

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

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

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 financial period ended 30 September 2012. These figures have not been audited.

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2012 (Q2 FY2013)	3 months ended 30 Sept 2011 (Q2 FY2012)	Increase/ (Decrease)	6 months ended 30 Sept 2012 (First Half FY2013)	6 months ended 30 Sept 2011 (First Half FY2012)	Increase/ (Decrease)
Revenue	181,195	138,311	31.0	359,814	349,641	2.9
Cost of sales	(133,849)	(101,648)	31.7	(270,709)	(247,552)	9.4
Gross profit	47,346	36,663	29.1	89,105	102,089	(12.7)
Other operating income	698	1,243	(43.8)	1,254	1,937	(35.3)
Distribution costs	(17,051)	(10,946)	55.7	(28,929)	(30,325)	(4.6)
Administrative expenses	(17,884)	(15,349)	16.5	(34,113)	(34,600)	(1.4)
Other operating expenses	2,351	(1,557)	NM	2,410	(2,579)	NM
Finance costs	(5,444)	(4,581)	18.8	(10,788)	(8,730)	23.6
Total operating expenses	(38,028)	(32,433)	17.3	(71,420)	(76,234)	(6.3)
Profit from operations	10,016	5,473	83.0	18,939	27,792	(31.9)
Effect on dilution of investments in associated companies	-	(1,530)	NM	-	(1,530)	NM
Share of results of associated companies, net of tax	1,759	(821)	NM	2,835	491	477.4
Gain on disposal of a subsidiary	297	-	NM	297	-	NM
Profit before taxation	12,072	3,122	286.7	22,071	26,753	(17.5)
Taxation	(3,504)	(1,050)	233.7	(6,017)	(6,608)	(8.9)
Net profit for the period	8,568	2,072	313.5	16,054	20,145	(20.3)
Attributable to:						
Equity holders of the Company	8,433	2,968	184.1	14,524	20,420	(28.9)
Non-controlling interests	135	(896)	NM	1,530	(275)	NM
Net profit for the period	8,568	2,072	313.5	16,054	20,145	(20.3)

NM: Not Meaningful

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2012 (Q2 FY2013)	3 months ended 30 Sept 2011 (Q2 FY2012)	Increase/ (Decrease)	6 months ended 30 Sept 2012 (First Half FY2013)	6 months ended 30 Sept 2011 (First Half FY2012)	Increase/ (Decrease)
Net profit for the period	8,568	2,072	313.5	16,054	20,145	(20.3)
Other comprehensive income/(loss):						
Exchange translation difference	1,580	39	NM	1,063	(2)	NM
Other comprehensive income/(loss) for the period, net of tax	1,580	39	NM	1,063	(2)	NM
Total comprehensive income for the period	10,148	2,111	380.7	17,117	20,143	(15.0)
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	10,013	3,007	233.0	15,587	20,418	(23.7)
Non-controlling interests	135	(896)	NM	1,530	(275)	NM
Total comprehensive income for the period	10,148	2,111	380.7	17,117	20,143	(15.0)

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 2012 (Q2 FY2013)	3 months ended 30 Sept 2011 (Q2 FY2012)	Increase/ (Decrease)	6 months ended 30 Sept 2012 (First Half FY2013)	6 months ended 30 Sept 2011 (First Half FY2012)	Increase/ (Decrease)
Amortisation of intangible assets	108	108	-	216	216	-
Depreciation of property, plant and equipment	5,908	1,775	232.8	11,583	4,586	152.6
Exchange (gain)/loss	(2,437)	1,457	NM	(2,589)	2,053	NM
Gain on disposal of property, plant and equipment	-	(112)	NM	(18)	(112)	(83.9)
Interest income	(356)	(477)	(25.4)	(671)	(631)	6.3
Interest expense	5,444	4,581	18.8	10,788	8,730	23.6
Operating lease rentals	2,962	4,423	(33.0)	6,082	8,943	(32.0)

