

**YONGMAO HOLDINGS LIMITED**  
**(Company Registration No.200510649K)**

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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

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

Group Income Statement for the year ended 31 March 2010. These figures have not been audited.

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2010 (Q4 FY2010)	3 months ended 31 Mar 2009 (Q4 FY2009)	Increase/ (Decrease)	12 months ended 31 Mar 2010 (FY2010)	12 months ended 31 Mar 2009 (FY2009)	Increase/ (Decrease)
<b>Revenue</b>	157,893	69,497	127.2	461,239	594,467	(22.4)
Cost of sales	(106,269)	(63,597)	67.1	(331,258)	(413,582)	(19.9)
<b>Gross profit</b>	51,624	5,900	775.0	129,981	180,885	(28.1)
Other operating income	965	63	NM	8,395	2,364	255.1
Administrative expenses	(17,386)	(14,856)	17.0	(59,396)	(39,988)	48.5
Distribution costs	(11,670)	(10,024)	16.4	(47,451)	(75,752)	(37.4)
Other operating expenses	(2,364)	(65)	NM	(3,197)	(7,062)	(54.7)
Finance costs	(1,496)	(1,081)	38.4	(5,543)	(3,769)	47.1
<b>Total operating expenses</b>	(32,916)	(26,026)	26.5	(115,587)	(126,571)	(8.7)
<b>Profit/(loss) from operations</b>	19,673	(20,063)	NM	22,789	56,678	(59.8)
Share of results of associated companies	2,199	-	NM	2,895	-	NM
<b>Profit/(loss) before taxation</b>	21,872	(20,063)	NM	25,684	56,678	(54.7)
Taxation	(5,907)	90	NM	(6,734)	(9,727)	(30.8)
<b>Net profit/(loss) for the period</b>	15,965	(19,973)	NM	18,950	46,951	(59.6)
<b>Attributable to:</b>						
Equity holders of the Company	15,553	(19,487)	NM	17,097	47,532	(64.0)
Minority interests	412	(486)	NM	1,853	(581)	NM
<b>Net profit/(loss) for the period</b>	15,965	(19,973)	NM	18,950	46,951	(59.6)

NM: Not Meaningful

**A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2010 (Q4 FY2010)	3 months ended 31 Mar 2009 (Q4 FY2009)	Increase/ (Decrease)	12 months ended 31 Mar 2010 (FY2010)	12 months ended 31 Mar 2009 (FY2009)	Increase/ (Decrease)
<b>Net profit/(loss) for the period/year</b>	15,965	(19,973)	NM	18,950	46,951	(59.6)
<b>Other comprehensive income/(loss):</b>						
Exchange translation difference	11	(2,359)	NM	4,815	(7,001)	NM
Other comprehensive income/(loss) for the period/year, net of tax	11	(2,359)	NM	4,815	(7,001)	NM
<b>Total comprehensive income/(loss) for the period/year</b>	<b>15,976</b>	<b>(22,332)</b>	<b>NM</b>	<b>23,765</b>	<b>39,950</b>	<b>(40.5)</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	15,564	(21,846)	NM	21,912	40,531	(45.9)
Minority interests	412	(486)	NM	1,853	(581)	NM
<b>Total comprehensive income/(loss) for the period/year</b>	<b>15,976</b>	<b>(22,332)</b>	<b>NM</b>	<b>23,765</b>	<b>39,950</b>	<b>(40.5)</b>

**Note:**

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

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2010 (Q4 FY2010)	3 months ended 31 Mar 2009 (Q4 FY2009)	Increase/ (Decrease)	12 months ended 31 Mar 2010 (FY2010)	12 months ended 31 Mar 2009 (FY2009)	Increase/ (Decrease)
Amortisation of intangible assets	315	302	4.3	1,260	1,261	(0.1)
Depreciation of property, plant and equipment	2,843	2,892	(1.7)	10,786	7,631	41.3
Exchange loss/(gain)	280	(42)	NM	397	4,087	(90.3)
(Gain)/loss on disposal of property, plant and equipment	(253)	148	NM	(105)	66	NM
Interest income	(154)	(166)	(7.2)	(606)	(1,796)	(66.3)
Interest expense	1,496	1,081	38.4	5,543	3,769	47.1
Operating lease rentals	4,245	4,086	3.9	16,775	10,875	54.3
Property, plant and equipment written off	2,144	-	NM	2,166	-	NM
Underprovision of current taxation in respect of prior years	20	-	NM	20	-	NM

