the Existing Bondholders (in proportion to the Existing Bonds held by them) (each, a **Bond Subscription Agreement**” and collectively, the “**Bond Subscription Agreements**”),

(collectively, the “**Proposed Transactions**”)

Following the entry into the Facilitation Payment Agreements and the Bond Subscription Agreements, the Company will not be making payment of the entire aggregate principal amount of the Existing Bonds on the Existing Bonds Maturity Date, and payment and settlement of such amount shall be in accordance with the terms of the Facilitation Payment Agreements and the Bond Subscription Agreements, details of which are set out below. The identities of the Existing Bondholders and the number of Facilitation Payment Shares and principal amount of 2021 Bonds to be issue to them are set out in paragraph 7 of this announcement.

No placement agreement was appointed for the issue of the Facilitation Payment Shares and/or the 2021 Bonds, and no fresh proceeds will be raised from the issue of the Facilitation Payment Shares and the issue of the 2021 Bonds.

2. KEY TERMS OF THE FACILITATION PAYMENT AGREEMENTS

2.1 Proposed issue of Facilitation Payment Shares

The Facilitation Payment Agreements provide that in consideration of each Existing Bondholder agreeing to sign the Bond Subscription Agreement on terms and conditions mutually acceptable between the Company and the Existing Bondholder and further to not requiring full repayment of his/its Existing Bonds on the Existing Bonds Maturity Date, the Company shall pay to the Existing Bondholders a facilitation payment in the aggregate amount of S\$1.5 million.

Such facilitation payment shall be satisfied by the allotment and issue to the Existing Bondholders (in proportion to the 2021 Bonds to be subscribed by them) of an aggregate of 19,736,836 new ordinary shares in the capital of the Company ("**Shares**") at an issue price of S\$0.076 each (the "**Facilitation Payment Shares**"). For the avoidance of doubt, no cash payment will be made in respect of the facilitation payment.

The issue price of S\$0.076 for the Facilitation Payment Shares represents a discount of approximately 1.17% to the volume weighted average price of S\$0.0769 per Share for trades in the Shares done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 3 June 2021, being the full market day on which the Facilitation Payment Agreements were signed.

The Facilitation Payment Shares are being offered to the Existing Bondholders in reliance on Sections 274 and/or 275 of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**"), and each of the Existing Bondholders has represented and warranted to the Company that he/it is an institutional investor, accredited investor and/or relevant persons under Section 274 or Section 275 of the SFA.

2.2 Conditions precedent

The obligations of the Company to allot and issue the Facilitation Payment Shares to each Existing Bondholder are subject to *inter alia* the following conditions precedent having been fulfilled by the date falling two (2) months from the date of the Facilitation Payment Agreements or such later date as the parties thereto may agree:

- (a) the Company and such Existing Bondholder having signed the Bond Subscription Agreement; and
- (b) the Company having obtained the approval in-principle from the SGX-ST for the listing and quotation of the relevant Facilitation Payment Shares on the Mainboard of the SGX-ST and the same continuing to be in full force and effect. Where the approval of the SGX-ST is subject to any conditions, such conditions have been fulfilled and satisfied.

In respect of the condition precedent referred to in paragraph 2.2(a) above, it should be noted that the allotment and issue of the Facilitation Payment Shares is conditional only on the signing of the Bond Subscription Agreements. It is not conditional upon the completion of the issue of the 2021 Bonds thereunder or the fulfilment of the conditions precedent thereunder.

2.3 General Mandate

The Facilitation Payment Shares will be issued pursuant to the general mandate given by the Shareholders of the Company at the annual general meeting of the Company held on 29 June 2020 ("**General Mandate**").

The General Mandate authorises the Company to issue new shares and convertible securities not exceeding 50% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of the grant of the General Mandate provided that the aggregate number of shares and convertible securities to be issued other than on a *pro rata* basis to Shareholders of the Company shall not exceed 20%.

The total number of issued shares as at the date of the General Mandate was 522,602,931. From the date of the grant of the General Mandate up to the date of this announcement, an aggregate of 75,003,000 Shares have been issued other than on a *pro rata* basis to Shareholders pursuant to the General Mandate. Accordingly, the issue of the 19,736,836 Facilitation Payment Shares falls within the limits of the General Mandate.

Each of the Existing Bondholders to whom the Facilitation Payment Shares are offered has represented and warranted that he/it is not a Director or substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the listing manual of the SGX-ST.

