

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

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

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

Group statement of profit or loss and other comprehensive income for the financial period ended 30 June 2014. These figures have not been audited.

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2014 (Q1 FY2015)	3 months ended 30 Jun 2013 (Q1 FY2014)	Increase/ (Decrease)
Revenue	229,546	258,483	(11.2)
Cost of sales	(157,016)	(196,949)	(20.3)
Gross profit	72,530	61,534	17.9
Other income	13,224	1,182	1,018.8
Distribution costs	(18,010)	(16,161)	11.4
Administrative expenses	(18,487)	(19,119)	(3.3)
Other operating expenses	2,280	(3,258)	NM
Finance costs	(5,492)	(5,463)	0.5
Total operating expenses	(39,709)	(44,001)	(9.8)
Share of results of associated companies, net of tax	-	(334)	NM
Profit before taxation	46,045	18,381	150.5
Taxation	(6,689)	(3,698)	80.9
Net profit for the period	39,356	14,683	168.0
Attributable to:			
Equity holders of the Company	36,153	13,074	176.5
Non-controlling interests	3,203	1,609	99.1
Net profit for the period	39,356	14,683	168.0

NM: Not Meaningful

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2014 (Q1 FY2015)	3 months ended 30 Jun 2013 (Q1 FY2014)	Increase/ (Decrease)
Net profit for the period	39,356	14,683	168.0
Other comprehensive (expense)/ income: Items that may be reclassified subsequently to profit or loss:			
Exchange translation difference	(1,516)	11	NM
Other comprehensive (expense)/income for the period, net of tax	(1,516)	11	NM
Total comprehensive income for the period	37,840	14,694	157.5
Total comprehensive income attributable to:			
Equity holders of the Company	34,579	13,085	164.3
Non-controlling interests	3,261	1,609	102.7
Total comprehensive income for the period	37,840	14,694	157.5

Note: The Group profit before taxation is arrived at after charging/(crediting):

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2014 (Q1 FY2015)	3 months ended 30 Jun 2013 (Q1 FY2014)	Increase/ (Decrease)
Amortisation of deferred capital grants	(40)	-	NM
Amortisation of intangible assets	25	108	(76.9)
Depreciation of property, plant and equipment ¹	10,806	8,113	33.2
Exchange (gain)/loss	(2,476)	1,266	NM
Gain on restructuring ²	(12,058)	-	NM
Gain on disposal of property, plant and equipment	(872)	(526)	65.8
Interest income	(100)	(340)	(70.6)
Interest expense	5,492	5,463	0.5
Operating lease rentals	2,229	1,855	20.2
Property, plant and equipment written off ³	3	1,868	(99.8)
Provision for inventory obsolescence ⁴	-	3,409	NM

NM: Not Meaningful

Note:

- Increase mainly due to depreciation of plant and machinery in new manufacturing facilities and Hong Kong rental fleet.
- See Paragraph 8 – Other operating income.
- In Q1 FY2014, mainly write off of plant structure and renovation that are no longer in use.
- In Q1 FY2014, mainly provision for inventory obsolescence of certain finished goods that decline in value arising from technological changes.

