

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 31 December 2011. These figures have not been audited.

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2011 (Q3 FY2012)	3 months ended 31 Dec 2010 (Q3 FY2011)	Increase/ (Decrease)	9 months ended 31 Dec 2011 (9M FY2012)	9 months ended 31 Dec 2010 (9M FY2011)	Increase/ (Decrease)
<b>Revenue</b>	180,269	166,161	8.5	529,910	428,336	23.7
Cost of sales	(135,363)	(120,279)	12.5	(382,915)	(315,516)	21.4
<b>Gross profit</b>	44,906	45,882	(2.1)	146,995	112,820	30.3
Other operating income	1,718	677	153.8	3,655	2,901	26.0
Distribution costs	(12,785)	(18,081)	(29.3)	(43,110)	(43,112)	-
Administrative expenses	(18,979)	(19,575)	(3.0)	(53,579)	(48,474)	10.5
Other operating expenses	(3,951)	(5,224)	(24.4)	(6,530)	(6,830)	(4.4)
Finance costs	(4,426)	(2,108)	110.0	(13,156)	(5,826)	125.8
<b>Total operating expenses</b>	(40,141)	(44,988)	(10.8)	(116,375)	(104,242)	11.6
<b>Profit from operations</b>	6,483	1,571	312.7	34,275	11,479	198.6
Effect on dilution of investments in associated companies	(799)	-	NM	(2,329)	-	NM
Share of results of associated companies, net of tax	(1,521)	(594)	156.1	(1,030)	2,095	NM
<b>Profit before taxation</b>	4,163	977	326.1	30,916	13,574	127.8
Taxation	(2,566)	(2,410)	6.5	(9,174)	(6,776)	35.4
<b>Net profit/(loss) for the period</b>	1,597	(1,433)	NM	21,742	6,798	219.8
<b>Attributable to:</b>						
Equity holders of the Company	3,944	(305)	NM	24,364	6,807	257.9
Non-controlling interests	(2,347)	(1,128)	108.1	(2,622)	(9)	NM
<b>Net profit/(loss) for the period</b>	1,597	(1,433)	NM	21,742	6,798	219.8

NM: Not Meaningful

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2011 (Q3 FY2012)	3 months ended 31 Dec 2010 (Q3 FY2011)	Increase/ (Decrease)	9 months ended 31 Dec 2011 (9M FY2012)	9 months ended 31 Dec 2010 (9M FY2011)	Increase/ (Decrease)
<b>Net profit/(loss) for the period</b>	1,597	(1,433)	NM	21,742	6,798	219.8
<b>Other comprehensive income:</b>						
Exchange translation difference	41	100	(59.0)	39	434	(91.0)
Other comprehensive income for the period, net of tax	41	100	(59.0)	39	434	(91.0)
<b>Total comprehensive income/(loss) for the period</b>	<b>1,638</b>	<b>(1,333)</b>	<b>NM</b>	<b>21,781</b>	<b>7,232</b>	<b>201.2</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	3,985	(205)	NM	24,403	7,241	237.0
Non-controlling interests	(2,347)	(1,128)	108.1	(2,622)	(9)	NM
<b>Total comprehensive income/(loss) for the period</b>	<b>1,638</b>	<b>(1,333)</b>	<b>NM</b>	<b>21,781</b>	<b>7,232</b>	<b>201.2</b>

**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 2011 (Q3 FY2012)	3 months ended 31 Dec 2010 (Q3 FY2011)	Increase/ (Decrease)	9 months ended 31 Dec 2011 (9M FY2012)	9 months ended 31 Dec 2010 (9M FY2011)	Increase/ (Decrease)
Amortisation of intangible assets	108	315	(65.7)	324	945	(65.7)
Bad debts written off	-	-	-	-	56	NM
Depreciation of property, plant and equipment <sup>(1)</sup>	5,072	2,798	81.3	9,658	8,405	14.9
Exchange loss	1,856	273	579.9	3,909	1,546	152.8
(Gain)/loss on disposal of property, plant and equipment	(346)	6	NM	(458)	(96)	377.1
Interest income	(189)	(89)	112.4	(820)	(258)	217.8
Interest expense	4,426	2,108	110.0	13,156	5,826	125.8
Impairment for property, plant and equipment	-	1,500	NM	-	1,500	NM
Operating lease rentals	2,950	3,575	(17.5)	11,893	11,423	4.1
Property, plant and equipment written off	-	-	-	-	5	NM
Provision for inventory obsolescence	-	3,000	NM	-	3,000	NM
Provision for doubtful debts	1,572	-	NM	1,572	-	NM
Overprovision of taxation in respect of prior years	(26)	-	NM	(26)	-	NM

(1) Increased due to depreciation of new manufacturing facilities.

