

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

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

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group income statement and statement of comprehensive income for the period ended 30 September 2011. These figures have not been audited.

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2011 (Q2 FY2012)	3 months ended 30 Sept 2010 (Q2 FY2011)	Increase/ (Decrease)	6 months ended 30 Sept 2011 (First Half FY2012)	6 months ended 30 Sept 2010 (First Half FY2011)	Increase/ (Decrease)
<b>Revenue</b>	138,311	113,730	21.6	349,641	262,175	33.4
Cost of sales	(101,648)	(76,667)	32.6	(247,552)	(195,237)	26.8
<b>Gross profit</b>	36,663	37,063	(1.1)	102,089	66,938	52.5
Other operating income	1,243	1,730	(28.2)	1,937	2,224	(12.9)
Distribution costs	(10,946)	(13,766)	(20.5)	(30,325)	(25,031)	21.1
Administrative expenses	(15,349)	(14,952)	2.7	(34,600)	(28,899)	19.7
Other operating expenses	(1,557)	(1,393)	11.8	(2,579)	(1,606)	60.6
Finance costs	(4,581)	(2,087)	119.5	(8,730)	(3,718)	134.8
<b>Total operating expenses</b>	(32,433)	(32,198)	0.7	(76,234)	(59,254)	28.7
<b>Profit from operations</b>	5,473	6,595	(17.0)	27,792	9,908	180.5
Effect on dilution of investments in associated companies	(1,530)	-	NM	(1,530)	-	NM
Share of results of associated companies, net of tax	(821)	(286)	187.1	491	2,689	(81.7)
<b>Profit before taxation</b>	3,122	6,309	(50.5)	26,753	12,597	112.4
Taxation	(1,050)	(2,230)	(52.9)	(6,608)	(4,366)	51.4
<b>Net profit for the period</b>	2,072	4,079	(49.2)	20,145	8,231	144.7
<b>Attributable to:</b>						
Equity holders of the Company	2,968	3,095	(4.1)	20,420	7,112	187.1
Non-controlling interests	(896)	984	NM	(275)	1,119	NM
<b>Net profit for the period</b>	2,072	4,079	(49.2)	20,145	8,231	144.7

NM: Not Meaningful

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2011 (Q2 FY2012)	3 months ended 30 Sept 2010 (Q2 FY2011)	Increase/ (Decrease)	6 months ended 30 Sept 2011 (First Half FY2012)	6 months ended 30 Sept 2010 (First Half FY2011)	Increase/ (Decrease)
<b>Net profit for the period</b>	2,072	4,079	(49.2)	20,145	8,231	144.7
<b>Other comprehensive income/(loss):</b>						
Exchange translation difference	39	414	(90.6)	(2)	334	NM
Other comprehensive income/(loss) for the period, net of tax	39	414	(90.6)	(2)	334	NM
<b>Total comprehensive income for the period</b>	<b>2,111</b>	<b>4,493</b>	<b>(53.0)</b>	<b>20,143</b>	<b>8,565</b>	<b>135.2</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	3,007	3,509	(14.3)	20,418	7,446	174.2
Non-controlling interests	(896)	984	NM	(275)	1,119	NM
<b>Total comprehensive income for the period</b>	<b>2,111</b>	<b>4,493</b>	<b>(53.0)</b>	<b>20,143</b>	<b>8,565</b>	<b>135.2</b>

**Note:**

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

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2011 (Q2 FY2012)	3 months ended 30 Sept 2010 (Q2 FY2011)	Increase/ (Decrease)	6 months ended 30 Sept 2011 (First Half FY2012)	6 months ended 30 Sept 2010 (First Half FY2011)	Increase/ (Decrease)
Amortisation of intangible assets	108	315	(65.7)	216	630	(65.7)
Bad debts written off	-	56	NM	-	56	NM
Depreciation of property, plant and equipment	1,775	2,638	(32.7)	4,586	5,607	(18.2)
Exchange loss	1,457	1,134	28.5	2,053	1,273	61.3
Gain on disposal of property, plant and equipment	(112)	(53)	111.3	(112)	(102)	9.8
Interest income	(477)	(90)	430.0	(631)	(169)	273.4
Interest expense	4,581	2,087	119.5	8,730	3,718	134.8
Operating lease rentals	4,423	3,584	23.4	8,943	7,848	14.0
Property, plant and equipment written off	-	5	NM	-	5	NM