Accordingly, specific approval of the Shareholders will not be required for the allotment and issue of the Facilitation Payment Shares.

The Company will be making an application to the SGX-ST for the admission of the Facilitation Shares to the Mainboard of the SGX-ST and for the listing and quotation of the Facilitation Payment Shares on the Mainboard of the SGX-ST. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Facilitation Payment Shares has been obtained from the SGX-ST.

2.4 Payment of the Existing Bonds Balance Principal Amount

Under the Facilitation Payment Agreements, the Company and the Existing Bondholders have also agreed that an aggregate amount of S\$3 million, being the aggregate principal amount of the Existing Bonds less the Aggregate Principal Amount of the 2021 Bonds (the “**Existing Bonds Balance Principal Amount**”), shall be repaid by the Company to the Existing Bondholders in ten (10) equal monthly tranches.

Interest shall accrue on the outstanding portion of the Existing Bonds Balance Principal Amount from 4 June 2021, at the rate of seven (7)% per annum, and paid in two (2) tranches.

In the event that the Company fails to pay any tranche of the Existing Bonds Balance Principal Amount or interest on the date specified for payment, the Existing Bondholders shall be entitled by written notice to the Company to declare all outstanding amounts of the Existing Bonds Balance Principal Amount and interest accrued thereon immediately due and payable.

The payment obligations of the Company in respect of the Existing Bonds Balance Principal Amount are not subject to the conditions precedent set out in the Facilitation Payment Agreements.

2.5 Moratorium

It is provided *inter alia* under each Facilitation Payment Agreement that, provided that the Company performs and continues to perform its obligations under the Facilitation Payment Agreement, the relevant Existing Bondholder shall not upon allotment and issuance of the 2021 Bonds to the relevant Existing Bondholder under the Bond Subscription Agreement, have any further rights, claims or interests in respect of the Existing Bonds, other than as set out in the Bond Subscription Agreement.

3. KEY TERMS OF THE FACILITATION PAYMENT AGREEMENTS

3.1 Proposed issue of the 2021 Bonds

The Aggregate Principal Amount of S\$9.5 million of the 2021 Bonds are to be issued by the Company to the Existing Bondholders (in proportion to the Existing Bonds held by them) pursuant to the Bond Subscription Agreements.

Under the respective Bond Subscription Agreements, each Existing Bondholder has agreed with the Company to subscribe for his portion of the 2021 Bonds. An equivalent amount of each Existing Bondholder's principal amount of the Existing Bonds held by him/it (the "**2021 Bonds Principal Amount**") shall be applied towards and set off against the issue price payable by such Existing Bondholder for the relevant portion of the 2021 Bonds subscribed by him/it.

Pending the allotment and issue of the relevant amount of the 2021 Bonds to the Existing Bondholders, the 2021 Bonds Principal Amount shall bear interest from 4 June 2021 at the rate of seven (7)% per annum.

The 2021 Bonds are being offered to the Existing Bondholders in reliance on Sections 274 and/or 275 of the SFA, and each of the Existing Bondholders has represented and warranted to the Company that he/it is an institutional investor, accredited investor and/or relevant persons under Section 274 or Section 275 of the SFA.

3.2 Conditions precedent

The obligations of each Existing Bondholder to subscribe for the 2021 Bonds and the obligations of the Company to issue the 2021 Bonds are subject to *inter alia* the following conditions having been fulfilled by the date falling three (3) months from the date of the Bond Subscription Agreements or such later date as the parties thereto may agree:

- (a) the Facilitation Payment Agreement entered into between the Company and such Existing Bondholder remaining in full force and effect, and the relevant Facilitation Payment Shares having been allotted and issued to the Existing Bondholder pursuant thereto;
- (b) the Company having obtained all relevant approvals from the SGX-ST in connection with the transactions contemplated under the Bond Subscription Agreement, including without limitation the approval in-principle from the SGX-ST for the listing and quotation of the Conversion Shares (as defined below) on the Mainboard of the SGX-ST, and the same continuing to be in full force and effect. Where the approval of the SGX-ST is subject to any conditions, such conditions have been fulfilled and satisfied; and
- (c) the Company having received the approval from its Shareholders, at an extraordinary general meeting to be convened ("**EGM**"), for *inter alia* the allotment and issue of the 2021 Bonds, the Conversion Shares and any other matters as may be required under the listing manual of the SGX-ST.