NM: Not Meaningful

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

	Group		Company	
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current</b>				
Property, plant and equipment	248,411	247,228	12	16
Intangible assets	2,518	3,778	-	-
Investment in subsidiaries	-	-	286,438	252,296
Associated company	-	-	13,500	-
Goodwill	23,337	23,337	-	-
	274,266	274,343	299,950	252,312
<b>Current</b>				
Inventories	263,721	251,146	-	-
Trade and other receivables	146,016	102,632	629	616
Available-for-sale financial assets	3,876	5,792	-	-
Amounts owing by related parties	28,004	33,659	-	-
Amounts owing by corporate shareholders of subsidiaries	10,069	8,179	-	-
Amount owing by an associated company	92,595	-	-	-
Amount owing by subsidiaries (non-trade)	-	-	10,432	5,677
Cash and cash equivalents	87,566	106,748	1,716	45,376
	631,847	508,156	12,777	51,669
<b>TOTAL ASSETS</b>	<b>906,113</b>	<b>782,499</b>	<b>312,727</b>	<b>303,981</b>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	312,484	312,484	312,484	312,484
Reserves	162,322	150,945	(2,662)	(11,322)
<b>Equity attributable to equity holders of the Company</b>	<b>474,806</b>	<b>463,429</b>	<b>309,822</b>	<b>301,162</b>
Minority interests	26,292	25,249	-	-
<b>TOTAL EQUITY</b>	<b>501,098</b>	<b>488,678</b>	<b>309,822</b>	<b>301,162</b>
<b>LIABILITIES</b>				
<b>Non-current</b>				
Bank borrowings	50,000	50,000	-	-
Deferred tax liabilities	1,155	1,546	-	-
Trade and other payables	38,679	42,602	-	-
	89,834	94,148	-	-
<b>Current</b>				
Trade and other payables	197,895	139,636	2,885	2,819
Amounts owing to related parties	50,843	29,712	-	-
Amounts owing to corporate shareholders of subsidiaries	29,212	30,205	-	-
Amount owing to an associated company	1,910	-	-	-
Bank borrowings	30,000	-	-	-
Deferred income	1,541	-	-	-
Tax payable	3,780	120	20	-
	315,181	199,673	2,905	2,819
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>906,113</b>	<b>782,499</b>	<b>312,727</b>	<b>303,981</b>

**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 March 2010		As at 31 March 2009	
Secured	Unsecured <sup>(1)</sup>	Secured	Unsecured <sup>(1)</sup>
RMB'000	RMB'000	RMB'000	RMB'000
30,000	68,349	-	47,238

**Amount repayable after one year**

As at 31 March 2010		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
50,000	-	50,000	-

**Details of any collateral**

The RMB80.0 million (31 March 2009 – RMB50.0 million) bank borrowings are secured by certain leasehold buildings and land use rights from a related company with common director, Fushun Yongmao Engineering Machinery Co., Ltd.

The increase in bank borrowings is for the purpose of increasing the working capital and funding of investments in subsidiaries and associated companies.

