



**YONGMAO HOLDINGS LIMITED**

Yongmao Holdings Limited  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200510649K)  
81 Ubi Avenue 4  
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<http://yongmaoholdings.com/>

**FOR IMMEDIATE RELEASE**

**YONGMAO ON GROWTH MOMENTUM AS ITS 9M2014 NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS INCREASES 142.6% TO RMB40.3 MILLION**

- Revenue went up by 27.1% to RMB689.1 million on a 27.0% sales boost in China
- Gross profit margin improved from 24.8% to 27.2% on stronger sales of higher-margin luffing series towercranes in Asia (including China)
- Group set sights on further expanding in Southeast Asia and emerging markets such as Myanmar

**SINGAPORE –10 February 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 increase 142.6% year-on-year (y-o-y) to RMB40.3 million for its nine months ended 31 December 2013 (“9M2014”).

Financial Highlights	9M2014	9M2013	Change
	RMB'000	RMB'000	%
Revenue	689,082	542,072	27.1
Gross Profit	187,155	134,282	39.4
Gross Profit Margin (%)	27.2	24.8	2.4 pp
Profit Before Tax	54,471	24,015	126.8
Net Profit Attributable to Shareholders	40,305	16,613	142.6
Earnings Per Share (RMB cents)*	9.08	3.74	142.8

Note:

Pp: Percentage points

\*Based on the weighted average number of 443,750,000 ordinary shares in 9M2013 and 9M2014

**“Our better performing 9M2014 is fuelled by strong demand for our towercranes across all our markets. We saw significant improvements in our export markets mainly in the United States and Europe as these economies recover. China is still our major market and we foresee ongoing domestic demand as China continues its investment in infrastructure and residential projects.**

**We hope to sustain this positive momentum as we actively pursue higher growth in Southeast Asia and emerging markets such as Myanmar.**



**Our on-going expansion plans to penetrate other markets beyond China reiterates our commitment to further promote the Yongmao brand and also to yield higher revenue from the export markets.**

**As the Yongmao brand, quality and service continue to gain customer traction within the industry, we believe we shall be able to build on significantly higher customer confidence to secure more landmark contract wins.**

**Collectively our current financial performance and favourable industry dynamics such as rapid urbanization and renewed infrastructure spending in China will hopefully serve as a springboard for more success this year.”**

**Executive Director and Group General Manager, Mr. Sun Tian**

## **FINANCIAL REVIEW**

The 142.6% y-o-y increase in profit for 9M2014 came on the back of 27.1% y-o-y increase in revenue to RMB689.1 million. The higher revenue reported was mainly attributable to a 27.0% y-o-y improvement in sales in China. China accounts for 66.8% of the Group's revenue for 9M2014.

Gross profit margin increased 2.4 percentage points to 27.2% mainly due to stronger sales of higher-margin luffing series towercranes in Asia.

In line with higher revenue, total operating expenses of the Group increased 17.5% y-o-y to RMB135.7 million for 9M2014. Out of this, administrative expenses increased RMB7.3 million y-o-y to RMB62.4 million mainly due to increase in employee benefits, depreciation expenses, transportation, travelling and professional fees. Other operating expenses jumped 1,324.6% y-o-y to RMB8.0 million for 9M2014 mainly due to allowance for impairment of trade receivables, foreign exchange loss from the weakening of Singapore and Hong Kong dollars against Chinese Yuan and plant and renovation written off.

Overall, the Group registered a net profit attributable to equity holders of RMB40.3 million for 9M2014 translating into a 142.8% y-o-y spike in earnings per share to RMB9.08 cents.

## **OUTLOOK**

As China heads towards rebalancing her pace of growth, fostered by higher consumerism and investments, the Group is generally optimistic on stronger demand for its towercranes to support more residential and commercial projects. Recently in December last year, China's top economic planner, the National Development and Reform Commission, has announced its emphasis to invest mainly in urban and rural infrastructure, government-subsidized housing, water conservation and railway projects in 2014.<sup>1</sup>

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<sup>1</sup> CCTV 中视网, <http://english.cntv.cn/program/bizasia/20131216/103722.shtml>, Chinese government investment to focus on infrastructure projects, 16 December 2013.



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Mr. Sun further elaborated, **“Outside China, we are stepping up our sales efforts in Southeast Asia markets such as Malaysia and emerging markets like Myanmar. Higher construction activities, driven by stronger infrastructure needs, continue to feed demand for quality towercranes in Asia.**

**We are also however aware of some of the prevalent market risks such as currency exchange losses and potentially higher operating and raw material costs. As such we shall continue to closely monitor market trends and mitigate our risks according to the macroeconomic conditions.”**

On 31 December 2013, the Group had convened an Extraordinary General Meeting and obtained Shareholders’ Approval for its proposed corporate restructuring which enables them to rationalise its joint venture with Tat Hong, its major shareholder, in China’s towercrane rental business. Following which, on 23 January 2014, the relevant approvals from the Shanghai Municipal Commission of Commerce (上海市商务委员会) and Beijing Municipal Commission of Commerce (北京市商务委员会) have been obtained.

Mr. Sun concluded, **“Differentiating ourselves as a quality Chinese towercrane maker allows us to seize more business opportunities, enhance our competitive position and strengthen our balance sheet. This is in line with our relentless efforts to reshape perceptions of construction players on Chinese made towercranes. Our track record in contributing to the works of some of the world’s prominent landmark structures has certainly encouraged us to participate in more of such projects and secure more joint ventures through our strategic partner, Tat Hong.”**

- 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.



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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.

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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