NM: Not Meaningful

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

	Group		Company	
	30 Sept 2011	31 Mar 2011	30 Sept 2011	31 Mar 2011
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current</b>				
Property, plant and equipment	329,846	296,591	2	5
Intangible assets	1,180	1,396	-	-
Goodwill	23,337	23,337	-	-
Investment in subsidiaries	-	-	304,683	304,683
Associated companies	20,929	18,198	13,500	13,500
Assets held-for-sale	2,998	2,998	-	-
Trade and other receivables	2,226	2,849	-	-
Deferred costs	57,206	34,713	-	-
Deferred tax assets	6,312	4,415	-	-
	<u>444,034</u>	<u>384,497</u>	<u>318,185</u>	<u>318,188</u>
<b>Current</b>				
Inventories	377,646	379,805	-	-
Trade and other receivables	275,469	243,191	185	611
Deferred costs	30,477	18,406	-	-
Amount owing by subsidiaries (non-trade)	-	-	39,128	10,778
Amounts owing by related parties	41,813	48,352	-	-
Amounts owing by corporate shareholders of subsidiaries	9,947	10,015	-	-
Amounts owing by associated companies	42,300	33,159	-	-
Cash and cash equivalents	78,668	95,848	2,007	4,442
	<u>856,320</u>	<u>828,776</u>	<u>41,320</u>	<u>15,831</u>
<b>TOTAL ASSETS</b>	<u>1,300,354</u>	<u>1,213,273</u>	<u>359,505</u>	<u>334,019</u>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	312,484	312,484	312,484	312,484
Reserves	185,540	165,122	45,626	19,324
<b>Equity attributable to equity holders of the Company</b>	<u>498,024</u>	<u>477,606</u>	<u>358,110</u>	<u>331,808</u>
Non-controlling interests	24,632	24,907	-	-
<b>TOTAL EQUITY</b>	<u>522,656</u>	<u>502,513</u>	<u>358,110</u>	<u>331,808</u>
<b>LIABILITIES</b>				
<b>Non-current</b>				
Bank borrowings	820	975	-	-
Deferred income	74,627	42,042	-	-
Deferred tax liabilities	1,000	870	-	-
Trade and other payables	33,949	35,553	-	-
	<u>110,396</u>	<u>79,440</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
Trade and other payables	289,708	331,659	1,395	2,211
Amounts owing to related parties	67,054	57,477	-	-
Amounts owing to corporate shareholders of subsidiaries	32,330	30,774	-	-
Amount owing to an associated company	-	4,002	-	-
Bank borrowings	239,449	180,238	-	-
Deferred income	38,711	24,563	-	-
Current tax payable	50	2,607	-	-
	<u>667,302</u>	<u>631,320</u>	<u>1,395</u>	<u>2,211</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,300,354</u>	<u>1,213,273</u>	<u>359,505</u>	<u>334,019</u>

**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 September 2011		As at 31 March 2011	
Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>	Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>
RMB'000	RMB'000	RMB'000	RMB'000
239,449	50,935	180,238	32,474

**Amount repayable after one year**

As at 30 September 2011		As at 31 March 2011	
Secured <sup>(1)</sup>	Unsecured	Secured <sup>(1)</sup>	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
820	-	975	-

**Details of any collaterals****Note (1):**

The secured loans include the following:

- a) RMB90.0 million (31 March 2011 – RMB90.0 million) bank borrowings granted to Fushun Yongmao Construction Machinery Co., Ltd. ("Fushun Yongmao") secured by certain leasehold buildings and land use rights from a related party, Fushun Yongmao Engineering Machinery Co., Ltd.
- b) RMB Nil (31 March 2011 – RMB40.0 million) bank borrowings granted to Fushun Yongmao and secured by bills receivables.
- c) RM69.2 million (31 March 2011 – RMB30.0 million) bank borrowings granted to Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd. ("Beijing Yongmao").
- d) RMB50.0 million (31 March 2011 – RMB20.0 million) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao and a director of the Company.
- e) RMB30.0 million (31 March 2011 – RMB Nil) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by the Company.
- f) RMB1.1 million (31 March 2011 – RMB1.2 million) in respect of motor vehicles acquired under finance leases.

The above bank borrowings are for the purpose of increasing the working capital.