**Note (1):**

The unsecured loans include the following:

- a) RMB21.8 million (31 March 2009 – RMB21.8 million), of which RMB18.4 million (31 March 2009 – RMB18.4 million) was interest-bearing, was from a corporate shareholder to Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd ("Beijing Yongmao") for the purpose of increasing the working capital of Beijing Yongmao.
- b) RMB8.7 million (31 March 2009 – 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) RMB34.0 million (31 March 2009 – RMB Nil), interest-free, was from a related party to Fushun Yongmao Construction Machinery Co., Ltd ("Fushun Yongmao") for the purpose of increasing the working capital of Fushun Yongmao and funding of investments in associated companies.
- d) RMB3.8 million (31 March 2009 – RMB 10.0 million), interest-free, was from another related party to Fushun Yongmao for the purpose of increasing the working capital of Fushun Yongmao.
- e) RMB Nil (31 March 2009 – RMB 6.7 million), interest-free, was from a related party to Beijing Yongmao for the purpose of increasing the working capital of Beijing Yongmao.

The above balances are recorded in current liabilities.

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

	Group (Fourth Quarter)		Group (Full Year)	
	RMB'000	RMB'000	RMB'000	RMB'000
	3 months ended	3 months ended	12 months ended	12 months ended
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
	(Q4 FY2010)	(Q4 FY2009)	(FY2010)	(FY2009)
<b>Cash flow from operating activities</b>				
Profit /(loss) before taxation	21,872	(20,063)	25,684	56,678
Adjustments for:				
Share of results of associated companies	(2,199)	-	(2,895)	-
Unrealised profits from sale of towercranes to associated companies	21,966	-	26,936	-
Amortisation of intangible assets	315	302	1,260	1,261
Depreciation of property, plant and equipment	2,843	2,892	10,786	7,631
(Gain)/loss on disposal of property, plant and equipment	(253)	148	(105)	66
Property, plant and equipment written off	2,144	-	2,166	-
Interest expense	1,496	1,081	5,543	3,769
Interest income	(154)	(166)	(606)	(1,796)
<b>Operating profit/(loss) before working capital changes</b>	<b>48,030</b>	<b>(15,806)</b>	<b>68,769</b>	<b>67,609</b>
Decrease/(increase) in inventories	19,064	11,630	(12,573)	(58,076)
(Increase)/decrease in operating receivables	(84,271)	71,455	(119,246)	167,708
(Decrease)/increase in operating payables	(10,622)	(49,500)	62,555	(191,778)
<b>Cash (used in)/generated from operations</b>	<b>(27,799)</b>	<b>17,779</b>	<b>(495)</b>	<b>(14,537)</b>
Interest paid	(1,514)	(731)	(5,013)	(3,419)
Tax paid	(2,745)	(546)	(3,465)	(13,664)
<b>Net cash (used in)/generated from operating activities</b>	<b>(32,058)</b>	<b>16,502</b>	<b>(8,973)</b>	<b>(31,620)</b>
<b>Cash flow from investing activities</b>				
Cash outflow on acquisition of a subsidiary (Note A)	-	(46,726)	(10,000)	(46,726)
Acquisition of property, plant and equipment	(3,787)	(2,779)	(26,101)	(53,696)
Investment in an associated company	(13,500)	-	(22,500)	-
Proceeds from disposal of property, plant and equipment	873	88	1,371	403
Proceeds from sale of available-for-sale financial assets	178	1,687	1,916	1,687
Deposits paid for purchase of flats	-	(2,000)	-	(2,000)
Interest received	154	173	606	1,803
<b>Net cash used in investing activities</b>	<b>(16,082)</b>	<b>(49,557)</b>	<b>(54,708)</b>	<b>(98,529)</b>
<b>Cash flow from financing activities</b>				
Bank borrowings obtained	-	-	30,000	50,000
Restricted bank balance	(5,000)	-	(5,000)	-
Capital injection by minority interest	-	-	-	6,000
Advances from related parties	3,876	16,660	21,176	16,660
Repayment from an associated company	13,500	-	-	-
Dividends paid to a minority shareholder	-	-	(810)	-
Dividends paid	-	-	(10,535)	(27,375)
<b>Net cash generated from financing activities</b>	<b>12,376</b>	<b>16,660</b>	<b>34,831</b>	<b>45,285</b>
Net decrease in cash and cash equivalents	(35,764)	(16,395)	(28,850)	(84,864)
Cash and cash equivalents at beginning of period/year	118,127	127,342	106,748	200,278
Exchange adjustments	203	(4,199)	4,668	(8,666)
<b>Cash and cash equivalents at end of period/year</b>	<b>82,566</b>	<b>106,748</b>	<b>82,566</b>	<b>106,748</b>

