

**CIRCULAR DATED 5 OCTOBER 2021**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

*Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.*

Printed copies of this Circular will not be sent to the members. Instead, this Circular will be sent to the members solely by electronic means via publication on the Company's website at the URL <http://www.yongnamgroup.com> and will also be available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

If you have sold or transferred all your shares in the capital of the Company, please forward this Circular immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "SGX-ST") takes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Circular. Approval in-principle has been granted by the SGX-ST on 17 September 2021 to the Company for the listing and quotation of the Conversion Shares (as defined herein) on the Main Board of the SGX-ST, subject to certain conditions. The approval in-principle is not to be taken as an indication of the merits of the 2021 Bonds (as defined herein), the Conversion Shares, the Company and/or its subsidiaries.



**YONGNAM HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 199407612N)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

- (A) THE PROPOSED ISSUE OF S\$9.5 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF NEW SEVEN PER CENT. REDEEMABLE CONVERTIBLE BONDS CONVERTIBLE INTO UP TO 190,000,000 CONVERSION SHARES; AND**
- (B) THE POTENTIAL TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR. WANG YU HUEI ARISING FROM THE ISSUE OF THE CONVERSION SHARES.**

**IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	:	17 October 2021 at 10.00 a.m.
Date and time of EGM	:	20 October 2021 at 10.00 a.m. (to be held by electronic means)

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions apply throughout this Circular:

<b>“2019 Placement”</b>	:	A private placement exercise conducted by the Company in 2019 with the 2019 Placement Agent as the placement agent
<b>“2019 Placement Agent”</b>	:	CGS-CIMB Securities (Singapore) Pte. Ltd.
<b>“2021 Bonds” or “Bonds”</b>	:	S\$9.5 million in aggregate principal amount of new seven (7) per cent. redeemable convertible bonds
<b>“2021 Bonds Principal Amount”</b>	:	An equivalent amount of each Existing Bondholder’s principal amount of the Existing Bonds held by him/it
<b>“Act” or “Companies Act”</b>	:	The Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time
<b>“Aggregate Principal Amount”</b>	:	S\$9.5 million, being the aggregate principal amount of the 2021 Bonds
<b>“Asdew”</b>	:	Asdew Acquisitions Pte Ltd
<b>“Board” or “Board of Directors”</b>	:	The board of Directors of the Company for the time being
<b>“Bond Subscription Agreement”</b>	:	The separate bond subscription agreement dated 3 June 2021 between the Company and each Existing Bondholder in relation to the subscription and issue of S\$9.5 million in aggregate principal amount of new seven (7) per cent. redeemable convertible bonds to be issued by the Company to the Existing Bondholders (in proportion to the Existing Bonds held by them), as amended, modified and supplemented by the relevant Supplemental Letter (each, a <b>“Bond Subscription Agreement”</b> and collectively, the <b>“Bond Subscription Agreements”</b> )
<b>“Bondholder”</b>	:	(in relation to a 2021 Bond) means the person in whose name a 2021 Bond is registered in the Register of Bondholders
<b>“Business Day”</b>	:	A day other than a Saturday, Sunday and public holiday on which commercial banks are open for business in Singapore.
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 5 October 2021
<b>“Company” or “Issuer”</b>	:	Yongnam Holdings Limited
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“Controlling Interest”</b>	:	The interest of Controlling Shareholder(s)
<b>“Controlling Shareholder”</b>	:	A person who:

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## DEFINITIONS

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	(a)	holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
	(b)	in fact exercises control over a company
<b>“Conversion Price”</b>	:	The price at which each Conversion 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
<b>“Conversion Shares”</b>	:	New Shares which the 2021 Bonds are convertible into
<b>“CPF”</b>	:	The Central Provident Fund
<b>“Director”</b>	:	A director of the Company for the time being
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held by way of electronic means on 20 October 2021 at 10.00 a.m.
<b>“EPS”</b>	:	Consolidated earnings per share / loss per share
<b>“Existing Bonds”</b>		The existing redeemable convertible bonds of the Company which bore interest at a rate of 7% per annum, payable every six (6) months
<b>“Existing Bonds Maturity Date”</b>		The maturity date of the Existing Bonds, being 4 June 2021
<b>“Existing Bondholders”</b>		Holders of the Existing Bonds as at the Existing Bonds Maturity Date
<b>“Facilitation Payment Agreement”</b>	:	A separate facilitation payment agreement dated 3 June 2021 between the Company and each Existing Bondholder
<b>“FY”</b>	:	Financial year ended or ending 31 December
<b>“FY2020”</b>	:	Financial year ended 31 December 2020
<b>“FY2020 Annual Report”</b>	:	The annual report of the Company for FY2020
<b>“Latest Practicable Date”</b>	:	30 September 2021, being the latest practicable date prior to the date of this Circular

## DEFINITIONS

- “Long Stop Date”** : The date falling three (3) months from the date of the Bond Subscription Agreements or such later date as the parties thereto may agree
- “Listing Manual”** : The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
- “Listing Rules”** : The listing rules under the Listing Manual
- “Live EGM Webcast”** : The “live” audio-visual webcast and “live” audio webcast of the proceedings of the EGM
- “Market Day”** : A day on which the SGX-ST is open for trading of securities
- “Maturity Date”** : The maturity date of the 2021 Bonds, being one (1) year from the date of issue of the 2021 Bonds
- “MCO”** : Movement Control Order
- “Notice of EGM”** : The Notice of EGM dated 5 October 2021
- “Mr. Wang”** : Mr. Wang Yu Huei
- “NTA”** : Net tangible assets
- “Ordinary Resolution”** : A resolution of the Members passed as an ordinary resolution in accordance with the Act
- “Proposed Bonds Issue”** : The proposed issue of the 2021 Bonds to the Existing Bondholders in the following proportions, in accordance with the terms and subject to the conditions set out in the respective Bond Subscription Agreements:

Name of Existing Bondholder	Aggregate principal amount of the 2021 Bonds to be issued to him/it (S\$)
Azure All-Star Fund Pte Ltd	380,000
Bobby Lim Chye Huat	190,000
Chang Mun Kee	570,000
Goh Guan Siong	570,000
Tan Tin Nam	380,000
Teo Khiam Chong	380,000
Terry Tan Soon Lee	1,520,000
Wang Yu Huei	5,320,000
Yeo Wei Huang	190,000

- “Proposed Transactions”** : The Company’s entry on 3 June 2021 into the following agreements with the Existing Bondholders, following discussions with the Existing Bondholders in relation to the fulfilment of its obligations under the Existing Bonds and with their support:

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## DEFINITIONS

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- (a) a separate facilitation payment agreement with each Existing Bondholder; and
  - (b) a separate bond subscription agreement with each Existing Bondholder in relation to the subscription and issue of S\$9.5 million in aggregate principal amount of new seven (7) per cent. redeemable convertible bonds to be issued by the Company to the Existing Bondholders (in proportion to the Existing Bonds held by them)
- “Potential Transfer of Controlling Interest”** : The potential transfer of Controlling Interest in the Company to Mr. Wang arising from the issue of Conversion Shares
- “Register of Bondholders”** : A register on which shall be entered the names and addresses of the holders of the 2021 Bonds and the particulars of the 2021 Bonds held by them and of all transfers of the 2021 Bonds
- “Registration Deadline”** : 10.00 a.m. on 17 October 2021, being the deadline for Shareholders to pre-register online at the Yongnam EGM Website, URL <https://conveneagm.sg/yhlegm>, to create an account to follow the proceedings of the EGM through the Live EGM Webcast
- “Securities Account”** : A securities account maintained by a Depositor with CDP but does not include a securities subaccount maintained with a Depository Agent
- “SFA”** : The Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Shareholders” or “Members”** : Registered shareholders for the time being of the Company or if the registered shareholder is the Depository, a Depositor named in the Depository Register (for such period as shares are entered in the Depositor Securities Account)
- “Shares”** : Ordinary shares in the paid-up share capital of the Company
- “Substantial Shareholder”** : A person who has an interest in not less than five per cent (5%) of the issued voting shares of the Company, as defined under section 81 of the Companies Act
- “Supplemental Letter”** : A supplemental letter entered into by the Company with each Existing Bondholder in relation to its bond subscription agreement, as announced by the Company on 23 August 2021
- “%” or “per cent”** : Per centum or percentage

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

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## DEFINITIONS

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The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Listing Manual.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Listing Manual or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

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## LETTER TO SHAREHOLDERS

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**YONGNAM HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199407612N)

## LETTER TO SHAREHOLDERS

**Directors:**

Mr. Seow Soon Yong (Managing Director)  
Mr. Chia Sin Cheng (Finance Director)  
Mr. Siau Sun King (Executive Director)  
Mr. Tan Eng Kiat, Dominic (Independent Non-Executive Director)  
Mr. Lim Ghim Siew, Henry (Independent Non-Executive Director)  
Mr. Teng Kian Jen, Ben (Independent Non-Executive Director)

**Registered Office:**

51 Tuas South Street 5  
Singapore 637644

5 October 2021

To: The Shareholders of Yongnam Holdings Limited

Dear Sir/Madam,

- (A) THE PROPOSED BONDS ISSUE; AND**  
**(B) THE POTENTIAL TRANSFER OF CONTROLLING INTEREST.**

### 1. INTRODUCTION

The Directors are convening the EGM to seek the approval of Shareholders for the Proposed Bonds Issue and the Potential Transfer of Controlling Interest.

