

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2014. These figures have not been audited.

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2014 (Q2 FY2015)	3 months ended 30 Sept 2013 (Q2 FY2014)	Increase/ (Decrease)	6 months ended 30 Sept 2014 (First Half FY2015)	6 months ended 30 Sept 2013 (First Half FY2014)	Increase/ (Decrease)
<b>Revenue</b>	219,518	232,099	(5.4)	449,064	490,582	(8.5)
Cost of sales	(156,500)	(171,735)	(8.9)	(313,516)	(368,684)	(15.0)
<b>Gross profit</b>	63,018	60,364	4.4	135,548	121,898	11.2
Other income	400	712	(43.8)	13,624	1,894	619.3
Distribution costs	(14,374)	(16,068)	(10.5)	(32,384)	(32,229)	0.5
Administrative expenses	(20,392)	(19,339)	5.4	(38,879)	(38,458)	1.1
Other operating expenses	(2,532)	(1,345)	88.3	(252)	(4,603)	(94.5)
Finance costs	(5,480)	(5,930)	(7.6)	(10,972)	(11,393)	(3.7)
<b>Total operating expenses</b>	(42,778)	(42,682)	0.2	(82,487)	(86,683)	(4.8)
Share of results of associated companies, net of tax	-	821	NM	-	487	NM
<b>Profit before taxation</b>	20,640	19,215	7.4	66,685	37,596	77.4
Taxation	(4,179)	(4,622)	(9.6)	(10,868)	(8,320)	30.6
<b>Net profit for the period</b>	16,461	14,593	12.8	55,817	29,276	90.7
<b>Attributable to:</b>						
Equity holders of the Company	12,446	14,877	(16.3)	48,599	27,951	73.9
Non-controlling interests	4,015	(284)	NM	7,218	1,325	444.8
<b>Net profit for the period</b>	16,461	14,593	12.8	55,817	29,276	90.7

NM: Not Meaningful

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2014 (Q2 FY2015)	3 months ended 30 Sept 2013 (Q2 FY2014)	Increase/ (Decrease)	6 months ended 30 Sept 2014 (First Half FY2015)	6 months ended 30 Sept 2013 (First Half FY2014)	Increase/ (Decrease)
<b>Net profit for the period</b>	16,461	14,593	12.8	55,817	29,276	90.7
<b>Other comprehensive expense:</b> Items that may be reclassified subsequently to profit or loss:						
Exchange translation difference	(1,054)	(12)	8,683.3	(2,570)	(1)	NM
Other comprehensive expense for the period, net of tax	(1,054)	(12)	8,683.3	(2,570)	(1)	NM
<b>Total comprehensive income for the period</b>	<b>15,407</b>	<b>14,581</b>	<b>5.7</b>	<b>53,247</b>	<b>29,275</b>	<b>81.9</b>
<b>Total comprehensive income/(expense) attributable to:</b>						
Equity holders of the Company	11,723	14,865	(21.1)	46,302	27,950	65.7
Non-controlling interests	3,684	(284)	NM	6,945	1,325	424.2
<b>Total comprehensive income for the period</b>	<b>15,407</b>	<b>14,581</b>	<b>5.7</b>	<b>53,247</b>	<b>29,275</b>	<b>81.9</b>

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

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sept 2014 (Q2 FY2015)	3 months ended 30 Sept 2013 (Q2 FY2014)	Increase/ (Decrease)	6 months ended 30 Sept 2014 (First Half FY2015)	6 months ended 30 Sept 2013 (First Half FY2014)	Increase/ (Decrease)
Allowance for impairment of trade receivables	-	1,000	NM	-	1,000	NM
Amortisation of deferred capital grants	(89)	-	NM	(129)	-	NM
Amortisation of intangible assets	25	25	-	50	133	(62.4)
Depreciation of property, plant and equipment <sup>1</sup>	11,040	8,018	37.7	21,846	16,131	35.4
Exchange loss/(gain)	696	192	262.5	(1,780)	1,458	NM
Gain on restructuring <sup>2</sup>	-	-	-	(12,058)	-	NM
(Gain)/loss on disposal of property, plant and equipment	(128)	17	NM	(1,000)	(509)	96.5
Interest income	(67)	(264)	(74.6)	(167)	(604)	(72.4)
Interest expense	5,480	5,930	(7.6)	10,972	11,393	(3.7)
Operating lease rentals	2,135	1,843	15.8	4,364	3,698	18.0
Property, plant and equipment written off <sup>3</sup>	-	-	-	3	1,868	(99.8)
Provision for inventory obsolescence <sup>4</sup>	-	-	-	-	3,409	NM