**Note (2):**

The unsecured loans include the following:

- a) RMB25.2 million (31 March 2011 – RMB21.8 million), of which RMB18.4 million (31 March 2011 – RMB18.4 million) was interest-bearing, was from a corporate shareholder to Beijing Yongmao for the purpose of increasing the working capital of Beijing Yongmao.
- b) RMB5.7 million (31 March 2011 – 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) RMB20.0 million (31 March 2011 – RMB Nil), interest-free, was from a related party to Fushun Yongmao for the purpose of increasing the working capital of Fushun Yongmao.
- d) RMB Nil (31 March 2011 – RMB2.0 million), interest-free, was from another related party to Fushun Yongmao for the purpose of increasing the working capital of Fushun Yongmao.

The above balances are recorded in current liabilities.

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

	Group (Second Quarter)		Group (First Half)	
	RMB'000	RMB'000	RMB'000	RMB'000
	3 months ended 30 Sept 2011 (Q2 FY2012)	3 months ended 30 Sept 2010 (Q2 FY2011)	6 months ended 30 Sept 2011 (First Half FY2012)	6 months ended 30 Sept 2010 (First Half FY2011)
<b>Cash flow from operating activities</b>				
Profit before taxation	3,122	6,309	26,753	12,597
Adjustments for:				
Share of results of associated companies	821	286	(491)	(2,689)
Unrealised profits from sale of towercranes to associated companies eliminated	(7,160)	4,108	(5,470)	3,528
Amortisation of intangible assets	108	315	216	630
Depreciation of property, plant and equipment	1,775	2,638	4,586	5,607
Gain on disposal of property, plant and equipment	(112)	(53)	(112)	(102)
Effect on dilution of investments in associated companies	1,530	-	1,530	-
Property, plant and equipment written off	-	5	-	5
Interest expense	4,581	2,087	8,730	3,718
Interest income	(477)	(90)	(631)	(169)
<b>Operating profit before working capital changes</b>	<b>4,188</b>	<b>15,605</b>	<b>35,111</b>	<b>23,125</b>
Decrease/(increase) in inventories	3,215	(38,533)	2,063	(51,670)
Increase in deferred cost	(9,252)	-	(34,564)	-
Decrease/(increase) in operating receivables	66,179	72,562	(32,354)	16,402
(Decrease)/increase in operating payables	(63,547)	24,579	(52,288)	52,389
Increase in deferred income	7,946	-	48,433	-
<b>Cash generated from/(used in) operations</b>	<b>8,729</b>	<b>74,213</b>	<b>(33,599)</b>	<b>40,246</b>
Interest paid	(3,907)	(2,116)	(8,516)	(4,379)
Tax paid	(5,769)	(2,498)	(10,930)	(6,059)
<b>Net cash (used in)/generated from operating activities</b>	<b>(947)</b>	<b>69,599</b>	<b>(53,045)</b>	<b>29,808</b>
<b>Cash flow from investing activities</b>				
Acquisition of property, plant and equipment	(25,914)	3,492	(42,107)	(13,463)
Investment in an associated company	-	-	-	(20,284)
Proceeds from disposal of property, plant and equipment	345	18	345	105
Proceeds from sale of available-for-sale financial assets	-	878	-	878
Interest received	477	90	631	169
<b>Net cash (used in)/generated from investing activities</b>	<b>(25,092)</b>	<b>4,478</b>	<b>(41,131)</b>	<b>(32,595)</b>
<b>Cash flow from financing activities</b>				
Bank borrowings obtained	9,219	-	59,219	40,000
Restricted bank balances	27,368	-	21,537	-
(Repayment to)/advances from related parties	(3,000)	(37,876)	18,000	(37,876)
Repayment to finance lease creditors	(57)	-	(120)	-
Dividends paid	-	(5,487)	-	(5,487)
<b>Net cash generated from/(used in) financing activities</b>	<b>33,530</b>	<b>(43,363)</b>	<b>98,636</b>	<b>(3,363)</b>
Net increase/(decrease) in cash and cash equivalents	7,491	30,714	4,460	(6,150)
Cash and cash equivalents at beginning of period	46,198	45,672	49,214	82,566
Exchange adjustments	(118)	458	(103)	428
<b>Cash and cash equivalents at end of period</b>	<b>53,571</b>	<b>76,844</b>	<b>53,571</b>	<b>76,844</b>

