

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD FROM 1 APRIL 2008 TO 30 JUNE 2008

The initial public offering of Yongmao Holdings Limited's ("the Company") shares was sponsored by CIMB-GK Securities Pte. Ltd. This announcement has been prepared and released by the company.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the period 1 April 2008 to 30 June 2008. These figures have not been audited.

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 June 2008 (Q1 FY2009)	3 months ended 30 June 2007 (Q1 FY2008)	Increase/ (Decrease)
Revenue	206,492	158,332	30.4%
Cost of sales	(125,546)	(103,260)	21.6%
Gross profit	80,946	55,072	47.0%
Other operating income	601	216	178.2%
Administrative expenses	(6,372)	(3,031)	110.3%
Distribution costs	(24,485)	(12,560)	94.9%
Other operating expenses	(3,384)	(1,089)	210.7%
Finance costs	(730)	(5)	NM
Total Operating Expenses	(34,972)	(16,685)	109.6%
Profit before taxation	46,575	38,603	20.7%
Taxation	(5,819)	-	NM
Net profit attributable to Shareholders	40,756	38,603	5.6%

NM: Not Meaningful

Note:

The Group profit before taxation is arrived at after charging / (crediting):

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 June 2008 (Q1 FY2009)	3 months ended 30 June 2007 (Q1 FY2008)	Increase/ (Decrease)
Amortisation of intangible assets	320	290	10.3%
Depreciation of property, plant and equipment	1,560	994	56.9%
Exchange loss	740	977	(24.3)%
Operating lease rentals	1,320	900	46.7%
Interest income	(601)	(52)	1055.8%
Interest expense	730	5	NM
Property, plant & equipment written off	-	2	NM

NM: Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 June 2008	31 March 2008	30 June 2008	31 March 2008
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	187,120	178,428	16	18
Intangible assets	4,847	5,039	-	-
Available-for-sale financial assets	-	-	-	-
Investment in subsidiary	-	-	249,806	249,806
	191,967	183,467	249,822	249,824
Current				
Inventories	148,658	105,635	-	-
Trade and other receivables	49,348	49,659	5	12
Amount owing by related parties	45,498	179,745	-	-
Amount owing by an investee company	-	-	-	-
Dividend receivables	-	-	25,000	25,000
Amount owing by subsidiary (non-trade)	-	-	6,368	6,481
Cash and cash equivalents	262,787	200,278	56,738	63,410
	506,291	535,317	88,111	94,903
TOTAL ASSETS	698,258	718,784	337,933	344,727
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	172,230	132,713	24,205	25,630
TOTAL EQUITY	484,714	445,197	336,689	338,114
LIABILITIES				
Non Current				
Bank borrowings	50,000	-	-	-
	50,000	-	-	-
Current				
Trade & other payables	121,659	124,769	1,244	1,537
Amount owing to a corporate shareholder	-	-	-	-
Amount owing to related parties	34,631	139,769	-	-
Tax payable	7,254	3,973	-	-
Dividend payable	-	5,076	-	5,076
	163,544	273,587	1,244	6,613
TOTAL EQUITY AND LIABILITIES	698,258	718,784	337,933	344,727

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30 June 2008		As at 31 March 2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

As at 30 June 2008		As at 31 March 2008	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
50,000	-	-	-

Details of any collateral

The bank borrowing is secured by certain leasehold buildings and land use rights from a Director related company Fushun Yongmao Engineering Machinery Co Ltd.