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Bonds Issue and the Potential Transfer of Controlling Interest, and to seek Shareholders' approval for the foregoing at the EGM. The Notice of EGM is set out at page N-1 of this Circular.

The SGX-ST takes no responsibility for the contents of this Circular including the accuracy of any of the statements or opinions made or reports contained in this Circular.

The Company has appointed Atlas Asia Law Corporation as the legal adviser to the Company as to Singapore law in relation to the Proposed Bonds Issue and the Potential Transfer of Controlling Interest. Prior to such appointment of Atlas Asia Law Corporation, the Company has not appointed any legal advisers in relation to the Proposed Bonds Issue and the Potential Transfer of Controlling Interest.

### 2. APPROVAL-IN PRINCIPLE FROM THE SGX-ST

In connection with the Proposed Bonds Issue, the Company had submitted an application to the SGX-ST for the listing and quotation of the Conversion Shares.

On 17 September 2021, the SGX-ST had granted the approval in-principle for the listing and quotation of up to 190,000,000 Conversion Shares, subject to the following conditions:



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## LETTER TO SHAREHOLDERS

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- (a) Shareholders' approval for the Proposed Bonds Issue;
- (b) Announcement of the conditions under which the price of the Conversion Shares may be adjusted and the conditions under which Bonds may be redeemed;
- (c) A written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed placement of units and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (d) A written undertaking from the Company that it will comply with Listing Rule 803;
- (e) A written confirmation from the Company that the terms of the 2021 Bonds comply with Listing Rule 829(1);
- (f) A written undertaking from the Company to announce any adjustment made pursuant to Listing Rule 829(1);
- (g) A written undertaking from the Company that it will comply with Listing Rule 831;
- (h) Please note the Company's obligations under Listing Rule 864(4) to notify the Exchange immediately upon any significant changes affecting any matter contained in the application, or which would be required to be included in the application if it had arisen before the application was submitted;
- (i) Shareholders' approval for the Potential Transfer of Controlling Interest; and
- (j) A written confirmation from the Company that it will not issue the 2021 Bonds to persons prohibited under Rule 812(1) of the Listing Manual without Shareholders' approval.

Shareholders are advised that the approval-in-principle granted by the SGX-ST for the listing of and quotation for the Conversion Shares is not to be taken as an indication of the merits of the 2021 Bonds, Conversion Shares, the Company and/or its subsidiaries.

### **3. THE PROPOSED BONDS ISSUE**

#### **3.1 Background**

On 3 May 2021, the Company announced that the maturity date of its existing redeemable convertible bonds falls on 4 June 2021.

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.

On 4 June 2021, the Company announced that the Company had, following discussions with 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:

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## LETTER TO SHAREHOLDERS

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- (a) a separate facilitation payment agreement with each Existing Bondholder; and
- (b) a separate bond subscription agreement with each Existing Bondholder in relation to the subscription and issue of S\$9.5 million in aggregate principal amount of new seven (7) per cent. redeemable convertible bonds to be issued by the Company to the Existing Bondholders (in proportion to the Existing Bonds held by them),

As announced by the Company on 23 August 2021, the Company had entered into a supplemental letter with each Existing Bondholder in relation to its bond subscription agreement to amend the procedures relating to an adjustment event to the 2021 Bonds conversion price and a material alteration of the 2021 Bonds terms after issue, under the 2021 Bonds terms and conditions. Please refer to the Company's announcement dated 23 August 2021 for further information.

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.

As announced by the Company on 4 June 2021, 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. The announcement dated 4 June 2021 further stated that such facilitation payment would 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 at an issue price of S\$0.076 each.

On 22 June 2021, the Company allotted and issued 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 at an issue price of S\$0.076 each, in full satisfaction of the facilitation payment. For the avoidance of doubt, no cash payment was made or will be made in respect of the facilitation payment. Please refer to the Company's announcements dated 4 June 2021 and 22 June 2021 for further information.

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. As announced by the Company on 4 June 2021, 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, shall be repaid by the Company to the Existing Bondholders in ten (10) equal monthly tranches.

Under the respective Bond Subscription Agreements, each Existing Bondholder has agreed with the Company to subscribe for his portion of the 2021 Bonds. 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.

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## LETTER TO SHAREHOLDERS

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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 per cent (7%) per annum.

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.

No placement agent 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.

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 Information on the Existing Bondholders**

The Existing Bonds were issued on 4 June 2019 pursuant to the 2019 Placement. Please refer to Company's announcements dated 22 May 2019, 23 May 2019, 29 May 2019 and 4 June 2019 for information on such placement. Subsequent to the placement of the Existing Bonds, there were transfers of the Existing Bonds by some of the initial holders of Existing Bonds. The Existing Bondholders are holders of the Existing Bonds as at the Existing Bonds Maturity Date.

Save for the placement commission paid to the 2019 Placement Agent, no introducer fees were paid by the Company in connection with the 2019 Placement.

No introducer fees were paid by the Company for the introduction of the Existing Bondholders to the Company as there was no introducer involved in the Proposed Bonds Issue, and the Existing Bondholders are already identified.

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## LETTER TO SHAREHOLDERS

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The Existing Bondholders and their directors and substantial shareholders (if applicable) have no connections (including any business relationship) with the Company and its Directors and substantial shareholders, save in respect of Mr. Tan Tin Nam.<sup>1</sup>

The Existing Bondholders have no connections (including any business relationship) with each other.

Each of the Existing Bondholders has represented and warranted, *inter alia*, that:

- (i) 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; and
- (ii) (following the completion and assuming (i) all the 2021 Bonds are fully converted into Conversion Shares, (ii) the allotment and issue of all the Facilitation Payment Shares, and (iii) the Bondholder does not further subscribe for or otherwise acquire additional Shares) he/it is not a person in respect of whom its conversion and receipt of the Conversion Shares would result in the transfer of a controlling interest in the Issuer (as defined in the Listing Manual) or who would, as a result of its conversion and receipt of the Conversion Shares, have an interest (as defined in Section 4 of the SFA) in 15 per cent. or more of the issued share capital of the Issuer or who would, as a result of its conversion and receipt of the Conversion Shares, trigger the requirement under Rule 14 of the Singapore Code on Takeovers and Mergers for the Bondholder and/or any parties acting in concert with the Bondholder to make a mandatory general offer to acquire all the issued Shares.

None of the Existing Bondholders is a Director or an associate of a Director.

In addition to the above, each of the Existing Bondholders has represented and warranted, *inter alia*, that he/it is acquiring the 2021 Bonds as principal and he/it is not acquiring the 2021 Bonds with a view of those 2021 Bonds being subsequently offered for resale in a manner prohibited by the SFA and shall not offer them for resale in a manner prohibited by the SFA. As far as the Company is aware, none of the Existing Bondholders are subscribing for the 2021 Bonds as trustee or nominee.

Details of the interests of the Existing Bondholders as at the Latest Practicable Date are set out in Section 5.1 of this Circular.

Please refer to the tables below for more information on the Existing Bondholders:-

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<sup>1</sup> Prior to 1 March 2008, Mr. Tan was an executive director of the Board.

On 1 March 2008, Mr. Tan:-

- (i) ceased to be an executive Director of the Board;
- (ii) became a non-executive and non-independent director of the Board; and
- (iii) was appointed as a technical advisor of Yongnam Engineering & Construction (Private) Limited (“**Yongnam Engineering**”), a wholly-owned subsidiary of the Company.

On 13 July 2016, Mr. Tan resigned as a non-executive and non-independent director of the Board.

