

SINOBEST TECHNOLOGY HOLDINGS LTD.
(Incorporated in Bermuda)
(Company Registration Number: 35479)

**RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES
TRADING LIMITED (“SGX-ST”) REGARDING THE ANNOUNCEMENT OF FULL YEAR
FINANCIAL STATEMENT**

The Board of Directors of Sinobest Technology Holdings Ltd. (the “**Company**”) refers to the announcement made by the Company of its Unaudited Full Year Financial Statement and Related Announcement for the Financial Year ended 31 December 2012 released to SGX-ST on 1 March 2013 (Announcement No. 00313).

The Company has received the following query from SGX-ST relating to the Unaudited Full Year Financial Statement and Related Announcement and wishes to provide the information as set out below:

SGX-ST Query 1

The Company disclosed that the Research and Development (R&D) expenses increased by 56% from RMB19.6 million in FY2011 to RMB30.6 million in FY2012. Please explain the reason(s) for the increase in the expense.

Company’s Response

The increase in R&D expenses was mainly due to an increase in staff expenses arising from the employment of a higher number staff and more skilled staff for the Group’s R&D projects. As some of the Group’s projects had progressed to a phase which required the deployment of more staff and expertise, the total number of headcounts employed for R&D had increased by 41 staffs from 86 staffs in FY2011 to 127 staffs in FY2012, in addition to the higher pay rates for the more skilled staff.

BY ORDER OF THE BOARD

MR LI ZIQIANG
EXECUTIVE DIRECTOR

13 March 2013