

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

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 ended 31 December 2009. These figures have not been audited.

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2009 (Q3 FY2010)	3 months ended 31 Dec 2008 (Q3 FY2009)	Increase/ (Decrease)	9 months ended 31 Dec 2009 (9 Mths FY2010)	9 months ended 31 Dec 2008 (9 Mths FY2009)	Increase/ (Decrease)
				<i>Restated*</i>		
Revenue	118,317	113,561	4.2	303,346	524,970	(42.2)
Cost of sales	(91,215)	(82,318)	10.8	(224,989)	(349,985)	(35.7)
Gross profit	27,102	31,243	(13.3)	78,357	174,985	(55.2)
Other operating income	665	1,042	(36.2)	7,430	2,301	222.9
Administrative expenses	(17,545)	(8,858)	98.1	(42,010)	(25,132)	67.2
Distribution costs	(12,804)	(16,889)	(24.2)	(35,781)	(65,728)	(45.6)
Other operating expenses	148	(858)	NM	(833)	(6,997)	(88.1)
Finance costs	(1,506)	(910)	65.5	(4,047)	(2,688)	50.6
Total operating expenses	(31,707)	(27,515)	15.2	(82,671)	(100,545)	(17.8)
(Loss)/profit from operations	(3,940)	4,770	NM	3,116	76,741	(95.9)
Share of results of an associated company	409	-	NM	696	-	NM
(Loss)/profit before taxation	(3,531)	4,770	NM	3,812	76,741	(95.0)
Taxation	(448)	(671)	(33.2)	(827)	(9,817)	(91.6)
Net (loss)/profit for the period	(3,979)	4,099	NM	2,985	66,924	(95.5)
Attributable to:						
Equity holders of the Company	(6,917)	4,194	NM	1,544	67,019	(97.7)
Minority interests	2,938	(95)	NM	1,441	(95)	NM
Net (loss)/profit for the period	(3,979)	4,099	NM	2,985	66,924	(95.5)

NM: Not Meaningful

* See Paragraph 5.

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2009 (Q3 FY2010)	3 months ended 31 Dec 2008 (Q3 FY2009)	Increase/ (Decrease)	9 months ended 31 Dec 2009 (9 Mths FY2010)	9 months ended 31 Dec 2008 (9 Mths FY2009)	Increase/ (Decrease)
Net profit for the period	(3,979)	4,099	NM	2,985	66,924	(95.5)
Other comprehensive income:						
Exchange translation difference	185	(883)	NM	4,804	(4,642)	NM
Other comprehensive income for the period, net of tax	185	(883)	NM	4,804	(4,642)	NM
Total comprehensive income for the period	(3,794)	3,216	NM	7,789	62,282	(87.5)
Total comprehensive income attributable to:						
Equity holders of the Company	(6,732)	3,311	NM	6,348	62,377	(89.8)
Minority interests	2,938	(95)	NM	1,441	(95)	NM
Total comprehensive income for the period	(3,794)	3,216	NM	7,789	62,282	(87.5)

Note:

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

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2009 (Q3 FY2010)	3 months ended 31 Dec 2008 (Q3 FY2009)	Increase/ (Decrease)	9 months ended 31 Dec 2009 (9 Mths FY2010)	9 months ended 31 Dec 2008 (9 Mths FY2009)	Increase/ (Decrease)
Amortisation of intangible assets	315	316	(0.3)	945	959	(1.5)
Depreciation of property, plant and equipment	2,647	1,645	60.9	7,943	4,739	67.6
Exchange (gain)/loss	(431)	797	NM	117	4,129	(97.2)
Loss/(gain) on disposal of property, plant and equipment	49	(112)	NM	148	(82)	NM
Interest income	(184)	(482)	(61.8)	(452)	(1,630)	(72.3)
Interest expense	1,506	910	65.5	4,047	2,688	50.6
Operating lease rentals	4,378	4,106	6.6	12,530	6,789	84.6
Property, plant and equipment written off	-	-	NM	22	-	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	
	31 Dec 2009	31 Mar 2009	31 Dec 2009	31 Mar 2009
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	240,849	247,228	14	16
Intangible assets	2,833	3,778	-	-
Investment in subsidiaries	-	-	286,438	252,296
Associated company	4,726	-	-	-
Goodwill	23,337	23,337	-	-
	271,745	274,343	286,452	252,312
Current				
Inventories	282,783	251,146	-	-
Trade and other receivables	169,454	102,632	43	616
Available-for-sale financial assets	4,054	5,792	-	-
Amounts owing by related parties	19,430	33,659	-	-
Amounts owing by corporate shareholders of subsidiaries	11,457	8,179	-	-
Amount owing by an associated company	13,696	-	-	-
Amount owing by subsidiaries (non-trade)	-	-	12,092	5,677
Cash and cash equivalents	118,127	106,748	15,111	45,376
	619,001	508,156	27,246	51,669
TOTAL ASSETS	890,746	782,499	313,698	303,981
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	146,758	150,945	(723)	(11,322)
Equity attributable to equity holders of the Company	459,242	463,429	311,761	301,162
Minority interests	25,880	25,249	-	-
TOTAL EQUITY	485,122	488,678	311,761	301,162
LIABILITIES				
Non-current				
Bank borrowing	50,000	50,000	-	-
Deferred tax liabilities	1,281	1,546	-	-
Trade and other payables	39,795	42,602	-	-
	91,076	94,148	-	-
Current				
Trade and other payables	185,048	139,636	1,937	2,819
Amounts owing to related parties	65,327	29,712	-	-
Amounts owing to corporate shareholders of subsidiaries	33,681	30,205	-	-
Bank borrowing	30,000	-	-	-
Tax payable	492	120	-	-
	314,548	199,673	1,937	2,819
TOTAL EQUITY AND LIABILITIES	890,746	782,499	313,698	303,981

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

As at 31 Dec 2009		As at 31 March 2009	
Secured	Unsecured ⁽¹⁾	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
30,000	61,399	-	47,238

Amount repayable after one year

As at 31 Dec 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
50,000	-	50,000	-

Details of any collateral

The RMB80.0 million (31 March 2009 – RMB50.0 million) bank borrowings are secured by certain leasehold buildings and land use rights from a related company with common director, Fushun Yongmao Engineering Machinery Co., Ltd.

The increase in bank borrowings is for the purpose of increasing the working capital and funding of acquisitions of the Group.

Note (1):

The unsecured loans include the following:

- a) RMB21.8 million (31 March 2009 – RMB21.8 million), of which RMB18.4 million (31 March 2009 – RMB18.4 million) was interest-bearing, was from a corporate shareholder to Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd ("Beijing Yongmao") for the purpose of increasing the working capital of Beijing Yongmao.
- b) RMB5.6 million (31 March 2009 – RMB8.7 million), interest-free, was from a related company of a corporate shareholder to Beijing Yongmao for the purpose of increasing the working capital of Beijing Yongmao.
- c) RMB34.0 million (31 March 2009 – RMB Nil), interest-free, was from a related party to Fushun Yongmao Construction Machinery Co., Ltd ("Fushun Yongmao") for the purpose of increasing the working capital of Fushun Yongmao and funding the acquisitions of the Group.

The above balances are recorded in current liabilities.