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

	Group		Company	
	30 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	441,702	438,488	-	-
Intangible assets	325	350	-	-
Subsidiaries	-	-	314,988	314,988
Available-for-sale financial assets	78,675	-	78,675	-
Associated companies	-	61,577	-	13,500
Trade and other receivables	1,789	1,388	-	-
Deferred costs	8,960	11,001	-	-
Deferred tax assets	15,627	16,871	-	-
	<u>547,078</u>	<u>529,675</u>	<u>393,663</u>	<u>328,488</u>
Current				
Inventories	345,552	315,327	-	-
Trade and other receivables	330,307	363,382	100	194
Deferred costs	17,407	21,881	-	-
Amounts owing by subsidiaries	-	-	22,807	83,554
Amount owing by an associated company	-	1,064	-	-
Amounts owing by related parties	140,230	165,466	-	-
Amount owing by a corporate shareholder of a subsidiary	1,275	1,275	-	-
Cash and cash equivalents	166,690	231,123	15,373	9,543
	<u>1,001,461</u>	<u>1,099,518</u>	<u>38,280</u>	<u>93,291</u>
TOTAL ASSETS	<u>1,548,539</u>	<u>1,629,193</u>	<u>431,943</u>	<u>421,779</u>
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	252,643	218,064	106,387	97,406
Equity attributable to equity holders of the Company	<u>565,127</u>	<u>530,548</u>	<u>418,871</u>	<u>409,890</u>
Non-controlling interests	43,062	39,801	-	-
TOTAL EQUITY	<u>608,189</u>	<u>570,349</u>	<u>418,871</u>	<u>409,890</u>
LIABILITIES				
Non-current				
Borrowings	136,427	130,397	-	-
Deferred income	11,978	14,800	-	-
Deferred capital grants	4,608	1,570	-	-
Deferred tax liabilities	11,741	11,320	8,388	7,969
Trade and other payables	25,828	26,732	-	-
	<u>190,582</u>	<u>184,819</u>	<u>8,388</u>	<u>7,969</u>
Current				
Trade and other payables	418,203	417,477	4,604	3,840
Borrowings	227,300	340,142	-	-
Deferred income	25,186	39,051	-	-
Deferred capital grants	95	32	-	-
Amounts owing to/advance payments from associated companies	-	2,645	-	-
Amounts owing to/advance payments from related parties	47,618	45,097	80	80
Amounts owing to a corporate shareholder of a subsidiary	27,137	26,012	-	-
Current tax payable	4,229	3,569	-	-
	<u>749,768</u>	<u>874,025</u>	<u>4,684</u>	<u>3,920</u>
TOTAL EQUITY AND LIABILITIES	<u>1,548,539</u>	<u>1,629,193</u>	<u>431,943</u>	<u>421,779</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30 June 2014		As at 31 March 2014	
Secured ⁽¹⁾	Unsecured ⁽²⁾	Secured ⁽¹⁾	Unsecured ⁽²⁾
RMB'000	RMB'000	RMB'000	RMB'000
227,300	18,355	340,142	18,355

Amount repayable after one year

As at 30 June 2014		As at 31 March 2014	
Secured ⁽¹⁾	Unsecured	Secured ⁽¹⁾	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
136,427	-	130,397	-

Details of any collaterals

Note (1): The secured loans include the following:

- a) RMB Nil (31 March 2014 – RMB140.3 million) bank borrowings and trust receipts granted to Fushun Yongmao. Construction Machinery Co., Ltd. ("Fushun Yongmao"). These bank borrowings were guaranteed by Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd. ("Beijing Yongmao") and certain directors of the Company and secured by the land use rights of Fushun Yongmao.
- b) RMB50.0 million (31 March 2014 – RMB20.0 million) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao and a director of the Company.
- c) RMB50.0 million (31 March 2014 – RMB50.0 million) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao.
- d) RMB30.0 million (31 March 2014 – RMB30.0 million) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by the Company.
- e) RMB20.0 million (31 March 2014 – RMB20.0 million) bank borrowing granted to Fushun Yongmao. This bank borrowing is guaranteed by Beijing Yongmao and certain directors of the Company.
- f) RMB98.1 million (31 March 2014 – RMB98.0 million) bank borrowings granted to Fushun Yongmao. These bank borrowings are guaranteed by irrevocable letter of guarantees issued by another bank. The letter of guarantees are guaranteed by Beijing Yongmao and certain directors of the Company and secured by fixed deposits.
- g) RMB12.7 million (31 March 2014 – RMB Nil) bank borrowing granted to Fushun Yongmao. These trust receipts are secured by certain trade receivables.
- h) RMB14.5 million (31 March 2014 – RMB17.5 million) trust receipts granted to Fushun Yongmao. These trust receipts are guaranteed by certain directors of the Company.
- i) RMB33.0 million (31 March 2014 – RMB48.0 million) trust receipts granted to Fushun Yongmao. These trust receipts are guaranteed by certain directors of the Company and secured by certain trade receivables.
- j) RMB0.4 million (31 March 2014 – RMB0.5 million) in respect of motor vehicles and office equipment acquired under finance leases.
- k) RMB55.0 million (31 March 2014 – RMB46.2 million) in respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.

The above borrowings are for the purpose of increasing the working capital.