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 2012	31 Mar 2012	30 Sept 2012	31 Mar 2012
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	356,496	342,730	-	-
Intangible assets	748	964	-	-
Subsidiaries	-	-	288,126	304,683
Associated companies	57,918	46,088	13,500	13,500
Trade and other receivables	1,124	789	-	-
Deferred costs	37,805	41,587	-	-
Deferred tax assets	22,688	12,581	-	-
	476,779	444,739	301,626	318,183
Current				
Inventories	309,517	353,863	-	-
Trade and other receivables	217,936	183,690	104	189
Deferred costs	55,105	40,189	-	-
Amounts owing by subsidiaries	-	-	36,682	36,871
Amounts owing by related parties	190,794	108,190	17,056	-
Amounts owing by corporate shareholders of subsidiaries	6,612	6,616	-	-
Amounts owing by associated companies	1,746	3,248	-	-
Cash and cash equivalents	111,658	119,678	1,750	3,633
	893,368	815,474	55,592	40,693
TOTAL ASSETS	1,370,147	1,260,213	357,218	358,876
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	165,359	149,772	35,261	36,088
Equity attributable to equity holders of the Company	477,843	462,256	347,745	348,572
Non-controlling interests	20,445	18,915	-	-
TOTAL EQUITY	498,288	481,171	347,745	348,572
LIABILITIES				
Non-current				
Bank borrowings	14,818	705	-	-
Deferred income	51,940	56,516	-	-
Deferred tax liabilities	9,392	8,847	7,874	7,874
Trade and other payables	30,875	32,550	-	-
	107,025	98,618	7,874	7,874
Current				
Trade and other payables	286,414	281,049	1,599	2,406
Bank borrowings	294,299	263,256	-	-
Deferred income	80,258	59,701	-	-
Amounts owing to related parties	65,953	47,621	-	-
Amounts owing to corporate shareholders of subsidiaries	27,569	26,215	-	-
Amounts owing to associated companies	921	832	-	-
Current tax payable	9,420	1,750	-	24
	764,834	680,424	1,599	2,430
TOTAL EQUITY AND LIABILITIES	1,370,147	1,260,213	357,218	358,876

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 Sept 2012		As at 31 March 2012	
Secured ⁽¹⁾	Unsecured ⁽²⁾	Secured ⁽¹⁾	Unsecured ⁽²⁾
RMB'000	RMB'000	RMB'000	RMB'000
294,299	37,068	263,256	31,715

Amount repayable after one year

As at 30 Sept 2012		As at 31 March 2012	
Secured ⁽¹⁾	Unsecured	Secured ⁽¹⁾	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
14,818	-	705	-

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

The secured loans include the following:

- a) RMB90.0 million (31 March 2012 – 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) RMB69.9 million (31 March 2012 – RMB53.0 million) bank borrowings and trust receipts granted to Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd. ("Beijing Yongmao").
- c) RMB20.0 million (31 March 2012 – RMB50.0 million) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao and a director of the Company.
- d) RMB30.0 million (31 March 2012 – RMB30.0 million) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by the Company.
- e) RMB61.0 million (31 March 2012 – RMB40.0 million) bank borrowings granted to Fushun Yongmao. These bank borrowings are guaranteed by Beijing Yongmao and certain directors of the Company.
- f) RMB18.7 million (31 March 2012 – RMB Nil) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by certain directors of the Company.
- g) RMB0.9 million (31 March 2012 – RMB0.9 million) in respect of motor vehicles acquired under finance leases.
- h) RMB18.6 million (31 March 2012 – RMB Nil) bank borrowings granted to Yongmao Machinery (H.K.) Company Limited in respect of towercranes 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) RMB24.4 million (31 March 2012 – RMB24.5 million), of which RMB18.4 million (31 March 2012 – 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 2012 – RMB5.7 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 2012 – RMB1.5 million), interest-free, was from a third party arising from the restructuring and closure of Wuxi Yongmao Tower Crane Co., Ltd. ("Wuxi Yongmao").
- d) RMB7.0 million (31 March 2012 – RMB Nil), interest-free, was from a 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 2012 (Q2 FY2013)	3 months ended 30 Sept 2011 (Q2 FY2012)	6 months ended 30 Sept 2012 (First Half FY2013)	6 months ended 30 Sept 2011 (First Half FY2012)
Cash flow from operating activities				
Profit before taxation	12,072	3,122	22,071	26,753
Adjustments for:				
Share of results of associated companies	(1,759)	821	(2,835)	(491)
Unrealised profits from sale of towercranes and towercrane accessories to associated companies	(295)	(7,160)	(590)	(5,470)
Amortisation of intangible assets	108	108	216	216
Depreciation of property, plant and equipment	5,908	1,775	11,583	4,586
Gain on disposal of property, plant and equipment	-	(112)	(18)	(112)
Gain on disposal of a subsidiary	(297)	-	(297)	-
Effect on dilution of investments in associated companies	-	1,530	-	1,530
Interest expense	5,444	4,581	10,788	8,730
Interest income	(356)	(477)	(671)	(631)
Operating profit before working capital changes	20,825	4,188	40,247	35,111
Decrease in inventories	26,364	3,215	27,613	2,063
Increase in deferred costs	(10,413)	(9,252)	(11,134)	(34,564)
(Increase)/decrease in operating receivables	(32,848)	66,398	(98,517)	(32,720)
Decrease in operating payables	(29,394)	(64,395)	(1,886)	(49,012)
Increase in deferred income	14,319	7,946	16,716	48,433
Cash (used in)/generated from operations	(11,147)	8,100	(26,961)	(30,689)
Interest paid	(4,027)	(3,907)	(9,274)	(8,516)
Tax paid	(709)	(5,769)	(7,924)	(10,930)
Net cash used in operating activities	(15,883)	(1,576)	(44,159)	(50,135)
Cash flow from investing activities				
Purchase of property, plant and equipment	(2,922)	(25,914)	(8,106)	(42,107)
Investment in an associated company	(7,395)	-	(7,395)	-
Disposal of a subsidiary, net of cash disposed of (Note A)	(281)	-	(281)	-
Proceeds from disposal of property, plant and equipment	161	345	294	345
Interest received	356	477	671	631
Net cash used in investing activities	(10,081)	(25,092)	(14,817)	(41,131)
Cash flow from financing activities				
Bank borrowings (repaid)/obtained	(11,383)	9,219	45,253	59,219
Repayment to finance lease creditors	(61)	(57)	(118)	(120)
Restricted bank balances	4,026	27,368	2,637	21,537
Advances from/(repayment to) associated companies	-	-	89	(4,002)
Advances from/(repayment to) related parties	5,939	(5,554)	5,526	15,736
Advances from corporate shareholders of subsidiaries	4	3,183	4	3,356
Net cash (used in)/generated from financing activities	(1,475)	34,159	53,391	95,726
Net (decrease)/increase in cash and cash equivalents	(27,439)	7,491	(5,585)	4,460
Cash and cash equivalents at beginning of period	91,331	46,198	69,490	49,214
Exchange adjustments	215	(118)	202	(103)
Cash and cash equivalents at end of period	64,107	53,571	64,107	53,571

	Group	
	RMB'000 30 Sept 2012	RMB'000 30 Sept 2011
<u>Analysis of cash and cash equivalents</u>		
Cash on hand	153	193
Bank balances	111,505	78,475
	<hr/> 111,658	<hr/> 78,668
Restricted bank balances	(47,551)	(25,097)
	<hr/> 64,107	<hr/> 53,571

Note A. Disposal of a subsidiary

Further to the announcement dated 30 July 2012, the Group has completed the disposal of a subsidiary, Jiangsu Hengxingmao Financial Leasing Co., Ltd. ("JSHXM") during the financial period.

The value of assets and liabilities of JSHXM and the cash flow effect of the disposal were:

	RMB'000
Cash and cash equivalents	281
Trade and other receivables	16,229
Total assets	<hr/> 16,510
Trade and other payables	(32)
Total liabilities	<hr/> (32)
Net assets derecognised	<hr/> 16,478
Gain on disposal	297
Sales proceeds from disposal	<hr/> 16,775
Less: Cash and cash equivalents in subsidiary disposed of	(281)
Net cash inflow on disposal	<hr/> 16,494
Less: Sales proceeds receivable	(16,775)
Net cash outflow on disposal	<hr/> (281)

