

**FOR IMMEDIATE RELEASE****YONGMAO'S 1H2015 ATTRIBUTABLE NET PROFIT SURGES 73.9% TO RMB48.6 MILLION**

- All geographical segments except the PRC recorded significant increase in revenue; Sales in Asia (outside the PRC) grew 30.5% y-o-y to RMB139.6 million
- Gross profit margin improved from 24.8% for 1H2014 to 30.2% for 1H2015 largely due to higher overseas sales and rental income
- Opportunity for growth in export markets where construction activities are likely to be stronger in view of China's current slower economic growth and weaker property sector

**SINGAPORE – 12 November 2014** – Mainboard-listed Yongmao Holdings Limited (“Yongmao” or the “Company”) and its subsidiaries (collectively the “Group”), one of the leading towercrane manufacturers in China, saw its net profit attributable to shareholders surge 73.9% year-on-year (“y-o-y”) to RMB48.6 million for its half year ended 30 September 2014 (“**1H2015**”).

Financial Highlights	2Q2015	2Q2014	Change	1HFY2015	1HFY2014	Change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	219,518	232,099	(5.4)	449,064	490,582	(8.5)
Gross Profit	63,018	60,364	4.4	135,548	121,898	11.2
Gross Profit Margin (%)	28.7	26.0	2.7 pp	30.2	24.8	5.4 pp
Profit Before Tax	20,640	19,215	7.4	66,685	37,596	77.4
Net Profit Attributable to Shareholders	12,466	14,877	(16.3)	48,599	27,951	73.9
Earnings Per Share (RMB cents)*	2.80	3.35	(16.4)	10.95	6.30	73.8

Note:

Pp: Percentage points

\*Based on the weighted average number of 443,750,000 ordinary shares for 2Q2015, 2Q2014, 1H2015 and 1H2014

Commenting on the better set of first half results, Executive Director and Group General Manager, Mr. Sun Tian said: **“We’re experiencing slower growth in our domestic market in light of China’s weaker economic performance. However, we’ve witnessed higher sales from our export markets such as the Middle East and Europe. We’ve also seen growth in Hong Kong/Macau and new markets such as Myanmar where there is an increase in construction activities.”**



## FINANCIAL REVIEW

Total revenue declined 8.5% y-o-y to RMB449.1 million mainly due to a 31.8% y-o-y fall in the PRC sales which constitutes 53.5% of the revenue for 1H2015. Revenue from all geographical segments except the PRC recorded significant increase. Specifically, sales in Asia (outside the PRC) grew 30.5% y-o-y to RMB139.6 million for 1H2015. Sales in the Middle East & Others increased 101.7% y-o-y to RMB41.1 million and sales in USA & Europe rose 150.8% y-o-y to RMB28.2 million for 1H2015.

Gross profit increased 11.2% y-o-y to RMB135.5 million for 1H2015 mainly due to higher average gross profit margin. Gross profit margin improved from 24.8% for 1H2014 to 30.2% for 1H2015 largely due to higher overseas sales and rental income which generated higher margins. Accounting recognition of unrealized profits of RMB14.5 million from previous sales of towercranes and accessories to associated companies now realized upon disposal of these associated companies further adds to the increase.

Total operating expenses fell 4.8% y-o-y to RMB82.5 million for 1H2015. Other operating expenses fell 94.5% y-o-y to RMB0.3 million for 1H2015 largely due to exchange gain and lower property, plant and equipment written off partly offset by higher bank charges.

Other income jumped 619.3% y-o-y to RMB13.6 million for 1H2015 primarily due to the resultant gain of RMB12.1 million upon completion of the restructuring with Tat Hong Holdings Ltd.

As a result of the above, the Group registered a net profit attributable to equity holders of RMB48.6 million for 1H2015 translating into a 73.8% y-o-y spike in earnings per share to RMB10.95 cents.

## OUTLOOK

The PRC economy recorded a GDP growth of 7.3 percent in the latest third quarter, reflecting its weakest pace in more than five years, contributed by weaker consumer sentiments, sluggish retail sales, on-going property slump and general slowdown in investment growth. To shore up confidence in the property market and tackle the housing oversupply issue, a joint statement by the People's Bank of China, the Central Bank and the China Banking Regulatory Commission unveiled an eased mortgage measure for home buyers in September. Additionally, state-controlled banks have also revved up lending to the sector in a bid to bolster the flagging demand.

Looking ahead, to mitigate market risks prevailing in the domestic market, the Group will continue to eye for export growth and concert its efforts to step up marketing activities in the Southeast Asian markets such as Malaysia and new markets like Myanmar. In the East Asia Region, sales and rental of towercranes will continue in line with the increase in infrastructure development in both Hong Kong and Macau and the Group hope to capitalize on the momentum in these regions.

Mr. Sun shared, **“The PRC continues to present business challenges in light of intense competition in the towercrane industry and a slowdown in national fixed assets investment. Presently, China’s shift from an investment-led growth to a consumption-led**



growth has impacted further development in the infrastructure, real estate and power generation sectors where we supply our towercranes.

In our objective to capture a higher market share overseas, we shall actively promote the Yongmao brand of towercranes in tradeshows in PRC and other Asian emerging economies such as Vietnam and Myanmar where urbanization is increasing at a rapid clip and the infrastructure development is still underdeveloped.”

- End -

### **About Yongmao Holdings Limited**

Yongmao Holdings Limited (“Yongmao”) is primarily involved in the designing and manufacturing of a wide range of towercranes, components and accessories. Currently, the Group’s products are exported to more than 70 countries and sold mainly to construction equipment distributors, construction companies and equipment rental companies in China and the overseas market including America, Africa, Middle East, Europe and other parts of Asia.

Established since 1992, the Group’s manufacturing facilities are located in Fushun City, Liaoning Province and Beijing, China. Boasting a product range of about 60 models and sub-models of towercranes, the Group is equipped with the capability to manufacture towercranes used in construction sites to lift building materials and equipment.

The Group’s towercranes are used in various prominent building and landmark projects in China, namely:

- China National Opera House in Beijing,
- Shanghai South Railway Station,
- Changjiang River Bridge,
- Fujian LNG Project
- Expo 2010 Shanghai.

Notably, the Group is involved in the following overseas projects:

- Imperial Wharf and 22 Marsh Wall projects in the UK
- City of Dreams Casino project
- Studio City project in Macau
- AZ St Jan General Hospital in Belgium
- Gold Coast University Hospital in Australia
- Kai Tak Cruise Terminal in Hong Kong.

Projects in Singapore include Asia Square Tower 1 and 2, South Beach project and various HDB construction projects throughout Singapore.



**YONGMAO HOLDINGS LIMITED**

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Adhering to strict safety measures, the Group has obtained various required safety standards and certifications for cranes in different countries before its cranes can be exported to these areas.

For more information, please visit <http://yongmaoholdings.com/>.

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Issued for and on behalf of Yongmao Holdings Limited

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