3.3 Moratorium

It is provided under each Bond Subscription Agreement that, provided that the Company performs and continues to perform its obligations under the Bond Subscription Agreement and the Facilitation Payment Agreement, the relevant Existing Bondholder shall not:

- (a) pending the issue of the 2021 Bonds pursuant to the terms of the Bond Subscription Agreement:
 - (i) make any claim or take any step or commence any legal, insolvency or other proceeding against the Company in respect of the Existing Bonds; or
 - (ii) assign or transfer all or any of its rights or interests under or in respect of the Existing Bonds without the prior written consent of the Company; and
- (b) upon allotment and issuance of the 2021 Bonds to the relevant Existing Bondholder under the Bond Subscription Agreement, have any further rights, claims or interests in respect of the Existing Bonds, other than as set out in the Bond Subscription Agreement.

3.4 Salient terms of the 2021 Bonds

The 2021 Bonds shall be issued in registered form in the denomination of S\$10,000 each. The 2021 Bonds are convertible into new Shares ("**Conversion Shares**") which will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on such date that the Bondholder is registered as the holder on record of such shares. The issue price of the 2021 Bonds is 100% of the principal amount.

A summary of the key terms of the 2021 Bonds is set out below:

Instrument	:	S\$9.5 million, unsecured convertible Bonds.
Issue Price	:	100% of the aggregate principal amount of the Bonds.
Maturity	:	one (1) year from the date of issue of the Bonds (the " Maturity Date ").
Status	:	Direct, unsubordinated, unconditional and unsecured obligations of the Issuer ranking <i>pari passu</i> with all other direct, unsubordinated, unconditional and unsecured obligations.
Interest rate	:	The Bonds will bear interest at a rate of 7% per annum on the principal amount of the Bonds outstanding, payable every six (6) months. Payment of any and all interest by the Company to the Bondholders will be made by transfer to the registered account of the Bondholder or by Singapore dollar cheque drawn on a bank in Singapore and mailed to the registered address of the Bondholder if it does not have a registered account.
Alteration to terms	:	Any material alteration to the terms of the Bonds after issue to the advantage of the Bondholders shall be first approved by the Company's shareholders, except where such alterations are made pursuant to the terms of the Bonds.
Transfer	:	A Bondholder shall have the right, at its sole discretion, to sell, transfer or assign the Bonds without the consent of the

Company. Any transferee of a Bond will be bound by the terms and conditions of the Bonds. Any transfer of Bonds shall be in respect of a minimum principal amount of at least S\$250,000.

Maturity and partial redemption : The Bonds which have not already been redeemed, converted or purchased and cancelled by the Company will be redeemed by the Company at 100% of their principal amount on the Maturity Date. The Company shall at least one (1) month prior to the Maturity Date issue an announcement notifying shareholders of the Company of the same and shall dispatch to all Bondholders a notice of the Maturity Date.

At any time the Issuer may, having given not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) redeem all or some, of the Bonds at their principal amount (plus any accrued and unpaid interest). Any partial redemption of the Bonds shall be made proportionately in respect of all outstanding Bonds held by Bondholders at the time of issuance of the aforesaid notice.

Conversion period : Each Bondholder may request the conversion of its Bonds into new Shares at any time on and after the date falling one (1) month after the date of issue of such Bonds up to the date immediately preceding the Maturity Date, subject to these conditions.

Conversion Price : The price at which each Share shall be issued upon conversion shall be equivalent to the simple average of the daily volume weighted average price per Share for trades done for a consecutive ten (10) Market Days period on the SGX-ST (for the avoidance of doubt, excluding any one (1) or more intervening Market Days on which there are no trades in the Shares of the Company immediately prior to the date on which the Bonds are issued, provided always that the Conversion Price computed on this basis shall in no event be more than S\$0.10 or less than S\$0.05.

Limits on conversion : Any conversion of the Bonds into Shares by a Bondholder shall be subject to a minimum block of \$10,000.

There shall not be any limit on the principal amount of the Bonds to be converted.

