

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 31 December 2012. These figures have not been audited.

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2012 (Q3 FY2013)	3 months ended 31 Dec 2011 (Q3 FY2012)	Increase/ (Decrease)	9 months ended 31 Dec 2012 (9M FY2013)	9 months ended 31 Dec 2011 (9M FY2012)	Increase/ (Decrease)
Revenue	182,258	180,269	1.1	542,072	529,910	2.3
Cost of sales	(137,081)	(135,363)	1.3	(407,790)	(382,915)	6.5
Gross profit	45,177	44,906	0.6	134,282	146,995	(8.6)
Other operating income	1,205	1,718	(29.9)	2,459	3,655	(32.7)
Distribution costs	(15,203)	(12,785)	18.9	(44,132)	(43,110)	2.4
Administrative expenses	(20,976)	(18,979)	10.5	(55,089)	(53,579)	2.8
Other operating expenses	(2,970)	(3,951)	(24.8)	(560)	(6,530)	(91.4)
Finance costs	(4,942)	(4,426)	11.7	(15,730)	(13,156)	19.6
Total operating expenses	(44,091)	(40,141)	9.8	(115,511)	(116,375)	(0.7)
Profit from operations	2,291	6,483	(64.7)	21,230	34,275	(38.1)
Effect on dilution of investments in associated companies	990	(799)	NM	990	(2,329)	NM
Share of results of associated companies, net of tax	(1,337)	(1,521)	(12.1)	1,498	(1,030)	NM
Gain on disposal of a subsidiary	-	-	-	297	-	NM
Profit before taxation	1,944	4,163	(53.3)	24,015	30,916	(22.3)
Taxation	(673)	(2,566)	(73.8)	(6,690)	(9,174)	(27.1)
Net profit for the period	1,271	1,597	(20.4)	17,325	21,742	(20.3)
Attributable to:						
Equity holders of the Company	2,089	3,944	(47.0)	16,613	24,364	(31.8)
Non-controlling interests	(818)	(2,347)	(65.1)	712	(2,622)	NM
Net profit for the period	1,271	1,597	(20.4)	17,325	21,742	(20.3)

NM: Not Meaningful

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2012 (Q3 FY2013)	3 months ended 31 Dec 2011 (Q3 FY2012)	Increase/ (Decrease)	9 months ended 31 Dec 2012 (9M FY2013)	9 months ended 31 Dec 2011 (9M FY2012)	Increase/ (Decrease)
Net profit for the period	1,271	1,597	(20.4)	17,325	21,742	(20.3)
Other comprehensive income:						
Exchange translation difference	83	41	102.4	1,146	39	NM
Other comprehensive income for the period, net of tax	83	41	102.4	1,146	39	NM
Total comprehensive income for the period	1,354	1,638	(17.3)	18,471	21,781	(15.2)
Total comprehensive income/(expense) attributable to:						
Equity holders of the Company	2,172	3,985	(45.5)	17,759	24,403	(27.2)
Non-controlling interests	(818)	(2,347)	(65.1)	712	(2,622)	NM
Total comprehensive income for the period	1,354	1,638	(17.3)	18,471	21,781	(15.2)

