

SINOBEST TECHNOLOGY HOLDINGS LTD.

(Company Registration Number: 35479)

(Incorporated in Bermuda on 17 June 2004)

Quarterly Update Pursuant To Rule 1313(2) of the Listing Manual

The Board of Directors (the “Board”) of Sinobest Technology Holdings Ltd. (the “Company”) refers to the announcement dated 2 March 2010 in relation to the Company being placed on the watch-list. Pursuant to Rule 1313(2) of the Listing Manual which requires the Company to provide a quarterly update on its financial situation, including its future direction, or other material development that may have significant impact on its financial position, the Board wishes to provide the following update on the Company and its subsidiaries (the “Group”) for the financial period ended 31 December 2012.

Financial Updates

The financial updates of the Group will be illustrated in two categories, namely (i) Continuing Operations and (ii) Discontinued Operations, in accordance with presentation and disclosure prescribed under INT IFRS 5, Non-current assets Held for Sale and Discontinued Operations as disclosed in annual report for the financial year ended 31 December 2011.

(i) Continuing Operations

For FY2012, loss from continuing operations decreased by RMB0.1 million to RMB5.6 million (FY2011: RMB5.7 million), mainly due to decrease in Other losses of RMB 221,000 arising mainly from lower foreign exchange loss as RMB was relatively stable against USD in FY2012 as compared to FY2011. This is offset by higher administrative expenses of RMB 66,000. The higher administrative expenses was due to higher expenses related to the reverse take over exercise of RMB1.7 million offset by lower directors’ remuneration of RMB1.5 million, as the directors’ salaries previously borne by the Company were now taken up by the discontinued operations since July 2012.

(ii) Discontinued Operations

For FY2012, unaudited total turnover of discontinued operations decreased by 7.1% or RMB32.2 million to RMB421.6 million compared to FY2011. The decrease in turnover was mainly attributed to the decrease of RMB78.1 million or 24.2% for the System Integration – Computer Integration and Intellectual Building segment (“SI(CI) & SI(IB)”), offset by the increase in turnover of

RMB45.9 million or 35.1% for the Software Development and Technical Services segment ("SD & TS"). Gross profit during this period increased by RMB11.9 million or 18.5% to RMB76.4 million compared to FY2011, resulted mainly from the increase in turnover from the SD & TS segment which commanded a relatively higher gross profit margin.

Net profit after taxation for discontinued operations for FY2012 was RMB 6.2 million (FY2011: RMB6.9 million). Though gross profit increased by RMB11.9 million, increase in administrative expenses of RMB 1.4 million, research and development expenses of RMB 11.0 million and increase in income tax expense of RMB 1.2 million, offset by increase in other income of RMB0.7 million and decrease in distribution and marketing expenses of RMB0.3 million resulted in net profit after taxation of RMB 6.2 million for the discontinued operations.

Update on Future Direction and Other Material Development

Corporate Action

The Company is currently in the process of a mandatory unconditional general cash offer by Asiasons WFG Capital Pte Ltd for and on behalf of Bon Ween Foong. Shareholders should refer to the SGXNET announcements on the developments of the matter.

Property Development and Construction

On 5 February 2013, the Company announced that a wholly-owned subsidiary, namely Galaxia Development Pte. Ltd. was incorporated with the purpose to carry on business of real estate development and property management. The Company had on 15 February 2013 announced the completion of acquisition of the industrial property at 5, Pioneer Sector Lane, Singapore 628323.

It is the intention of the Vendor to make material changes to the business of the Company after the completion of the Proposed Acquisition and Proposed Disposal by having the Company and OKH group continue to carry out its new businesses relating to property development and construction.

Information Technology

In 2012, more focus was put in the SD & TS segments which have a comparatively higher profit margin than the SD(CI) & SD(IB) segments. This had not only improved the Group's overall profit margin, but also improved the Group's liquidity by reducing

its inventory and payables. On the other hand, more resources were invested in research and development activities, in order to keep abreast of innovative technology in the industry.

The Group will continue its existing strategy to focus more in the SD & TS segments, position itself as a service-oriented player, and maintain its competitiveness through enhanced research and development activities.

By Order of the Board

Mr Zou Gefei
Executive Chairman and Chief Executive Officer
1 March 2013