	Group	
	RMB'000	RMB'000
	31 Mar 2010	31 Mar 2009
<b><u>Analysis of cash and cash equivalents</u></b>		
Cash on hand	1,044	3,013
Bank balances	86,522	59,046
Fixed deposits	-	44,689
	87,566	106,748
Restricted bank balances	(5,000)	-
	82,566	106,748

#### Note A. Acquisition of a subsidiary

The Group acquired a subsidiary, Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd ("Beijing Yongmao") during the previous financial year. The fair value of assets acquired and liabilities assumed were as follows:

	Carrying amounts in acquiree's books	At fair value
	RMB'000	RMB'000
<b>Identifiable assets and liabilities</b>		
Property, plant and equipment	17,055	23,577
Inventories	87,435	87,435
Trade and other receivables	40,103	40,103
Amount owing by related parties	40,340	40,340
Amount owing to corporate shareholder of subsidiary	6,394	6,394
Cash and cash equivalents	5,104	5,104
<b>Total assets</b>	196,431	202,953
Trade and other payables	(102,479)	(102,479)
Amount owing to related parties	(12,621)	(12,621)
Amount owing to corporate shareholder of subsidiary	(27,900)	(27,900)
Deferred tax liabilities	-	(1,630)
<b>Total liabilities</b>	(143,000)	(144,630)
<b>Identifiable net assets</b>	53,431	58,323
Less: Minority interests		(19,830)
<b>Identifiable net assets acquired</b>		38,493
<b>Goodwill</b>		23,337
<b>Consideration for acquisition of 66% equity interest</b>		61,830
Less: Cash and cash equivalents in subsidiary acquired		(5,104)
<b>Net cash outflow on acquisition</b>		56,726
Paid in FY2009		46,726
Paid in FY2010		10,000
<b>Net cash outflow on acquisition</b>		56,726

**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 2009</b>	312,484	(26,769)	157,184	26,224	(5,694)	463,429	25,249	488,678
Total comprehensive income for the period	-	-	1,544	-	4,804	6,348	1,441	7,789
Transfer from statutory common reserve	-	-	(2,026)	2,026	-	-	-	-
Dividends	-	-	(10,535)	-	-	(10,535)	(810)	(11,345)
<b>Balance as at 31 Dec 2009</b>	312,484	(26,769)	146,167	28,250	(890)	459,242	25,880	485,122
Total comprehensive income for the period	-	-	15,553	-	11	15,564	412	15,976
Transfer from statutory common reserve	-	-	(251)	251	-	-	-	-
<b>Balance as at 31 Mar 2010</b>	312,484	(26,769)	161,469	28,501	(879)	474,806	26,292	501,098
<b>Previous year:</b>								
<b>Balance as at 1 Apr 2008</b>	312,484	(26,769)	139,295	18,880	1,307	445,197	-	445,197
Total comprehensive income/(loss) for the period	-	-	67,019	-	(4,642)	62,377	(95)	62,282
Transfer to statutory common reserve	-	-	(7,094)	7,094	-	-	-	-
Incorporation of a subsidiary	-	-	-	-	-	-	6,000	6,000
Dividends	-	-	(22,299)	-	-	(22,299)	-	(22,299)
<b>Balance as at 31 Dec 2008</b>	312,484	(26,769)	176,921	25,974	(3,335)	485,275	5,905	491,180
Total comprehensive loss for the period	-	-	(19,487)	-	(2,359)	(21,846)	(486)	(22,332)
Transfer to statutory common reserve	-	-	(250)	250	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	19,830	19,830
<b>Balance as at 31 Mar 2009</b>	312,484	(26,769)	157,184	26,224	(5,694)	463,429	25,249	488,678