Note (2): The unsecured loans include the following:

- a) RMB18.4 million (31 March 2014 – RMB18.4 million), which was interest-bearing, was from a corporate shareholder to Beijing Yongmao for the purpose of increasing the working capital of Beijing Yongmao. This is included as part of "Amounts owing to a corporate shareholder of a subsidiary" under current liabilities in the balance sheet.

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

	Group (First Quarter)	
	RMB'000	RMB'000
	3 months ended	3 months ended
	30 Jun 2014	30 Jun 2013
	(Q1 FY2015)	(Q1 FY2014)
Cash flows from operating activities		
Profit before taxation	46,045	18,381
Adjustments for:		
Share of results of associated companies	-	334
Unrealised profits from sale of towercranes and towercrane accessories to associated companies	(14,452)	(259)
Amortisation of deferred capital grants	(40)	-
Amortisation of intangible assets	25	108
Depreciation of property, plant and equipment	10,806	8,113
Gain on disposal of property, plant and equipment	(872)	(526)
Gain on restructuring	(12,058)	-
Property, plant and equipment written off	3	1,868
Provision for inventory obsolescence	-	3,409
Interest expense	5,492	5,463
Interest income	(100)	(340)
Exchange translation difference	366	-
Operating profit before working capital changes	35,215	36,551
Increase in inventories ¹	(32,131)	(12,432)
Decrease in deferred costs	6,515	7,760
Decrease/(increase) in operating receivables	59,163	(96,458)
(Decrease)/increase in operating payables	(256)	56,754
Decrease in deferred income	(9,022)	(9,224)
Cash generated from/(used in) operations	59,484	(17,049)
Interest paid	(4,953)	(5,851)
Tax paid	(4,294)	(3,335)
Net cash generated from/(used in) operating activities	50,237	(26,235)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(12,421)	(2,326)
Proceeds from disposal of property, plant and equipment	1,434	1,497
Proceeds from government grants	3,141	-
Interest received	100	340
Net cash used in investing activities	(7,746)	(489)
Cash flows from financing activities		
Proceeds from borrowings ²	120,884	180,882
Repayment of borrowings ²	(224,369)	(151,794)
Repayment of finance lease liabilities	(3,532)	(1,133)
Restricted bank balances	12,728	10,366
Receipt from associated companies	-	413
Repayment to related parties	-	(1,108)
Repayment to a corporate shareholder of a subsidiary	-	(232)
Dividends paid to non-controlling interests	-	(195)
Net cash (used in)/generated from financing activities	(94,289)	37,199
Net (decrease)/increase in cash and cash equivalents	(51,798)	10,475
Cash and cash equivalents at beginning of period	138,253	95,895
Exchange adjustments	93	(311)
Cash and cash equivalents at end of period	86,548	106,059

Note:

- Included in increase in inventories were towercranes and towercrane components and accessories that were self-constructed amounting to RMB5.0 million (30 June 2013 – RMB5.6 million) which were held for rental purposes and have been presented under operating activities in accordance with FRS 7.
- Comparative figures have been reclassified to conform with current period's presentation and in accordance with FRS 7 – Statement of Cash Flows (see Paragraph 5)

Analysis of cash and cash equivalents

	Group	
	RMB'000 30 Jun 2014	RMB'000 30 Jun 2013
Cash on hand	118	113
Bank balances	166,572	137,498
	166,690	137,611
Restricted bank balances	(80,142)	(31,552)
	86,548	106,059

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	Statutory common reserve	Retained profits	Exchange fluctuation reserve	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year:								
Balance as at 1 Apr 2014	312,484	(26,769)	55,428	187,211	2,194	530,548	39,801	570,349
Total comprehensive income/(expense) for the period	-	-	-	36,153	(1,574)	34,579	3,261	37,840
Transfer to statutory common reserve	-	-	2,115	(2,115)	-	-	-	-
Balance as at 30 Jun 2014	312,484	(26,769)	57,543	221,249	620	565,127	43,062	608,189

Group	Share capital	Merger reserve	Statutory common reserve	Retained profits	Exchange fluctuation reserve	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Previous year:								
Balance as at 1 Apr 2013	312,484	(26,769)	47,024	151,191	1,722	485,652	18,595	504,247
Total comprehensive income for the period	-	-	-	13,074	11	13,085	1,609	14,694
Transfer to statutory common reserve	-	-	1,866	(1,866)	-	-	-	-
Balance as at 30 Jun 2013	312,484	(26,769)	48,890	162,399	1,733	498,737	20,204	518,941