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	
	31 Dec 2011	31 Mar 2011	31 Dec 2011	31 Mar 2011
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current</b>				
Property, plant and equipment	329,367	296,591	1	5
Intangible assets	1,072	1,396	-	-
Goodwill	23,337	23,337	-	-
Investment in subsidiaries	-	-	304,683	304,683
Associated companies	22,297	18,198	13,500	13,500
Assets held-for-sale	2,638	2,998	-	-
Trade and other receivables	1,784	2,849	-	-
Deferred costs	49,419	34,713	-	-
Deferred tax assets	6,273	4,415	-	-
	<u>436,187</u>	<u>384,497</u>	<u>318,184</u>	<u>318,188</u>
<b>Current</b>				
Inventories	353,285	379,805	-	-
Trade and other receivables	217,951	243,191	44	611
Deferred costs	37,882	18,406	-	-
Amount owing by subsidiaries (non-trade)	-	-	39,624	10,778
Amounts owing by related parties	47,271	48,352	-	-
Amounts owing by corporate shareholders of subsidiaries	10,023	10,015	-	-
Amounts owing by associated companies	43,191	33,159	-	-
Cash and cash equivalents	106,525	95,848	812	4,442
	<u>816,128</u>	<u>828,776</u>	<u>40,480</u>	<u>15,831</u>
<b>TOTAL ASSETS</b>	<u>1,252,315</u>	<u>1,213,273</u>	<u>358,664</u>	<u>334,019</u>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	312,484	312,484	312,484	312,484
Reserves	189,525	165,122	44,462	19,324
<b>Equity attributable to equity holders of the Company</b>	<u>502,009</u>	<u>477,606</u>	<u>356,946</u>	<u>331,808</u>
Non-controlling interests	21,650	24,907	-	-
<b>TOTAL EQUITY</b>	<u>523,659</u>	<u>502,513</u>	<u>356,946</u>	<u>331,808</u>
<b>LIABILITIES</b>				
<b>Non-current</b>				
Bank borrowings	741	975	-	-
Deferred income	64,757	42,042	-	-
Deferred tax liabilities	988	870	-	-
Trade and other payables	32,974	35,553	-	-
	<u>99,460</u>	<u>79,440</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
Trade and other payables	257,943	331,659	1,718	2,211
Amounts owing to related parties	48,900	57,477	-	-
Amounts owing to corporate shareholders of subsidiaries	31,931	30,774	-	-
Amount owing to an associated company	-	4,002	-	-
Bank borrowings	239,445	180,238	-	-
Deferred income	48,359	24,563	-	-
Current tax payable	2,618	2,607	-	-
	<u>629,196</u>	<u>631,320</u>	<u>1,718</u>	<u>2,211</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,252,315</u>	<u>1,213,273</u>	<u>358,664</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 31 December 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
239,445	30,935	180,238	32,474

