

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

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 30 June 2010. These figures have not been audited.

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2010 (Q1 FY2011)	3 months ended 30 Jun 2009 (Q1 FY2010)	Increase/ (Decrease)
Revenue	148,445	92,094	61.2
Cost of sales	(118,570)	(68,624)	72.8
Gross profit	29,875	23,470	27.3
Other operating income	494	1,798	(72.5)
Administrative expenses	(13,947)	(11,767)	18.5
Distribution costs	(11,265)	(10,625)	6.0
Other operating expenses	(213)	(266)	(19.9)
Finance costs	(1,631)	(1,003)	62.6
Total operating expenses	(27,056)	(23,661)	14.3
Profit from operations	3,313	1,607	106.2
Share of results of associated companies	2,975	144	NM
Profit before taxation	6,288	1,751	259.1
Taxation	(2,136)	86	NM
Net profit for the period	4,152	1,837	126.0
Attributable to:			
Equity holders of the Company	4,017	3,064	31.1
Minority interests	135	(1,227)	NM
Net profit for the period	4,152	1,837	126.0

NM: Not Meaningful

A statement of comprehensive income (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 Jun 2010 (Q1 FY2011)	3 months ended 30 Jun 2009 (Q1 FY2010)	Increase/ (Decrease)
Net profit for the period	4,152	1,837	126.0
Other comprehensive (loss)/income:			
Exchange translation difference	(80)	2,527	NM
Other comprehensive (loss)/income for the period, net of tax	(80)	2,527	NM
Total comprehensive income for the period	4,072	4,364	(6.7)
Total comprehensive income attributable to:			
Equity holders of the Company	3,937	5,591	(29.6)
Minority interests	135	(1,227)	NM
Total comprehensive income for the period	4,072	4,364	(6.7)

Note:

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

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2010 (Q1 FY2011)	3 months ended 30 Jun 2009 (Q1 FY2010)	Increase/ (Decrease)
Amortisation of intangible assets	315	315	-
Depreciation of property, plant and equipment	2,969	2,665	11.4
Exchange loss/(gain)	139	(2)	NM
Gain on disposal of property, plant and equipment	(49)	-	NM
Interest income	(79)	(147)	(46.3)
Interest expense	1,631	1,003	62.6
Operating lease rentals	4,264	4,074	4.7
Property, plant and equipment written off	-	9	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 Jun 2010	31 Mar 2010	30 Jun 2010	31 Mar 2010
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	264,919	248,411	10	12
Intangible assets	2,203	2,518	-	-
Investment in subsidiaries	-	-	286,438	286,438
Associated companies	22,298	-	13,500	13,500
Goodwill	23,337	23,337	-	-
	312,757	274,266	299,948	299,950
Current				
Inventories	276,857	263,721	-	-
Trade and other receivables	155,848	146,016	398	629
Available-for-sale financial assets	3,876	3,876	-	-
Amounts owing by related parties	59,567	28,004	-	-
Amounts owing by corporate shareholders of subsidiaries	10,069	10,069	-	-
Amounts owing by associated companies	105,989	92,595	-	-
Amount owing by subsidiaries (non-trade)	-	-	10,415	10,432
Dividends receivables	-	-	12,000	-
Cash and cash equivalents	50,672	87,566	984	1,716
	662,878	631,847	23,797	12,777
TOTAL ASSETS	975,635	906,113	323,745	312,727
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	166,259	162,322	8,127	(2,662)
Equity attributable to equity holders of the Company	478,743	474,806	320,611	309,822
Minority interests	26,427	26,292	-	-
TOTAL EQUITY	505,170	501,098	320,611	309,822
LIABILITIES				
Non-current				
Bank borrowings	-	50,000	-	-
Deferred tax liabilities	991	1,155	-	-
Trade and other payables	37,883	38,679	-	-
	38,874	89,834	-	-
Current				
Trade and other payables	229,416	197,895	3,134	2,885
Amounts owing to related parties	48,434	50,843	-	-
Amounts owing to corporate shareholders of subsidiaries	31,222	29,212	-	-
Amount owing to an associated company	-	1,910	-	-
Bank borrowings	120,000	30,000	-	-
Deferred income	-	1,541	-	-
Tax payable	2,519	3,780	-	20
	431,591	315,181	3,134	2,905
TOTAL EQUITY AND LIABILITIES	975,635	906,113	323,745	312,727

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 2010		As at 31 March 2010	
Secured	Unsecured ⁽¹⁾	Secured	Unsecured ⁽¹⁾
RMB'000	RMB'000	RMB'000	RMB'000
90,000	98,349	30,000	68,349

Amount repayable after one year

As at 30 June 2010		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	50,000	-

Details of any collateral

The RMB90.0 million (31 March 2010 – RMB80.0 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.