The increase in bank borrowings is for the purpose of increasing the working capital of the Group and for the funding of future acquisitions of the Group. On 23 July 2008, the Group has entered into a joint venture agreement to set up a new subsidiary in Wuxi called Wuxi Yongmao Towercrane Manufacturing Co Ltd.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (First Quarter)	
	RMB'000	
	3 months ended 30 June 2008 Q1 FY2009	3 months ended 30 June 2007 Q1 FY2008
Cash flow from operating activities		
Profit before taxation	46,575	38,603
Adjustments for:		
Amortisation of intangible assets	320	290
Depreciation of property, plant and equipment	1,560	994
Property, plant and equipment written off	-	2
Interest expense	730	5
Interest income	(601)	(52)
Exchange translation	(1,239)	124
Operating profit before working capital changes	47,345	39,966
Increase in inventories	(43,023)	(2,987)
Decrease / (Increase) in operating receivables	134,558	(63,953)
(Decrease) / Increase in operating payables	(108,248)	53,051
Cash generated from operations	30,632	26,077
Interest paid	(730)	(10)
Tax paid	(2,538)	-
Net cash generated from operating activities	27,364	26,067
Cash flow from investing activities		
Acquisition of property, plant and equipment	(10,252)	(1,184)
Acquisition of intangible assets	(128)	-
Interest received	601	52
Net cash used in investing activities	(9,779)	(1,132)
Cash flow from financing activities		
Bank borrowings obtained / (repaid)	50,000	(13,500)
Dividends paid ⁽¹⁾	(5,076)	-
Advances to related parties (non trade)	-	(9,667)
Repayment to related parties (non trade)	-	(1,246)
Net cash generated from / (used in) financing activities	44,924	(24,413)
Net increase in cash and cash equivalent	62,509	522
Cash and cash equivalents at beginning of period	200,278	50,296
Cash and cash equivalents at end of period	262,787	50,818

Note:

(1) Dividend declared in FY2008, paid in Q1FY2009.

Analysis of cash and cash equivalents

	Group	
	RMB'000	
	30 June 2008	30 June 2007
Cash on hand	204	163
Bank balances	207,603	50,655
Fixed deposits	54,980	-
	<u>262,787</u>	<u>50,818</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Merger Reserve	Retained profit	Statutory common reserve	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year:						
Balance as at 1 April 2008	312,484	(26,769)	139,295	18,880	1,307	445,197
Translation differences	-	-	-	-	(1,239)	(1,239)
Net profit for the period	-	-	40,756	-	-	40,756
Transfer to statutory common reserve	-	-	(4,400)	4,400	-	-
Balance as at 30 June 2008	312,484	(26,769)	175,651	23,280	68	484,714
Previous year:						
Balance as at 1 April 2007	83,507	-	52,625	5,612	43	141,787
Translation differences	-	-	-	-	293	293
Net profit for the period	-	-	38,603	-	-	38,603
Transfer to statutory common reserve	-	-	(3,678)	3,678	-	-
Balance as at 30 June 2007	83,507	-	87,550	9,290	336	180,683
Company						
Company	Share capital	(Accumulated loss)/retained profit	Statutory common reserve	Exchange fluctuation reserve	Total	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Current year						
Balance as at 1 April 2008	312,484	24,319	-	1,311	338,114	
Translation differences	-	-	-	(1,353)	(1,353)	
Net loss for the period	-	(72)	-	-	(72)	
Balance as at 30 June 2008	312,484	24,247	-	(42)	336,689	
Previous year						
Balance as at 1 April 2007	16,966	(144)	-	(3)	16,819	
Translation differences	-	-	-	(417)	(417)	
Net loss for the period	-	(122)	-	-	(122)	
Balance as at 30 June 2007	16,966	(266)	-	(420)	16,280	

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 March 2008. As at 30 June 2008, the total issued share capital of the Company, excluding treasury shares is 443,750,000.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the end of the current financial period and as at the end of the immediately preceding year.

	30 June 2008	31 March 2008
Total number of issued shares (excluding treasury shares)	443,750,000	443,750,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current reporting period and the previous financial year.

The Group has adopted the new Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are applicable to its operations and effective for annual period beginning on or after 1 January 2008. The adoption of the new FRS and the INT FRS did not have a material effect on the financial statements of the Group and of the Company.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to Point 4 above.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group (First Quarter)	
	3 months Ended 30 June 2008 (1)	3 months Ended 30 June 2007 (2)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	40,756	38,603
Weighted average no. of shares used in computation of basic earning per shares	443,750,000	332,200,000
Earnings per share (in cents RMB)		
(a) Based on weighted average number of ordinary shares on issue	9.18	11.62
(b) On a fully diluted basis	9.18	11.62

Explanatory Notes:

- (1) The calculation of basic and fully diluted earning per share for the period ended 30 June 2008 is based on the Group's profit attributable to equity holders of the Company of RMB40,756,000 and the number of issued shares during the period of 443,750,000.
- (2) The calculation of basic and fully diluted earnings per share for the period ended 30 June 2007 is based on the Group's profit attributable to equity holders of the Company of RMB38,603,000 and number of shares before the initial public offering of the Company in February 2008 of 332,200,000 shares.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 June 2008	31 March 2008	30 June 2008	31 March 2008
Net asset value per ordinary share (RMB cents)	109.23	100.33	75.87	76.19