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	Statutory common reserve	Retained profits	Exchange fluctuation reserve	Total attributable to equity holders of the Company	Non-controlling 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 2012	312,484	(26,769)	42,547	133,404	590	462,256	18,915	481,171
Total comprehensive income/(expense) for the period	-	-	-	6,091	(517)	5,574	1,395	6,969
Transfer to statutory common reserve	-	-	806	(806)	-	-	-	-
Balance as at 30 Jun 2012	312,484	(26,769)	43,353	138,689	73	467,830	20,310	488,140
Total comprehensive income for the period	-	-	-	8,433	1,580	10,013	135	10,148
Transfer to statutory common reserve	-	-	3,114	(3,114)	-	-	-	-
Balance as at 30 Sept 2012	312,484	(26,769)	46,467	144,008	1,653	477,843	20,445	498,288
Previous year:								
Balance as at 1 Apr 2011	312,484	(26,769)	34,926	156,935	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)	-	-	-	-
Balance as at 30 Jun 2011	312,484	(26,769)	37,545	171,768	(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)	-	-	-	-
Balance as at 30 Sept 2011	312,484	(26,769)	37,655	174,626	28	498,024	24,632	522,656

Company	Share capital	Retained profits	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Current year:				
Balance as at 1 Apr 2012	312,484	36,088	-	348,572
Total comprehensive expense for the period	-	(666)	-	(666)
Balance as at 30 Jun 2012	312,484	35,422	-	347,906
Total comprehensive expense for the period	-	(161)	-	(161)
Balance as at 30 Sept 2012	312,484	35,261	-	347,745

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

- 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 2012. As at 30 September 2012, 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 Sept 2012	31 March 2012
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 2012 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 2012.

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) RMB'000		Group (First Half) RMB'000	
	3 months ended 30 Sept 2012 (Q2 FY2013)	3 months ended 30 Sept 2011 (Q2 FY2012)	6 months ended 30 Sept 2012 (First Half FY2013)	6 months ended 30 Sept 2011 (First Half FY2012)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	8,433	2,968	14,524	20,420
Weighted average no. of shares used in computation of basic earning per shares	443,750,000	443,750,000	443,750,000	443,750,000
Earnings per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	1.90	0.67	3.27	4.60
(b) On a fully diluted basis	1.90	0.67	3.27	4.60

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 2012	31 March 2012	30 Sept 2012	31 March 2012
Net asset value per ordinary share (RMB cents)	107.68	104.17	78.37	78.55

Net asset value per share for the Group and the Company for 30 September 2012 and 31 March 2012 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 FY2013 ("Q2 FY2013") vs Second Quarter FY2012 ("Q2 FY2012")

Revenue

Group revenue increased 31.0% to RMB181.2 million in Q2 FY2013 as compared to RMB138.3 million in Q2 FY2012 mainly from improvement in Asia (outside the PRC) sales by 235.6% as a result of stronger demand. Overall, PRC sales still formed the bulk of the turnover of the Group, amounting to 61.0% of revenue in Q2 FY2013 as compared to 81.8% of revenue in Q2 FY2012.

Gross profit and gross profit margin

Gross profit increased to RMB47.3 million in Q2 FY2013 from RMB36.7 million in Q2 FY2012. The increase was mainly due to higher revenue partly offset by slightly lower average gross profit margin.

Average gross profit margin decreased to 26.1% in Q2 FY2013 from 26.5% in Q2 FY2012. The decrease was mainly attributed to lower sales of higher margin Luffing series towercranes and higher manufacturing overhead due to depreciation of the new manufacturing facilities in the PRC, Fushun City which commenced from second half of FY2012. This was partly offset by higher sales of the higher margin STT series towercranes in Asia (outside the PRC).

Other operating income

Other operating income decreased to RMB0.7 million in Q2 FY2013 mainly due to decrease in sale of scrap materials and interest income.

Operating expenses

Total operating expenses increased to RMB38.0 million in Q2 FY2013 as compared to RMB32.4 million in Q2 FY2012.

Administrative expenses increased to RMB17.9 million in Q2 FY2013 mainly due to increase in employee benefits costs and depreciation expenses.