NM: Not Meaningful

Note:

- Increase mainly due to depreciation of renovation and plant and machinery in new manufacturing facilities and Hong Kong rental fleet.
- See Paragraph 8 – Other income under 1H FY2015.
- In 1H FY2014, mainly write off of plant structure and renovation that are no longer in use.
- In 1H 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 Sep 2014	31 Mar 2014	30 Sep 2014	31 Mar 2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current</b>				
Property, plant and equipment	449,120	438,488	-	-
Intangible assets	300	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	1,809	1,388	-	-
Deferred costs	7,761	11,001	-	-
Deferred tax assets	16,758	16,871	-	-
	<u>554,423</u>	<u>529,675</u>	<u>393,663</u>	<u>328,488</u>
<b>Current</b>				
Inventories	311,423	315,327	-	-
Trade and other receivables	322,764	363,382	99	194
Deferred costs	12,371	21,881	-	-
Amounts owing by subsidiaries	-	-	24,951	83,554
Amount owing by an associated company	-	1,064	-	-
Amounts owing by related parties	212,738	165,466	-	-
Amount owing by a corporate shareholder of a subsidiary	1,275	1,275	-	-
Cash and cash equivalents	116,224	231,123	2,139	9,543
	<u>976,795</u>	<u>1,099,518</u>	<u>27,189</u>	<u>93,291</u>
<b>TOTAL ASSETS</b>	<u>1,531,218</u>	<u>1,629,193</u>	<u>420,852</u>	<u>421,779</u>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	312,484	312,484	312,484	312,484
Reserves	253,349	218,064	98,109	97,406
<b>Equity attributable to equity holders of the Company</b>	<u>565,833</u>	<u>530,548</u>	<u>410,593</u>	<u>409,890</u>
Non-controlling interests	46,746	39,801	-	-
<b>TOTAL EQUITY</b>	<u>612,579</u>	<u>570,349</u>	<u>410,593</u>	<u>409,890</u>
<b>LIABILITIES</b>				
<b>Non-current</b>				
Borrowings	143,235	130,397	-	-
Deferred income	10,370	14,800	-	-
Deferred capital grants	9,347	1,570	-	-
Deferred tax liabilities	11,981	11,320	8,638	7,969
Trade and other payables	25,087	26,732	-	-
	<u>200,020</u>	<u>184,819</u>	<u>8,638</u>	<u>7,969</u>
<b>Current</b>				
Trade and other payables	368,105	417,477	1,541	3,840
Borrowings	255,117	340,142	-	-
Deferred income	18,024	39,051	-	-
Deferred capital grants	194	32	-	-
Amounts owing to/advance payments from associated companies	-	2,645	-	-
Amounts owing to/advance payments from related parties	45,467	45,097	80	80
Amounts owing to a corporate shareholder of a subsidiary	25,598	26,012	-	-
Current tax payable	6,114	3,569	-	-
	<u>718,619</u>	<u>874,025</u>	<u>1,621</u>	<u>3,920</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,531,218</u>	<u>1,629,193</u>	<u>420,852</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 September 2014		As at 31 March 2014	
Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>	Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>
RMB'000	RMB'000	RMB'000	RMB'000
255,117	18,355	340,142	18,355