Company	Share capital RMB'000	Retained profits RMB'000	Total equity RMB'000
Current year:			
Balance as at 1 Apr 2014	312,484	97,406	409,890
Total comprehensive income for the period	-	8,981	8,981
Balance as at 30 Jun 2014	312,484	106,387	418,871

Company	Share capital RMB'000	Retained profits RMB'000	Total equity RMB'000
Previous year:			
Balance as at 1 Apr 2013	312,484	35,963	348,447
Total comprehensive expense for the period	-	(592)	(592)
Balance as at 30 Jun 2013	312,484	35,371	347,855

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 2014. As at 30 June 2014, 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.

	30 June 2014	31 March 2014
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 2014 except that the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for annual periods beginning on 1 April 2014.

The adoption of these new or revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

Certain comparative figures in the consolidated statement of cash flows have been reclassified to conform with current period's presentation and in accordance with FRS 7 – Statement of Cash Flows:

	Group (First Quarter)	
	RMB'000	RMB'000
	3 months ended	3 months ended
	30 Jun 2013	30 Jun 2013
	(Q1 FY2014)	(Q1 FY2014)
	As restated	As reported
Proceeds from borrowings	180,882	29,088
Repayment of borrowings	(151,794)	-

Borrowings in Q1 FY2014 as reported previously were presented net of proceeds and repayments as these were considered short-term in nature for working capital purposes. It was reclassified to disclose gross proceeds and repayments of borrowings to be in line with FRS 7 as most of the borrowings exceeded 3 months.

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.

Please refer to Para 4 above.

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 (First Quarter)	
	RMB'000	
	3 months ended	3 months ended
	30 Jun 2014	30 Jun 2013
	(Q1 FY2015)	(Q1 FY2014)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	36,153	13,074
Weighted average no. of shares used in computation of basic earning per shares	443,750,000	443,750,000
Earnings per share (in cents RMB)		
(a) Based on weighted average number of ordinary shares on issue	8.15	2.95
(b) On a fully diluted basis	8.15	2.95

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	
	30 Jun 2014	31 Mar 2014	30 Jun 2014	31 Mar 2014
Net asset value per ordinary share (RMB cents)	127.35	119.56	94.38	92.37

Net asset value per share for the Group and the Company for 30 June 2014 and 31 March 2014 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

First Quarter FY2015 ("Q1 FY2015") vs First Quarter FY2014 ("Q1 FY2014")

Revenue

Group revenue decreased 11.2% to RMB229.5 million in Q1 FY2015 as compared to RMB258.5 million in Q1 FY2014 mainly due to decrease in the PRC sales by 31.7% as a result of weaker domestic demand. However, sales in Europe, Middle East and Asia (outside the PRC) grew by 628.9%, 208.5% and 12.8% respectively due to higher demand for our products and services especially in Russia/Belgium, Israel/UAE, Malaysia and Hong Kong/Macau region. Overall, PRC sales still formed the bulk of the turnover of the Group, amounting to 58.1% of revenue in Q1 FY2015 as compared to 75.5% of revenue in Q1 FY2014.

Gross profit and gross profit margin

Gross profit increased to RMB72.5 million in Q1 FY2015 from RMB61.5 million in Q1 FY2014. The increase was mainly due to higher average gross profit margin despite the lower sales. In addition, the increase in gross profit was partly due to accounting recognition of unrealised profits of RMB14.5 million from previous sale of towercranes and towercrane accessories to associated companies. This is now realised upon disposal of the associated companies in accordance with FRS 28 - Investments in Associates and Joint Ventures (see also Paragraph 8 – Other operating income).

Average gross profit margin increased to 31.6% in Q1 FY2015 from 23.8% in Q1 FY2014 mainly due to higher overseas sales and rental and service income which generated higher gross profit margin. In addition, there was no provision for stock obsolescence in Q1 FY2015 as compared to Q1 FY2014.

