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For Immediate Release

LIUGONG REPORTS MORE THAN DOUBLED PROFITS FOR 2009

Guangxi, PR China – April 20, 2010 – Despite last year’s economic turmoil, LiuGong Machinery Corp., the leading global China-based heavy construction equipment manufacturer, reported it more than doubled profits last year while increasing sales volume nearly 10%, company executives stated.

LiuGong is headquartered in Guangxi, PR China, and offers a full line of construction equipment to the global market. The company is publicly traded on the Shenzhen Stock Exchange.

In addition to its success with profitability in 2009, LiuGong set two new company records, one for an all time high in total wheel loader sales, and one for an all time record in total sales volume. LiuGong has approximately 18% of the global market share of wheel loaders, having grown that share by nearly 4% since 2007.

LiuGong reported €105 million Euro (\$151 million USD) in profits on €1.04 billion Euro (\$1.49 billion USD) in total sales revenue. This was an increase from 2008’s profit of €42 million Euro (\$60.2 million USD) on a turnover of €947 million Euro (\$1.37 billion USD). Net profit for 2009 was €93.9 million Euro (\$127 million USD) compared with €36.8 million Euro (\$49.8 million USD) in 2008. LiuGong reported earnings per share of €0.15 Euro (21 cents USD) for 2009.

China’s strong economic recovery helped fuel LiuGong’s success, as the company is a top brand in its home country. Overall, the Chinese domestic market drove significant sales volume increases with a slight decline in overseas sales volume. Domestic sales hit LiuGong’s all time record, with the sale of more than 35,100 machine units. The sales volume in China contributed more than €840 million Euro (\$1.2 billion USD) to the company total, with domestic sales volume growing nearly 9.5% over 2008.

The news from overseas markets was mixed, with construction sectors hit hard by the global recession. LiuGong saw an overall decrease in overseas unit sales of nearly 12% in 2009. Export volume for 2009 was €123.5 million Euro (\$167 million USD), including sales of spare parts. This compares with €162.6 million Euro (\$219.7 million USD) the previous year, including parts. Despite challenges, LiuGong saw increases of 10% in sales of rollers, forklifts and backhoes, demonstrating success in efforts to broaden sales across product lines in overseas markets.

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LiuGong executives remained enthusiastic about LiuGong's prospects. Mr. Zeng Guang'an, LiuGong's Vice Chairman and President, reported company results at Bauma in Munich. He pointed out that certain overseas markets did quite well.

"Our results show LiuGong continues to be a vibrant growth company with excellent global leadership," said President Zeng. "I believe we continue to employ the right strategies in our global expansion, and while 2009 was difficult on many fronts, LiuGong experienced bright spots in many overseas markets."

Overseas markets that performed strongly for LiuGong compared with 2008 included Latin America with a 37% increase in unit sales, Australia with a 147% increase in unit sales, North America with a 133% increase in units sales, Africa with its 25% increase in unit sales and Vietnam, which saw a 41% increase in unit sales and also set the company's all time record for overseas unit sales in a single year from a single office.

"We continue to build our worldwide dealer and sales operations. Right now, we are actively recruiting dealers in Western Europe," Zeng said. "And, our teams have been at work with sales promotions, product exhibitions and hosting customer demos to further heighten the customer's awareness of LiuGong's full product line offering while simultaneously expanding our dealer support in after sales parts and service to help make them even more effective in serving our customers."

LiuGong is the world's largest manufacturer of wheel loaders, a ranking that the company captured again for 2009. LiuGong has twelve product lines. Wheel loaders, excavators, rollers, motor graders, bulldozers, loader backhoes, skid steer loaders, mini excavators and forklifts are available globally, while mobile cranes, pavers and cold planners, currently available in the domestic market, will be launched in the next year. LiuGong regularly launches new products into worldwide markets with continued growth in its full product line offering. In the past year, top selling products for LiuGong have been wheel loaders, rollers, motor graders, forklifts and excavators.

The company supports its global product lines with a rapidly-growing, worldwide network of 119 dealers across six continents in more than 80 countries. The LiuGong dealer network provides 881 outlets around the world.

LiuGong is known for producing equipment that is easy to own and easy to operate, and features technologies with well proven reliability.

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For more than 50 years, LiuGong Machinery Corporation has led China's construction equipment industry, offering a wide range of heavy machinery through its dealer network spanning six continents. With a full line of construction and materials handling equipment, LiuGong Machinery Corporation is deeply committed to serving its customers worldwide.