Distribution costs increased to RMB17.1 million in Q2 FY2013 as freight and transportation cost, employee benefits costs and commission increased in line with the higher sales. The increase was partly offset by lower rental expenses.

Other operating expenses decreased to a credit balance of RMB2.4 million in Q2 FY2013 from a debit balance of RMB1.6 million in Q2 FY2012 mainly due to exchange gain from the strengthening of Singapore dollars against China Yuan.

Finance costs increased to RMB5.4 million in Q2 FY2013 due to higher bank borrowings.

Effect on dilution of investments in associated companies

The effect on dilution of investments in associated companies in 2Q FY2012 was resulted from the enlarged capital of our associated company, BJTHZM, following the additional investment by Tat Hong Zhaomao Investment Co., Ltd. ("THZMI") 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 increased to a profit of RMB1.8 million in Q2 FY2013 from a loss of RMB0.8 million in Q2 FY2012 mainly due to contributions from higher profitability companies funded by new investments by THZMI in its associated companies.

Gain on disposal of a subsidiary

Gain on disposal of a subsidiary was resulted from the sale of JSHXM (see Note A of the Consolidated Statements of Cash Flows).

Taxation

Income tax expenses increased to RMB3.5 million in Q2 FY2013 in line with the higher profit for the period.

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

Profit before taxation increased to RMB12.1 million in Q2 FY2013 from RMB3.1 million in Q2 FY2012 and net profit attributable to equity holders of the Company increased to RMB8.4 million in Q2 FY2013 from RMB3.0 million in Q2 FY2012. This was mainly due to higher revenue and share of profits of associated companies partly offset by lower average gross profit margin, higher operating expenses and income tax expense for the period.

First Half FY2013 ("1H FY2013") vs First Half FY2012 ("1H FY2012")**Revenue**

Group revenue increased 2.9% to RMB359.8 million in 1H FY2013 as compared to RMB349.6 million in 1H FY2012 mainly from improvement in Asia (outside the PRC) sales by 39.5% as compared to 1H FY2012. Overall, PRC sales still formed the bulk of the turnover of the Group, amounting to 66.5% of revenue in 1H FY2013 as compared to 73.3% of revenue in 1H FY2012.

Gross profit and gross profit margin

Gross profit decreased to RMB89.1 million in 1H FY2013 from RMB102.1 million in 1H FY2012. The decrease was mainly due to lower average gross profit margin despite the slight increase in revenue.

Average gross profit margin decreased to 24.8% in 1H FY2013 from 29.2% in 1H FY2012. The decrease was mainly attributed to lower sales of higher margin Luffing series towercranes and higher manufacturing overhead due to depreciation of the new manufacturing facilities in the PRC, Fushun City which commenced from second half of FY2012. In addition, there were higher sales in the PRC of the lower margin ST series towercranes and the smaller STT series towercranes in Q1 FY2013.

Other operating income

Other operating income decreased to RMB1.3 million in 1H FY2013 mainly due to decrease in sale of scrap materials.

Operating expenses

Total operating expenses decreased to RMB71.4 million in 1H FY2013 as compared to RMB76.2 million in 1H FY2012.

Distribution costs decreased to RMB28.9 million in 1H FY2013 mainly due to lower rental expenses and freight and transportation cost as more sales were on ex-factory terms.

Other operating expenses decreased to a credit balance of RMB2.4 million in 1H FY2013 from a debit balance of RMB2.6 million in 1H FY2012 mainly due to exchange gain from the strengthening of Singapore dollars against China Yuan.

Finance costs increased to RMB10.8 million in 1H FY2013 due to higher bank borrowings.

Effect on dilution of investments in associated companies

The effect on dilution of investments in associated companies in 1H FY2012 was resulted from the enlarged capital of our associated company, BJTHZM, following the additional investment by THZMI 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 increased to RMB2.8 million in 1H FY2013 from RMB0.5 million in 1H FY2012 mainly due to contributions from higher profitability companies funded by new investments by THZMI in its associated companies.

Gain on disposal of a subsidiary

Gain on disposal of a subsidiary was resulted from the sale of JSHXM (see Note A of the Consolidated Statements of Cash Flows).