**Amount repayable after one year**

As at 31 December 2011		As at 31 March 2011	
Secured <sup>(1)</sup>	Unsecured	Secured <sup>(1)</sup>	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
741	-	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) RMB1.0 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) 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 (Third Quarter)		Group (Nine Months)	
	RMB'000 3 months ended 31 Dec 2011 (Q3 FY2012)	RMB'000 3 months ended 31 Dec 2010 (Q3 FY2011)	RMB'000 9 months ended 31 Dec 2011 (9M FY2012)	RMB'000 9 months ended 31 Dec 2010 (9M FY2011)
<b>Cash flow from operating activities</b>				
Profit before taxation	4,163	977	30,916	13,574
Adjustments for:				
Share of results of associated companies	1,521	594	1,030	(2,095)
Unrealised profits from sale of towercranes and towercrane accessories to associated companies	(3,688)	1,016	(9,158)	4,544
Amortisation of intangible assets	108	315	324	945
Depreciation of property, plant and equipment	5,072	2,798	9,658	8,405
(Gain)/loss on disposal of property, plant and equipment	(346)	6	(458)	(96)
Effect on dilution of investments in associated companies	799	-	2,329	-
Impairment for property, plant and equipment	-	1,500	-	1,500
Property, plant and equipment written off	-	-	-	5
Provision for stock obsolescence	-	3,000	-	3,000
Provision for doubtful debts	1,572	-	1,572	-
Interest expense	4,426	2,108	13,156	5,826
Interest income	(189)	(89)	(820)	(258)
<b>Operating profit before working capital changes</b>	<b>13,438</b>	<b>12,225</b>	<b>48,549</b>	<b>35,350</b>
Decrease/(increase) in inventories	4,318	(7,816)	6,381	(59,486)
Decrease/(increase) in deferred cost	382	-	(34,182)	-
Decrease/(increase) in operating receivables	48,864	(54,971)	16,510	(38,569)
(Decrease)/increase in operating payables	(28,227)	43,570	(80,515)	95,959
(Decrease)/increase in deferred income	(222)	-	48,211	-
<b>Cash generated from/(used in) operations</b>	<b>38,553</b>	<b>(6,992)</b>	<b>4,954</b>	<b>33,254</b>
Interest paid	(5,336)	(1,829)	(13,852)	(6,208)
Tax refunded/(paid)	28	(1,916)	(10,902)	(7,975)
<b>Net cash generated from/(used in) operating activities</b>	<b>33,245</b>	<b>(10,737)</b>	<b>(19,800)</b>	<b>19,071</b>
<b>Cash flow from investing activities</b>				
Acquisition of property, plant and equipment	13,949	(12,288)	(28,158)	(25,751)
Investment in an associated company	-	-	-	(20,284)
Proceeds from disposal of property, plant and equipment	875	2	1,220	107
Proceeds from sale of available-for-sale financial assets	360	-	360	878
Interest received	189	89	820	258
<b>Net cash generated from/(used in) investing activities</b>	<b>15,373</b>	<b>(12,197)</b>	<b>(25,758)</b>	<b>(44,792)</b>
<b>Cash flow from financing activities</b>				
Bank borrowings obtained	-	-	59,219	40,000
Restricted bank balances	(8,280)	-	13,257	-
(Repayment to)/advances from related parties	(20,000)	7,000	(2,000)	(30,876)
Repayment to finance lease creditors	(56)	-	(176)	-
Dividends paid to non-controlling interests	(635)	-	(635)	-
Dividends paid	-	-	-	(5,487)
<b>Net cash (used in)/generated from financing activities</b>	<b>(28,971)</b>	<b>7,000</b>	<b>69,665</b>	<b>3,637</b>
Net increase/(decrease) in cash and cash equivalents	19,647	(15,934)	24,107	(22,084)
Cash and cash equivalents at beginning of period	53,571	76,844	49,214	82,566
Exchange adjustments	(70)	95	(173)	523
<b>Cash and cash equivalents at end of period</b>	<b>73,148</b>	<b>61,005</b>	<b>73,148</b>	<b>61,005</b>

**Analysis of cash and cash equivalents**

	Group	
	RMB'000	RMB'000
	31 Dec 2011	31 Dec 2010
Cash on hand	84	332
Bank balances	106,441	65,673
	106,525	66,005
Restricted bank balances	(33,377)	(5,000)
	73,148	61,005

**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
<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	-	-	20,420	-	(2)	20,418	(275)	20,143
Transfer to statutory common reserve	-	-	(2,509)	2,509	-	-	-	-
<b>Balance as at 30 Sept 2011</b>	312,484	(26,769)	174,846	37,435	28	498,024	24,632	522,656
Total comprehensive income/(expense) for the period	-	-	3,944	-	41	3,985	(2,347)	1,638
Transfer to statutory common reserve	-	-	(5,112)	5,112	-	-	-	-
Dividends	-	-	-	-	-	-	(635)	(635)
<b>Balance as at 31 Dec 2011</b>	312,484	(26,769)	173,678	42,547	69	502,009	21,650	523,659