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 2012 (Q3 FY2013)	3 months ended 31 Dec 2011 (Q3 FY2012)	Increase/ (Decrease)	9 months ended 31 Dec 2012 (9M FY2013)	9 months ended 31 Dec 2011 (9M FY2012)	Increase/ (Decrease)
Amortisation of intangible assets	107	108	(0.9)	323	324	(0.3)
Depreciation of property, plant and equipment	7,163	5,072	41.2	18,746	9,658	94.1
Exchange loss	2,766	1,856	49.0	177	3,909	(95.5)
Gain on disposal of property, plant and equipment	(618)	(346)	78.6	(636)	(458)	38.9
Interest income	(350)	(189)	85.2	(1,021)	(820)	24.5
Interest expense	4,942	4,426	11.7	15,730	13,156	19.6
Operating lease rentals	2,880	2,950	(2.4)	8,962	11,893	(24.6)
Provision for doubtful debts	-	1,572	NM	-	1,572	NM
Overprovision of taxation in respect of prior years	-	(26)	NM	-	(26)	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	
	31 Dec 2012	31 Mar 2012	31 Dec 2012	31 Mar 2012
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	370,707	342,730	-	-
Intangible assets	641	964	-	-
Subsidiaries	-	-	288,126	304,683
Associated companies	57,449	46,088	13,500	13,500
Trade and other receivables	768	789	-	-
Deferred costs	31,647	41,587	-	-
Deferred tax assets	17,060	12,581	-	-
	<u>478,272</u>	<u>444,739</u>	<u>301,626</u>	<u>318,183</u>
Current				
Inventories	294,173	353,863	-	-
Trade and other receivables	203,459	183,690	155	189
Deferred costs	57,152	40,189	-	-
Amounts owing by subsidiaries	-	-	49,365	36,871
Amounts owing by related parties	184,443	108,190	1,789	-
Amounts owing by corporate shareholders of subsidiaries	399	6,616	-	-
Amounts owing by associated companies	1,289	3,248	-	-
Cash and cash equivalents	79,951	119,678	2,696	3,633
	<u>820,866</u>	<u>815,474</u>	<u>54,005</u>	<u>40,693</u>
TOTAL ASSETS	<u>1,299,138</u>	<u>1,260,213</u>	<u>355,631</u>	<u>358,876</u>
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	167,531	149,772	32,626	36,088
Equity attributable to equity holders of the Company	<u>480,015</u>	<u>462,256</u>	<u>345,110</u>	<u>348,572</u>
Non-controlling interests	19,627	18,915	-	-
TOTAL EQUITY	<u>499,642</u>	<u>481,171</u>	<u>345,110</u>	<u>348,572</u>
LIABILITIES				
Non-current				
Bank borrowings	13,515	705	-	-
Deferred income	43,792	56,516	-	-
Deferred tax liabilities	9,371	8,847	7,874	7,874
Trade and other payables	29,499	32,550	-	-
	<u>96,177</u>	<u>98,618</u>	<u>7,874</u>	<u>7,874</u>
Current				
Trade and other payables	277,176	281,049	2,647	2,406
Bank borrowings	276,386	263,256	-	-
Deferred income	83,741	59,701	-	-
Amounts owing to related parties	45,001	47,621	-	-
Amounts owing to corporate shareholders of subsidiaries	19,872	26,215	-	-
Amounts owing to associated companies	690	832	-	-
Current tax payable	453	1,750	-	24
	<u>703,319</u>	<u>680,424</u>	<u>2,647</u>	<u>2,430</u>
TOTAL EQUITY AND LIABILITIES	<u>1,299,138</u>	<u>1,260,213</u>	<u>355,631</u>	<u>358,876</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 2012		As at 31 March 2012	
Secured ⁽¹⁾	Unsecured ⁽²⁾	Secured ⁽¹⁾	Unsecured ⁽²⁾
RMB'000	RMB'000	RMB'000	RMB'000
276,386	18,355	263,256	31,715

Amount repayable after one year

As at 31 December 2012		As at 31 March 2012	
Secured ⁽¹⁾	Unsecured	Secured ⁽¹⁾	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
13,515	-	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) RMB70.0 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) RMB Nil (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) RMB59.0 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) RMB22.8 million (31 March 2012 – RMB Nil) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by certain directors of the Company.
- g) RMB0.8 million (31 March 2012 – RMB0.9 million) in respect of motor vehicles acquired under finance leases.
- h) RMB17.3 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) RMB18.4 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) RMB Nil (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..