Taxation

Income tax expense decreased to RMB6.0 million in 1H FY2013 in line with the lower profit for the period.

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

Profit before taxation decreased to RMB22.1 million in 1H FY2013 from RMB26.8 million in 1H FY2012 and net profit attributable to equity holders of the Company decreased to RMB14.5 million in 1H FY2013 from RMB20.4 million in 1H FY2012. This was mainly due to lower average gross profit margin partly offset by higher revenue, lower operating expenses and higher share of profits of associated companies.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB32.0 million to RMB476.8 million as at 30 September 2012 mainly due to increase in investments in THZMI, increase in deferred tax assets 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 and decreased in the non-current portion of deferred costs.

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

Deferred tax assets arose mainly from the increase in deferred revenue and elimination of unrealised profits in intragroup and associated company sales.

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

Current Assets

Current assets increased by RMB77.9 million to RMB893.4 million as at 30 September 2012 mainly due to higher trade and other receivables, amounts owing by related parties and the current portion deferred costs. This was partly offset by lower inventory.

Trade and other receivables increased by RMB34.2 million mainly due to higher trade receivables resulted from slower payments from customers and increased in advance payments made to suppliers.

Amounts owing by related parties increased by RMB82.6 million mainly due to higher sales during the financial period. The balance of RMB190.8 million as at 30 September 2012 also included the sales proceeds receivable for the sale of JSHXM.

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

Inventories decreased by RMB44.3 million as a result of the Group's continued efforts to reduce inventory.

Non-current Liabilities

Non-current liabilities increased by RMB8.4 million to RMB107.0 million as at 30 September 2012 mainly due to increase in bank borrowings used for the working capital of the Group.

Current Liabilities

Current liabilities increased by RMB84.4 million to RMB764.8 million as at 30 September 2012 mainly due to increase in bank borrowings used for working capital of the Group, the current portion of deferred income, amounts owing to related parties and trade payables.

Deferred income included mainly RMB123.9 million of revenue deferred due to uncertainty to the timing of the consideration for the delivery of goods made to the customer. Owing to the uncertainty, the amount of the unpaid sum owing by the customer to the financial institution is deferred and recognised as revenue when the uncertainty is removed. The deferred costs, as explained under non-current and current assets above, related to the amount carried in the statement of financial position to the extent that revenue has been deferred. Increase in deferred income and deferred costs were mainly due to the increase in such sales.

Amounts owing to related parties increased due to advances from related parties.

Trade payables increased mainly due to slower payments to suppliers. This was offset by lower advance payments received from customers.

Total Equity

As at 30 September 2012, the total equity amounted to RMB498.3 million. The increase was mainly due to net profits of RMB16.1 million for 1H FY2013.

REVIEW OF CASHFLOW STATEMENT

Second Quarter FY2013 (“Q2 FY2013”) vs Second Quarter FY2012 (“Q2 FY2012”)

The Group reported a net decrease in cash and cash equivalents amounting to RMB27.4 million in Q2 FY2013 mainly due to:

- a) Net cash used in operating activities in Q2 FY2013 of RMB15.9 million mainly from the increase in operating receivables due to slower payments from customers and decrease in advance payments from customers. This was partly offset by decrease in inventories due to lower purchases of raw materials;
- b) Net cash used in investing activities from investment in an associated company and purchase of property, plant and equipment for the new manufacturing facilities; and
- c) Net cash used in financing activities of RMB1.5 million mainly from higher bank borrowings offset by advances from related parties and lower restricted bank balances.

First Half FY2013 (“1H FY2013”) vs First Half FY2012 (“1H FY2012”)

The Group reported a net decrease in cash and cash equivalents amounting to RMB5.6 million in 1H FY2013 mainly due to:

- a) Net cash used in operating activities in 1H FY2013 of RMB44.2 million mainly from increase in operating receivables due to slower payments from customers and decrease in advance payments from customers. This was partly offset by decrease in inventories due to lower purchases of raw materials;
- b) Net cash used in investing activities from investment in an associated company and purchase of property, plant and equipment for the new manufacturing facilities; and
- c) Net cash generated from financing activities in 1H FY2012 from higher bank borrowings, advances from related parties and lower restricted bank balances.