Note (1):

The unsecured loans include the following:

- a) RMB21.8 million (31 March 2010 – RMB21.8 million), of which RMB18.4 million (31 March 2010 – 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) RMB8.7 million (31 March 2010 – 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 2010 – RMB34.0 million), 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 of investments in associated companies.
- d) RMB3.8 million (31 March 2010 – RMB3.8 million), interest-free, was from another related party to Fushun Yongmao for the purpose of increasing the working capital of Fushun Yongmao.
- e) RMB30.0 million (31 March 2010 – RMB Nil) bank borrowing granted to Fushun Yongmao for the purpose of increasing the working capital of Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao.

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 (First Quarter)	
	RMB'000	RMB'000
	3 months ended	3 months ended
	30 Jun 2010 (Q1 FY2011)	30 Jun 2009 (Q1 FY2010)
Cash flow from operating activities		
Profit before taxation	6,288	1,751
Adjustments for:		
Share of results of associated companies	(2,975)	(144)
Unrealised profits from sale of towercranes to associated companies (reversed)/eliminated	(580)	1,102
Amortisation of intangible assets	315	315
Depreciation of property, plant and equipment	2,969	2,665
Gain on disposal of property, plant and equipment	(49)	-
Property, plant and equipment written off	-	9
Interest expense	1,631	1,003
Interest income	(79)	(147)
Operating profit before working capital changes	7,520	6,554
(Increase)/decrease in inventories	(13,137)	6,992
Increase in operating receivables	(56,160)	(36,728)
Increase in operating payables	27,810	12,024
Cash used in operations	(33,967)	(11,158)
Interest paid	(2,263)	(729)
Tax paid	(3,561)	(28)
Net cash used in operating activities	(39,791)	(11,915)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(16,955)	(2,027)
Investment in an associated company	(20,284)	(9,000)
Proceeds from disposal of property, plant and equipment	87	-
Proceeds from sale of available-for-sale financial assets	-	527
Interest received	79	130
Net cash used in investing activities	(37,073)	(10,370)
Cash flow from financing activities		
Bank borrowings obtained	40,000	30,000
Advances from related parties	-	(8,200)
Net cash generated from financing activities	40,000	21,800
Net decrease in cash and cash equivalents	(36,864)	(485)
Cash and cash equivalents at beginning of period	82,566	106,748
Exchange adjustments	(30)	3,616
Cash and cash equivalents at end of period	45,672	109,879

	Group	
	RMB'000	RMB'000
	30 Jun 2010	30 Jun 2009
<u>Analysis of cash and cash equivalents</u>		
Cash on hand	2,302	283
Bank balances	48,370	57,013
Fixed deposits	-	52,583
	50,672	109,879
Restricted bank balances	(5,000)	-
	45,672	109,879

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 2010	312,484	(26,769)	161,469	28,501	(879)	474,806	26,292	501,098
Total comprehensive income/(loss) for the period	-	-	4,017	-	(80)	3,937	135	4,072
Transfer to statutory common reserve	-	-	(924)	924	-	-	-	-
Balance as at 30 Jun 2010	312,484	(26,769)	164,562	29,425	(959)	478,743	26,427	505,170
Previous 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/(loss) for the period	-	-	3,064	-	2,527	5,591	(1,227)	4,364
Transfer from statutory common reserve	-	-	464	(464)	-	-	-	-
Balance as at 30 Jun 2009	312,484	(26,769)	160,712	25,760	(3,167)	469,020	24,022	493,042

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 2010	312,484	(1,510)	(1,152)	309,822
Total comprehensive income/(loss) for the period	-	10,807	(18)	10,789
Balance as at 30 Jun 2010	312,484	9,297	(1,170)	320,611

Company	Share capital	(Accumulated losses)/ Retained profits	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Previous year				
Balance as at 1 Apr 2009	312,484	(5,092)	(6,230)	301,162
Total comprehensive income for the period	-	19,778	2,720	22,498
Balance as at 30 Jun 2009	312,484	14,686	(3,510)	323,660

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 2010. As at 30 June 2010, the total number of shares issued by 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.