## LETTER TO SHAREHOLDERS

No.	Name	Background
1.	Azure All-Star Fund Pte Ltd	<p>A company incorporated in Singapore which is engaged in fund management activities. The company is the flagship fund of Azure Capital Pte Ltd, a registered fund management company in Singapore. The investors in Azure All-Star Fund Pte Ltd are high net worth private investors.</p> <p>The directors and key management of Azure Capital Pte Ltd are:-</p> <p>(a) Chow Da Wei (Qiu Dawei) (Director);            (b) Wong Yew Chian Terence (Director); and            (c) Fang Liwei Mindy (Chief Operating Officer).</p>
2.	Bobby Lim Chye Huat	<p>Mr. Lim is the chairman and a non-executive, non-independent director of Tai Sin Electric Limited. He is also a non-executive independent director of Hubline Berhad.</p>
3.	Chang Mun Kee	<p>Mr. Chang is an executive director and the chief executive officer of Little Rain Pte Ltd.</p> <p>He is also a non-executive director of JcbNext Pte Ltd, Greenfield Japan Kabushiki Kaisha, and 104 Corporation.</p>
4.	Goh Guan Siong	<p>Mr. Goh is a full-time private investor and is not a director of any company.</p>
5.	Tan Tin Nam	<p>Mr. Tan Tin Nam is a technical advisor of Yongnam Engineering &amp; Construction (Private) Limited, a wholly-owned subsidiary of the Company.</p> <p>Please refer to footnote 1 on page 9 of this Circular above for further information on Mr. Tan Tin Nam.</p>
6.	Teo Khiam Chong	<p>Mr. Teo is a director of both Blow+Bar Pte. Ltd. and Bloc+ Private Limited. He was also formerly an executive director of Disa Limited.</p>
7.	Terry Tan Soon Lee	<p>Mr. Tan is a director of both Bestford Inc Pte. Ltd. and Chuan Seng Leong Pte Ltd.</p>
8.	Wang Yu Huei	<p>Mr. Wang is the main / sole shareholder and a director of Asdew Acquisitions Pte Ltd, Asian Dragon Acquisitions Ltd, Value Partner Agents Ltd, which are investment holding companies.</p> <p>He is also the controlling shareholder as well as a non-independent director of Ausgroup Limited.</p> <p>In addition to the above, he is also a director of AOC Acquisitions Pte. Ltd. and Eyoto Group Ltd.</p>
9.	Yeo Wei Huang	<p>Mr. Yeo is a private investor and is not a director of any company.</p>

**LETTER TO SHAREHOLDERS**

No.	Name	Aggregate principal amount of Existing Bonds held by him/it as at the Existing Bonds Maturity Date (S\$)	Aggregate principal amount of the 2021 Bonds to be issued to him/it (S\$)	Amount of each Existing Bondholder's principal amount of the Existing Bonds held by him/it to 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 (S\$)
1.	Azure All-Star Fund Pte Ltd	500,000	380,000	380,000
2.	Bobby Lim Chye Huat	250,000	190,000	190,000
3.	Chang Mun Kee	750,000	570,000	570,000
4.	Goh Guan Siong	750,000	570,000	570,000
5.	Tan Tin Nam	500,000	380,000	380,000
6.	Teo Khiam Chong	500,000	380,000	380,000
7.	Terry Tan Soon Lee	2,000,000	1,520,000	1,520,000
8.	Wang Yu Huei	7,000,000	5,320,000	5,320,000
9.	Yeo Wei Huang	250,000	190,000	190,000

No.	Name	Assuming the minimum Conversion Price of S\$0.05		Assuming the maximum Conversion Price of S\$0.10	
		No. of Conversion Shares to be issued to the Existing Bondholder	% of Conversion Shares to be issued to the Existing Bondholder based upon the enlarged share capital of the Company <sup>(1)</sup>	No. of Conversion Shares to be issued to the Existing Bondholder	% of Conversion Shares to be issued to the Existing Bondholder based upon the enlarged share capital of the Company <sup>(2)</sup>
1.	Azure All-Star Fund Pte Ltd	7,600,000	0.94%	3,800,000	0.53%
2.	Bobby Lim Chye Huat	3,800,000	0.47%	1,900,000	0.27%
3.	Chang Mun Kee	11,400,000	1.41%	5,700,000	0.80%
4.	Goh Guan Siong	11,400,000	1.41%	5,700,000	0.80%

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No.	Name	Assuming the minimum Conversion Price of S\$0.05		Assuming the maximum Conversion Price of S\$0.10	
		No. of Conversion Shares to be issued to the Existing Bondholder	% of Conversion Shares to be issued to the Existing Bondholder based upon the enlarged share capital of the Company <sup>(1)</sup>	No. of Conversion Shares to be issued to the Existing Bondholder	% of Conversion Shares to be issued to the Existing Bondholder based upon the enlarged share capital of the Company <sup>(2)</sup>
5.	Tan Tin Nam	7,600,000	0.94%	3,800,000	0.53%
6.	Teo Khiam Chong	7,600,000	0.94%	3,800,000	0.53%
7.	Terry Tan Soon Lee	30,400,000	3.77%	15,200,000	2.13%
8.	Wang Yu Huei	106,400,000	13.18%	53,200,000	7.47%
9.	Yeo Wei Huang	3,800,000	0.47%	1,900,000	0.27%

**Notes:**

- (1) 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. The percentage is calculated based on a total issued and paid-up share capital of 807,342,767 Shares.
- (2) 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. The percentage is calculated based on a total issued and paid-up share capital of 712,342,767 Shares.

Please refer to Sections 5.2 and 5.3 for further details on the interests of the Existing Bondholders, upon completion of the Proposed Bonds Issue and assuming that the conversion right in respect of all S\$9,500,000 of the 2021 Bonds were exercised by the holders thereof.

### 3.3 Rationale and Use of Proceeds

The Board is of the view that the Proposed Transactions (including the Proposed Bonds Issue) are in the best interests of the Company.

As disclosed in the Company's full year unaudited financial results announcement for 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 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,

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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.

No fresh proceeds will be raised from the Proposed Bonds Issue.

### 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 Conversion Shares 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, as amended by the Supplemental Letters, 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.
Status	:	Direct, unsubordinated, unconditional and unsecured obligations of the Issuer ranking <i>pari passu</i> with all other direct, unsubordinated, unconditional and unsecured obligations.
Bondholder	:	(in relation to a 2021 Bond) means the person in whose name a 2021 Bond is registered in the Register of Bondholders.
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 which is to the advantage of the Bondholders but is materially prejudicial to the interests of the Company's shareholders 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



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## LETTER TO SHAREHOLDERS

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shall be in respect of a minimum principal amount of at least S\$250,000.

Maturity and  
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.

A Bondholder may give a default notice to the Issuer that the 2021 Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount plus accrued interest (subject to, *inter alia*, the right of such Bondholder to convert its 2021 Bonds into Conversion Shares) if, *inter alia*, any of the following events of default has occurred:

- (a) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer; or
- (b) an encumbrancer takes possession or an administrative or other receiver or an administrator, liquidator, provisional liquidator or officer of the Court is appointed of the whole or any substantial part of the property, assets or revenues of, *inter alia*, the Issuer and is not discharged within 10 Market Days.

The Issuer shall redeem the Bonds by paying the applicable redemption amount to the Bondholders forthwith upon its receipt of such default notice issued by the Bondholders.

In the event that the Company is unable to pay the applicable redemption monies of Bonds for which notices have been delivered in respect of *inter alia*, a specified event of default, the Bondholder also has the right to convert such amount of Bonds that it holds into Conversion Shares.

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Conversion period	:	<p>All Bonds which are redeemed or converted in accordance with the terms and conditions of the Bonds will be cancelled forthwith upon such redemption or conversion.</p> <p>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.</p>
Conversion Price	:	<p>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.</p>
Listing Status	:	<p>The Bonds will not be listed or quoted.</p>
Limits on conversion	:	<p>Any conversion of the Bonds into Shares by a Bondholder shall be subject to a minimum block of \$10,000.</p> <p>There shall not be any limit on the principal amount of the Bonds to be converted.</p>
Adjustment of conversion price	:	<p>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.</p>

In particular, for issue of shares or issue or grant of options, warrants or other rights to subscribe for or purchase shares which are less than Current Market Price (as defined in Appendix A), conversion price or adjusted conversion price, the conversion price shall be adjusted downwards in accordance with an agreed formula, and such adjustment will result in a dilution of interests of Shareholders.

Any such adjustments shall be announced by the Company via an announcement on SGXNET in compliance with the Listing Manual.

Further details can be found in Appendix A to this Circular.

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Inconsistency	:	In the event of inconsistency between the terms of the 2021 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 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 Long Stop Date:

- (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 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, 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.

Subsequent to the execution of the Bond Subscription Agreements, the Existing Bondholders and the Company have agreed that the Long Stop Date be extended to 3 December 2021.

### 3.6 Closing date

Closing of the Proposed Bonds Issue shall take place on the date falling five (5) Business Days after the date on which the last in time of the conditions precedent set out in Section 3.5 (a), (b) and (c) of this Circular are satisfied or such other date as the parties may agree in writing.

### 3.7 Conversion Shares

The number of Conversion Shares to be issued in the Issuer on conversion of a 2021 Bond will be determined by dividing the principal amount of the 2021 Bond to be converted by the Conversion Price (as hereinafter defined) in effect at the Conversion Date. Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

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 617,342,767 Shares in issue (and assuming no other changes in the share capital of the Company), such

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## LETTER TO SHAREHOLDERS

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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 617,342,767 Shares in issue (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.

