



## YONGNAM HOLDINGS LIMITED

(the "Company")

(Company Registration No. 199407612N)

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

### MATERIAL DIFFERENCES BETWEEN THE UNAUDITED FULL YEAR FINANCIAL RESULTS ANNOUNCEMENT AND AUDITED FINANCIAL STATEMENTS IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Board of Directors of Yongnam Holdings Limited (the "Company", and together with its subsidiaries, the "Group") refers to the Company's full year results announcement for the financial year ended 31 December 2020 ("FY2020") made on 27 February 2021 (the "Unaudited Full Year Results"). Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company wishes to announce that there were differences between the Audited Financial Statements and the Unaudited Full Year Results.

The variances in the Audited Results as compared to the Unaudited Results are set out in the table below:

<b>CONSOLIDATED INCOME STATEMENT</b>	Group Audited Financial Statement S\$'000	Group Unaudited Financial Statement S\$'000	Variance Increase / (Decrease) S\$'000	Note
Other income	8,039	2,146	5,893	Note 1
General and administrative expenses	(23,300)	(17,407)	(5,893)	Note 1
Taxation	(5,517)	11,957	(17,474)	Note 2

<b>CONSOLIDATED BALANCE SHEETS</b>	Group Audited Financial Statement S\$'000	Group Unaudited Financial Statement S\$'000	Variance Increase / (Decrease) S\$'000	Note
<b>Non-current assets</b>				
Deferred tax assets	-	17,405	(17,405)	Note 2
Prepayment	271	-	271	Note 4
Restricted bank balances	3,267	-	3,267	Note 3
<b>Current assets</b>				
Prepayment	1,893	3,004	(1,111)	Note 3/4
Cash and bank	5,500	7,927	(2,427)	Note 3
<b>Current liabilities</b>				
Borrowings	93,378	43,413	49,965	Note 6
Other payables and accruals	13,428	15,035	(1,607)	Note 5
Lease liabilities	12,590	8,366	4,224	Note 5/7
Hire purchase creditors	-	2,617	(2,617)	Note 7
<b>Non-Current liabilities</b>				
Borrowings	13,842	63,807	(49,965)	Note 6
Lease liabilities	44,655	40,732	3,923	Note 7
Hire purchase creditors	-	3,923	(3,923)	Note 7
Deferred tax liabilities	69	-	69	Note 2
<b>Equity</b>				
Reserve *	(19,962)	(2,488)	(17,474)	Note 2

\* Reserve include capital reserve, share option reserve, foreign currency translation reserve, fair value reserve and retained earnings

<b>CONSOLIDATED STATEMENT OF CASH FLOW</b>	Group Audited Financial Statement S\$'000	Group Unaudited Financial Statement S\$'000	Variance Increase / (Decrease) S\$'000	Note
Net cash flows generated from operating activities	31,191	31,958	(767)	Note 3 & 5
Net cash flows used in financing activities	(15,296)	(13,636)	(1,660)	Note 3 & 5
Net decrease in cash and cash equivalents	(3,587)	(1,160)	(2,427)	Note 3

**Explanatory Notes:**

**Note 1 Other Income & General and Administrative Expenses (“G&A”)**

Government grant of \$5,893k has been re-classified from G&A expense to Other Income

**Note 2: Deferred tax assets/liabilities**

A deferred tax asset of \$17,474k has been reversed and charged to Consolidated Income Statement after auditors’ assessment of its utilisation of tax losses against future taxable profit.

**Note 3: Cash and bank, restricted bank balances and prepayment**

An amount of \$840k was re-classified from prepayment to restricted bank balances. In addition, an amount of \$2,427k in cash and bank was also re-classified to restricted bank balances.

**Note 4: Prepayment**

An amount of \$271k was re-classified to non-current asset as it is recoverable after 12 months.

**Note 5: Other payable and accrual and lease liabilities**

Deferred lease payable of \$1,607k was re-classified to lease liabilities

**Note 6: Borrowings**

An amount of \$49,965k was reclassified from Borrowings (Non-current liabilities) to Borrowings (Current liabilities).

**Note 7: Lease liabilities and hire purchase creditors**

Hire purchase creditors was combined and presented under the category “Lease liabilities”. Hire purchase creditors (current liability) of \$2,617k was re-classified to lease liabilities (current liability). Hire purchase creditors (non-current liability) of \$3,923k was re-classified to lease liabilities (non-current liability).

By Order of the Board

Seow Soon Yong  
Chief Executive Officer

Date: 14 July 2021