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 (Third Quarter)		Group (Nine Months)	
	RMB'000	RMB'000	RMB'000	RMB'000
	3 months ended	3 months ended	9 months ended	9 months ended
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	(Q3 FY2010)	(Q3 FY2009)	(9 Mths FY2010)	(9 Mths FY2009)
Cash flow from operating activities				
(Loss)/profit before taxation	(3,531)	4,770	3,812	76,741
Adjustments for:				
Share of results of an associated company	(409)	-	(696)	-
Unrealised profits from sale of towercranes to an associated company	1,984	-	4,970	-
Amortisation of intangible assets	315	316	945	959
Depreciation of property, plant and equipment	2,647	1,645	7,943	4,739
Loss/(gain) on disposal of property, plant and equipment	49	(112)	148	(82)
Property, plant and equipment written off	-	-	22	-
Interest expense	1,506	910	4,047	2,688
Interest income	(184)	(482)	(452)	(1,630)
Operating profit before working capital changes	2,377	7,047	20,739	83,415
Increase in inventories	(19,021)	(9,037)	(31,637)	(69,706)
Decrease/(increase) in operating receivables	18,314	76,475	(34,975)	96,253
Increase/(decrease) in operating payables	24,492	(93,352)	73,177	(142,278)
Cash generated from/(used in) operations	26,162	(18,867)	27,304	(32,316)
Interest paid	(1,506)	(910)	(3,499)	(2,688)
Tax paid	(691)	(3,861)	(720)	(13,118)
Net cash generated from/(used in) operating activities	23,965	(23,638)	23,085	(48,122)
Cash flow from investing activities				
Cash outflow on acquisition of a subsidiary	-	-	(10,000)	-
Acquisition of property, plant and equipment	(17,700)	(10,346)	(22,314)	(50,917)
Investment in an associated company	-	-	(9,000)	-
Proceeds from disposal of property, plant and equipment	382	112	498	315
Proceeds from sale of available-for-sale financial assets	364	-	1,738	-
Interest received	184	482	452	1,630
Net cash used in investing activities	(16,770)	(9,752)	(38,626)	(48,972)
Cash flow from financing activities				
Bank borrowings obtained	-	-	30,000	50,000
Capital injection by minority interest	-	-	-	6,000
(Repayment to)/advances from related parties	(6,700)	-	17,300	-
Repayment from/(advances to) an associated company	16,500	-	(13,500)	-
Dividends paid to a minority shareholder	(810)	-	(810)	-
Dividends paid	-	-	(10,535)	(27,375)
Net cash generated from financing activities	8,990	-	22,455	28,625
Net increase/(decrease) in cash and cash equivalents	16,185	(33,390)	6,914	(68,469)
Cash and cash equivalents at beginning of period	101,773	161,815	106,748	200,278
Exchange adjustments	169	(1,083)	4,465	(4,467)
Cash and cash equivalents at end of period	118,127	127,342	118,127	127,342

Analysis of cash and cash equivalents

	Group	
	RMB'000	RMB'000
	31 Dec 2009	31 Dec 2008
Cash on hand	695	176
Bank balances	113,432	79,529
Fixed deposits	4,000	47,637
	118,127	127,342

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 profits	Statutory common reserve	Exchange fluctuation reserve	Sub-total	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year:								
Balance as at 1 Apr 2009	312,484	(26,769)	157,184	26,224	(5,694)	463,429	25,249	488,678
Total comprehensive income for the period	-	-	8,461	-	4,619	13,080	(1,497)	11,583
Transfer from statutory common reserve	-	-	(197)	197	-	-	-	-
Dividends	-	-	(10,535)	-	-	(10,535)	-	(10,535)
Balance as at 30 Sept 2009	312,484	(26,769)	154,913	26,421	(1,075)	465,974	23,752	489,726
Total comprehensive income for the period	-	-	(6,917)	-	185	(6,732)	2,938	(3,794)
Transfer from statutory common reserve	-	-	(1,829)	1,829	-	-	-	-
Dividends	-	-	-	-	-	-	(810)	(810)
Balance as at 31 Dec 2009	312,484	(26,769)	146,167	28,250	(890)	459,242	25,880	485,122

Group	Share capital	Merger reserve	Retained profits	Statutory common reserve	Exchange fluctuation reserve	Sub-total	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Previous year:								
Balance as at 1 Apr 2008	312,484	(26,769)	139,295	18,880	1,307	445,197	-	445,197
Total comprehensive income for the period	-	-	62,825	-	(3,759)	59,066	-	59,066
Transfer to statutory common reserve	-	-	(6,884)	6,884	-	-	-	-
Incorporation of a subsidiary	-	-	-	-	-	-	6,000	6,000
Dividends	-	-	(22,299)	-	-	(22,299)	-	(22,299)
Balance as at 30 Sept 2008	312,484	(26,769)	172,937	25,764	(2,452)	481,964	6,000	487,964
Total comprehensive income for the period	-	-	4,194	-	(883)	3,311	(95)	3,216
Transfer to statutory common reserve	-	-	(210)	210	-	-	-	-
Balance as at 31 Dec 2008	312,484	(26,769)	178,921	26,974	(3,335)	485,275	5,905	491,180