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	RMB'000	RMB'000	RMB'000
	3 months ended	3 months ended	9 months ended	9 months ended
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	(Q3 FY2013)	(Q3 FY2012)	(9M FY2013)	(9M FY2012)
Cash flow from operating activities				
Profit before taxation	1,944	4,163	24,015	30,916
Adjustments for:				
Share of results of associated companies	1,337	1,521	(1,498)	1,030
Unrealised profits from sale of towercranes and towercrane accessories to associated companies	(47)	(3,688)	(637)	(9,158)
Amortisation of intangible assets	107	108	323	324
Depreciation of property, plant and equipment	7,163	5,072	18,746	9,658
Gain on disposal of property, plant and equipment	(618)	(346)	(636)	(458)
Gain on disposal of a subsidiary (Note A)	-	-	(297)	-
Effect on dilution of investments in associated companies	(990)	799	(990)	2,329
Interest expense	4,942	4,426	15,730	13,156
Interest income	(350)	(189)	(1,021)	(820)
Operating profit before working capital changes	13,488	11,866	53,735	46,977
Decrease in inventories	12,859	4,318	40,472	6,381
Decrease/(increase) in deferred costs	4,111	382	(7,023)	(34,182)
(Increase)/decrease in operating receivables	(13,709)	47,955	(112,226)	15,235
Decrease in operating payables	(12,323)	(27,910)	(14,209)	(76,922)
(Decrease)/increase in deferred income	(4,496)	(222)	12,220	48,211
Cash (used in)/generated from operations	(70)	36,389	(27,031)	5,700
Interest paid	(6,187)	(5,336)	(15,461)	(13,852)
Tax paid	(4,027)	28	(11,951)	(10,902)
Net cash (used in)/generated from operating activities	(10,284)	31,081	(54,443)	(19,054)
Cash flow from investing activities				
Purchase of property, plant and equipment	(12,614)	13,949	(20,720)	(28,158)
Investment in an associated company	-	-	(7,395)	-
Disposal of a subsidiary, net of cash disposed of (Note A)	14,986	-	14,705	-
Proceeds from disposal of property, plant and equipment	707	875	1,001	1,220
Proceeds from sale of available-for-sale financial assets	-	360	-	360
Interest received	350	189	1,021	820
Net cash generated from/(used in) investing activities	3,429	15,373	(11,388)	(25,758)
Cash flow from financing activities				
Bank borrowings (repaid)/obtained	(19,149)	-	26,104	59,219
Repayment to finance lease creditors	(62)	(56)	(180)	(176)
Restricted bank balances	3,709	(8,280)	6,346	13,257
Repayment to associated companies	(231)	-	(142)	(4,002)
Repayment to related parties	(5,708)	(17,536)	(182)	(1,800)
Advances from/(repayment to) corporate shareholders of subsidiaries	239	(300)	243	3,056
Dividends paid to non-controlling interests	-	(635)	-	(635)
Net cash (used in)/generated from financing activities	(21,202)	(26,807)	32,189	68,919
Net (decrease)/increase in cash and cash equivalents	(28,057)	19,647	(33,642)	24,107
Cash and cash equivalents at beginning of period	64,107	53,571	69,490	49,214
Exchange adjustments	59	(70)	261	(173)
Cash and cash equivalents at end of period	36,109	73,148	36,109	73,148

	Group	
	RMB'000 31 Dec 2012	RMB'000 31 Dec 2011
<u>Analysis of cash and cash equivalents</u>		
Cash on hand	113	84
Bank balances	79,838	106,441
	<hr/> 79,951	<hr/> 106,525
Restricted bank balances	(43,842)	(33,377)
	<hr/> 36,109	<hr/> 73,148

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	(1,789)
Net cash inflow on disposal	<hr/> <hr/> 14,705

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 for the period	-	-	-	14,524	1,063	15,587	1,530	17,117
Transfer to statutory common reserve	-	-	3,920	(3,920)	-	-	-	-
Balance as at 30 Sept 2012	312,484	(26,769)	46,467	144,008	1,653	477,843	20,445	498,288
Total comprehensive income/(expense) for the period	-	-	-	2,089	83	2,172	(818)	1,354
Transfer to statutory common reserve	-	-	437	(437)	-	-	-	-
Balance as at 31 Dec 2012	312,484	(26,769)	46,904	145,660	1,736	480,015	19,627	499,642
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	-	-	-	20,420	(2)	20,418	(275)	20,143
Transfer to statutory common reserve	-	-	2,509	(2,509)	-	-	-	-
Balance as at 30 Sept 2011	312,484	(26,769)	37,435	174,846	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)
Balance as at 31 Dec 2011	312,484	(26,769)	42,547	173,678	69	502,009	21,650	523,659