### **3.8 Authority to issue the 2021 Bonds and the Conversion Shares**

Pursuant to Rule 805 of the Listing Manual, an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

Separately, pursuant to Rule 811(2) of the Listing Manual, an issue of company warrants or other convertible securities is subject to the requirement that, if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion. The price at which each Conversion 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. The conversion price is calculated with reference to the date on which the 2021 Bonds are issued, and such issue date and conversion price cannot be ascertained as at the date of this Circular. Thus, it cannot be determined whether the conversion price may or may not be at a discount of more than 10% of the prevailing market price of the underlying shares before such issue. Rule 811(3) of the Listing Manual provides, *inter alia*, that Rule 811(2) of the Listing Manual is not applicable if specific shareholder approval is obtained for the issue of convertible securities.

Accordingly, the Company will be seeking specific Shareholders' approval at the EGM for, *inter alia*, the Proposed Bonds Issue and the allotment and issue of the Conversion Shares for the purposes of Rules 805 and 811(3) of the Listing Manual.

### **3.9 Financial effects of the Proposed Bonds Issue**

The *pro forma* financial effects of the Proposed Bonds Issue, based on the unaudited consolidated financial statements of the Group for the financial year ended 31 December 2020 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 the issue of the Proposed Bonds Issue.

The financial effects of the Proposed Bonds Issue on the Group are prepared based on, *inter alia*, the following assumptions:

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- (a) the financial effects of the Proposed Bonds Issue on the NTA per share of the Group are computed assuming that:
- (1) the Proposed Bonds Issue had been completed on 31 December 2020; and
  - (2) the Proposed Bonds Issue 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 the Proposed Bonds Issue on the EPS of the Group are computed assuming that:
- (1) the Proposed Bonds Issue had been completed on 1 January 2020;
  - (2) the Proposed Bonds Issue 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.
- (c) the financial effects of the Proposed Bonds Issue on the gearing of the Group are computed assuming that:
- (1) the Proposed Bonds Issue had been completed on 1 January 2020;
  - (2) the Proposed Bonds Issue 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.

### NTA per Share

	<b>Before issue of the 2021 Bonds<sup>(1)</sup></b>	<b>After issue of the 2021 Bonds<sup>(1)</sup></b>	<b>After issue of all the Conversion Shares<sup>(2)</sup></b>	<b>After issue of all the Conversion Shares<sup>(3)</sup></b>
NTA attributable to the shareholders of the Company (S\$'000)	121,484	121,484	121,484	121,484
Number of Shares (excluding treasury shares)	617,342,767	617,342,767	807,342,767	712,342,767
NTA per Share attributable to the shareholders of the Company (Singapore cents)	19.68	19.68	15.05	17.05

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### EPS

	Before issue of the 2021 Bonds <sup>(1)</sup>	After issue of the 2021 Bonds <sup>(1)</sup>	After issue of all the Conversion Shares <sup>(2)</sup>	After issue of all the Conversion Shares <sup>(3)</sup>
Net earnings after tax attributable to the shareholders of the Company (S\$'000)	(78,003)	(78,003)	(78,003)	(78,003)
Weighted average number of Shares	617,342,767	617,342,767	807,342,767	712,342,767
EPS (Singapore cents)	(12.64)	(12.64)	(9.66)	(10.95)

### Gearing

	Before issue of the 2021 Bonds	After issue of the 2021 Bonds	After issue of all the Conversion Shares <sup>(2)</sup>	After issue of all the Conversion Shares <sup>(3)</sup>
Net Borrowings (S\$'000)	110,328	110,328	100,828	100,828
Net assets (S\$'000)	112,564	112,564	122,064	122,064
Net Gearing (times)	0.98	0.98	0.83	0.83

**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 and the issue of 19,736,836 Facilitation Payment Shares on 22 June 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 on 22 June 2021. 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.
- (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 on 22 June 2021. 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.

#### **4. THE POTENTIAL TRANSFER OF CONTROLLING INTEREST**

As at the Latest Practicable Date, Mr. Wang has a deemed interest in 3,167,131 Shares held by Asdew Acquisitions Pte Ltd, as he holds 99% of the share capital of Asdew Acquisitions Pte Ltd.

For illustrative purposes only, assuming only Mr. Wang exercises his right to convert the 2021 Bonds, none of the other Existing Bondholders exercises their right to convert the 2021 Bonds, and only Mr. Wang is allotted and issued Conversion Shares at the minimum Conversion Price of S\$0.05 amounting to 106,400,000 Shares, Mr. Wang will be (directly and deemed) interested in an

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aggregate of 109,567,131 Shares, representing 15.14% of the enlarged issued share capital of the Company of 723,742,767 Shares.

Mr. Wang may thus potentially become a Controlling Shareholder, depending on the exercise of the right to convert the 2021 Bonds by the Existing Bondholders. Pursuant to Rule 803 of the Listing Manual, the Company cannot issue securities to transfer a Controlling Interest without prior approval of Shareholders in general meeting.

Accordingly, the Company will be seeking Shareholders' approval for the Potential Transfer of Controlling Interest at the EGM.

Please refer to Sections 3.2 and 5 of this Circular for further details on the effect of the Proposed Bond Issue and issue of Conversion Shares on the shareholding structure of the Company.

### 5. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXISTING BONDHOLDERS

5.1 Details of the interests of the Directors, Substantial Shareholders and Existing Bondholders as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively (where applicable), are as follows:

Director	Number of Shares					
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>	Aggregate Interest	% <sup>(1)</sup>
Seow Soon Yong	86,105,007	13.95	4,082,108 <sup>(2)</sup>	0.66	90,187,115	14.61
Siau Sun King	2,784,217	0.45	4,082,108 <sup>(2)</sup>	0.66	6,866,325	1.11
Chia Sin Cheng	3,713,494	0.60	-	-	3,713,494	0.60
Lim Ghim Siew, Henry	225,000	0.04	-	-	225,000	0.04
Tan Eng Kiat, Dominic	225,000	0.04	-	-	225,000	0.04
<b>Substantial Shareholder (Other than Directors)</b>						
Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed	54,217,835	8.78	4,007,376 <sup>(3)</sup>	0.65	58,225,211	9.43
<b>Existing Bondholders</b>						
Azure All-Star Fund Pte Ltd	789,473	0.13	-	-	789,473	0.13
Bobby Lim Chye Huat	394,736	0.06	-	-	394,736	0.06
Chang Mun Kee	1,184,210	0.19	-	-	1,184,210	0.19
Goh Guan Siong	8,398,610	1.36	-	-	8,398,610	1.36

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Tan Tin Nam	5,889,473	0.95	-	-	5,889,473	0.95
Teo Khiam Chong	-	-	-	-	-	-
Terry Tan Soon Lee	3,157,894	0.51	-	-	3,157,894	0.51
Wang Yu Huei	-	-	3,167,131 <sup>(4)</sup>	0.51	3,167,131	0.51
Yeo Wei Huang	74,736	0.01	-	-	74,736	0.01

**Notes:**

- (1) The percentage is calculated based on the total issued and paid-up share capital of 617,342,767 Shares as at the Latest Practicable Date.
- (2) Mr. Seow Soon Yong and Mr. Siau Sun King each hold 75.0% and 25.0% respectively of the share capital of Yongnam Private Limited and each of them is accordingly deemed interested in the Shares held by Yongnam Private Limited.
- (3) Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed holds 100% of the share capital of MES Group Holdings Pte. Ltd. and he is accordingly deemed interested in the Shares held by MES Group Holdings Pte Ltd.
- (4) Mr. Wang holds 99% of the share capital of Asdew Acquisitions Pte Ltd and he is accordingly deemed interested in the Shares held by Asdew Acquisitions Pte Ltd.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonds Issue (other than through their respective shareholdings in the Company, if any).