Net asset value per share for the Group and Company for 31 March 2008 and 30 June 2008 has been computed based on shareholder's equity as at the respective dates and the number of shares of 443,750,000 ordinary shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF INCOME STATEMENT OF THE GROUP

First Quarter ended 30 June 2008 ("Q1 FY2009") vs First Quarter ended 30 June 2007 ("Q1 FY2008")

Revenue

In Q1 FY2009, the Group recorded revenue of RMB206.5 million as compared to RMB158.3 million in Q1 FY2008. The strong revenue growth of RMB48.2 million or 30.4% was due to increasing demand for our products in the PRC, Middle East and other Asian markets such as India and new markets such as Australia and Malaysia.

Higher sale in the PRC was mainly due to the increased demand for our towercranes used in the construction of various nuclear power plants and infrastructure projects in the PRC. Elsewhere, the increase in demand for the Group's towercranes was driven by the robust construction activities in the respective markets.

There were also more sales of the higher margin Topless STT series in Q1FY2009 as compared to Q1FY2008.

Goss profit

Overall gross profit rose by RMB25.8 million or 47.0% from RMB55.1 million to RMB80.9 million in Q1 FY2009. Average gross profit margin in Q1 FY2009 increased to 39.2%, from 34.8% in Q1 FY2008. This improvement was mainly due to increased sales from higher margin Topless STT series towercranes in PRC and Middle East. At the same time, the Group also increased its selling price to some of its customers in line with the increase in material and freight cost.

Other operating income

Other operating income grew RMB0.4 million in Q1 FY2009 mainly due to interest income from proceeds from the Initial Public Offering of the Company.

Total operating expenses

Total operating expenses doubled to RMB35.0 million mainly arising from a substantial increase in distribution cost

Significant increase in oil prices had lead to substantial hikes in freight/transportation cost which is part of distribution cost.

Administrative expenses also doubled to RMB6.4 million. The conversion to a listed company has resulted in new corporate expenses. In addition, higher headcount to support the growth of the Group has led to higher staff cost.

Other operating expenses increased by RMB2.3 million as the Group donated RMB2.5 million through the local authority in aid of the relief effort and the rebuilding programme for those affected by the recent Szechuan earthquake.

Finance cost of RMB0.7 million was due to a drawdown of RMB50 million bank loan.

Taxation

Income tax expense amounted to RMB5.8 million in Q1 FY2009 as profit derived from our operating subsidiary in the PRC was 50% tax exempt commencing from 1 January 2008 (FY2008Q4). In Q1 FY2008, there was no tax charge as our operating subsidiary is tax exempted for two years in calendar year 2006 and 2007.

Profit before tax and Net Profit attributable to shareholders

Profit before tax increased by RMB8.0 million or 20.7% to RMB46.6 million in Q1 FY 2008 on account of higher revenue and better gross profit margin but these were offset by substantial hikes in freight/transportation costs, additional administration costs associated with conversion to listed company status, higher headcount and a RMB2.5 million donation relating to the Szechuan earthquake.

Net profit attributable to shareholders grew 5.6% from RMB38.6 million in Q1 FY2008 to RMB40.8 million in Q1 FY2009 as higher profit before tax was reduced by tax charge arising from expiry of full tax exemption.

REVIEW OF FINANCIAL POSITION

Non-current Assets

As at 30 June 2008, non-current assets amounted to RMB191.9 million or 27.5% of our total assets, comprising property, plant and equipment of RMB187.1 million and intangible assets of RMB4.8 million. Overall non-current assets increased by RMB8.5 million due to the construction in progress relating to the building of the new factory.

Current Assets

As at 30 June 2008, current assets amounted to RMB506.3 million or 72.5% of our total assets, comprising inventories of RMB148.7 million, trade and other receivables of RMB49.3 million, amounts owing by related parties of RMB45.5 million and cash and cash equivalents of RMB262.8 million.