Company	Share capital	(Accumulated losses)/ Retained profits	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Current year				
Balance as at 1 Apr 2009	312,484	(5,092)	(6,230)	301,162
Total comprehensive income for the period	-	17,690	4,934	22,624
Dividends	-	(10,535)	-	(10,535)
Balance as at 30 Sept 2009	312,484	2,063	(1,296)	313,251
Total comprehensive income for the period	-	(1,609)	119	(1,490)
Balance as at 31 Dec 2009	312,484	454	(1,177)	311,761

Company	Share capital	Retained profits/ (Accumulated losses)	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Previous year				
Balance as at 1 Apr 2008	312,484	24,319	1,311	338,114
Total comprehensive income for the period	-	(2,431)	(4,060)	(6,491)
Dividends	-	(22,299)	-	(22,299)
Balance as at 30 Sept 2008	312,484	(411)	(2,749)	309,324
Total comprehensive income for the period	-	(1,167)	(170)	(1,337)
Balance as at 31 Dec 2008	312,484	(1,578)	(2,919)	307,987

- 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 2009. As at 31 December 2009, the total number of shares issued of the Company 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.**

	31 December 2009	31 March 2009
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 adopted the same accounting policies and method of computation as the audited financial statements for the financial year ended 31 March 2009. The presentation of financial statements is in accordance with FRS 1 which is effective from 1 April 2009, except as disclosed in Paragraph 5.

- 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.**

The Group has adopted the same accounting policies and method of computation as the audited financial statements for the financial year ended 31 March 2009. The presentation of financial statements is in accordance with FRS 1 which is effective from 1 April 2009. The adoption of the new or revised FRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period.

Unrealised profit arising from sales made to an associated company was eliminated against the share of results of associated company in the Group Income Statement for period from 1 April 2009 to 30 September 2009. With effect from 1 October 2009, the unrealised profit is now eliminated against the Revenue and Cost of sales respectively to better reflect the Group's financial performance. This change has been applied retrospectively. The impact of the change on the Group Income Statement for the period ended 30 September 2009 is as follows:

	Group	
	RMB'000	RMB'000
	Half year ended 30 Sep 2009 Reported	Half year ended 30 Sep 2009 Restated
Revenue	194,212	185,029
Cost of sales	(139,971)	(133,774)
Share of results of an associated company	(2,699)	287

The change has no impact on profit before taxation or net profit figure.

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 (Third Quarter)		Group (Nine Months)	
	RMB'000		RMB'000	
	3 months ended 31 Dec 2009 (Q3 FY2010)	3 months ended 31 Dec 2008 (Q3 FY2009)	9 months ended 31 Dec 2009 (9 Mths FY2010)	9 months ended 31 Dec 2008 (9 Mths FY2009)
(Loss)/earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	(6,917)	4,194	1,544	67,019
Weighted average no. of shares used in computation of basic earning per shares	443,750,000	443,750,000	443,750,000	443,750,000
(Loss)/earnings per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	(1.56)	0.95	0.35	15.10
(b) On a fully diluted basis	(1.56)	0.95	0.35	15.10

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	
	31 Dec 2009	31 Mar 2009	31 Dec 2009	31 Mar 2009
Net asset value per ordinary share (RMB cents)	103.49	104.43	70.26	67.87

Net asset value per share for the Group and Company for 31 December 2009 and 31 March 2009 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

Third Quarter FY2010 ("Q3 FY2010") vs Third Quarter FY2009 ("Q3 FY2009")

Revenue

Group revenue increased 4.2% to RMB118.3 million in Q3 FY2010 as compared to RMB113.6 million in Q3 FY2009 mainly due to an improvement in the PRC sales by 51.9% as compared to Q3 FY2009 as the Group focused its marketing effort in the domestic PRC market.

Nevertheless, the increase in the PRC revenue was partly offset by the decline in export sales to the Middle East and other Asia markets outside the PRC as the impact of the weak global economy and financial condition continued to affect the demand for our products. Export sales to the Middle East, Asia (outside the PRC) and others declined by 59.9% as compared to Q3 FY2009. Overall, domestic PRC sales formed 74.2% of revenue in Q3 FY2010, up from 50.9% in Q3 FY2009.

Gross profit and gross profit margin

Gross profit reduced to RMB27.1 million in Q3 FY2010 from RMB31.2 million in Q3 FY2009. The decline was due to lower gross profit margin.