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 for the period	-	-	7,112	-	334	7,446	1,119	8,565
Transfer to statutory common reserve	-	-	(2,296)	2,296	-	-	-	-
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
Total comprehensive (expense)/income for the period	-	-	(305)	-	100	(205)	(1,128)	(1,333)
Transfer to statutory common reserve	-	-	(4,130)	4,130	-	-	-	-
<b>Balance as at 31 Dec 2010</b>	312,484	(26,769)	156,363	34,927	(445)	476,560	26,283	502,843

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	-	26,302	-	26,302
<b>Balance as at 30 Sept 2011</b>	312,484	45,626	-	358,110
Total comprehensive expense for the period	-	(1,164)	-	(1,164)
<b>Balance as at 31 Dec 2011</b>	312,484	44,462	-	356,946

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 for the period	-	9,379	515	9,894
Dividends	-	(5,487)	-	(5,487)
<b>Balance as at 30 Sept 2010</b>	312,484	2,382	(637)	314,229
Total comprehensive (expense)/income for the period	-	(1,063)	126	(937)
<b>Balance as at 31 Dec 2010</b>	312,484	1,319	(511)	313,292

- 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 31 December 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.**

	31 December 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 (Third Quarter)		Group (Nine Months)	
	RMB'000		RMB'000	
	3 months ended 31 Dec 2011 (Q3 FY2012)	3 months ended 31 Dec 2010 (Q3 FY2011)	9 months ended 31 Dec 2011 (9M FY2012)	9 months ended 31 Dec 2010 (9M FY2011)
Earnings/(loss) of the Group, after deducting any provision for preference dividends (in RMB'000):	3,944	(305)	24,364	6,807
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/(loss) per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	0.89	(0.07)	5.49	1.53
(b) On a fully diluted basis	0.89	(0.07)	5.49	1.53

**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 2011	31 Mar 2011	31 Dec 2011	31 Mar 2011
Net asset value per ordinary share (RMB cents)	113.13	107.63	80.44	74.77

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

### Third Quarter FY2012 ("Q3 FY2012") vs Third Quarter FY2011 ("Q3 FY2011")

#### Revenue

Group revenue increased 8.5% to RMB180.3 million in Q3 FY2012 as compared to RMB166.2 million in Q3 FY2011 mainly from improvement in the PRC sales by 16.2% due to stronger demand as the Group continues to focus its marketing effort in the PRC market. The PRC sales formed 71.2% of revenue in Q3 FY2012, up from 66.5% in Q3 FY2011.

#### Gross profit and gross profit margin

Gross profit decreased slightly to RMB44.9 million in Q3 FY2012 from RMB45.9 million in Q3 FY2011. The decrease was mainly due to lower average gross profit margin partially offset by higher revenue.

Average gross profit margin decreased to 24.9% in Q3 FY2012 from 27.6% in Q3 FY2011. The decrease was mainly attributed to higher sales in the PRC of the lower margin smaller STT series towercranes and depreciation of the new manufacturing facilities in the PRC, Fushun City.

#### Other operating income

Other operating income increased to RMB1.7 million in Q3 FY2012 mainly due to government grants received and gain on disposal of plant and equipment during the financial period.

#### Operating expenses

Total operating expenses decreased to RMB40.1 million in Q3 FY2012 as compared to RMB45.0 million in Q3 FY2011.

Distribution costs decreased to RMB12.8 million in Q3 FY2012 as freight and transportation cost and commission for the PRC market is lower.

Administrative expenses decreased slightly to RMB19.0 million in Q3 FY2012 mainly due to lower office expenses and professional fees partly offset by higher employee benefits costs incurred.

Other operating expenses decreased to RMB4.0 million in Q3 FY2012 as there was no provision of inventory obsolescence and impairment of property, plant and equipment during the financial period. This decrease was partly offset by provision for doubtful debts and increase in exchange loss from the weakening of Singapore dollar against Chinese Yuan.

Finance costs increased to RMB4.4 million in Q3 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") (as announced on 8 November 2011) following the additional investment by our 25% associated company, 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 RMB1.5 million in Q3 FY2012 from RMB0.6 million in Q3 FY2011 mainly due to lower utilisation of the rental fleet in BJTHZM and Sichuan Tat Hong Yuanzheng Machinery Construction Co., Ltd. ("SCTHYZ") coupled with higher operating cost from transportation, materials and employee benefits costs.

