

REPLY TO SGX QUERY ON THE UNAUDITED FOURTH QUARTER/FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR PERIOD/ENDED 31 MARCH 2013

The Board of Directors of Yongmao Holdings Limited (the "Company") wishes to announce the following in response to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") in respect of the unaudited Financial Statement and Dividend Announcement for the fourth quarter and full year ended 31 March 2013:-

Page 3 and 13 – The increase in trade and other receivables from RMB183,690,000 to RMB214,838,000 was due to slower payments from customers. Please explain by slower payments from customers.

Company's Response:

"Slower payments from customers" refer to certain customers making less prompt payments for trade debts which may exceed the usual credit period granted by the Group. Some of our customers had been affected by the uncertain economy both globally and in China resulting in slower payments. The turnover of trade receivables of the Group in FY2013 was 128 days as compared to 105 days in FY2012.

Trade receivables are usually due within 30 to 180 days in FY2013.

The age analysis of trade and other receivables as at 31 March 2013 is as follows:

The Group	RMB'000	%
Current ¹	138,126	64.3
Past due 0 to 3 months	15,182	7.1
Past due 3 to 6 months	26,962	12.5
Past due 6 to 9 months	9,869	4.6
Past due 9 to 12 months	7,401	3.4
Past due over 12 months	17,298	8.1
	<u>214,838</u>	<u>100.0</u>

Note:

1 Include other receivables of RMB39,540,000.

The Group has been constantly monitoring these debts closely and will continue to take actions to ensure collectability.

By Order of the Board
Yongmao Holdings Limited

Tian Ruo Nan
Executive Director/Chief Executive Officer

7 June 2013