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	-	(827)	-	(827)
Balance as at 30 Sept 2012	312,484	35,261	-	347,745
Total comprehensive expense for the period	-	(2,635)	-	(2,635)
Balance as at 31 Dec 2012	312,484	32,626	-	345,110

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

- 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 31 December 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.**

	31 December 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 (Third Quarter)		Group (Nine Months)	
	RMB'000		RMB'000	
	3 months ended 31 Dec 2012 (Q2 FY2013)	3 months ended 31 Dec 2011 (Q2 FY2012)	9 months ended 31 Dec 2012 (9M FY2013)	9 months ended 31 Dec 2011 (9M FY2012)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	2,089	3,944	16,613	24,364
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	0.47	0.89	3.74	5.49
(b) On a fully diluted basis	0.47	0.89	3.74	5.49

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 2012	31 March 2012	31 Dec 2012	31 March 2012
Net asset value per ordinary share (RMB cents)	108.17	104.17	77.77	78.55

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

Third Quarter FY2013 ("Q3 FY2013") vs Third Quarter FY2012 ("Q3 FY2012")

Revenue

Group revenue increased 1.1% to RMB182.3 million in Q3 FY2013 as compared to RMB180.3 million in Q3 FY2012 mainly from improvement in Asia (outside the PRC) sales by 38.0% as a result of stronger demand. This was offset slightly by a decline in Europe sales due to lower construction activity in Europe. Overall, PRC sales still formed the bulk of the turnover of the Group, amounting to 67.4% of revenue in Q3 FY2013 as compared to 71.2% of revenue in Q3 FY2012.

Gross profit and gross profit margin

Gross profit increased marginally to RMB45.2 million in Q3 FY2013 from RMB44.9 million in Q3 FY2012. The increase was mainly due to higher revenue partly offset by slightly lower average gross profit margin.

Average gross profit margin decreased to 24.8% in Q3 FY2013 from 24.9% in Q3 FY2012. The decrease was mainly attributed to lower sales of higher margin Luffing series towercranes, partly offset by higher sales of higher margin STT series towercranes in Asia (outside the PRC).

Other operating income

Other operating income decreased to RMB1.2 million in Q3 FY2013 mainly due to lower government grants received.

Operating expenses

Total operating expenses increased to RMB44.1 million in Q3 FY2013 as compared to RMB40.1 million in Q3 FY2012.

Distribution costs increased to RMB15.2 million in Q3 FY2013 as freight and transportation cost, employee benefits costs and commission increased in line with the higher sales. There was also an increase in exhibition costs in Q3 FY2013 due to participation in the bi-annual Bauma 2012 exhibition.

Administrative expenses increased to RMB21.0 million in Q3 FY2013 mainly due to increase in professional fees, heating expenses and employee benefits costs.

Other operating expenses decreased to RMB3.0 million in Q3 FY2013 due to a provision for doubtful debts in comparative Q3 FY2012. This decrease was partly offset by increase in foreign exchange loss from the weakening of Singapore and Hong Kong dollars against China Yuan.

Finance costs increased to RMB4.9 million in Q3 FY2013 due to higher bank borrowings.

Effect on dilution of investments in associated companies

The effect on dilution of investments in associated companies in Q3 FY2013 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. ("THZMI") in the company as per our Announcement dated 23 October 2012.

Share of results of associated companies

Share of loss of associated companies decreased to RMB1.3 million in Q3 FY2013 from RMB1.5 million in Q3 FY2012 mainly due to higher overall revenue and gross profit margin in the 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 decreased to RMB0.7 million in Q3 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 RMB1.9 million in Q3 FY2013 from RMB4.2 million in Q3 FY2012 and net profit attributable to equity holders of the Company decreased to RMB2.1 million in Q3 FY2013 from RMB3.9 million in Q3 FY2012. This was mainly due to lower average gross profit margin and higher operating expenses, partly offset by higher revenue, gain on dilution of investments in associated companies and lower income tax expense for the period.

