



YONGMAO HOLDINGS LIMITED  
(Company Registration No. 200510649K)

**PRESS RELEASE**

**STRONG SALES IN PRC BOOSTS YONGMAO REVENUE BY 44%**

**Group To Strengthen Position In PRC With Towercrane Rental JV**

**Singapore, 10 November 2008** – Leading manufacturer and exporter of tower cranes in the PRC, **Yongmao Holdings Limited**, today announced its results for the three months ended 30 September 2008 ("2QFY09").

**Performance Highlights:**

RMB'000	2QFY09	2QFY08	% Change	1HFY09	1HFY08	% Change
Revenue	204,917	142,283	44.0	411,409	300,615	36.9
Gross Profit	62,796	54,002	16.3	143,742	109,074	31.8
Profit Before Tax	25,396	29,722	(14.6)	71,971	68,325	5.3%
Taxation	(3,327)	0	n.m.	(9,146)	0	n.m.
Net Profit Attributable to Shareholders	22,069	29,722	(25.7)	62,825	68,325	(8.0)
EPS (RMB cents)	4.97	8.95	(44.5)	14.16	20.57	(31.2)

**Operations Review**

- Group revenue grew 44.0% boosted by robust sales activity in the PRC and the Middle East. Other new markets such as India, Russia, Australia and Malaysia also contributed to the increase.
- Revenue derived from the PRC surged 224.0% to RMB70.4 million, versus RMB21.7 million in the three months ended 30 September 2008 (2QFY08). This was mainly driven by increased activities from the construction of various nuclear power plants and other infrastructure projects.
- In contrast, sales to Europe and the USA recorded a decline as the construction industry in these markets was adversely affected by the current economic crisis.



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- The sharp increase in steel prices in the quarter, coupled with a shift in revenue mix towards a higher proportion of lower-margin ST Series tower cranes, pushed the Group's gross profit margin down from 38.0% in 2QFY08 to 30.6% in 2QFY09.
- The Group incurred a tax expense of RMB3.3 million during the quarter under review. Comparatively, no tax was incurred in the same period last year as its tax exemption status only expired on 31 December 2007.
- Taking into consideration the lower gross profit margin, the increase in overheads and tax expense, net profit for the Group fell 25.7% to RMB22.1 million in 2QFY09.

**Outlook**

- The global economic crisis is expected to cause a slow down of construction activities, particularly in Europe and the USA. This in turn is expected to affect the overall demand for Yongmao's products.
- To mitigate the impact of lower demand from Europe and the USA, Yongmao will focus on growing its share in China where infrastructure development is expected to continue.
- In line with this, the Group has entered into a joint-venture with a subsidiary of Tat Hong Holdings Ltd to establish Beijing Tat Hong Equipment Rental Co., Ltd, to engage in the leasing of towercranes to construction companies in the PRC. Yongmao will hold 45% of the JV company.
- At the same time, it will place greater emphasis on research and development to improve the quality of its products and consequently increase its competitiveness over the longer term.
- As at 10 November, the Group's order book stands at approximately RMB340 million.

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**About Yongmao Holdings Limited**

Founded in 1992 and listed on the Singapore Exchange in February 2008, Yongmao is a designer and manufacturer of tower cranes and tower crane components and accessories in the PRC. The products are sold under its own brands – “永茂”, “YONGMAO” and “SUNCRANE”. The Group has developed some 50 models and sub-models of towercranes, which are broadly classified into four series: Topless STT, ST, Luffing STL and Derrick Q.

Yongmao's tower cranes are sold and exported by the Company and/or its customers to countries in the Americas, Africa, the Middle East, Europe, and Asia.

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