**Analysis of cash and cash equivalents**

	Group	
	RMB'000 30 Sept 2011	RMB'000 30 Sept 2010
Cash on hand	193	73
Bank balances	78,475	61,368
Fixed deposits	-	20,403
	78,668	81,844
Restricted bank balances	(25,097)	(5,000)
	53,571	76,844

**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 RMB'000	Merger reserve RMB'000	Retained profits RMB'000	Statutory common reserve RMB'000	Exchange fluctuation reserve RMB'000	Sub-total RMB'000	Minority interests RMB'000	Total RMB'000
<b>Current year:</b>								
<b>Balance as at 1 Apr 2011</b>	312,484	(26,769)	156,935	34,926	30	477,606	24,907	502,513
Total comprehensive income/(expense) for the period	-	-	17,452	-	(41)	17,411	621	18,032
Transfer to statutory common reserve	-	-	(2,619)	2,619	-	-	-	-
<b>Balance as at 30 Jun 2011</b>	312,484	(26,769)	171,768	37,545	(11)	495,017	25,528	520,545
Total comprehensive income/(expense) for the period	-	-	2,968	-	39	3,007	(896)	2,111
Transfer to statutory common reserve	-	-	110	(110)	-	-	-	-
<b>Balance as at 30 Sept 2011</b>	312,484	(26,769)	174,846	37,435	28	498,024	24,632	522,656

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
<b>Previous year:</b>								
<b>Balance as at 1 Apr 2010</b>	312,484	(26,769)	161,469	28,501	(879)	474,806	26,292	501,098
Total comprehensive income/(expense) for the period	-	-	4,017	-	(80)	3,937	135	4,072
Transfer to statutory common reserve	-	-	(924)	924	-	-	-	-
<b>Balance as at 30 Jun 2010</b>	312,484	(26,769)	164,562	29,425	(959)	478,743	26,427	505,170
Total comprehensive income for the period	-	-	3,095	-	414	3,509	984	4,493
Transfer to statutory common reserve	-	-	(1,372)	1,372	-	-	-	-
Dividends	-	-	(5,487)	-	-	(5,487)	-	(5,487)
<b>Balance as at 30 Sept 2010</b>	312,484	(26,769)	160,798	30,797	(545)	476,765	27,411	504,176

Company	Share capital	Retained profits/ (Accumulated losses)	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current year</b>				
<b>Balance as at 1 Apr 2011</b>	312,484	19,324	-	331,808
Total comprehensive income for the period	-	28,839	-	28,839
<b>Balance as at 30 Jun 2011</b>	312,484	48,163	-	360,647
Total comprehensive expense for the period	-	(2,537)	-	(2,537)
<b>Balance as at 30 Sept 2011</b>	312,484	45,626	-	358,110

Company	Share capital	(Accumulated losses)/ Retained profits	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Previous year</b>				
<b>Balance as at 1 Apr 2010</b>	312,484	(1,510)	(1,152)	309,822
Total comprehensive income/(expense) for the period	-	10,807	(18)	10,789
<b>Balance as at 30 Jun 2010</b>	312,484	9,297	(1,170)	320,611
Total comprehensive loss for the period	-	(1,428)	533	(895)
Dividends	-	(5,487)	-	(5,487)
<b>Balance as at 30 Sept 2010</b>	312,484	2,382	(637)	314,229

- 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 2011. As at 30 September 2011, 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 September 2011	31 March 2011
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 2011 except that the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for annual periods beginning on 1 April 2011.

The adoption of these new or revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

- 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 (Second Quarter)		Group (First Half)	
	RMB'000		RMB'000	
	3 months ended 30 Sept 2011 (Q2 FY2012)	3 months ended 30 Sept 2010 (Q2 FY2011)	6 months ended 30 Sept 2011 (First Half FY2012)	6 months ended 30 Sept 2010 (First Half FY2011)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	2,968	3,095	20,420	7,112
Weighted average number of ordinary shares on issue used in computation of basic earnings per shares	443,750,000	443,750,000	443,750,000	443,750,000
Earnings per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	0.67	0.70	4.60	1.60
(b) On a fully diluted basis	0.67	0.70	4.60	1.60

**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 Sept 2011	31 Mar 2011	30 Sept 2011	31 Mar 2011
Net asset value per ordinary share (RMB cents)	112.23	107.63	80.70	74.77

Net asset value per share for the Group and the Company for 30 September 2011 and 31 March 2011 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

### Second Quarter FY2012 ("Q2 FY2012") vs Second Quarter FY2011 ("Q2 FY2011")

#### Revenue

Group revenue increased 21.6% to RMB138.3 million in Q2 FY2012 as compared to RMB113.7 million in Q2 FY2011 mainly from improvement in the PRC sales by 63.9% due to stronger demand as the Group continues to focus its marketing effort in the PRC market. The PRC sales formed 81.8% of revenue in Q2 FY2012, up from 60.7% in Q2 FY2011.