- 5.2** Based on the shareholding structure of the Company as at the Latest Practicable Date, upon completion of the Proposed Bonds Issue and 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, the interests of the Directors, Substantial Shareholders and Existing Bondholders will be as follows:-

Director	Number of Shares					
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>	Aggregate Interest	% <sup>(1)</sup>
Seow Soon Yong	86,105,007	10.67	4,082,108 <sup>(2)</sup>	0.51	90,187,115	11.18
Siau Sun King	2,784,217	0.34	4,082,108 <sup>(2)</sup>	0.51	6,866,325	0.85
Chia Sin Cheng	3,713,494	0.46	-	-	3,713,494	0.46
Lim Ghim Siew, Henry	225,000	0.03	-	-	225,000	0.03
Tan Eng Kiat, Dominic	225,000	0.03	-	-	225,000	0.03
<b>Substantial Shareholder (Other than Directors)</b>						
Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed	54,217,835	6.72	4,007,376 <sup>(3)</sup>	0.50	58,225,211	7.22



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### Existing Bondholders

Azure All-Star Fund Pte Ltd	8,389,473	1.04	-	-	8,389,473	1.04
Bobby Lim Chye Huat	4,194,736	0.52	-	-	4,194,736	0.52
Chang Mun Kee	12,584,210	1.56	-	-	12,584,210	1.56
Goh Guan Siong	19,798,610	2.45	-	-	19,798,610	2.45
Tan Tin Nam	13,489,473	1.67	-	-	13,489,473	1.67
Teo Khiam Chong	7,600,000	0.94	-	-	7,600,000	0.94
Terry Tan Soon Lee	33,557,894	4.16	-	-	33,557,894	4.16
Wang Yu Huei	106,400,000	13.18	3,167,131 <sup>(4)</sup>	0.39	109,567,131	13.57
Yeo Wei Huang	3,874,736	0.48	-	-	3,874,736	0.48

#### Notes:

- (1) The percentage is calculated based on a total issued and paid-up share capital of 807,342,767 Shares.
- (2) Mr. Seow Soon Yong and Mr. Siau Sun King each hold 75.0% and 25.0% respectively of the share capital of Yongnam Private Limited and each of them is accordingly deemed interested in the Shares held by Yongnam Private Limited.
- (3) Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed holds 100% of the share capital of MES Group Holdings Pte. Ltd. and he is accordingly deemed interested in the Shares held by MES Group Holdings Pte Ltd.
- (4) Mr. Wang holds 99% of the share capital of Asdew Acquisitions Pte Ltd and he is accordingly deemed interested in the Shares held by Asdew Acquisitions Pte Ltd.

**5.3** Based on the shareholding structure of the Company as at the Latest Practicable Date, upon completion of the Proposed Bonds Issue and 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, the interests of the Directors, Substantial Shareholders and Existing Bondholders will be as follows:-

Director	Number of Shares					
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>	Aggregate Interest	% <sup>(1)</sup>
Seow Soon Yong	86,105,007	12.09	4,082,108 <sup>(2)</sup>	0.57	90,187,115	12.66
Siau Sun King	2,784,217	0.39	4,082,108 <sup>(2)</sup>	0.57	6,866,325	0.96
Chia Sin Cheng	3,713,494	0.52	-	-	3,713,494	0.52
Lim Ghim Siew, Henry	225,000	0.03	-	-	225,000	0.03
Tan Eng Kiat, Dominic	225,000	0.03	-	-	225,000	0.03

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### Substantial Shareholder (Other than Directors)

Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed	54,217,835	7.6	4,007,376 <sup>(3)</sup>	0.56	58,225,211	8.16
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### Existing Bondholders

Azure All-Star Fund Pte Ltd	4,589,473	0.64	-	-	4,589,473	0.64
Bobby Lim Chye Huat	2,294,736	0.32	-	-	2,294,736	0.32
Chang Mun Kee	6,884,210	0.97	-	-	6,884,210	0.97
Goh Guan Siong	14,098,610	1.98	-	-	14,098,610	1.98
Tan Tin Nam	9,689,473	1.36	-	-	9,689,473	1.36
Teo Khiam Chong	3,800,000	0.53	-	-	3,800,000	0.53
Terry Tan Soon Lee	18,357,894	2.58	-	-	18,357,894	2.58
Wang Yu Huei	53,200,000	7.47	3,167,131 <sup>(4)</sup>	0.44	56,367,131	7.91
Yeo Wei Huang	1,974,736	0.28	-	-	1,974,736	0.28

#### Notes:

- (1) The percentage is calculated based on a total issued and paid-up share capital of 712,342,767 Shares.
- (2) Mr. Seow Soon Yong and Mr. Siau Sun King each hold 75.0% and 25.0% respectively of the share capital of Yongnam Private Limited and each of them is accordingly deemed interested in the Shares held by Yongnam Private Limited.
- (3) Mr. Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed holds 100% of the share capital of MES Group Holdings Pte. Ltd. and he is accordingly deemed interested in the Shares held by MES Group Holdings Pte Ltd.
- (4) Mr. Wang holds 99% of the share capital of Asdew Acquisitions Pte Ltd and he is accordingly deemed interested in the Shares held by Asdew Acquisitions Pte Ltd.

## 6. DIRECTORS' RECOMMENDATION

### Proposed Bonds Issue

Having considered the rationale and the information relating to the Proposed Bonds Issue, the Directors are of the opinion that the Proposed Bonds Issue would be beneficial to, and is in the best interests of, the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Bonds Issue at the EGM.

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## LETTER TO SHAREHOLDERS

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### Potential Transfer of Controlling Interest

Having considered the rationale and the information relating to the Proposed Bonds Issue and the circumstances which may give rise to the Potential Transfer of Controlling Interest, the Directors are of the opinion that the Potential Transfer of Controlling Interest would be beneficial to, and is in the best interests of, the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Potential Transfer of Controlling Interest at the EGM.

### **7. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out at page N-1 of this Circular, will be held by way of electronic means on 20 October 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing (with or without any modification) the resolution(s) set out in the Notice of EGM.

### **8. NO DESPATCH OF DOCUMENTS**

In line with the relevant provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of the Circular, the Notice of EGM and the Proxy Form will be despatched to Shareholders.

The Circular, the Notice of EGM and the Proxy Form are available on SGXNET and may be found at the URL <https://www.sgx.com/securities/companyannouncements> and are also available on the Company's website at the URL <http://www.yongnamgroup.com>.

### **9. ACTION TO BE TAKEN BY SHAREHOLDERS**

#### **No attendance at EGM in person**

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person. The following are the alternative arrangements which have been put in place for Shareholders to participate in the EGM:

- (a) observing the EGM proceedings via live audio-visual webcast or listening to the EGM proceedings via live audio webcast;
- (b) submitting questions in advance of the EGM; and
- (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

#### **9.1 Alternative arrangements**

The following are the alternative arrangements which have been put in place for the EGM:

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## LETTER TO SHAREHOLDERS

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### 9.1.1 “Live” audio-visual webcast and “live” audio webcast

The proceedings of the EGM will be conducted by way of electronic means. Shareholders will be able to watch these proceedings through a “live” audio-visual webcast or listen to these proceedings through a “live” audio webcast via their mobile phones, tablets or computers.

All shareholders as well as investors who hold shares through relevant intermediaries (including CPF or SRS investors), who wish to follow the proceedings of the EGM through the Live EGM Webcast must pre-register online at the Yongnam EGM Website, URL <https://conveneagm.sg/yhlegm>, to create an account, no later than 17 October 2021 at 10.00 a.m. (the Registration Deadline).

Following the verification, authenticated shareholders or investors will receive the login details to join the Live EGM Webcast by 19 October 2021 at 10.00 a.m.. The confirmation email will contain user ID and password details, as well as the link to access the live audio-visual webcast / live audio webcast.

Shareholders must not forward the login details to join the Live EGM Webcast to other person who is not a shareholder of the Company and/or who is not authorised to attend the Live EGM Webcast.

Shareholders who register by the Registration Deadline but do not receive an email response by 19 October 2021, 10.00 a.m. should contact the Company’s Share Registrar, Tricor Barbinder Share Registration Services via email at [sg.is.enquiry@sg.tricorglobal.com](mailto:sg.is.enquiry@sg.tricorglobal.com) with the following details to be included, (i) the full name of the shareholder; and (ii) his/her/its identification/registration number, before 12.00 p.m. on 19 October 2021.

### 9.1.2 Submission of questions

Shareholders will not be able to ask questions at the EGM live during the webcast. Therefore, it is important for Shareholders to pre-register and submit their questions in advance of the EGM.

- (a) Shareholders will not be able to ask questions during the Live EGM Webcast.
- (b) Shareholders may pre-register and submit their questions relating to the resolutions to be tabled for approval at the EGM to the Chairman of the Meeting, in advance of the EGM, in the following manner:
  - (i) Pre-registration website. Shareholders who pre-register to observe and/or listen to the live EGM proceedings may submit their questions via the pre-registration website at the Yongnam EGM Website, URL <https://conveneagm.sg/yhlegm>; or
  - (ii) Email. Shareholders may submit their questions via email at [questions@yongnamgroup.com](mailto:questions@yongnamgroup.com). If the questions are sent via email, please provide us with the following details: (i) The full name of shareholder; (ii) identification/registration number; and (iii) The manner in which you hold shares in the Company (e.g. via CDP/CPF/SRS).
- (c) All questions must be submitted by 13 October 2021 at 10.00 a.m..

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## LETTER TO SHAREHOLDERS

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- (d) The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from shareholders prior to the EGM by publishing the responses to those questions on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.yongnamgroup.com>. Where substantial and relevant questions submitted by shareholders are unable to be addressed prior to the EGM, the Company will address them at the EGM.