Other operating income

Other operating income increased to RMB13.2 million in Q1 FY2015 mainly due to the resultant gain of RMB12.1 million upon the completion of the Restructuring with Tat Hong Holdings Ltd per our announcement dated 30 April 2014. Both Tat Hong Zhaomao Investment Co., Ltd and Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd (together with Sichuan Tat Hong Yuanzheng Machinery Construction Co., Ltd.) ceased to be the associated companies of the Company and the Group. The Company and the Group now holds 11.6% of the enlarged share capital of Tat Hong Equipment (China) Pte Ltd which is classified as non-current available-for-sale financial assets at its fair value.

Operating expenses

Total operating expenses decreased to RMB39.7 million in Q1 FY2015 as compared to RMB44.0 million in Q1 FY2014.

Distribution costs increased to RMB18.0 million in Q1 FY2015 mainly due to higher employee benefits costs from the newly acquired subsidiaries, Eastime Engineering Limited and Eastime Engineering (Macau) Co., Ltd.. This was partly offset by lower freight and transportation charges as a result of lower sales.

Administrative expenses amounted to RMB18.5 million in Q1 FY2015 as compared to RMB19.1 million in Q1 FY2014. There was no significant variance noted.

Other operating expenses amounted to a credit balance of RMB2.3 million in Q1 FY2015 as compared to a debit balance of RMB3.3 million in Q1 FY2014. This was mainly due to exchange gain and lower property, plant and equipment written off.

The exchange gain arose mainly from:

- a) the strengthening of Singapore dollars ("SGD") and Hong Kong dollars ("HKD") against Chinese Yuan ("RMB") due to net SGD/HKD assets in the Company's books and RMB liabilities in the Singapore and Hong Kong subsidiaries' books; and
- b) the strengthening of United States dollars ("USD") against RMB due to net USD assets in the PRC books.

Finance costs remained constant at RMB5.5 million for both Q1 FY2015 and Q1 FY2014.

Share of results of associated companies

There was no share of results of associated companies in Q1 FY2015 as the associated companies ceased to be the associated companies of the Group in April 2014 upon the completion of the restructuring (see Paragraph 8 – Other operating income).

Taxation

Income tax expense increased to RMB6.7 million in Q1 FY2015 in line with higher profit for the financial period.

Profit before taxation and Net profit attributable to equity holders of the Company

Profit before taxation increased to RMB46.0 million in Q1 FY2015 from RMB18.4 million in Q1 FY2014 and net profit attributable to equity holders of the Company increased to RMB36.2 million in Q1 FY2015 from RMB13.1 million in Q1 FY2014. This was mainly due to higher gross profit, other income and income tax expense, partly offset by lower operating expenses for the financial period.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB17.4 million to RMB547.1 million as at 30 June 2014 mainly due to the investment in Tat Hong Equipment (China) Pte Ltd classified as available-for-sale financial assets at its fair value upon the completion of the restructuring (see Paragraph 8 – Other operating income) and property, plant and equipment acquired.

Non-current trade and other receivables related to non-current portion of housing loans made to employees as part of the Company's human resource strategy to retain staff. The amounts which are expected to be repaid for periods longer than 12 months after the end of the reporting period are classified as non-current.

Deferred costs related to the corresponding non-current portion cost of sales relating to revenue deferred (See Note on deferred income below).

Deferred tax assets arose mainly from deferred income, provisions and elimination of unrealised profits in intragroup sales.

Current Assets

Current assets decreased by RMB98.1 million to RMB1,001.5 million as at 30 June 2014 mainly due to lower trade and other receivables and amounts owing by related parties, partly offset by higher inventories.

Trade and other receivables decreased by RMB33.1 million mainly due to decrease in trade receivables in line with lower domestic revenue and repayment from customers during the financial period and lower advance payment made to suppliers of raw materials.

Amounts owing by related parties decreased by RMB25.3 million mainly due to repayment of trade debts from related parties during the financial period.

Inventories increased by RMB30.2 million for delivery due in second quarter FY2015.

Deferred costs related to the corresponding current portion cost of sales relating to revenue deferred (See Note on deferred income below).

Non-current Liabilities

Non-current liabilities increased by RMB5.8 million to RMB190.6 million as at 30 June 2014 mainly due to increased borrowings used for financing towercrane rental fleet in Hong Kong and Macau and deferred capital grants. These were partly offset by lower deferred income as a result of repayment by customers to financial institutions (See Note on deferred income below).