Company	Share capital	(Accumulated losses)/ Retained profits	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current year</b>				
<b>Balance as at 1 Apr 2009</b>	312,484	(5,092)	(6,230)	301,162
Total comprehensive income for the period	-	16,081	5,053	21,134
Dividends	-	(10,535)	-	(10,535)
<b>Balance as at 31 Dec 2009</b>	312,484	454	(1,177)	311,761
Total comprehensive (loss)/income for the period	-	(1,964)	25	(1,939)
<b>Balance as at 31 Mar 2010</b>	312,484	(1,510)	(1,152)	309,822

Company	Share capital	Retained profits/ (Accumulated losses)	Exchange fluctuation reserve	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Previous year</b>				
<b>Balance as at 1 Apr 2008</b>	312,484	24,319	1,311	338,114
Total comprehensive loss for the period	-	(3,598)	(4,230)	(7,828)
Dividends	-	(22,299)	-	(22,299)
<b>Balance as at 31 Dec 2008</b>	312,484	(1,578)	(2,919)	307,987
Total comprehensive loss for the period	-	(3,514)	(3,311)	(6,825)
<b>Balance as at 31 Mar 2009</b>	312,484	(5,092)	(6,230)	301,162

**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 2009. As at 31 March 2010, 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 March 2010	31 March 2009
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 2009. The presentation of financial statements is in accordance with FRS 1 which is effective from 1 April 2009.

**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.**

The presentation of financial statements in accordance with FRS 1 which is effective from 1 April 2009 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in the primary statement of comprehensive income, comprising profit or loss for the year and other comprehensive income.

The "balance sheets" and cash flow statement" have been re-titled to "statements of financial position" and "statement of cash flows" respectively.

Comparatives for FY2009 have been restated to conform with the requirements of the revised standard.

**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 (Fourth Quarter)		Group (Full Year)	
	RMB'000		RMB'000	
	3 months ended	3 months ended	12 months ended	12 months ended
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
	(Q4 FY2010)	(Q4 FY2009)	(FY2010)	(FY2009)
Earnings/(loss) of the Group, after deducting any provision for preference dividends (in RMB'000):	15,553	(19,487)	17,097	47,532
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/(loss) per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	3.50	(4.39)	3.85	10.71
(b) On a fully diluted basis	3.50	(4.39)	3.85	10.71

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 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
Net asset value per ordinary share (RMB cents)	107.00	104.43	69.82	67.87

Net asset value per share for the Group and Company for 31 March 2010 and 31 March 2009 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

### Fourth Quarter FY2010 ("Q4 FY2010") vs Fourth Quarter FY2009 ("Q4 FY2009")

#### Revenue

Group revenue increased 127.2% to RMB157.9 million in Q4 FY2010 as compared to RMB69.5 million in Q4 FY2009 mainly due to an improvement in the PRC sales by 156.9% as compared to Q4 FY2009 as the Group focused its marketing effort in the domestic PRC market. Overall, domestic PRC sales formed 88.2% of revenue in Q4 FY2010, up from 78.0% in Q4 FY2009.

#### Gross profit and gross profit margin

Gross profit increased to RMB51.6 million in Q4 FY2010 from RMB5.9 million in Q4 FY2009. The increase was due to both higher revenue and higher gross profit margin.

Average gross profit margin increased to 32.7% in Q4 FY2010 from 8.5% in Q4 FY2009. The increase was caused by the lower average cost of our steel material and lower per unit cost of towercranes as a result of higher production volume in Q4 FY2010 as compared to Q4 FY2009.

#### Other operating income

Other operating income increased by RMB0.9 million in Q4 FY2010 mainly due to government grant received, sale of scrap materials and technical services fee billed to an associated company.

#### Operating expenses

Total operating expenses increased to RMB32.9 million in Q4 FY2010 mainly due to higher administrative expenses, distribution costs and other operating expenses.

Administrative expenses increased to RMB17.4 million in Q4 FY2010 mainly due to higher employee benefits costs, entertainment expenses and consumables incurred.