### 9.1.3 Voting by proxy

Shareholders will not be able to vote online at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the EGM to vote on their behalf.

Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

The proxy form must be submitted to the Company no later than 10.00 a.m. on 17 October 2021 through any one of the following means:

- (a) via the Yongnam EGM Website in the electronic format accessible on the Yongnam EGM Website, URL <https://conveneagm.sg/yhlegm>; or
- (b) by depositing a physical copy at the registered office of the Company at 51 Tuas South Street 5, Singapore 637644; or
- (c) by sending a scanned PDF copy by email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com).

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.**

Persons who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including SRS investors) and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings via the Live EGM Webcast in the manner provided in paragraph 7.2.1 above; (b) submitting questions in advance of the EGM in the manner provided in paragraph 7.2.2 above; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should approach their respective relevant intermediaries (which would include, in the case of SRS investors, their respective SRS operators) through which they hold such Shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the EGM.

Persons who hold their shares through relevant intermediaries (including SRS investors) who wish to appoint the Chairman of the EGM as proxy should approach their respective relevant intermediaries to submit their votes by 10.00 a.m. on 11 October 2021, being seven (7) working days before the date of the EGM, in order to allow sufficient time for their relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf not less than 72 hours before the time fixed for holding the EGM.

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## LETTER TO SHAREHOLDERS

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### 9.2 Further information

For further information on the conduct of the EGM and the alternative arrangements, Shareholders can refer to the Company's website at the following URL <http://www.yongnamgroup.com>.

Shareholders who wish to remotely observe the EGM proceedings are reminded that the EGM is private. The invitation to attend the EGM via audio-visual webcast and audio webcast is not to be forwarded to anyone who is not a Shareholder or who is not authorised to attend the EGM.

### **RECORDING OF THE EGM PROCEEDINGS IS STRICTLY PROHIBITED.**

### 9.3 Important reminder

As the COVID-19 situation is still evolving, the Company has to implement measures to take into account the requirements, guidelines and recommendations of regulatory bodies and government agencies from time to time. Accordingly, the Company may be required to change its EGM arrangements at short notice. Shareholders are advised to closely monitor announcements made by the Company on SGXNET and the Company's website at the URL <http://www.yongnamgroup.com> for updates on the EGM.

The Company seeks the understanding and co-operation of all Shareholders in enabling the Company to hold and conduct the EGM in compliance with the circuit breaker measures to stem the spread of COVID-19 infections.

## 10. ABSTENTION FROM VOTING

### Potential Transfer of Controlling Interest

Mr. Wang and Asdew will abstain, and have undertaken to ensure that their Associates will abstain, from voting in respect of the ordinary resolution relating to the Potential Transfer of Controlling Interest at the EGM. Further, Mr. Wang and Asdew shall decline, and shall ensure that their Associates decline, to accept appointments as proxies to vote in respect of the ordinary resolution relating to the Potential Transfer of Controlling Interest for other Shareholders unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast in respect of the ordinary resolution relating to the Potential Transfer of Controlling Interest.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents are available for inspection at the registered office of the Company at 51 Tuas South Street 5, Singapore 637644 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Facilitation Payment Agreements;
- (b) the Bond Subscription Agreements;

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## LETTER TO SHAREHOLDERS

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- (c) the Supplemental Letters;
- (d) the existing constitution of the Company; and
- (e) the FY2020 Annual Report.

### 12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Company and its subsidiaries and the Proposed Bonds Issue and the Potential Transfer of Controlling Interest, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 these sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully

For and on behalf of the Board of Directors of  
**YONGNAM HOLDINGS LIMITED**

SEOW SOON YONG  
Chief Executive Officer

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## APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS

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Condition 4.3, read with Condition 4.4, of the terms and conditions of the 2021 Bonds provides for the circumstances in which the Conversion Price may be adjusted and the adjustment formulae applicable to each of the circumstances. Conditions 4.3 and 4.4 of such terms and conditions have been extracted and are reproduced below:-

### “4.3 Adjustments to the conversion price of the Bonds into Conversion Shares

The conversion price will be subject to adjustment in the following events:

- (a) *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of the shares as a result of consolidation, subdivision or reclassification, the conversion price of the shares of the Issuer shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A : is the aggregate number of shares immediately before such alteration; and  
B : is the aggregate number of shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (b) *Capitalisation of profits or reserves:*

- (i) If and whenever the Issuer shall issue any shares credited as fully paid to the holders of the shares (the “**Shareholders**”) by way of capitalisation of profits or reserves including shares paid up out of distributable profits or reserves, save where shares are issued in lieu of the whole or any part of a specifically declared cash dividend (the “**Relevant Cash Dividend**”), being a dividend which the Shareholders concerned would or could otherwise have received (a “**Scrip Dividend**”) and which would not have constituted a Capital Distribution (as defined in **Condition 4.4(a)**), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A : is the aggregate number of shares immediately before such alteration;  
and  
B : is the number of shares immediately after such alteration.

- (ii) In the case of an issue of shares by way of a Scrip Dividend where: (1) the aggregate Current Market Price (as defined in **Condition 4.4(c)**) of such shares; (2) (save where the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution exceeds the aggregate Current Market Price of such shares) the product of the then prevailing conversion price



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**APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS**

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and the number of shares issued by way of such Scrip Dividend; or (3) the product of the then prevailing adjusted conversion price and the number of shares issued by way of such Scrip Dividend, exceeds the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of shares immediately before such alteration;
- B : is the aggregate number of shares issued by way of such Scrip Dividend multiplied by a fraction which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is the highest of: (A) the aggregate Current Market Price of the shares issued by way of Scrip Dividend in respect of each existing share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend, (B) the product of the then prevailing conversion price and the number of such shares issued by way of Scrip Dividend, and (C) the product of the then prevailing adjusted conversion price and the number of such shares issued by way of Scrip Dividend; and
- C : is the aggregate number of shares issued by way of such Scrip Dividend.

OR by making such other adjustment as a leading bank in Singapore or a financial advisory firm holding a valid financial adviser's licence under the Financial Advisers Act (Chapter 110 of Singapore) (a "**Licensed FA**") (acting as an expert), selected by the Issuer, and approved in writing by the Bondholders, shall certify to the Bondholders is fair and reasonable.

Such adjustment shall become effective on the date of issue of such shares or if a record date is fixed therefor, immediately after such record date.

- (c) *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (save where the conversion price falls to be adjusted under **Condition 4.3(b)** above), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A - B}{A}$$

where:

- A : is the lowest of (A) the Current Market Price of one (1) share on the last Market Day preceding the date on which the Capital Distribution is publicly announced, (B) the then prevailing conversion price (if such prevailing conversion price exceeds the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one (1) share), and (C) the adjusted conversion price (if such prevailing adjusted conversion price exceeds the Fair

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**APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS**

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Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one (1) share); and

B : is the Fair Market Value on the date of such announcement, of the portion of the Capital Distribution attributable to one (1) share.

Such adjustment shall become effective on the date that such Capital Distribution is made.

Where the Capital Distribution is by means of distribution of a cash dividend (not including dividends issued in the normal course of distribution), only such portion of cash dividend or distribution which exceeds the amounts referred to in **Condition 4.4(a)(i)** (the “**excess portion**”) shall be regarded as Capital Distribution and only the excess portion shall be taken into account in the determination of the Fair Market Value of the portion of the Capital Distribution attributable to one (1) Share.

- (d) *Rights Issues of shares or Options over shares:* If and whenever the Issuer shall issue shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, options, warrants or other rights to subscribe for or purchase any shares, in each case at: (1) the Current Market Price per share on the last Market Day preceding the date of the announcement of the terms of such issue or grant; (2) (save where such issue or grant is at more than the Current Market Price per share on the last Market Day preceding the date of the announcement of the terms of such issue or grant) the then prevailing Conversion Price; or (3) the then prevailing adjusted conversion price, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of shares immediately before such announcement;
- B : is the number of shares which the aggregate amount (if any) payable for the shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of shares comprised therein would purchase at the highest of: (A) such Current Market Price per Share, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- C : is the aggregate number of shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such shares or issue or grant of such options, warrants or other rights (as the case may be).