Average gross profit margin decreased to 22.9% in Q3 FY2010 from 27.5% in Q3 FY2009. The decline was mainly attributed to lower average selling price of our ST and STT series towercranes due to price competition in our key markets.

Other operating income

Other operating income decreased by RMB0.4 million in Q3 FY2010 mainly due to lower interest income.

Operating expenses

Total operating expenses increased to RMB31.7 million in Q3 FY2010 mainly due to higher administrative expenses partly offset by lower distribution costs.

Administrative expenses increased to RMB17.5 million in Q3 FY2010 mainly due to the inclusion of the administrative expenses of the new subsidiary, Beijing Yongmao and payment of a land use rights tax of RMB3.0 million which was recently assessed for the period from January 2008 to December 2009 in relation to the new factory currently undergoing construction.

Distribution costs decreased to RMB12.8 million in Q3 FY2010 as freight and transportation cost and sales commission reduced due to lower export sales. This decline was partly offset by higher factory rental.

The credit balance of RMB0.1 million in other operating expenses was due to an exchange gain of RMB0.4 million in Q3 FY2010 as Chinese Renminbi strengthened against the United States Dollar and Singapore Dollar.

Finance cost increased to RMB1.5 million in Q3 FY2010 due to higher bank borrowings and loan from a corporate shareholder of a subsidiary.

Share of results of an associated company

Share of profits of an associated company amounted to RMB0.4 million in Q3 FY2010. The newly set up associated company, Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd ("BJTH") has just commenced operations in May 2009.

Taxation

Income tax expense reduced to RMB0.4 million in line with the lower profit for the period.

Profit before tax and Net profit attributable to shareholders

Profit before tax decreased from a profit of RMB4.8 million in Q3 FY2009 to a loss of RMB3.5 million in Q3 FY2010 and net profit attributable to shareholders decreased from a profit of RMB4.2 million in Q3 FY2009 to a loss of RMB6.9 million in Q3 FY2010. This was mainly due to lower gross profit and higher administrative expenses for the period.

Nine Months FY2010 ("9M FY2010") vs Nine Months FY2009 ("9M FY2009")**Revenue**

Group revenue decreased 42.2% to RMB303.3 million in 9M FY2010 as compared to RMB525.0 million in 9M FY2009 mainly due to lower export sales as the impact of the weak global economy and financial condition continued to affect the demand for our products. Export sales to USA, Europe, Middle East, Asia (outside the PRC) and others declined by 78.5% as compared to 9M FY2009.

Nevertheless, the decline in export revenue was partly mitigated by an improvement in sales in the PRC by 29.7% as compared to 9M FY2009 as the Group focused its marketing effort in the domestic PRC market. Overall, domestic PRC sales formed 75.3% of revenue in 9M FY2010, up from 33.5% in 9M FY2009.

Gross profit and gross profit margin

Gross profit reduced to RMB78.4 million in 9M FY2010 from RMB175.0 million in 9M FY2009. The decline was due to both lower revenue and lower gross profit margin.

Average gross profit margin decreased to 25.8% in 9M FY2010 from 33.3% in 9M FY2009. The decline was mainly attributed to higher proportion of sales in the PRC of the lower margin ST series towercranes. Average selling price of towercranes was also lower due to price competition in our key markets. Per unit cost of towercranes has also increased as a result of the lower production volume in 9M FY2010.

Other operating income

Other operating income increased by RMB5.1 million in 9M FY2010 mainly due to government grants of RMB5.3 million received for the successful listing of the Group previously, for the subsidy of bank loan interest and for the technical development of towercranes.

Operating expenses

Total operating expenses decreased to RMB82.7 million in 9M FY2010 mainly due to lower distribution and other operating expenses.

Distribution costs decreased to RMB35.8 million in 9M FY2010 as freight and transportation cost and sales commission reduced due to lower export sales. This decline was partly offset by higher factory rental.

Other operating expenses decreased by RMB6.2 million in 9M FY2010 mainly due to reduction of foreign exchange loss as export sales declined in 9M FY2010. In addition, there was also a RMB2.5 million donation made in 9M FY2009 in aid of the relief effort and the rebuilding programme for those affected by the Szechuan earthquake.

