

## **YONGMAO HOLDINGS LIMITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009**

The Company refers to the query from the Singapore Exchange Securities Trading Limited (SGX-ST) on 29 May 2009 in relation to its Full Year Financial Statement and Dividend Announcement for the year ended 31 March 2009 made on 26 May 2009.

SGX-ST has requested the Company to provide information in relation to the following:-

**“(a) Please advise if there are any collection issues in relation to the RMB102,632,000 trade and other receivables, and whether any impairment is necessary.”**

The Company is of the view that there is no collection issues in relation to the RMB102,632,000 trade and other receivables and hence no impairment is necessary.

**“(b) We note in the Company's Circular dated 21 November 2008 in relation to the acquisition of Beijing Yongmao, that the collectability of trade debts amounting to RMB 37.3 million as at 30 September 2008 ("Trade Debts") were highlighted as one of the Risks Factors. Please provide updates on the recovery of the Trade Debts, including whether the Group had secured the indemnity from Beijing Construction of RMB16.0 million, and /or if the Group had called on the warranties/indemnities provided by FYIG, and the impact on the results and cash flow of the Group.”**

With regards to the above Trade Debts in Beijing Yongmao, total Trade Debts outstanding as at 31 March 2009 has reduced by RMB9.1 million (24.4%) to RMB28.2 million as compared to RMB37.3 million as at 30 September 2008. Beijing Construction has agreed to make good the debt provided it is proven that the said Trade Debts are uncollectible after taking appropriate legal recourse. An amount of RMB14.5 million of the Trade Debts has already been agreed upon and the Group is currently working with Beijing Construction on the remaining outstanding Trade Debts.

As at 31 March 2009, Beijing Construction is a creditor of Beijing Yongmao to the extent of net amount of RMB23.0 million. In addition a subsidiary of Beijing Construction is also a creditor of Beijing Yongmao to the extent of RMB14.0 million. As such, the Group is of the view that there is no collection issue in relation to the outstanding Trade Debts and has not called on the warranties/indemnities provided by FYIG.

There is no further impact on the results and cash flow of the Group.