Adjustment of conversion price	:	The Conversion Price shall be subject to adjustment under certain circumstances including without limitation, consolidation, subdivision or reclassification of shares, capitalisation issues, rights issues and certain capital distributions. Any such adjustments shall be announced by the Company via an announcement on SGXNET in compliance with the Listing Manual.
Inconsistency	:	In the event of inconsistency between the terms of the Bonds and the Listing Manual, the latter shall prevail and the terms of the Bonds shall be deemed to be amended for compliance with the Listing Manual.
Governing Law	:	Laws of Singapore

3.5 Conversion Shares

Assuming conversion of all S\$9.5 million of the 2021 Bonds at the maximum Conversion Price of S\$0.10, a total of 95,000,000 Conversion Shares will be issued. Based on the current 597,605,931 Shares in issue and taking into account the issue of all 19,736,836 Facilitation Payment Shares (and assuming no other changes in the share capital of the Company), such number of Conversion Shares would represent 13.34% of the enlarged number of issued Shares in the Company.

Assuming conversion of all S\$9.5 million of the 2021 Bonds at the minimum Conversion Price of S\$0.05, a total of 190,000,000 Conversion Shares will be issued. Based on the current 597,605,931 Shares in issue and taking into account the issue of all 19,736,836 Facilitation Payment Shares (and assuming no other changes in the share capital of the Company), such number of Conversion Shares would represent 23.53% of the enlarged number of issued Shares in the Company.

The Company will be making a separate application to the SGX-ST for the admission of the Conversion Shares to the Mainboard of the SGX-ST and for the listing and quotation of the Conversion Shares on the Mainboard of the SGX-ST. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Conversion Shares has been obtained from the SGX-ST.

Specific approval of the Shareholders will be sought for the allotment and issue of the 2021 Bonds and the Conversion Shares at the EGM. A circular to the Shareholders containing, *inter alia*, further details of the Bond Issue Agreements will be dispatched in due course.

4. RATIONALE OF THE PROPOSED TRANSACTIONS

The Board is of the view that the Proposed Transactions are in the best interests of the Company.

As disclosed in the Company's full year unaudited financial results announcement for the financial year ended 31 December 2020 ("FY2020") released on 27 February 2021, the Group's operation has been severely affected by the current on-going COVID-19 disruption amidst the uncertainty in global economic outlook. The Malaysia government has been implementing rounds of restrictive nationwide Movement Control Order ("MCO") as part of its efforts to combat the COVID-19 pandemic outbreak. The re-introduction of the MCOs has further disrupted the Group's manufacturing operation located in Johor, Malaysia.

The entry by the Company into the Proposed Transactions with the Existing Bondholders would allow the Company to settle its repayment obligations in respect of the Existing Bonds in the manner set out in the Facilitation Payment Agreements and Bond Subscription Agreements. Consequently, this would enable the Company to deploy its current cash balances towards its core activities as it manoeuvres the present economic environment during the COVID-19 pandemic.

5. NO PROSPECTUS OR OFFER INFORMATION STATEMENT TO BE ISSUED

The proposed issue of the Facilitation Payment Shares and the 2021 Bonds is made pursuant to the exemptions under Sections 274 and/or 275 of the SFA. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the same.

6. FINANCIAL EFFECTS

The *pro forma* financial effects of the (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds, based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“FY2020”) announced by the Company on 27 February 2021, are set out below.

It should be noted that such *pro forma* financial effects are presented strictly for illustrative purposes only and do not purport to be indicative or reflective of the actual future results and financial position of the Company and the Group after completion of (i) the allotment and issue of the Facilitation Payment Shares and (ii) the issue of the 2021 Bonds.

The financial effects of (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds on the Group are prepared based on, *inter alia*, the following assumptions:

- (a) the financial effects of (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds on the net tangible assets (“NTA”) per share of the Group are computed assuming that:
 - (1) (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds had been completed on 31 December 2020; and
 - (2) (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds and the allotment and issue of Conversion Shares (pursuant to the full conversion of the 2021 Bonds) had been completed on 31 December 2020;
- (b) the financial effects of (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds on the consolidated earnings per share / loss per share (“EPS”) of the Group are computed assuming that:
 - (1) (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds had been completed on 1 January 2020;
 - (2) (i) the allotment and issue of Facilitation Payment Shares and (ii) the issue of the 2021 Bonds and the allotment and issue of Conversion Shares (pursuant to the full conversion of the 2021 Bonds) had been completed on 1 January 2020; and

(3) no adjustments have been made to the Conversion Price.