#### Gross profit and gross profit margin

Gross profit decreased to RMB36.7 million in Q2 FY2012 from RMB37.1 million in Q2 FY2011. The decrease was mainly due to lower average gross profit margin partially offset by higher revenue.

Average gross profit margin decreased to 26.5% in Q2 FY2012 from 32.6% in Q2 FY2011. The decrease was mainly attributed to higher sales in the PRC of the lower margin ST series towercranes and the smaller STT series towercranes.

#### Other operating income

Other operating income decreased to RMB1.2 million in Q2 FY2012 as there was no government grant received during the financial period. This was partly offset by higher interest income and sale of scrap materials.

#### Operating expenses

Total operating expenses increased slightly to RMB32.4 million in Q2 FY2012 as compared to RMB32.2 million in Q2 FY2011.

Distribution costs decreased to RMB10.9 million in Q2 FY2012 as freight and transportation cost and commission for the PRC market is lower.

Administrative expenses increased slightly to RMB15.3 million in Q2 FY2012 mainly due to higher employee benefits costs incurred.

Other operating expenses increased to RMB1.6 million in Q2 FY2012 mainly due to increase in exchange loss from the weakening of Singapore dollar against China Yuan.

Finance costs increased to RMB4.6 million in Q2 FY2012 due to higher bank borrowings and higher interest rate.

#### Effect on dilution of investments in associated companies

The effect on dilution of investments in associated companies was resulted from the enlarged capital of our associated company, Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd. ("BJTHZM") following the additional investment by Tat Hong Zhaomao Investment Co., Ltd. in the company as per the Circular to Shareholders dated 21 October 2010 approved by shareholders at the Extraordinary General Meeting held on 8 November 2010.

#### Share of results of associated companies

Share of loss of associated companies increased to RMB0.8 million in Q2 FY2012 from RMB0.3 million in Q2 FY2011 mainly due to lower utilisation of the rental fleet in BJTHZM coupled with higher operating cost from transportation and materials cost.

#### Taxation

Income tax expenses decreased to RMB1.1 million in Q2 FY2012 in line with the lower profit before taxation for the period.

**Profit before taxation and Net profit attributable to equity holders of the Company**

Profit before taxation decreased to RMB3.1 million in Q2 FY2012 from RMB6.3 million in Q2 FY2011 and net profit attributable to equity holders of the Company decreased to RMB3.0 million in Q2 FY2012 from RMB3.1 million in Q2 FY2011. This was mainly due to lower average gross profit margin, the loss on dilution of investments in associated companies and higher share of losses of associated companies.

**First Half FY2012 ("1H FY2012") vs First Half FY2011 ("1H FY2011")****Revenue**

Group revenue increased 33.4% to RMB349.6 million in 1H FY2012 as compared to RMB262.2 million in 1H FY2011 mainly from improvement in Asia (outside the PRC) and the PRC sales by 125.6% and 33.3% respectively as compared to 1H FY2011. Overall, Asia (outside the PRC) and the PRC sales formed 95.3% of revenue in 1H FY2012, up from 86.3% in 1H FY2011.

**Gross profit and gross profit margin**

Gross profit increased to RMB102.1 million in 1H FY2012 from RMB66.9 million in 1H FY2011. The increase was mainly due to higher revenue and average gross profit margin.

Average gross profit margin increased to 29.2% in 1H FY2012 from 25.5% in 1H FY2011. The increase was mainly attributed to higher sales of the higher margin Luffing series towercranes and the larger STT series towercranes largely in Q1 FY2012.

**Other operating income**

Other operating income decreased to RMB1.9 million in 1H FY2012 as there was no government grant received during the financial period. This was partly offset by higher interest income and sale of scrap materials.

**Operating expenses**

Total operating expenses increased to RMB76.2 million in 1H FY2012 as compared to RMB59.3 million in 1H FY2011.