	30 June 2010	31 March 2010
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 period ended 30 June 2010.

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 Para 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)	
	RMB'000	
	3 months ended 30 Jun 2010 (Q1 FY2011)	3 months ended 30 Jun 2009 (Q1 FY2010)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	4,017	3,064
Weighted average no. of shares used in computation of basic earning per shares	443,750,000	443,750,000
Earnings per share (in cents RMB)		
(a) Based on weighted average number of ordinary shares on issue	0.91	0.69
(b) On a fully diluted basis	0.91	0.69

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 Jun 2010	31 Mar 2010	30 Jun 2010	31 Mar 2010
Net asset value per ordinary share (RMB cents)	107.89	107.00	72.25	69.82

Net asset value per share for the Group and the Company for 30 June 2010 and 31 March 2010 has been computed based on shareholders' 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 FY2011 ("Q1 FY2011") vs First Quarter FY2010 ("Q1 FY2010")

Revenue

Group revenue increased 61.2% to RMB148.4 million in Q1 FY2011 as compared to RMB92.1 million in Q1 FY2010 mainly due to an improvement in the PRC sales by 79.7% as compared to Q1 FY2010 as the Group focused its marketing effort in the domestic PRC market. Overall, domestic PRC sales formed 83.0% of revenue in Q1 FY2011, up from 74.4% in Q1 FY2010.

Gross profit and gross profit margin

Gross profit increased to RMB29.9 million in Q1 FY2011 from RMB23.5 million in Q1 FY2010. The increase was mainly due to higher revenue.

Average gross profit margin decreased to 20.1% in Q1 FY2011 from 25.5% in Q1 FY2010. The decline was mainly attributed to higher sales in the PRC of the lower margin ST series towercranes and the smaller STT series towercranes as well as higher price for steel materials.

Other operating income

Other operating income decreased by RMB1.3 million in Q1 FY2011 mainly due to lower government grants received and less scrap materials sold.

Operating expenses

Total operating expenses increased to RMB27.1 million in Q1 FY2011 mainly due to higher administrative expenses, distribution costs and finance costs.

Administrative expenses increased to RMB13.9 million in Q1 FY2011 mainly due to higher employee benefits costs, office expenses and professional fees incurred.

Distribution costs increased to RMB11.3 million in Q1 FY2011 as freight and transportation cost increased in line with the higher sales.

Finance costs increased to RMB1.6 million in Q1 FY2011 due to higher bank borrowings.

Share of results of associated companies

Share of profits of associated companies increased to RMB3.0 million in Q1 FY2011. The associated companies, Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd ("BJTH") and Si Chuan Tat Hong Yuan Zheng Machinery Construction Co., Ltd ("SCTH") commenced operations in May 2009 and March 2010 respectively.

Taxation

Income tax expense increased to RMB2.1 million in Q1 FY2011 in line with the higher profit for the period.

Profit before tax and Net profit attributable to shareholders

Profit before tax increased to RMB6.3 million in Q1 FY2011 from RMB1.8 million in Q1 FY2010 and net profit attributable to shareholders increased to RMB4.0 million in Q1 FY2011 from RMB3.1 million in Q1 FY2010. This was mainly due to higher gross profit and share of profits of associated companies partly offset by higher operating expenses.

REVIEW OF FINANCIAL POSITION OF THE GROUP**Non-current Assets**

Non-current assets increased to RMB312.8 million mainly due to investment in a newly set-up associated company, Tat Hong Zhaomao Investment Co., Ltd, and additions of property, plant and equipment arising from construction of new manufacturing facilities. The increase was partly offset by depreciation and amortisation expenses charged for the period.