- (e) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than shares or options, warrants or other rights to subscribe for or purchase shares) to all or substantially all Shareholders as a class, by way of rights, or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase, any securities (other than shares or options, warrants or other rights to subscribe or purchase shares), the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

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$$\frac{A - B}{A}$$

where:

- A : is the lowest of: (A) the Current Market Price of one (1) share on the last Market Day preceding the date on which such issue or grant is publicly announced, (B) the then prevailing conversion price (if such prevailing Conversion Price exceeds the Fair Market Value on the date of such announcement of the portion of the rights attributable to one (1) share), and (C) the adjusted conversion price (if such prevailing adjusted conversion price exceeds the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) share); and
- B : is Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

- (f) *Issues at less than Current Market Price, conversion price or adjusted conversion price of the shares in the Issuer:* If and whenever the Issuer shall issue (otherwise than as mentioned in **Condition 4.3(d)**) any shares (other than shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, shares) or issue or grant (otherwise as mentioned in **Condition 4.3(d)**) options, warrants or other rights to subscribe for or purchase shares in each case at a consideration per share which is less than: (1) the Current Market Price on the last Market Day preceding the date of announcement of the terms of such issue; (2) (save where such issue is at a consideration per share which exceeds the Current Market Price on the last Market Day preceding the date of announcement of the terms of such issue) the then prevailing conversion price; or (3) the then prevailing adjusted conversion price, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{C}$$

where:

- A : is the aggregate number of shares immediately before the issue of such additional shares or the grant of such options, warrants or other rights to subscribe for or purchase any shares;
- B : is the number of shares which the aggregate consideration receivable for the issue of such additional shares would purchase at the highest of: (A) such Current Market Price per share, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- C : is the aggregate number of shares immediately after the issue of such additional shares.

References to additional shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase shares, mean such shares to be issued, or otherwise made available, assuming that such options, warrants or

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**APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS**

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other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional shares or, as the case may be, the grant of such options, warrants or other rights.

- (g) *Other Issues at less than Current Market Price, conversion price or adjusted Conversion Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this **Condition 4.3(g)**, the issue by the Issuer or any subsidiary (otherwise than as mentioned in **Conditions 4.3(d), (e) or (f)** above) or (at the direction or request of or pursuant to any arrangements with the Issuer or any subsidiary) any other company, person or entity of any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per share which is less than: (1) the Current Market Price on the last Market Day preceding the date of announcement of the terms of issue of such securities; (2) (save where such issue is at a consideration per Share which exceeds the Current Market Price on the last Market Day preceding the date of announcement of the terms of issue of such securities) the then prevailing conversion price; or (3) the then prevailing adjusted conversion price.

In such an event, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of shares immediately before such alteration;
- B : is the number of shares which the aggregate consideration receivable by the Issuer for the shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would have obtained had such conversion or exchange or exercise of the right of subscription been effected at the highest of: (A) the Current Market Price per share at the time of such alteration, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- C : is the maximum number of shares to be issued had such conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto been effected at the initial conversion or exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

- (h) *Modification of Rights of Conversion etc:* Any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in **Condition 4.3(g)** (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of shares available on conversion, exchange or subscription following the modification) is less than: (1) the Current Market Price on the last Market Day preceding the date of announcement of the proposals for such modification; (2) (save where such modification results in the consideration per share exceeding the Current Market Price on the last Market Day preceding the date of announcement of the

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**APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS**

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proposals for such modification) the then prevailing conversion price; or (3) the then prevailing adjusted conversion price.

In such an event, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A : is the aggregate number of shares immediately before such alteration;
- B : is the number of shares which the aggregate consideration (if any) receivable by the Issuer for the shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities (in each case so modified) would have obtained had such conversion or exchange or exercise (in each case so modified) been effected at the highest of: (A) the Current Market Price per share at the time of such alteration, (B) the then prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- C : is the maximum number of shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate, but giving credit in such manner as a Licensed FA or a leading bank in Singapore selected by the Issuer and approved in writing by the Bondholders (acting as an expert) considers appropriate (if at all) for any previous adjustment under this **Condition 4.3(h)** or **Condition 4.3(g)**.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (i) *Other Offers to Shareholders:* The issue, sale or distribution by or on behalf of the Issuer or any subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Issuer or any subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60.0 per cent. of the shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the conversion price falls to be adjusted under **Conditions 4.3(d), (e), (f), or (g)**).

In such an event, the conversion price shall be adjusted by multiplying the conversion price in force immediately before such alteration by the following fraction:

$$\frac{A - B}{A}$$

where:

- A : is the lowest of: (A) the Current Market Price of one (1) share on the last Market Day preceding the date on which such issue is publicly announced, (B) the then

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## APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS

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- prevailing conversion price, and (C) the then prevailing adjusted conversion price; and
- B : is the Fair Market Value on the date of such announcement, of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities.

- (j) *Other Events*: If the Issuer determines that an adjustment should be made to the conversion price as a result of one (1) or more events or circumstances not referred to in this **Condition 4.3** (for avoidance of doubt, such events or circumstances include situations where no dilution of the holdings of the existing shareholders of the Issuer occurs or has occurred), the Issuer shall at its own expense request an independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to determine as soon as practicable what adjustment (if any) to the conversion price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the conversion price, and the date on which such adjustment should take effect and upon such determination such adjustment shall be made and shall take effect in accordance with such determination in each case, so as to restore the economic position of the Bondholders, after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred in order to give effect to the intended results of such adjustment PROVIDED THAT where the circumstances giving rise to any adjustment pursuant to this **Condition 4.3** have already resulted or will result in an adjustment to the conversion price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the conversion price, such modification (if any) shall be made to the operation of the provisions of this **Condition 4.3** as may be advised by an independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to be in its opinion appropriate to restore the economic position of the Bondholders, after the occurrence of such events or circumstances, to the same position as if the diluting effect of such events or circumstances had not occurred in order to give the intended result.

#### 4.4 For the purposes of these Conditions:

- (a) **“Capital Distribution”** means: (i) any distribution of assets *in specie* by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets *in specie* includes without limitation an issue of shares or other securities credited as fully or partly paid (other than shares credited as fully paid by way of capitalisation of reserves)); and (ii) any cash dividend or distribution of any kind by the Issuer for any financial period (not including dividends issued in the normal course of distribution).
- (b) **“Closing Price”** for the Shares for any Market Day shall be the average closing market price quoted by the SGX-ST for the last 10 Market Days before such Market Day.
- (c) **“Current Market Price”** means, in respect of a Share at a particular time on a particular date, the average of the Closing Prices quoted by the SGX-ST for one (1) Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Market Days ending on the Market Day immediately preceding such date; provided that if at any time during the said 20 Market Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

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**APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS**

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- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Fair Market Value thereof reduced by an amount equal to the amount of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that if the Shares on each of the said 20 Market Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share;

and provided further that:

- (a) if such Closing Prices are not available on each of the 20 Market Days during the relevant period, then the arithmetic average of such Closing Prices which are available in the relevant period shall be used (subject to a minimum of two (2) such Closing Prices); and
  - (b) if only one (1) or no such Closing Price is available in the Relevant Period, then the Current Market Price shall be determined in good faith by a Licensed FA or a leading bank in Singapore (acting as an expert) appointed by the Issuer and approved by the Bondholders in writing.
- (d) **“Dividend”** means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up) provided that:
- (i) where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of shares or other property or assets, then, the Dividend in question shall be treated as a Dividend of (a) the cash Dividend so announced or (b) the Current Market Price on the date of announcement of such Dividend, of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of shares elected therefor, regardless of whether any such election is made) if the Current Market Price of such Shares or the Fair Market Value of other property or assets is greater than the cash Dividend so announced; and
  - (ii) any issue of shares falling within **Condition 4.3(b)** shall be disregarded.
- (e) **“Fair Market Value”** means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that asset, security, option, warrant or other right as determined in good faith by a Licensed FA or a leading bank in Singapore (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, acting as experts; provided that (i) the fair market value of a cash Dividend paid or to be

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**APPENDIX A – ADJUSTMENT EVENTS UNDER THE TERMS AND CONDITIONS OF THE 2021 BONDS**

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paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily Closing Prices of such options, warrants or other rights during the period of five (5) Market Days on the relevant market commencing on the first such Market Day such options, warrants or other rights are publicly traded.

- (f) **“Market Day”** means a day on which the Singapore Exchange Securities Trading Limited (**“SGX-ST”**) is open for trading of securities.
- (g) **“Relevant Period”** means the period beginning on the 30<sup>th</sup> Market Day prior to the record day for the first dividend or distribution, and ending on the Market Day immediately preceding the record date for the latest dividend or distribution, which when aggregated with any intervening dividends or distributions, causes an adjustment to the conversion price to be made pursuant to **Condition 4.3**.
- (h) On any adjustment, the relevant conversion price, if not an integral multiple of a tenth of one (1) Singapore cent, shall be rounded down to the nearest tenth of one (1) Singapore cent. No adjustment shall be made to the conversion price where such adjustment (rounded down if applicable) would be less than one (1) per cent. of the conversion price then in effect.
- (i) Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with **Condition 18** as soon as practicable after the determination thereof.
- (j) The conversion price may not be reduced so that, on conversion of Bonds, Conversion Shares would be issued in a manner and at a value not permitted by applicable law.
- (k) Where more than one (1) event which gives or may give rise to an adjustment to the conversion price occurs within such a short period of time that in the opinion of a Licensed FA or a leading bank in Singapore (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by a Licensed FA or a leading bank in Singapore (acting as an expert), selected by the Issuer and approved in writing by the Bondholders, to be in such bank’s opinion appropriate in order to give such intended result.
- (l) No adjustment involving an increase in the conversion price will be made, except in the case of a consolidation of the shares as referred to in **Condition 4.3(a)** or to correct an error.
- (m) If the Issuer fails to select a Licensed FA or a leading bank when required for the purposes of **Condition 4.3**, the Bondholders may select such Licensed FA or bank.”