The increase in inventory amounting to RMB43.0 million was in line with higher sales volume and the large order book on hand. Trade and other receivables remain unchanged. The decrease in amount owing by related parties was mainly due to collections of trade balances. Cash and cash equivalents increased due to higher bank borrowings of RMB50.0 million, collections from related parties, and a higher net profit for Q1 FY2009.

Current Liabilities

Current liabilities comprise mainly trade & other payables and amounts owing to related parties.

As at 30 June 2008, current liabilities amounted to RMB163.5 million, comprising trade & other payables of RMB121.7 million, amount owing to related parties of RMB34.6 million, and tax provision of RMB7.2 million.

Trade & other payables decreased marginally. Amount owing to related parties was reduced by RMB105.1 million due to increased payment to related parties. Tax provision increased by RMB3.3 million due to tax accrued for 1Q FY2009.

Non-current Liabilities

Bank borrowings increased due to a 3-year term bank loan of RMB50.0 million taken during the period for working capital and as contingency for the financing future acquisitions activities of the Group. Application has been submitted to the local authority for subsidy of interest.

Shareholders' Equity

As at 30 June 2008, shareholders' equity amounted to RMB484.7 million. The increase in shareholders' equity was mainly due to higher net profit for 1Q FY2009.

REVIEW OF CASHFLOW STATEMENT

Net increase in cash and cash equivalent amounted to RMB262.8 million. The net increase was due to an increase in cash generated from financing activities of RMB44.9 million and cash generated from operating activities of RMB27.4 million, offset by cash used in investing activities of RMB9.8 million.

The cash generated from financing activities was mainly due to a bank loan taken during the period. The cash generated from operating activities was mainly due to higher net profit for the year and net cash collected from related parties. Cash used in investing activities was mainly for the progressive payments in relation to the construction of the Group's new factory.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

NA

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In view of the continuing strong demand for its towercranes, the Group has entered into a joint venture agreement to set up a new production plant in Wuxi and production is expected to commence in 3Q FY2009. The new plant will increase the Group's capacity so as to cope with the increase in expected orders and to enable it to capture a greater share of the growing global crane market. In the PRC, this new joint venture will also enable the Group to establish a physical presence in Eastern China, which is expected to be a fast-growing regional market for construction machinery through to 2011. The new plant is expected to contribute to the Group's top and bottom-lines in 3Q FY2009.

The Group is currently in the advanced stage of finalising an agreement to acquire a 66% equity interest in Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd (a PRC manufacturer of towercranes and towercrane accessories) from an entity in which our controlling shareholders have an interest (please refer to the Company's Prospectus dated 31 January 2008). An announcement will be made as and when appropriate.

Increasing steel prices will continue to have an effect on the Group's raw material prices. However, the Group will adjust selling prices where necessary to mitigate the cost increase.

As at the date of this announcement, the Group has an order book of approximately RMB485 million. Barring unforeseen circumstances, the Group is optimistic about its prospects for FY2009.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend has been declared or recommended in Q1 FY2008

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segmental information is presented in respect of the Group's geographical segments. In presenting information on the basis of geographical segments, segment revenue and trade receivables are based on the geographical location of customers. Segment information by business segments is not presented as the Group's business relates solely to the manufacture and sales of tower cranes and tower crane components.

	Middle East, Asia & Others (excluding PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
<u>Q1 FY2009</u>				
Revenue	95,105	63,535	47,852	206,492
<u>Q1 FY2008</u>				
Revenue	64,719	56,402	37,211	158,332

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

15. A breakdown of sales.

Not applicable

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year (\$)	Previous Full Year (\$)
Ordinary	-	-
Preference	-	-
Total:	-	-

17. Interested Party Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	RMB'000	RMB'000
Sales to related parties		
Shanghai Tat Hong Equipment Rental Co., Ltd (上海达丰机械租赁有限公司)	-	21,930
China Nuclear Huaxing Tat Hong Machinery Construction Co. Ltd (中核华兴达丰机械工程有限公司)	-	6,911
Purchases from related parties		
Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd (北京永茂建工机械有限公司)	-	39,398

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

We, the Executive Directors of Yongmao Holdings Limited ("the Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the three months ended 30 June 2008 to be false or misleading in any material aspect.

Sun Zhao Lin
Executive Director

Tian Ruo Nan
Executive Director

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
11/08/2008