Nine Months FY2013 ("9M FY2013") vs Nine Months FY2012 ("9M FY2012")**Revenue**

Group revenue increased 2.3% to RMB542.1 million in 9M FY2013 as compared to RMB529.9 million in 9M FY2012 mainly from improvement in Asia (outside the PRC) sales by 39.0% as compared to 9M FY2012. This was offset slightly by lower Europe sales due to lower construction activity in Europe. Overall, PRC sales still formed the bulk of the turnover of the Group, amounting to 66.8% of revenue in 9M FY2013 as compared to 72.6% of revenue in 9M FY2012.

Gross profit and gross profit margin

Gross profit decreased to RMB134.3 million in 9M FY2013 from RMB147.0 million in 9M 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 9M FY2013 from 27.7% in 9M 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 RMB2.5 million in 9M FY2013 mainly due to lower government grants received and decrease in sale of scrap materials.

Operating expenses

Total operating expenses decreased to RMB115.5 million in 9M FY2013 as compared to RMB116.4 million in 9M FY2012.

Distribution costs increased to RMB44.1 million in 9M FY2013 as freight and transportation cost, employee benefits costs and commission increased in line with the higher sales. There was also an increase in exhibition costs in Q3 FY2013 due to participation in the bi-annual Bauma 2012 exhibition. The increase was, however, partly offset by lower rental expenses.

Administrative expenses increased slightly to RMB55.1 million in Q3 FY2013 mainly due to increase in employee benefits costs.

Other operating expenses decreased to RMB0.6 million in 9M FY2013 as compared to RMB6.5 million in 9M FY2012, mainly due to decrease in exchange loss due to the strengthening of Singapore dollars against China Yuan. In addition, a provision for doubtful debts was made in 9M FY2012.

Finance costs increased to RMB15.7 million in 9M FY2013 due to higher bank borrowings.

Effect on dilution of investments in associated companies

The effect on dilution of investments in associated companies in Q3 FY2013 was resulted from the enlarged capital of our associated company, BJTHZM, following the additional investment by THZMI in the company as per our Announcement dated 23 October 2012.

Share of results of associated companies

Share of results of associated companies increased to a profit of RMB1.5 million in 9M FY2013 from a loss of RMB1.0 million in 9M FY2012 mainly due to higher overall revenue and gross profit margin in the associated companies and 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 RMB6.7 million in 9M 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 RMB24.0 million in 9M FY2013 from RMB30.9 million in 9M FY2012 and net profit attributable to equity holders of the Company decreased to RMB16.6 million in 9M FY2013 from RMB24.4 million in 9M FY2012. This was mainly due to lower average gross profit margin and higher operating expenses, partly offset by higher revenue, gain on dilution of investments in associated companies, share of profits of associated companies and lower income tax expense for the period.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB33.5 million to RMB478.3 million as at 31 December 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 decrease 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 RMB5.4 million to RMB820.9 million as at 31 December 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 and decrease in amounts owing by corporate shareholders of subsidiaries.

Trade and other receivables increased by RMB19.8 million mainly due to higher trade receivables resulted from slower payments from customers.

Amounts owing by related parties increased by RM76.3 million mainly due to higher sales during the financial period and slower payments from related parties.

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

Inventories decreased by RMB59.7 million as a result of the Group's continued efforts to reduce inventory.

Amounts owing by corporate shareholders of subsidiaries decreased mainly due to settlement of the amounts owing by a corporate shareholder of Beijing Yongmao.

Non-current Liabilities

Non-current liabilities decreased by RMB2.4 million to RMB96.2 million as at 31 December 2012 mainly due to decrease in the non-current portion of deferred income, partly offset by increase in bank borrowings used for the working capital of the Group.

Current Liabilities

Current liabilities increased by RMB22.9 million to RMB703.3 million as at 31 December 2012 mainly due to increase in bank borrowings used for the working capital of the Group and the current portion of deferred income, partly offset by decrease in trade and other payables and amounts owing to corporate shareholders of subsidiaries.

Deferred income included mainly RMB119.4 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.

Trade and other payables decreased mainly due to lower advance payments received from customers.

Amounts owing to corporate shareholders of subsidiaries decreased mainly due to settlement of the amounts owing to a corporate shareholder of Beijing Yongmao.