Distribution costs increased to RMB11.7 million in Q4 FY2010 as freight and transportation cost increased in line with the higher sales.

The increase in other operating expenses was due to property plant and equipment of RMB2.1 million written off.

Finance cost increased to RMB1.5 million in Q4 FY2010 due to higher bank borrowings.

**Share of results of associated companies**

Share of profits of associated companies amounted to RMB2.2 million in Q4 FY2010. The newly set up associated companies, Beijing Tat Hong Zhao Mao Equipment Rental Co., Ltd (“BJTH”) and Si Chuan Tat Hong Yuan Zheng Machinery Construction Co., Ltd (“SCTH”) commenced operations in May 2009 and March 2010 respectively.

**Taxation**

Income tax expense increased to RMB5.9 million in line with the higher profit for the period.

**Profit before tax and Net profit attributable to shareholders**

Profit before tax increased from a loss of RMB20.1 million in Q4 FY2009 to a profit of RMB21.9 million in Q4 FY2010 and net profit attributable to shareholders increased from a loss of RMB19.5 million in Q4 FY2009 to a profit of RMB15.6 million in Q4 FY2010. This was mainly due to higher gross profit partly offset by higher operating expenses.

**FY2010 vs FY2009****Revenue**

Group revenue decreased 22.4% to RMB461.2 million in FY2010 as compared to RMB594.5 million in FY2009 mainly due to lower export sales as a result of weak demand for our products in our overseas markets. Export sales to USA, Europe, Middle East, Asia (outside the PRC) and others declined by 74.3% as compared to FY2009.

Nevertheless, the decline in export revenue was partly mitigated by an improvement in sales in the PRC by 59.7% as compared to FY2009 as the Group focused its marketing effort in the domestic PRC market. Overall, domestic PRC sales formed 79.7% of revenue in FY2010, up from 38.7% in FY2009.

**Gross profit and gross profit margin**

Gross profit reduced to RMB130.0 million in FY2010 from RMB180.9 million in FY2009. The decline was due to lower revenue.

Average gross profit margin decreased to 28.2% in FY2010 from 30.4% in FY2009. The decline was mainly attributed to higher proportion of sales in the PRC of the lower margin ST series towercranes. Average selling price of towercranes was also lower due to price competition in our key markets.

**Other operating income**

Other operating income increased by RMB6.0 million in FY2010 mainly due to government grants of RMB5.4 million received for the successful listing of the Group in prior years, subsidy of bank loan interest and technical development of towercranes.

**Operating expenses**

Total operating expenses decreased to RMB115.6 million in FY2010 mainly due to lower distribution costs and other operating expenses.

Distribution costs decreased to RMB47.5 million in FY2010 as freight and transportation cost and sales commission reduced due to lower export sales. This decline was partly offset by higher factory rental.

Other operating expenses decreased by RMB3.9 million in FY2010 mainly due to reduction of foreign exchange loss as export sales declined in FY2010. In addition, there was also a RMB2.5 million donation made in FY2009 in aid of the relief effort and the rebuilding programme for those affected by the Szechuan earthquake.

Administrative expenses increased to RMB59.4 million in FY2010 mainly due to the inclusion of administrative expenses of the new subsidiaries, Beijing Yongmao and Wuxi Yongmao, and payment of a land use rights tax of RMB3.0 million which was assessed in FY2010 for the period from January 2008 to December 2009 in relation to the new factory currently undergoing construction.

Finance cost increased to RMB5.5 million in FY2010 due to higher bank borrowings and loan from a corporate shareholder of a subsidiary.

**Share of results of associated companies**

Share of profits of associated companies amounted to RMB2.9 million in FY2010. The newly set up associated companies, BJTH and SCTH commenced operations in May 2009 and March 2010 respectively.

**Taxation**

Income tax expense reduced by RMB3.0 million to RMB6.7 million in FY2010 in line with the lower profit for the year.