#### Taxation

Income tax expenses increased to RMB2.6 million in Q3 FY2012 in line with the higher profit before taxation for the financial period. The lower effective tax rate in Q3 FY2012 was mainly due to higher losses incurred in Wuxi Yongmao Tower Crane Co., Ltd. ("Wuxi Yongmao") in Q3 FY2011.

**Profit before taxation and Net profit/(loss) attributable to equity holders of the Company**

Profit before taxation increased to RMB4.2 million in Q3 FY2012 from RMB1.0 million in Q3 FY2011 and net profit attributable to equity holders of the Company increased to RMB3.9 million in Q3 FY2012 from a loss of RMB0.3 million in Q3 FY2011. This was mainly due to higher revenue and lower operating expenses incurred during the financial period partly offset by lower average gross profit margin, higher share of losses of associated companies and the loss on dilution of investments in associated companies.

**Nine Months FY2012 ("9M FY2012") vs Nine Months FY2011 ("9M FY2011")****Revenue**

Group revenue increased 23.7% to RMB529.9 million in 9M FY2012 as compared to RMB428.3 million in 9M FY2011 mainly from improvement in Asia (outside the PRC) and the PRC sales by 65.2% and 27.1% respectively as compared to 9M FY2011. Overall, Asia (outside the PRC) and the PRC sales formed 93.6% of revenue in 9M FY2012, up from 86.6% in 9M FY2011.

**Gross profit and gross profit margin**

Gross profit increased to RMB147.0 million in 9M FY2012 from RMB112.8 million in 9M FY2011. The increase was mainly due to higher revenue and average gross profit margin.

Average gross profit margin increased to 27.7% in 9M FY2012 from 26.3% in 9M 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 increased to RMB3.7 million in 9M FY2012 mainly due to higher interest income, gain on disposal of property, plant and equipment and sale of scrap material. This was partly offset by lower government grants received during the financial period.

**Operating expenses**

Total operating expenses increased to RMB116.4 million in 9M FY2012 as compared to RMB104.2 million in 9M FY2011.

Administrative expenses increased to RMB53.6 million in 9M FY2012 mainly due to higher employee benefits costs incurred offset slightly by lower professional fees and depreciation expenses.

Other operating expenses decreased to RMB6.5 million in 9M FY2012 as there was no provision of inventory obsolescence and impairment of property, plant and equipment during the financial period. This decrease was partly offset by provision for doubtful debts and increase in exchange loss from the weakening of Singapore dollar against Chinese Yuan.

Finance costs increased to RMB13.2 million in 9M 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 (as announced on 8 November 2011) following the additional investment by our 25% associated company, 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 results of associated companies decreased to a loss of RMB1.0 million in 9M FY2012 from a profit of RMB2.1 million in 9M FY2011 mainly due to lower utilisation of the rental fleet in BJTHZM and SCTHYZ coupled with higher operating cost from transportation, materials and employee benefits costs.

**Taxation**

Income tax expense increased to RMB9.2 million in 9M FY2012 in line with the higher profit before taxation for the financial period. The lower effective tax rate in 9M FY2012 was mainly due to higher losses incurred in Wuxi Yongmao in 9M FY2011.

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

Profit before taxation increased to RMB30.9 million in 9M FY2012 from RMB13.6 million in 9M FY2011 and net profit attributable to equity holders of the Company increased to RMB24.4 million in 9M FY2012 from RMB6.8 million in 9M FY2011. This was mainly due to higher revenue and average gross profit margin partly offset by higher operating expenses, share of losses 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 RMB51.7 million to RMB436.2 million as at 31 December 2011 mainly due to increase in deferred costs and purchase of property, plant and equipment for the new manufacturing facilities during the financial period. This increase was partly offset by depreciation and amortisation expenses charged for the financial 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 decreased by RMB12.6 million to RMB816.1 million as at 31 December 2011 mainly due to lower inventories, trade and other receivables and deferred costs. This was partly offset by increase in amounts owing by associated companies.

Inventories decreased by RMB26.5 million from lower purchases of raw materials as a result of the Group's efforts to reduce inventory.

Trade and other receivables decreased by RMB25.2 million mainly due to decrease in trade receivables resulted from more prompt payments from customers and reduction in advance payments made to suppliers.