Total Equity

As at 31 December 2012, the total equity amounted to RMB499.6 million. The increase was mainly due to net profits of RMB17.3 million for 9M FY2013.

REVIEW OF CASHFLOW STATEMENT

Third Quarter FY2013 (“Q3 FY2013”) vs Third Quarter FY2012 (“Q3 FY2012”)

The Group reported a net decrease in cash and cash equivalents amounting to RMB28.1 million in Q3 FY2013 mainly due to:

- a) Net cash used in operating activities in Q3 FY2013 of RMB10.3 million mainly from the increase in operating receivables due to slower payments from customers and the decrease in operating payables due to lower advance payments from customers. This was partly offset by decrease in inventories due to lower purchases of raw materials;
- b) Net cash generated from investing activities of RMB3.4 million from the sales proceeds received for the sale of JSHXM, partly offset by the purchase of property, plant and equipment for the new manufacturing facilities; and
- c) Net cash used in financing activities of RMB21.2 million mainly from repayment of bank borrowings and advances from related parties, partly offset by lower restricted bank balances.

Nine Months FY2013 (“9M FY2013”) vs Nine Months FY2012 (“9M FY2012”)

The Group reported a net decrease in cash and cash equivalents amounting to RMB33.6 million in 9M FY2013 mainly due to:

- a) Net cash used in operating activities in 9M FY2013 of RMB54.4 million mainly from increase in operating receivables due to slower payments from customers and the decrease in operating payables due to lower 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, partly offset by the sales proceeds received for the sale of JSHXM; and
- c) Net cash generated from financing activities of RMB32.2 million mainly from higher bank borrowings 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 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 Q3 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 Q3 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 31 Dec 2012 (Q3 FY2013) RMB'000	3 months ended 31 Dec 2011 (Q3 FY2012) RMB'000	9 months ended 31 Dec 2012 (9M FY2013) RMB'000	9 months ended 31 Dec 2011 (9M FY2012) RMB'000	3 months ended 31 Dec 2012 (Q3 FY2013) RMB'000	3 months ended 31 Dec 2011 (Q3 FY2012) RMB'000	9 months ended 31 Dec 2012 (9M FY2013) RMB'000	9 months ended 31 Dec 2011 (9M 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)	-	-	-	-	72,475	14,409	141,277	19,162
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械工程有限公司)	-	-	-	-	(31,317) ¹	10,010	10,497	33,280
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)	-	-	-	-	-	218	(1,530) ¹	5,862
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)	900	1,500	3,900	4,500	-	-	-	-
Fushun Engineering Machinery Manufacturing Co., Ltd. (抚顺工程机械制造有限公司)	-	200	-	2,000	-	-	-	-

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 31 Dec 2012 (Q3 FY2013) RMB'000	3 months ended 31 Dec 2011 (Q3 FY2012) RMB'000	9 months ended 31 Dec 2012 (9M FY2013) RMB'000	9 months ended 31 Dec 2011 (9M FY2012) RMB'000	3 months ended 31 Dec 2012 (Q2 FY2013) RMB'000	3 months ended 31 Dec 2011 (Q2 FY2012) RMB'000	9 months ended 31 Dec 2012 (9M FY2013) RMB'000	9 months ended 31 Dec 2011 (9M 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	-	-	-	-	-
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	-	-	-	-	-
Jiangsu Zhongjian Tathong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司) ⁴	-	-	2,540	-	-	-	-	-
Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd. (北京达丰兆茂机械租赁有限公司) ⁵	2,243	-	2,243	-	-	-	-	-
Disposal of a subsidiary to a related party⁶								
Tat Hong Equipment (China) Pte Ltd	-	-	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 our Announcement dated 23 October 2012

Note 6: 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					
Q3	8,830	47,819	2,690	122,919	182,258
9M	14,191	154,972	10,543	362,366	542,072
FY2012					
Q3	3,559	34,648	13,767	128,295	180,269
9M	7,967	111,468	25,904	384,571	529,910

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 (S\$)	Previous Full Year (S\$)
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 nine months ended 31 December 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
5 February 2013