

RESPONSE TO SGX QUERIES ON THE SECOND QUARTER RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

Yongmao Holdings Limited (the "Company") has received queries from the Singapore Exchange Securities Trading Limited (the "SGX-ST") regarding the Second Quarter Results for the financial period ended 30 September 2016 ("Q2FY2017") announced on 9 November 2016 ("the Q2FY2017 Announcement"). The Company's responses to the queries of SGX-ST are set out below:

A) Please address the followings:

I. An explanation for the increase in "Others" under Other Operating Expenses in the Notes to Group statement of profit or loss

Other operating expenses – "Others" increased from RMB3K in Q2FY2016 to RMB155K in Q2FY2017. The increase is mainly due to a penalty payment to the National Production Safety Authority (国家安全生产监督管理总局) in Q2FY2017 arising from failing certain health test by two production workers.

II. The identities of the two Beijing local rental companies ("Relevant Companies") as indicated in Para 8;

The two Beijing local rental companies are 北京中惠博远机械工程有限公司 and 北京拓兴盛机械设备租赁有限公司.

III. Whether the company continues to trade with the Relevant Companies; and

The Company had ceased trading with the Relevant Companies in the calendar year 2015.

IV. Whether the board is satisfied with the methodology used to determine the provision for doubtful debts.

The Board is satisfied with the methodology used to determine the provision for the doubtful debts.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
13 January 2017