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 financial period and slower repayment by related parties.

### Non-current Liabilities

Non-current liabilities increased by RMB20.0 million to RMB99.5 million as at 31 December 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 decreased by RMB2.1 million to RMB629.2 million as at 31 December 2011 mainly due to decrease in trade and other payables and amounts owing to related parties. This was offset by the increase in bank borrowings used for working capital of the Group and deferred income.

Trade and other payables decreased due to more prompt payments to suppliers and lower purchases of raw materials.

Amounts owing to related parties decreased due to repayments to related parties.

Deferred income included RMB113.1 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.

### Total Equity

As at 31 December 2011, the total equity amounted to RMB523.7 million. The increase was mainly due to net profit of RMB21.7 million for the financial period.

## REVIEW OF CASHFLOW STATEMENT

### **Third Quarter FY2012 (“Q3 FY2012”) vs Third Quarter FY2011 (“Q3 FY2011”)**

The Group reported a net increase in cash and cash equivalents amounting to RMB19.6 million in Q3 FY2012 mainly due to:

- a) Net cash generated from operating activities in Q3 FY2012 of RMB33.2 million mainly from the decrease in operating receivables due to more prompt payments from customers; partly offset by decrease in operating payables from more prompt payments to suppliers and lower purchases of raw materials; and
- b) Net cash used in financing activities in Q3 FY2012 from repayment to related parties and higher restricted bank balances.

### **Nine Months FY2012 (“9M FY2012”) vs Nine Months FY2011 (“9M FY2011”)**

The Group reported a net increase in cash and cash equivalents amounting to RMB24.1 million in 9M FY2012 mainly due to:

- a) Net cash generated from financing activities in 9M FY2012 from higher bank borrowings and lower restricted bank balances;
- b) Net cash used in operating activities in 9M FY2012 of RMB19.8 million mainly from decrease in operating payables due to more prompt payments to suppliers and lower purchases of raw materials; and
- c) Net cash used in investing activities from the purchase of property, plant and equipment for the new factory.

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

NA

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

The global economic environment remains uncertain and this will continue to affect our sales activities in our key markets. The Chinese government had imposed cooling measures in the property sector in the PRC. Any appreciation of the Chinese Yuan against the US Dollars coupled with potentially higher operating and raw material costs may have a negative impact to our margins.

### **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 Q3 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 Q3 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 31 Dec 2011	3 months ended 31 Dec 2010	9 months ended 31 Dec 2011	9 months ended 31 Dec 2010	3 months ended 31 Dec 2011	3 months ended 31 Dec 2010	9 months ended 31 Dec 2011	9 months ended 31 Dec 2010
	(Q3 FY2012) RMB'000	(Q3 FY2011) RMB'000	(9M FY2012) RMB'000	(9M FY2011) RMB'000	(Q3 FY2012) RMB'000	(Q3 FY2011) RMB'000	(9M FY2012) RMB'000	(9M 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)	-	-	-	-	14,409	13	19,162	16,368
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械工程有限公司)	-	-	-	-	10,010	28,965	33,280	53,912
Shanghai Zhaomao Engineering Machinery Co., Ltd. (上海兆茂工程机械有限公司)	-	5,316	1,179	5,316	-	-	-	-
<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)	-	-	-	-	218	5,311	5,862	28,795
Sichuan Tat Hong Yuanzheng Machinery Construction Co., Ltd. (四川达丰元正机械工程有限公司)	-	-	-	-	-	7,016	488	16,868
<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	4,500	4,500	-	-	-	-
Fushun Engineering Machinery Manufacturing Co., Ltd. (抚顺工程机械制造有限公司)	200	900	2,000	2,700	-	-	-	-

**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 are based on the geographical location of customers. Segment information by business segments is not presented as the Group's business relates mainly to the manufacture and sales of towercranes and towercrane components.

Revenue	Asia, Middle East & Others (excluding PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
<b>FY2012</b>				
Q3	38,208	13,767	128,294	180,269
9M	119,435	25,904	384,571	529,910
<b>FY2011</b>				
Q3	37,191	18,531	110,439	166,161
9M	80,017	45,685	302,634	428,336

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 nine months ended 31 December 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 February 2012