	Before issue of the Facilitation Payment Shares and issue of the 2021 Bonds ⁽¹⁾	After issue of the Facilitation Payment Shares ⁽²⁾	After issue of the Facilitation Payment Shares and issue of the 2021 Bonds ⁽²⁾	After issue of the Facilitation Payment Shares and allotment and issue of all the Conversion Shares ⁽³⁾	After issue of the Facilitation Payment Shares and allotment and issue of all the Conversion Shares ⁽⁴⁾
NTA attributable to the shareholders of the Company (S\$'000)	138,957	138.957	138.957	138.957	138.957
Number of Shares (excluding treasury shares)	597,605,931	617,342,767	617,342,767	807,342,767	712,342,767
NTA per Share attributable to the shareholders of the Company (Singapore cents)	23.25	22.51	22.51	17.21	19.51

	Before Facilitation Payment Shares and Issue of 2021 Bond ⁽¹⁾	After Facilitation Payment Shares ⁽²⁾	After Facilitation Payment Shares and Issue of 2021 Bond ⁽²⁾	After Facilitation Payment Shares and allotment and issue of Conversion Shares ⁽³⁾	After Facilitation Payment Shares and allotment and issue of Conversion Shares ⁽⁴⁾
Net earnings after tax attributable to the shareholders of the Company (S\$'000)	(60,529)	(60,529)	(60,529)	(60,529)	(60,529)
Weighted average number of Shares	597,605,931	617,342,767	617,342,767	807,342,767	712,342,767
EPS (Singapore cents)	(10.13)	(9.80)	(9.80)	(7.50)	(8.50)

Notes:

(1) Based on 522,602,931 Shares in the Company (excluding treasury shares) in issue as at 31 December 2020, adjusted for new placement Shares of 75,003,000 issued on 7 May 2021.

- (2) Based on 522,602,931 Shares in the Company (excluding treasury shares) in issue as at 31 December 2020, adjusted for new placement Shares of 75,003,000 issued on 7 May 2021 and the issue of 19,736,836 Facilitation Payment Shares.
- (3) Based on 522,602,931 Shares in the Company (excluding treasury shares) in issue as at 31 December 2020, adjusted for new placement Shares of 75,003,000 issued on 7 May 2021 and the issue of 19,736,836 Facilitation Payment Shares. Assuming that the conversion right in respect of all S\$9,500,000 of the 2021 Bonds were exercised by the holders thereof at the minimum conversion price of S\$0.05, resulting in the allotment and issue of 190,000,000 Conversion Shares to the holders thereof.
- (4) Based on 522,602,931 Shares in the Company (excluding treasury shares) in issue as at 31 December 2020, adjusted for new placement Shares of 75,003,000 issued on 7 May 2021 and the issue of 19,736,836 Facilitation Payment Shares. Assuming that the conversion right in respect of all S\$9,500,000 of the 2021 Bonds were exercised by the holders thereof at the maximum conversion price of S\$0.10, resulting in the allotment and issue of 95,000,000 Conversion Shares to the holders thereof.

7. THE EXISTING BONDHOLDERS

Name of Existing Bondholder	Number of Facilitation Payment Shares to be issued to him/it	Aggregate principal amount of the 2021 Bonds to be issued to him/it (S\$)
Azure All-Star Fund Pte Ltd	789,473	380,000
Bobby Lim Chye Huat	394,736	190,000
Chang Mun Kee	1,184,210	570,000
Goh Guan Siong	1,184,210	570,000
Tan Tin Nam	789,473	380,000
Teo Khiam Chong	789,473	380,000
Terry Tan Soon Lee	3,157,894	1,520,000
Wang Yu Huei	11,052,631	5,320,000
Yeo Wei Huang	394,736	190,000

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions, other than through their directorships and/or shareholdings in the Company.

9. DOCUMENTS FOR INSPECTION

Copies of the Facilitation Payment Agreements and Bond Subscription Agreements may be inspected at the registered office of the Company at 51 Tuas South Street 5, Singapore 637644 during normal business hours for a period of three (3) months commencing from the date of this announcement.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

11. FURTHER ANNOUNCEMENTS

The Company will continue to keep Shareholders updated and release announcements relating to the Proposed Transactions (including any material developments and progress made) as may be appropriate from time to time.

12. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. The Proposed Transactions are subject to the fulfilment of certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Transactions or any part thereof will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors of the Company should exercise caution when trading in shares of the Company, and where in doubt as to the action they should take, they should consult their legal, financial, tax or other professional adviser immediately.

By Order of the Board
YONGNAM HOLDINGS LIMITED

SEOW SOON YONG
Chief Executive Officer
4 June 2021