Deferred capital grants related to government grants received for the acquisition of land use rights undertaken by the Group's subsidiary in the PRC. Deferred capital grants is amortised over the useful lives of the land use rights. The amounts which are expected to be amortised for periods longer than 12 months after the end of the reporting period are classified as non-current.

Current Liabilities

Current liabilities decreased by RMB124.3 million to RMB749.8 million as at 30 June 2014 mainly due to decrease in borrowings and deferred income.

Borrowings decreased by RMB112.8 million mainly due to repayments of bank borrowings during the financial period.

Deferred income included RMB37.2 million of revenue deferred due to uncertainty to the timing of the consideration for the delivery of goods made to the customer. Owing to the uncertainty, the amount of the unpaid sum owing by the customer to the financial institution is deferred and recognised as revenue when the uncertainty is removed. The deferred costs, as mentioned under non-current and current assets above, related to the amount carried in the statement of financial position to the extent that revenue has been deferred. The decrease in deferred income, from RMB46.2 million as at 31 March 2014, was mainly due to repayment by customers to financial institutions.

Deferred capital grants related to the corresponding current portion of government grants received for the acquisition of land use rights (See Note on deferred capital grants under non-current liabilities above).

Total Equity

As at 30 June 2014, the total equity amounted to RMB608.2 million. The increase was mainly due to net profits of RMB39.4 million for Q1 FY2015.

REVIEW OF CASHFLOW STATEMENT

Q1 FY2015 vs Q1 FY2014

The Group reported a net decrease in cash and cash equivalents amounting to RMB51.8 million in Q1 FY2015 mainly due to:

- a) Net cash generated from operating activities in Q1 FY2015 of RMB50.2 million mainly from repayment of trade debts by related parties, partly offset by increase in inventories for delivery due in second quarter FY2015;
- b) Net cash used in investing activities of RMB7.7 million from the purchase of plant structure, machinery and motor vehicles, partly offset by government grants received for the acquisition of land use rights; and
- c) Net cash used in financing activities of RMB94.3 million mainly from net repayment of borrowings and finance lease liabilities, partly offset by lower restricted bank balances.

- 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 PRC economy stagnates in the second quarter of calendar year 2014 easing up marginally to 7.5 percent compared to 7.4 percent during the first quarter of calendar year 2014. Pending increase in governmental stimulus to stem economic slowdown and foster substantive growth, the PRC economic slowdown will likely to affect the domestic demand for construction equipment including towercranes in the PRC.

Demand for towercranes in South East Asia markets such as Malaysia and new markets like Myanmar will likely to improve due to increase in construction activities. 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 market. Other export demand is likely to grow due to improvement in the United States and Europe as their economies improve and this will help bolster export demand into these markets.

- 11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended for Q1 FY2015.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No dividend has been declared or recommended for Q1 FY2014.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13. If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Interested Persons Transactions

Name of Interested Person	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)	
	3 months ended 30 June 2014 (Q1 FY2015) RMB'000	3 months ended 30 June 2013 (Q1 FY2014) RMB'000	3 months ended 30 June 2014 (Q1 FY2015) RMB'000	3 months ended 30 June 2013 (Q1 FY2014) RMB'000
Sales to related parties				
Shanghai Tat Hong Equipment Rental Co., Ltd. (上海达丰机械租赁有限公司)	-	-	-	7,751
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	-	53,679	66,729
Restructuring of investments				
Tat Hong Zhaomao Investment Co., Ltd (达丰兆茂投资有限公司) and Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd (北京达丰兆茂机械租赁有限公司) with Tat Hong Equipment (China) Pte Ltd	-	-	78,675	-

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

14. 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 is based on the geographical location of customers. Segment information by business segments is not presented as the Group's business relates mainly to the manufacture, sale, rental and servicing of towercranes and towercrane components.

Revenue	Middle East & Others RMB'000	Asia (outside the PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
FY2015					
Q1	19,860	61,129	15,203	133,354	229,546
FY2014					
Q1	6,503	54,169	2,648	195,163	258,483

15. 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.

16. A breakdown of sales and profit after taxation

Not applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Not applicable.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, the Executive Directors of Yongmao Holdings Limited ("the Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the three months ended 30 June 2014 to be false or misleading in any material aspect.

Sun Zhao Lin
Executive Director

Tian Ruo Nan
Executive Director

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
4 August 2014