Current Assets

Current assets increased by RMB31.0 million to RMB662.9 million as at 30 June 2010 due to higher inventory and receivables offset by lower cash balances.

Inventories increased by RMB13.1 million in anticipation of the higher domestic demand.

Trade and other receivables increased by RMB9.8 million mainly due to higher credit sales within the PRC.

Amounts due from related parties and associated companies increased mainly due to sales during this quarter.

Non-current Liabilities

Non-current liabilities decreased by RMB51.0 million mainly due to the reclassification of the 3-year term bank loan of RMB50.0 million taken in FY2009 for working capital and for financing the investments in subsidiaries and associated companies to current liabilities as this bank loan is due in April 2011.

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 RMB116.4 million to RMB431.6 million as at 30 June 2010 mainly due to the increase in bank loans of RMB90.0 million, of which, RMB40.0 million was obtained during the period for working capital whilst RMB50.0 million was reclassified from non-current liabilities.

Trade and other payables increased to RMB229.4 million as at 30 June 2010 due to higher inventory purchases made, and increase in bills payables and advances received from customers.

Deferred income of RMB1.5 million related to unrealised profits from sales of towercranes to associated companies after net off against Investment in Associated company in accordance with accounting standards. Any credit balances was classified as deferred income under current liabilities. There was no such balance as at 30 June 2010.

Shareholders' Equity

As at 30 June 2010, shareholders' equity amounted to RMB478.7 million. The increase in shareholders' equity was mainly due net profit of RMB4.2 million for Q1 FY2011.

REVIEW OF CASHFLOW STATEMENT

First Quarter FY2011 (“Q1 FY2011”) vs First Quarter FY2010 (“Q1 FY2010”)

The Group reported a net decrease in cash and cash equivalents amounting to RMB36.9 million in Q1 FY2011 mainly due to:

- a) Net cash used in operating activities in Q1 FY2011 of RMB39.8 million from increase in operating receivables and inventory resulting from higher credit sales and more inventory purchases. This is partly offset by operating profit for the period and higher operating payables from reduced payments to trade creditors.
- b) Net cash used in investing activities from deposits and progress payments paid in relation to the purchase of property, plant and equipment for the new factory currently undergoing construction, and investment in a newly set-up associated company, Tat Hong Zhaomao Investment Co., Ltd; and
- c) Net cash generated from financing activities in Q1 FY2011 from new bank borrowings obtained.

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.

Sales in the PRC will continue to form a significant portion of the Group's turnover and this trend is expected to continue.

The new manufacturing facilities, currently under construction, is expected to commence operations in stages from Q3FY2011.

The Group's towercrane rental business in the PRC is expanding rapidly and hence will contribute positively in the current financial year.

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 for Q1 FY2011.

(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 for Q1 FY2010.

(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
FY2011				
Q1	18,637	6,636	123,172	148,445
FY2010				
Q1	12,919	10,624	68,551	92,094

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 30 Jun 2010 (Q1 FY2011) RMB'000	3 months ended 30 Jun 2009 (Q1 FY2010) RMB'000	3 months ended 30 Jun 2010 (Q1 FY2011) RMB'000	3 months ended 30 Jun 2009 (Q1 FY2010) 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)	-	-	25,446	4,542
China Nuclear Huaxing TatHong Machinery Construction Co. Ltd (中核华兴达丰机械工程有限公司)	-	-	2,178	1,667
Jiangsu Zheng He TatHong Equipment Rental Co., Ltd (江苏正和达丰机械租赁有限公司)	-	-	-	34,278
Sales to associated companies				
Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd (北京达丰兆茂机械租赁有限公司)	-	-	-	8,090
Si Chuan Tat Hong Yuan Zheng Machinery Construction Co., Ltd (四川达丰元正机械工程有限公司)	-	-	6,258	-
Rental charged by related parties				
Fushun Yongmao Engineering Machinery Co., Ltd (抚顺永茂工程机械有限公司)	1,500	1,200	-	-
Fushun Engineering Machinery Manufacturing Co., Ltd (抚顺工程机械制造有限公司)	900	900	-	-

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 three months ended 30 June 2010 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
10 August 2010