Distribution costs increased to RMB30.3 million in 1H FY2012 as freight and transportation cost increased in line with the higher sales.

Administrative expenses increased to RMB34.6 million in 1H FY2012 mainly due to higher employee benefits costs and office expenses incurred offset slightly by lower depreciation expenses.

Other operating expenses increased to RMB2.6 million in 1H FY2012 mainly due to increase in exchange loss from the weakening of Singapore dollar against China Yuan.

Finance costs increased to RMB8.7 million in 1H FY2012 due to higher bank borrowings and higher interest rate.

**Effect on dilution of investments in associated companies**

The effect on dilution of investments in associated companies was resulted from the enlarged capital of our associated company, BJTHZM, following the additional investment by Tat Hong Zhaomao Investment Co., Ltd. in the company as per the Circular to Shareholders dated 21 October 2010 approved by shareholders at the Extraordinary General Meeting held on 8 November 2010.

**Share of results of associated companies**

Share of profits of associated companies decreased to RMB0.5 million in 1H FY2012 from RMB2.7 million in 1H FY2011 mainly due to lower utilisation of the rental fleet in BJTHZM coupled with higher operating cost from transportation and materials cost.

**Taxation**

Income tax expense increased to RMB6.6 million in 1H FY2012 in line with the higher profit before taxation for the period.

**Profit before taxation and Net profit attributable to equity holders of the Company**

Profit before taxation increased to RMB26.8 million in 1H FY2012 from RMB12.6 million in 1H FY2011 and net profit attributable to equity holders of the Company increased to RMB20.4 million in 1H FY2012 from RMB7.1 million in 1H FY2011. This was mainly due to higher revenue and average gross profit margin partly offset by higher operating expenses, lower share of profits of associated companies and the loss on dilution of investments in associated companies.

## REVIEW OF FINANCIAL POSITION OF THE GROUP

### Non-current Assets

Non-current assets increased by RMB59.5 million to RMB444.0 million as at 30 September 2011 mainly due to increase in deferred costs and purchase of property, plant and equipment for the new manufacturing facilities during the period. The increase was partly offset by depreciation and amortisation expenses charged for the period.

Deferred costs related to the corresponding non-current portion cost of sales relating to revenue deferred (See Note on deferred income below).

Non-current trade and other receivables related to non-current portion of housing loans made to employees.

### Current Assets

Current assets increased by RMB27.5 million to RMB856.3 million as at 30 September 2011 mainly due to higher trade and other receivables, deferred costs and amounts owing by associated companies.

Trade and other receivables increased by RMB32.3 million mainly due to increase in trade receivables resulted from higher credit sales made during the period.

Deferred costs related to the corresponding cost of sales relating to revenue deferred (See Note on deferred income below).

Amounts due from associated companies increased mainly due to sales during the period and slower repayment by related parties.

### Non-current Liabilities

Non-current liabilities increased by RMB31.0 million to RMB110.4 million as at 30 September 2011 mainly due to deferred income (see Note on deferred income below).

Bank borrowings related to the non-current portion of the financing obtained for the purchase of motor vehicles.

Deferred tax liabilities arose from the acquisition of Beijing Yongmao.

Non-current trade and other payables related to a defined benefit plan obligation sponsored by Beijing Yongmao.

### Current Liabilities

Current liabilities increased by RMB36.0 million to RMB667.3 million as at 30 September 2011 mainly due to the increase in bank borrowings used for working capital of the Group.

Deferred income included RMB113.3 million of revenue deferred due to uncertainty to the timing of the consideration for the delivery of goods made to the customer. The customers have entered an arrangement with certain financial institutions whereby the financial institutions agreed to grant loan facility to the customers for the purchase of the manufactured goods from the Group. This is on the premise that the Group agreed and accepted to act as guarantor to the unpaid sum in the event that the customer defaulted the said facility. Owing to the uncertainty as mentioned, the amount of the unpaid sum owing to the financial institution is deferred and recognised as revenue when the uncertainty is removed.

### Equity attributable to equity holders of the Company

As at 30 September 2011, the equity attributable to equity holders of the Company amounted to RMB498.0 million. The increase was mainly due to net profit of RMB20.4 million for the period.

