



YONGNAM HOLDINGS LIMITED

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

APPLICATION TO THE SGX-ST FOR EXTENSION OF TIME FOR ANNOUNCING FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 2023 (“FY2023”)

The judicial managers (the “**JMs**”) of Yongnam Holdings Limited (Judicial Managers Appointed) (the “**Company**”, together with its subsidiaries (collectively, the “**Group**”)) wish to announce that on 20 March 2023, the Company applied to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for an extension of time (the “**Extension**”) to comply with Rule 705(1) of the listing manual (the “**Listing Manual**”) of the SGX-ST in relation to announcing the Company’s financial statements for FY2023 (“**FY2023 Results**”).

Rule 705(1) of the Listing Manual provides that the Company must announce the financial statements for the full financial year (as set out in Appendix 7.2 of the Listing Manual) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period.

Reasons for the Extension

The Company applied to the SGX-ST for the Extension based on the following reasons:

- (a) Limited resources of the Company and the JMs are prioritised on the judicial management process

The Company currently does not have the financial resources and manpower to prepare and update the FY2023 Results. Given the financially distressed state of the Company, the Company has limited funds and is facing severe cash flow issues on a month-to-month basis. In view of the financial situation of the Company, many of the Company’s employees have resigned (including the Group Financial Controller who had resigned with effect from 31 August 2023 and the accountant), and the Company has insufficient financial resources to prepare, update and finalise the FY2023 Results or engage external auditors to review and/or audit such financial results. The Company will therefore need more time to explore various options to resolve such issues. In view of the Company being placed under judicial management pursuant to sections 90 and 91 and the provisions of Part 7 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore (“**IRDA**”) to achieve one or more of the purposes stated in section 89 of IRDA, the JMs have been prioritising, among other things, negotiating with potential investors and managing certain matters of the Group (including secured lenders, more than 30 ongoing projects, cashflow, main contractors, end customers and ongoing litigation). Accordingly, the resources (in terms of time and manpower) of the Company and the JMs have been tied up with the judicial management process, and the preparation of the FY2023 Results is not a priority or an expense the Company or the Group is able to incur.

In any case, any material developments on the state of affairs of the Company are more likely to be released pursuant to the Company's (a) continuous disclosure obligations under Rule 703 of the Listing Manual; or (b) monthly periodic updates under Rule 704(23) of the Listing Manual, as opposed to through the financial statements.

(b) Ascertaining and finalising financial information is not meaningful

On 8 February 2024, the High Court of Singapore granted an extension of time of up to and including 10 August 2024 (for which an announcement on behalf of the Company was made on SGXNET on the same day) (the "EOT Order"):

- (i) of the JMs' term of office for the Company and Yongnam Engineering & Construction (Private) Limited (Judicial Managers Appointed) ("YNEC"), a wholly-owned subsidiary of the Company;
- (ii) for the JMs to summon a creditor's meeting pursuant to section 108(1) of the IRDA read with Regulation 23 of the Insolvency, Restructuring and Dissolution (Judicial Management) Regulations 2020 ("JM Regulations"); and
- (iii) for the JMs to comply with the requirements of sections 107(1) and 107(2) of the IRDA read with Regulations 23, 25 and 30 of the JM Regulations.

In light of the foregoing, the JMs are facing practical difficulties and challenges and are still in the process of ascertaining and establishing the financial information and position of the Group (which are relevant for the preparation and updating of the Company's financial statements), including without limitation, reconciling significant intercompany balances and accounts with various parties, as well as adjudicating of proof of debts (including corresponding with the various creditors to request for details and supporting documents for their claims) for the purposes of the creditors' meeting to be held under section 108(1) of IRDA. Accordingly, the JMs will need more time to review the financial affairs of the Group, including its accounts payables and receivables.

Furthermore, there are presently ongoing applications before the High Court of Singapore which may affect the assessment of the Company's and YNEC's liabilities position.

(c) Focus efforts on judicial management of the Company and YNEC

Given the EOT Order and that the judicial management of the Company and YNEC is currently still ongoing, the Company is of the view that the Extension, which would at least cover the duration of the judicial management period, would assist and allow the JMs to streamline the Company's processes and focus their efforts on the judicial management of the Company and YNEC.

Grant of Extension from the SGX-ST

The JMs wish to announce that the SGX-ST has on 2 April 2024 responded that it has no objection to the Company's application for an extension of time until 10 October 2024, being two months after the current expiry date of the judicial management period, to comply with Rule 705(1) of the Listing Manual (the "**Waiver**"), subject to the following:

- (a) the judicial management order (as announced in the Company's General Announcement on 15 August 2023 and the orders for extension of time dated 14 November 2023 and 8 February 2024) remaining in full force and effect;
- (b) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company;
- (d) the Waiver is/ will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company; and
- (e) the Company announcing its FY2023 Results by 10 October 2024.

In compliance with the condition in paragraph (b) above, the JMs wish to announce that pursuant to the conditions in paragraph (a), (c) and (d) above:

- (i) the judicial management order is in full force and effect;
- (ii) they have submitted a written confirmation to the SGX-ST that the Company is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company; and
- (iii) the Waiver is not in contravention of any laws and regulations governing the Company and its constitution.

The Company is required to make an immediate disclosure via SGXNET if it is/will be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver.

Shareholders, creditors and holders of existing debts and securities of the Company are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

For and On Behalf of the Company

Toh Ai Ling
Joint and Several Judicial Manager
5 April 2024

Seow Soon Yong
Chief Executive Officer
5 April 2024