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 Eurozone debt crisis, the uncertain economic recovery in the United States and the cooling of the PRC economy has created uncertainty in the global economic environment and this will continue to affect our sales activities in our key markets.

The uncertain economic situation of the PRC's property market coupled with price competition has affected the demand for smaller size towercranes and has a negative impact to our gross margin.

Any appreciation of the Chinese Yuan against the US Dollars and Singapore 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 Q2 FY2013.

(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 FY2012.

(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 2012 (Q2 FY2013) RMB'000	3 months ended 30 Sept 2011 (Q2 FY2012) RMB'000	6 months ended 30 Sept 2012 (First Half FY2013) RMB'000	6 months ended 30 Sept 2011 (First Half FY2012) RMB'000	3 months ended 30 Sept 2012 (Q2 FY2013) RMB'000	3 months ended 30 Sept 2011 (Q2 FY2012) RMB'000	6 months ended 30 Sept 2012 (First Half FY2013) RMB'000	6 months ended 30 Sept 2011 (First Half FY2012) 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)	-	-	-	-	42,969	3,170	68,802	4,753
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械工程有限公司)	-	-	-	-	16,576	10,826	41,814	23,270
Shanghai Zhaomao Engineering Machinery Co., Ltd. (上海兆茂工程机械有限公司)	-	-	-	1,179	-	-	-	-
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)	-	-	-	-	(1,530) ¹	2,343	(1,530) ¹	5,644
Sichuan Tat Hong Yuanzheng Machinery Construction Co., Ltd. (四川达丰元正机械工程有限公司)	-	-	-	-	-	-	-	488
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	1,500	3,000	3,000	-	-	-	-
Fushun Engineering Machinery Manufacturing Co., Ltd. (抚顺工程机械制造有限公司)	-	900	-	1,800	-	-	-	-

Note 1: Reclassification of sales to Shanghai Tat Hong Equipment Rental Co., Ltd. (上海达丰机械租赁有限公司) in respect of previous year

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 2012 (Q2 FY2013) RMB'000	3 months ended 30 Sept 2011 (Q2 FY2012) RMB'000	6 months ended 30 Sept 2012 (First Half FY2013) RMB'000	6 months ended 30 Sept 2011 (First Half FY2012) RMB'000	3 months ended 30 Sept 2012 (Q2 FY2013) RMB'000	3 months ended 30 Sept 2011 (Q2 FY2012) RMB'000	6 months ended 30 Sept 2012 (First Half FY2013) RMB'000	6 months ended 30 Sept 2011 (First Half FY2012) RMB'000
Investment in associated company								
Tat Hong Zhaomao Investment Co., Ltd. (达丰兆茂投资有限公司) ²	7,396	-	7,396	-	-	-	-	-
Investment by Tat Hong Zhaomao Investment Co., Ltd in								
Shanghai Tat Hong Equipment Rental Co., Ltd. (上海达丰机械租赁有限公司) ³	1,277	-	1,277	-	-	-	-	-
Jiangsu Zhongjian Tathong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司) ⁴	2,540	-	2,540	-	-	-	-	-
Disposal of a subsidiary to a related party⁵								
Tat Hong Equipment (China) Pte Ltd	16,775	-	16,775	-	-	-	-	-

Note 2: See our Announcement dated 28 August 2012

Note 3: See our Announcement dated 24 July 2012

Note 4: See our Announcement dated 6 September 2012

Note 5: See Note A of the Consolidated Statement of Cash Flows and our Announcement dated 30 July 2012

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	Middle East & Others RMB'000	Asia (outside the PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
FY2013					
Q2	1,555	63,488	5,548	110,604	181,195
1H	5,361	107,153	7,853	239,447	359,814
FY2012					
Q2	473	18,917	5,812	113,109	138,311
1H	4,408	76,820	12,137	256,276	349,641

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.**

See Paragraph 8.

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 (\$\$)	Previous Full Year (\$\$)
Ordinary	-	-
Preference	-	-
Total:	-	-

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 2012 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
9 November 2012