## REVIEW OF CASHFLOW STATEMENT

### **Second Quarter FY2012 (“Q2 FY2012”) vs Second Quarter FY2011 (“Q2 FY2011”)**

The Group reported a net increase in cash and cash equivalents amounting to RMB7.5 million in Q2 FY2012 mainly due to:

- a) Net cash used in operating activities in Q2 FY2012 of RMB0.9 million mainly from decrease in operating payables resulting from the decrease in bills payables;
- b) Net cash used in investing activities from purchase of property, plant and equipment for the new factory; and
- c) Net cash generated from financing activities in Q2 FY2012 from higher bank borrowings and lower restricted bank balances. This was partly offset by repayment to related parties.

### **First Half FY2012 (“1H FY2012”) vs First Half FY2011 (“1H FY2011”)**

The Group reported a net increase in cash and cash equivalents amounting to RMB4.5 million in 1H FY2012 mainly due to:

- a) Net cash used in operating activities in 1H FY2012 of RMB53.0 million mainly from increase in operating receivables and decrease in operating payables resulting from higher trade receivables and decrease in bills payables;
- b) Net cash used in investing activities from purchase of property, plant and equipment for the new factory; and
- c) Net cash generated from financing activities in 1H FY2012 from higher bank borrowings, lower restricted bank balances and advances from related parties.

### **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.**

On the global front, the general economic condition has deteriorated as a result of the European debt crisis and the slower than expected recovery in the US economy. These have continued to affect our sales activities in our overseas markets especially in the US, Europe and Middle East regions.

The Chinese economy appears to be affected by the current global economic uncertainties. Further, the Chinese government has also imposed cooling measures in the property sector in the PRC. The gradual appreciation of the China Yuan against the US Dollars, coupled with higher borrowing cost, and a potential rise in wages caused by shortage of skilled labor and higher raw material prices such as steel, will likely to have a negative impact to our gross margin.

For the above mentioned reasons, we expect the business environment to be challenging in 2H FY2012.

**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 Q2 FY2012.

**(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 Q2 FY2011.

**(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.

13. If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

### Interested Persons 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 Sept 2011 (Q2 FY2012) RMB'000	3 months ended 30 Sept 2010 (Q2 FY2011) RMB'000	6 months ended 30 Sep 2011 (First Half FY2012) RMB'000	6 months ended 30 Sep 2010 (First Half FY2011) RMB'000	3 months ended 30 Sept 2011 (Q2 FY2012) RMB'000	3 months ended 30 Sept 2010 (Q2 FY2011) RMB'000	6 months ended 30 Sep 2011 (First Half FY2012) RMB'000	6 months ended 30 Sep 2010 (First Half FY2011) RMB'000
<b>Sales to related parties</b>								
Shanghai Tat Hong Equipment Rental Co., Ltd. (上海达丰机械租赁有限公司)	-	-	-	-	3,170	(9,091) <sup>1</sup>	4,753	16,355
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械工程有限公司)	-	-	-	-	10,826	22,769	23,270	24,947
Shanghai Zhaomao Engineering Machinery Co., Ltd. (上海兆茂工程机械有限公司)	-	-	1,179	-	-	-	-	-
<b>Sales to associated companies</b>								
Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd. (北京达丰兆茂机械租赁有限公司)	-	-	-	-	2,343	23,484	5,644	23,484
Sichuan Tat Hong Yuanzheng Machinery Construction Co., Ltd. (四川达丰元正机械工程有限公司)	-	-	-	-	-	3,594	488	9,852
<b>Rental charged by related parties</b>								
Fushun Yongmao Engineering Machinery Co., Ltd. (抚顺永茂工程机械有限公司)	1,500	1,500	3,000	3,000	-	-	-	-
Fushun Engineering Machinery Manufacturing Co., Ltd. (抚顺工程机械制造有限公司)	900	900	1,800	1,800	-	-	-	-

Note (1): Reclassification of sales to China Nuclear Huaxing TatHong Machinery Construction Co., Ltd.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

14. **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
<b>FY2012</b>				
Q2	19,390	5,812	113,109	138,311
1H	81,228	12,137	256,276	349,641
<b>FY2011</b>				
Q2	24,189	20,518	69,023	113,730
1H	42,826	27,154	192,195	262,175

15. **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.

16. **A breakdown of sales and profit after taxation**

Not applicable.

17. **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	-	-
<b>Total:</b>	-	-

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.



**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 six months ended 30 September 2011 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  
8 November 2011