

RESPONSE TO SGX QUERY ON THE FOURTH QUARTER/FULL YEAR RESULTS FOR THE FINANCIAL PERIOD/YEAR ENDED 31 MARCH 2018

Yongmao Holdings Limited (the "Company") has received query from the Singapore Exchange Securities Trading Limited (the "SGX-ST") regarding the Fourth Quarter/Full Year Results for the financial period/year ended 31 March 2018 announced on 30 May 2018. The Company's response to the query of SGX-ST is set out below:

SGX-ST Query

With reference to page 11 (paragraph 8) of the financial results, the Company explained that other operating expenses reported a credit balance of RMB1.3 million in Q4FY2018 as compared to a credit balance of RMB2.0 million in Q4FY2017 as a result of higher exchange loss offset by higher reversal for impairment of trade receivables.

We note the following:-

Line item	Group (RMB'000) 3 months ended		
	31 March 2018	31 March 2017	Change
Reversal of impairment of trade receivables	(4,418)	(2,427)	(1,991)
Exchange loss	2,126	86	2,040
Net change			49

As the net change amounted to only RMB49,000, please explain the other reason(s) that contributed to the decrease in other operating expenses by a credit balance of RMB0.7 million.

The Company's Response:

The other reason that contributed to the decrease in credit balance of the other operating expenses is mainly due to provision for loss on disposal of property, plant and equipment in conjunction with the shifting of the Group's Hong Kong office and warehouse for the amount of RMB0.6 million.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
12 June 2018