**Profit before tax and Net profit attributable to shareholders**

Profit before tax decreased by RMB31.0 million to RMB25.7 million in FY2010 and net profit attributable to shareholders decreased by RMB30.4 million to RMB17.1 million in FY2010. This was mainly due to lower revenue and gross profit margin.

**REVIEW OF FINANCIAL POSITION OF THE GROUP****Non-current Assets**

Non-current assets remained at RMB274.3 million as additions of property, plant and equipment was offset by depreciation and amortisation expenses charged for the year.

**Current Assets**

Current assets increased by RMB123.7 million to RMB631.8 million as at 31 March 2010.

Inventories increased by RMB12.6 million in anticipation of the higher domestic demand.

Trade and other receivables increased by RMB43.4 million mainly due to higher credit sales within the PRC, higher advances paid to suppliers of raw materials and deposits paid in relation to the purchase of property, plant and equipment for the new factory currently undergoing construction.

Amount due from an associated company increased mainly due to higher sales to the associated company during this quarter.

**Non-current Liabilities**

Non-current bank borrowing refer to a 3-year term bank loan of RMB50.0 million taken in FY2009 for working capital and for financing the investments in subsidiaries and associated companies.

Deferred tax liabilities arose from the acquisition of Beijing Yongmao. Non-current trade and other payables relate to a defined benefit plan obligation sponsored by Beijing Yongmao.

**Current Liabilities**

Current liabilities increased by RMB115.5 million to RMB315.2 million as at 31 March 2010 mainly due to the increase in trade and other payables due to higher inventory purchases made. In addition, current liabilities increased due to a 1-year term bank loan of RMB30.0 million taken during the period for working capital and for financing the investments in subsidiaries and associated companies.

Amounts owing to related parties increased to RMB50.8 million as at 31 March 2010 mainly due to advances of RMB34.0 million made by a related party for the purpose of increasing the working capital of Fushun Yongmao and for the purpose of funding the investments in associated companies. This was partly offset by the final purchase consideration of RMB10.0 million paid for the acquisition of Beijing Yongmao and repayment of advances to related parties.

Deferred income of RMB1.5 million relates to unrealised profit from sales of towercranes to associated companies after nett off against Investment in Associated company in accordance with accounting standards. Any credit balances are classified as deferred income under current liabilities.

**Shareholders' Equity**

As at 31 March 2010, shareholders' equity amounted to RMB474.8 million. The increase in shareholders' equity was mainly due net profit of RMB19.0 million for FY2010 offset against dividends paid of RMB10.5 million.

## REVIEW OF CASHFLOW STATEMENT

### **Fourth Quarter FY2010 ("Q4 FY2010") vs Fourth Quarter FY2009 ("Q4 FY2009")**

The Group reported a net decrease in cash and cash equivalents amounting to RMB35.8 million in Q4 FY2010 mainly due to net cash used in operating activities in Q4 FY2010 of RMB32.1 million from higher credit sales during the period and repayment to trade creditors.

### **FY2010 vs FY2009**

The Group reported a net decrease in cash and cash equivalents amounting to RMB28.9 million in FY2010 mainly due to:

- a) Net cash used in operating activities in FY2010 of RMB9.0 million from increase in operating receivables and inventory resulting from higher credit sales and more inventory purchases. This is partly offset by operating profit for the year and higher operating payables from reduced payments to trade creditors.
- b) Net cash used in investing activities from deposits and progress payments paid in relation to the purchase of property, plant and equipment for the new factory currently undergoing construction, payment of final purchase consideration of RMB10.0 million for the acquisition of Beijing Yongmao and investment in an associated company; and
- c) Net cash generated from financing activities in FY2010 from bank borrowing received and advances received from related parties, partly offset by dividends paid.

### **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 continuing growth in the PRC economy has brought about a more favourable outlook for the Group. With the PRC economy expected to continue to grow in 2010/2011, sales in the PRC is expected to continue to form a significant portion of the Group's turnover. However, measures to cool the PRC domestic property market may affect demand for towercranes.

