



YONGMAO HOLDINGS LIMITED
(Company Registration No. 200510649K)

PRESS RELEASE

YONGMAO RECORDS HIGHER PROFITS QUARTER-ON-QUARTER

- revenue up 37.8% quarter-on-quarter boosted by robust PRC market
- group to strengthen position in PRC with second towercrane rental JV

Singapore, 11 August 2009 – Leading manufacturer and exporter of tower cranes in the PRC, **Yongmao Holdings Limited**, today announced its results for the three months ended 30 June 2009 (“1QFY10”).

Performance Highlights:

RMB'000	1QFY10	1QFY09	% Change (year-on- year)	4QFY09	% Change (quarter- on- quarter)
Revenue	95,734	206,492	(53.6)	69,497	37.8
Gross Profit	24,572	80,946	(69.6)	5,900	316.5
Profit/(Loss) Before Tax	1,751	46,575	(96.2)	(20,063)	n.m.
Taxation	86	(5,819)	n.m	90	(4.4)
Net Profit/(Loss) Attributable to Shareholders	3,064	40,756	(92.5)	(19,487)	n.m
EPS (RMB cents)	0.69	9.18	(92.5)	(4.39)	n.m

Operations Review

Year-on-Year

- Group revenue dropped 53.6% year-on-year mainly due to lower export sales as the impact of deteriorating global economy and financial condition has affect the demand of our product.
- In contrast, revenue derived from the PRC surged 50.7% to RMB72.2 million, versus RMB47.9 million in the three months ended 30 June 2009 (1QFY09). This was mainly



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driven by increased activities in nuclear power plants and other infrastructure projects.

- Higher sales in the PRC of the lower margin ST series towercranes, together with the lower average selling price due to price competition pushed the Group's gross profit margin down from 39.2% in 1QFY09 to 25.7% in 1QFY10. The decline is also attributed from increased per unit cost of towercranes as a result of lower production volume in 1QFY10 as compared to 1QFY09.
- Net profit for the Group declined to RMB3.1 million in 1QFY10.

Quarter-on-Quarter

- Group revenue grew 37.8% quarter-on-quarter boosted by robust sales activity in the PRC, and stronger demand in the USA and Middle East.
- Revenue derived from the PRC surged to RMB72.2 million, versus RMB54.2 million in the three months ended 31 March 2009 (4QFY09). This was mainly driven by increased activities from nuclear power plants and other infrastructure projects.
- In addition, sales to the USA and Europe recorded an increase to RMB10.6 million, versus RMB1.5 million in the three months ended 31 March 2009 (4QFY09) due to a greater optimism in the respective economies following concerted governmental efforts to stabilise the economy in these countries.
- The lowering steel prices and decline in per unit cost of towercranes as a result of higher production volume in 1QFY10 pushed the Group's gross profit margin up from 8.5% in 4QFY09 to 25.7% in 1QFY10.
- Net profit for the Group turnaround from a loss of RMB 19.5 million in 4QFY09 to a profit of RMB3.1 million in 1QFY10.

Outlook

- The global economic crisis is expected to cause a slow down of construction activities, particularly in Europe and the USA. Concerted government efforts are yielding some positive impact and there are early signs of economic stabilisation in these export markets. However, the Group expects challenging business environment in the principal export markets to continue to affect the overall demand for Yongmao's products.
- On the PRC front, various governmental initiatives to stimulate economic growth and domestic consumption are yielding positive results. Apart from public sector expenditures, increasing optimism in residential housing markets is likely to contribute to



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the growth of the PRC economy and increase the demand for construction equipment including towercranes in the PRC.

- In line with this, the Group has entered into another joint-venture with a subsidiary of Tat Hong Holdings Ltd to establish Si Chuan Tat Hong Yuan Zheng Machinery Construction Co., Ltd in the PRC to engage in the leasing of towercranes in the PRC.

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About Yongmao Holdings Limited

Founded in 1992 and listed on the Singapore Exchange in February 2008, Yongmao is a designer and manufacturer of tower cranes and tower crane components and accessories in the PRC. The products are sold under its own brands – “永茂”, “YONGMAO” and “SUNCRANE”. The Group has developed some 50 models and sub-models of towercranes, which are broadly classified into four series: Topless STT, ST, Luffing STL and Derrick Q.

Yongmao’s tower cranes are sold and exported by the Company and/or its customers to countries in the Americas, Africa, the Middle East, Europe, and Asia.

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