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### YONGNAM HOLDINGS LIMITED

Company Registration No.: 199407612N  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of Yongnam Holdings Limited (the “**Company**”) will be held by way of electronic means on 20 October 2021 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions:

All capitalised terms in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 5 October 2021 (the “**Circular**”).

#### **ORDINARY RESOLUTION 1: THE PROPOSED ISSUE OF 2021 BONDS**

THAT:

- (a) the proposed issue of the 2021 Bonds by the Company to the Existing Bondholders, and the subsequent allotment and issuance of Conversion Shares arising from the conversion of the 2021 Bonds, be and is hereby approved and authority be and is hereby given to the Directors to:
  - (i) create and issue to the Existing Bondholders the 2021 Bonds, such 2021 Bonds to be convertible, at the option of the holder thereof, into the Conversion Shares at the Conversion Price, subject to certain adjustments in accordance with the terms and conditions of the 2021 Bonds; and
  - (ii) allot and issue:
    - (1) such number of Conversion Shares as may be required or permitted to be allotted or issued on the conversion of the 2021 Bonds, to the Bondholders, on the conversion thereof, subject to and otherwise in accordance with the terms and conditions of the issue of the 2021 Bonds, whereby such Conversion Shares shall 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; and
    - (2) on the same basis as paragraph (a)(ii)(1) above, such further Conversion Shares as may be required to be allotted and issued on the conversion of any of the 2021 Bonds upon the adjustment of the Conversion Price in accordance with the terms and conditions of the 2021 Bonds; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 1 and implement any of the foregoing as they think fit and in the interests of the Company.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### ORDINARY RESOLUTION 2: THE POTENTIAL TRANSFER OF CONTROLLING INTEREST

THAT subject to and contingent upon Ordinary Resolution 1 being passed:

- (a) approval be and is hereby given for the allotment and issuance by the Company of up to 106,400,000 Conversion Shares to Mr. Wang subject to and otherwise in accordance with the terms and conditions of the Proposed Bonds Issue, to the extent the issuance of such Conversion Shares constitutes a transfer of Controlling Interest in the Company to Mr. Wang pursuant to Rule 803 of the Listing Manual; and
- (b) the Directors and each of them be and are hereby authorised to complete, enter and do all acts and things (including without limitation, prepare and finalise, approve, sign, execute and deliver all such documents or agreements as may be required) and do all deeds and things as they may consider necessary, desirable, incidental or expedient for the purposes of or to give effect to this Ordinary Resolution 2 and implement any of the foregoing as they think fit and in the interests of the Company.

**BY ORDER OF THE BOARD  
YONGNAM HOLDINGS LIMITED**

SEOW SOON YONG  
Chief Executive Officer

5 October 2021

**Notes:**

1. In view of the circuit breaker measures applicable as of the date of this notice and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the “**Order**”), as amended from time to time, the EGM will be held by way of electronic means and members of the Company will NOT be allowed to attend the EGM in person. In line with guidance provided by the SGX-ST in its regulatory announcement dated 1 October 2020 entitled “Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation”, printed copies of this notice and all documents relating to the business of the EGM (“**EGM Documents**”), will not be sent to members. Instead, the EGM Documents can be accessed at the Company’s website at the URL <http://www.yongnamgroup.com> and SGXNET at the URL <https://www.sgx.com/securities/companyannouncements>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via “live” audio-visual webcast or “live” audio webcast), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Circular.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. The “live” webcast will not provide for online voting. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the EGM as proxy (“**Proxy Form**”), failing which the appointment will be treated as invalid.
4. The Chairman of the EGM, as proxy, need not be a member of the Company.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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5. Investors whose Shares are held with relevant intermediaries under Section 181(1C) of the Companies Act, such as SRS investors, who wish to appoint the Chairman of the EGM as proxy, should approach their respective intermediaries such as SRS operators to submit their voting instructions at least seven (7) working days prior to the date of the EGM.
6. The Proxy Form must be submitted through any one of the following means: (a) via the Yongnam EGM Website in the electronic format accessible on the Yongnam EGM Website, URL <https://conveneagm.sg/yhlegm>, (b) by depositing a physical copy at the registered office of the Company at 51 Tuas South Street 5, Singapore 637644 or (c) by sending a scanned PDF copy by email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com), in each case, by 10.00 a.m. on 17 October 2021 (being not less than 72 hours before the time fixed for holding the EGM), and failing which, the Proxy Form will not be treated as valid. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
7. The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the EGM which was delivered by a member to the Company before 10.00 a.m. on 17 October 2021 as a valid instrument appointing the Chairman of the EGM as the member's proxy to attend, speak and vote at the EGM if: (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and (b) the member has not withdrawn the appointment.
8. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



**YONGNAM HOLDINGS LIMITED**

Company Registration no. 199407612N  
(Incorporated in the Republic of Singapore)

**EXTRAORDINARY GENERAL MEETING  
PROXY FORM**

**IMPORTANT**

- The EGM (as defined below) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this proxy form will not be sent to shareholders. Instead, this proxy form will be sent to shareholders by electronic means via publication on the Company's website at the URL <http://www.yongnamgroup.com> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM (as defined below) can be electronically accessed via "live" audio-visual webcast or "live" audio webcast), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the circular to shareholders dated 5 October 2021. This circular may be accessed at the Company's website at the URL <http://www.yongnamgroup.com> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- Due to the current COVID-19 restriction orders in Singapore, a shareholder will not be able to attend the EGM (as defined below) in person. A shareholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such shareholder wishes to exercise his/her/its voting rights at the EGM.
- For CPF/SRS investors who have used their CPF/SRS monies to buy shares in the capital of Yongnam Holdings Limited, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective intermediaries (including their respective CPF Agent Banks or SRS Operators) to submit their voting instructions at least 7 working days prior to the date of EGM.
- By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the EGM dated 5 October 2021.**

\*I/We, \_\_\_\_\_ (name) \_\_\_\_\_  
 (\*NRIC/Passport/Registration No.) of \_\_\_\_\_  
 (address) being a \*member/members of **YONGNAM HOLDINGS LIMITED** (the "**Company**"), hereby appoint the **Chairman of the Extraordinary General Meeting** (the "**EGM**") of the Company, as \*my/our proxy to vote for \*me/us on \*my/our behalf, at the EGM of the Company to be held by way of electronic means, on **Wednesday, 20 October 2021 at 10.00 a.m.** and at any adjournment thereof.

\*I/We direct the Chairman of the EGM to vote for, vote against or abstain from voting on the Ordinary Resolutions to be proposed at the EGM as indicated hereunder.

**Members should specifically indicate in this Proxy Form how they wish to vote for or against (or abstain from voting on) the resolution to be tabled at the EGM.** In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Resolution No.	Ordinary Resolution	**For	**Against	Abstain**
1.	To approve the Proposed Bonds Issue			
2.	To approve the Potential Transfer of Controlling Interest			

\* Delete accordingly

\*\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick "✓" in the relevant box provided. Alternatively, please indicate the number of votes "For" or "Against" each resolution. If you mark "✓" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

Total Number of Shares Held

Signature(s) of Member(s)/ Common Seal

**IMPORTANT:** Please read notes overleaf

**Notes:**

1. In accordance with the alternative arrangements under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, members of the Company who wish to have their votes cast at the EGM must appoint the Chairman of the EGM as their proxy to do so.
2. The Chairman of the EGM, as proxy, need not be a member of the Company.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
4. The proxy form must be submitted through any one of the following means not less than seventy-two (72) hours before the time appointed for the EGM i.e. 10.00 a.m. on 17 October 2021:-
  - (a) via the Yongnam EGM Website in the electronic format accessible on the Yongnam EGM Website, URL <https://conveneagm.sg/yhlegm>; or
  - (b) by depositing a physical copy at the registered office of the Company at 51 Tuas South Street 5, Singapore 637644; or
  - (c) by sending a scanned PDF copy via email to [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com).
5. In the case of submission of this Proxy Form other than via the Yongnam EGM Website, the proxy form must be signed by the appointor or his duly authorised attorney or if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised. Where this Proxy Form is signed on behalf of the appointor by an attorney or other authority, the letter or power of attorney or a notarially certified copy thereof must be lodged with this Proxy Form.
6. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company shall be entitled to reject any proxy form which has been lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register at least 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.