Administrative expenses increased to RMB42.0 million in 9M FY2010 mainly due to the inclusion of administrative expenses of the new subsidiaries, Beijing Yongmao and Wuxi Yongmao, and payment of a land use rights tax of RMB3.0 million which was recently assessed for the period from January 2008 to December 2009 in relation to the new factory currently undergoing construction.

Finance cost increased to RMB4.0 million in 9M FY2010 due to the increase in bank borrowing and loan from a corporate shareholder of a subsidiary.

Share of results of an associated company

Share of profits of an associated company amounted to RMB0.7 million in 9M FY2010. The newly set up associated company, BJTH has just commenced operations in May 2009.

Taxation

Income tax expense reduced by RMB9.0 million to RMB0.8 million in 9M FY2010 in line with the lower profit for the period.

Profit before tax and Net profit attributable to shareholders

Profit before tax decreased by RMB72.9 million to RMB3.8 million in 9M FY2010 and net profit attributable to shareholders decreased by RMB65.5 million to RMB1.5 million in 9M FY2010. This was mainly due to lower revenue and gross profit margin.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets decreased by RMB2.6 million to RMB271.7 million as at 31 December 2009 mainly due to depreciation and amortisation expenses charged for the period, partly offset by the Group's investment in an associated company during the period.

Current Assets

Current assets increased by RMB110.8 million to RMB619.0 million as at 31 December 2009.

Inventories increased by RMB31.6 million in anticipation of the higher domestic demand.

Trade and other receivables increased by RMB66.8 million mainly due to higher credit sales within the PRC and deposits paid in relation to the purchase of property, plant and equipment for the new factory currently undergoing construction.

Amounts due from related parties decreased mainly due to repayment of trade debts from related parties.

Amount owing by an associated company refers mainly to a RMB13.5 million advances made to an associated company for its working capital purpose.

Non-current Liabilities

Non-current bank borrowing refer to a 3-year term bank loan of RMB50.0 million taken in FY2009 for working capital and for financing acquisition activities of the Group.

Deferred tax liabilities arose from the acquisition of Beijing Yongmao. Non-current trade and other payables relate to a defined benefit plan obligation sponsored by Beijing Yongmao.

Current Liabilities

Current liabilities increased by RMB114.9 million to RMB314.5 million as at 31 December 2009 mainly due to the increase in trade and other payables due to higher inventory purchases made. In addition, current liabilities increased due to a 1-year term bank loan of RMB30.0 million taken during the period for working capital and for financing acquisition activities of the Group.

Amounts owing to related parties increased to RMB65.3 million as at 31 December 2009 mainly due to advances of RMB34.0 million made by a related party for the purpose of increasing the working capital of Fushun Yongmao and for the purpose of funding the acquisitions of the Group. A trade deposit of RMB18.7 million was also received from a related party. These were partly offset by the final purchase consideration of RMB10.0 million paid for the acquisition of Beijing Yongmao.

Shareholders' Equity

As at 31 December 2009, shareholders' equity amounted to RMB459.2 million. The decrease in shareholders' equity was mainly due to dividends paid of RMB10.5 million offset against net profit attributable to shareholders of RMB1.5 million for 9M FY2010.

REVIEW OF CASHFLOW STATEMENT

Third Quarter FY2010 ("Q3 FY2010") vs Third Quarter FY2009 ("Q3 FY2009")

The Group reported a net increase in cash and cash equivalents amounting to RMB16.2 million in Q3 FY2010 mainly due to:

- a) Net cash generated from operating activities in Q3 FY2010 of RMB24.0 million from more prompt receipts from customers, higher operating payables and reduced payments to trade creditors; and
- b) Net cash generated from financing activities from advances to an associated company repaid, partly offset by repayment made to a related party and dividends paid to a minority shareholder.

The above was partly offset by net cash used in investing activities from deposits paid in relation to the purchase of property, plant and equipment for the new factory currently undergoing construction.

