



# YONGNAM HOLDINGS LIMITED

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

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## NOVATION OF SUB-CONTRACT – ARC PROJECT

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On 18 November 2019, the China Communications Construction Company Ltd (Singapore Branch) (the “**Main Contractor**”) entered into a sub-contract (the “**Sub-Contract**”) with Yongnam Engineering & Construction (Private) Limited (“**YNEC**”), a wholly-owned subsidiary of Yongnam Holdings Limited (Judicial Managers Appointed) (the “**Company**”), as a sub-contractor pursuant to which YNEC agreed, *inter alia*, to design, submission, supply, install, dismantle and removal of earth retaining stabilising structure system for the ARC project (the “**Works**”).

The judicial managers (the “**JMs**”) wish to announce that YNEC has entered into a novation agreement with Oncod Pte. Ltd. (the “**Replacement Sub-Contractor**”) and the Main Contractor in respect of the Sub-Contract (“**Novation Agreement**”).

By entering into the Novation Agreement, the Replacement Sub-Contractor will perform and be bound by the terms and conditions of the Sub-Contract as if the Replacement Sub-Contractor was named in the Sub-Contract as a party from the outset in lieu of YNEC. The Replacement Sub-Contractor shall be responsible for all obligations and liabilities under the Sub-Contract (including all liabilities arising from any breach of the Sub-Contract and defaults attributable to YNEC) arising prior to, on or subsequent to the date of the Novation Agreement. The Main Contractor and YNEC will release and discharge each other from the performance of the other party’s obligations, duties and liabilities under the Sub-Contract, and from all liabilities, claims and demands whatsoever arising out of, or in respect of, the Sub-Contract whether arising prior to, on or subsequent to the date of the Novation Agreement with effect from the date of the Novation Agreement.

The novation of the Sub-Contract is subject to the rejection of the end client of the Main Contractor (the “**Employer**”). The Novation Agreement provides that should the Employer reject the novation of the Sub-Contract within 30 days from the date of the Novation Agreement, the entire Novation Agreement shall be taken to be invalid. In such an event, any balance novation amounts paid by the Replacement Sub-Contractor to YNEC shall be refunded to the Replacement Sub-Contractor and neither the Main Contractor nor YNEC shall be liable for any claims, losses, liabilities or such other consequences that may arise out of such rejection by the Employer of the novation.

Further announcements will be released as and when there are material developments which warrant disclosure, in compliance with the Company’s obligations under the Listing Manual.

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

For and On Behalf of the Company

Toh Ai Ling  
Joint and Several Judicial Manager  
23 February 2024

Seow Soon Yong  
Chief Executive Officer  
23 February 2024