

**YONGMAO HOLDINGS LIMITED**  
(Company Registration No. 200510649K)  
(Incorporated in the Republic of Singapore)

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**PROFIT GUIDANCE ON THE SECOND HALF FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 AND AN UPDATE ON THE GROUP'S OPERATIONS FOR 2020**

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The Board of Directors (the **"Board"**) of Yongmao Holdings Limited (the **"Company"**, and together with its subsidiaries, the **"Group"**) wishes to issue a profit guidance for the second half financial results for the financial year ended 31 March 2020 ("2H FY2020") and an update on the Group's operations for 2020.

**1. PROFIT GUIDANCE FOR 2H FY2020**

Based on the preliminary assessment of the Group's unaudited financial results for 2H FY2020, the Group is expected to record a significantly lower net profits for 2H FY2020, compared to the same period last year. The decline in net profits is due to lower revenue in the People's Republic of China ("PRC") in light of the national lockdown to combat the Covid-19 pandemic in the first few months of 2020. In addition, arising from the consolidation of Beijing Yongmao's plant to Fushun, the Group recorded a one off obsolescence stocks adjustment and write off as well as higher cost of goods sold in 2H FY2020 to adjust for an under charged of cost of goods sold in the first half of the financial year ended 31 March 2020.

The Company is still in the process of finalising the financial results of the Group for FY2020. Further details of the Group's financial performance will be disclosed when the Company announces the Group's unaudited financial results for 2H FY2020 and FY2020 before 29 July 2020.

**2. UPDATE ON THE GROUP'S OPERATIONS**

With the rapid spread of the COVID-19 pandemic globally, strict government containment measures have been firstly implemented in the PRC where the Group's major production plants operate and subsequently extended globally, in many instances resulting in full or partial national lockdowns. The effect of the government containment measures meant that the business operations of our customers and freight forwarders were inadvertently disrupted, resulting in delays and/or postponement of deliveries of our products.

Our production plants in the PRC has resumed production on 10 February 2020 upon approval obtained from the local authority. However, in view of the implementation of health and safety measures in our manufacturing facilities, the Group has not been operating at its optimal capacity.

The Company will provide further updates as and when there are any material developments.

**3. CAUTION IN TRADING**

Shareholders are advised to exercise caution when dealing in the securities of the Company. If in doubt, about the action that they should take, shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers.

BY ORDER OF THE BOARD

Tian Ruo Nan  
Chief Executive Officer  
8 June 2020