On the export front, the Group expects business environment in our principal export markets to continue to be challenging going forward especially with sovereign debt crisis in Europe which is clouding the outlook for the export market in Europe and this is likely to continue to affect our export sales to Europe for the coming financial year.

Our Group's marketing effort within PRC is showing results as our product continue to gain market acceptance and market share. To tap into this opportunity, the Group is channeling its efforts and resources to the PRC domestic market to participate in the various infrastructure projects including the development of road and railway transportation networks, nuclear power plants, shipyards and residential projects.

The Group's entry into the towercrane rental business in the PRC is contributing to the bottom line and is expected to feature more prominently in the coming financial year.

The Group will continue to monitor the economic situation, and evaluate and refine its strategy in its various markets accordingly.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

<b>Name of Dividend</b>	<b>Final</b>
Dividend Type	Cash
Amount per Share (in Singapore cents)	0.25 cents per ordinary share
Tax Rate	Not applicable

For the year ended 31 March 2010, the directors have recommended a first and final one-tier dividend of 0.25 Singapore cent per share for approval at the Annual General Meeting to be held on 26 July 2010. Based on current number of shares of 443,750,000 ordinary shares, total dividend payable amounted to S\$1,109,375.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

<b>Name of Dividend</b>	<b>Final</b>
Dividend Type	Cash
Amount per Share (in Singapore cents)	0.5 cents per ordinary share
Tax Rate	Not applicable

**(c) Date payable**

To be advised at a later date.

**(d) Books closure date**

To be advised at a later date.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

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

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

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segmental information is presented in respect of the Group's geographical segments. In presenting information on the basis of geographical segments, segment revenue and trade receivables are based on the geographical location of customers. Segment information by business segments is not presented as the Group's business relates solely to the manufacture and sales of tower cranes and tower crane components.

Revenue	Middle East, Asia & Others (excluding PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
<b>FY2010</b>				
Q4	18,509	123	139,261	157,893
Full Year	63,583	30,111	367,545	461,239
<b>FY2009</b>				
Q4	13,787	1,510	54,200	69,497
Full Year	259,494	104,797	230,176	594,467

14. **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.

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

	Group		% Increase/ (Decrease)
	RMB'000		
	FY2010	FY2009	
Revenue			
- First Half	185,029	411,409	(55.0)
- Second Half	276,210	183,058	50.9
Profit after taxation			
- First Half	6,964	62,825	(88.9)
- Second Half	11,986	(15,874)	NM

16. **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	2,218,750	4,437,500
Preference	-	-
<b>Total:</b>	<b>2,218,750</b>	<b>4,437,500</b>



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)

Name of Interested Person	3 months ended 31 Mar 2010 (Q4 FY2010) RMB'000	3 months ended 31 Mar 2009 (Q4 FY2009) RMB'000	12 months ended 31 Mar 2010 (FY2010) RMB'000	12 months ended 31 Mar 2009 (FY2009) RMB'000	3 months ended 31 Mar 2010 (Q4 FY2010) RMB'000	3 months ended 31 Mar 2009 (Q4 FY2009) RMB'000	12 months ended 31 Mar 2010 (FY2010) RMB'000	12 months ended 31 Mar 2009 (FY2009) RMB'000
<b>Rental charged by a related party</b>								
Fushun Yongmao Engineering Machinery Co., Ltd (抚顺永茂工程机械有限公司)	1,500	1,200	5,400	1,200	-	-	-	-
Fushun Engineering Machinery Manufacturing Co., Ltd (抚顺工程机械制造有限公司)	900	900	3,600	3,600	-	-	-	-
<b>Corporate guarantee provided to an associated company</b>								
Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd (北京达丰兆茂机械租赁有限公司)	9,000	-	9,000	-	-	-	-	-

Note (1): On 9 January 2009, the Group acquired 66% of the registered capital of Beijing Yongmao. Consequently, Beijing Yongmao is now a subsidiary of the Group and ceased to be a related party to the Group on that date.

BY ORDER OF THE BOARD

Tian Ruo Nan  
Chief Executive Officer  
27 May 2010