Nine Months FY2010 (“9M FY2010”) vs Nine Months FY2009 (“9M FY2009”)

The Group reported a net increase in cash and cash equivalents amounting to RMB6.9 million in 9M FY2010 mainly due to:

- a) Net cash generated from operating activities in 9M FY2010 of RMB23.1 million from operating profit for the period, higher operating payables and reduced payments to trade creditors. This was partly offset by the increase in operating receivables and inventory resulting from more credit sales and more inventory purchases respectively; and
- b) Net cash generated from financing activities from bank borrowing received and advances received from a related party, partly offset by advances made to an associated company and dividends paid.

The above was partly offset by net cash used in investing activities from deposits paid in relation to the purchase of property, plant and equipment for the new factory currently undergoing construction, payment of final purchase consideration of RMB10.0 million for the acquisition of Beijing Yongmao and investment in an associated company.

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.

With the expected growth in the PRC's economy in 2010, sales in the PRC is expected to continue to form a significant portion of the Group's turnover. However, the Group expects business environment in our principal export markets to continue to be challenging going forward and this is likely to continue to affect our export sales for the current financial year.

To tap into this opportunity, the Group is channeling its efforts and resources to the domestic PRC market to participate in the various infrastructure projects including the development of road and railway transportation networks, nuclear power plants and shipyards.

Accordingly, the Group does not expect FY2010 performance to be better than the last Financial Year.

Apart from manufacturing and design of towercranes, the Group has also made its foray into the towercrane rental business in the PRC.

In January 2010, the Group, through its 45% owned associated company, BJTH, has successfully incorporated a sino-foreign equity joint venture Enterprise, Si Chuan Tat Hong Yuan Zheng Machinery Construction Co., Ltd (“SCTHYZ”) in the PRC. BJTH owns 45% in SCTHYZ. SCTHYZ is engaged in the business of rental of towercranes in the PRC, particularly in the southern and southwestern regions. BJTH and SCTHYZ will purchase Yongmao towercranes for its rental fleet.

The Group will continue to monitor the economic situation, and evaluate and refine its strategy in its various markets accordingly.

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 Q3 FY2009.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, 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.

Revenue	Middle East, Asia & Others (excluding PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
FY2010				
Q3	18,280	12,271	87,766	118,317
9-Mths	45,074	29,988	228,284	303,346
FY2009				
Q3	45,562	10,226	57,773	113,561
9-Mths	245,707	103,287	175,976	524,970

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.

See Paragraph 8.

15. A breakdown of sales and profit after taxation

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 (S\$)	Previous Full Year (S\$)
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)			
	3 months ended 31 Dec 2009 (Q3 FY2010) RMB'000	3 months ended 31 Dec 2008 (Q3 FY2009) RMB'000	9 months ended 31 Dec 2009 (9 Mths FY2010) RMB'000	9 months ended 31 Dec 2008 (9 Mths FY2009) RMB'000	3 months ended 31 Dec 2009 (Q3 FY2010) RMB'000	3 months ended 31 Dec 2008 (Q3 FY2009) RMB'000	9 months ended 31 Dec 2009 (9 Mths FY2010) RMB'000	9 months ended 31 Dec 2008 (9 Mths FY2009) 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)	-	-	-	-	2,033	3,170	6,575	26,028
China Nuclear Huaxing TatHong Machinery Construction Co. Ltd (中核华兴达丰机械工程有限公司)	-	-	-	-	13,199	19,891	15,136	47,235
Jiangsu Zheng He TatHong Equipment Rental Co., Ltd (江苏正和达丰机械租赁有限公司)	-	-	-	-	(76)	-	48,321	-
Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd (北京达丰兆茂机械租赁有限公司)	-	-	-	-	8,374	-	28,977	-
Beijing Weiteng Special Purpose Auto Co., Ltd (北京威腾专用汽车有限责任公司)	3,932	-	3,932	-	-	-	-	-
Purchases from a related party								
Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd (北京永茂建工机械有限公司) ⁽¹⁾	-	-	-	-	-	41,466	-	148,760
Rental charged by a related party								
Fushun Yongmao Engineering Machinery Co., Ltd (抚顺永茂工程机械有限公司)	2,400	2,700	6,600	2,700	-	-	-	-

Note (1): On 9 January 2009, the Group acquired 66% of the registered capital of Beijing Yongmao. Consequently, Beijing Yongmao is now a subsidiary of the Group and ceased to be a related party to the Group on that date.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) 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 nine months ended 31 December 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
8 February 2010