**Amount repayable after one year**

As at 30 September 2014		As at 31 March 2014	
Secured <sup>(1)</sup>	Unsecured	Secured <sup>(1)</sup>	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
143,235	-	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) RMB98.0 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 borrowings granted to Fushun Yongmao. These bank borrowings are secured by certain trade receivables.
- h) RMB10.0 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) RMB41.8 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) RMB20.0 million (31 March 2014 – RMB Nil) bank borrowing granted to Beijing Yongmao. This bank borrowing is guaranteed by Fushun Yongmao and the Company.
- k) RMB0.7 million (31 March 2014 – RMB0.5 million) in respect of motor vehicles and office equipment acquired under finance leases.
- l) RMB65.2 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 (Second Quarter)		Group (First Half)	
	RMB'000	RMB'000	RMB'000	RMB'000
	3 months ended 30 Sept 2014 (Q2 FY2015)	3 months ended 30 Sept 2013 (Q2 FY2014)	6 months ended 30 Sept 2014 (First Half FY2015)	6 months ended 30 Sept 2013 (First Half FY2014)
<b>Cash flows from operating activities</b>				
Profit before taxation	20,640	19,215	66,685	37,596
Adjustments for:				
Share of results of associated companies	-	(821)	-	(487)
Unrealised profits from sale of towercranes and towercrane accessories to associated companies	-	(272)	(14,452)	(531)
Amortisation of deferred capital grants	(89)	-	(129)	-
Amortisation of intangible assets	25	25	50	133
Depreciation of property, plant and equipment	11,040	8,018	21,846	16,131
(Gain)/loss on disposal of property, plant and equipment	(128)	17	(1,000)	(509)
Gain on restructuring	-	-	(12,058)	-
Property, plant and equipment written off	-	-	3	1,868
Allowance for inventory obsolescence	-	-	-	3,409
Interest expense	5,480	5,930	10,972	11,393
Interest income	(67)	(264)	(167)	(604)
Exchange translation difference	(1,086)	-	(720)	-
<b>Operating profit before working capital changes</b>	<b>35,815</b>	<b>31,848</b>	<b>71,030</b>	<b>68,399</b>
Decrease/(increase) in inventories <sup>1</sup>	24,306	(14,550)	(7,825)	(26,982)
Decrease in deferred costs	6,235	10,082	12,750	17,842
Increase in operating receivables	(69,224)	(20,115)	(10,061)	(116,573)
(Decrease)/increase in operating payables	(51,262)	29,913	(51,518)	86,667
Decrease in deferred income	(8,770)	(13,087)	(17,792)	(22,311)
<b>Cash (used in)/generated from operations</b>	<b>(62,900)</b>	<b>24,091</b>	<b>(3,416)</b>	<b>7,042</b>
Interest paid	(5,052)	(5,033)	(10,005)	(10,884)
Tax paid	(3,078)	(2,463)	(7,372)	(5,798)
<b>Net cash (used in)/generated from operating activities</b>	<b>(71,030)</b>	<b>16,595</b>	<b>(20,793)</b>	<b>(9,640)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(7,292)	(1,805)	(19,713)	(4,131)
Proceeds from disposal of property, plant and equipment	179	-	1,613	1,497
Proceeds from government grants	4,927	-	8,068	-
Interest received	67	264	167	604
<b>Net cash used in investing activities</b>	<b>(2,119)</b>	<b>(1,541)</b>	<b>(9,865)</b>	<b>(2,030)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings <sup>2</sup>	101,991	68,524	222,875	249,406
Repayment of borrowings <sup>2</sup>	(61,500)	(90,000)	(285,869)	(241,794)
Repayment of finance lease liabilities	(4,851)	(3,113)	(8,383)	(4,246)
Restricted bank balances	8,579	(12,541)	21,307	(2,175)
(Repayment to)/receipt from associated companies	-	(56)	-	357
(Repayment to)/receipt from related parties	(1,233)	26	(1,233)	(1,082)
Repayment to corporate shareholder of a subsidiary	-	-	-	(232)
Dividends paid to non-controlling interests	(409)	-	(409)	(195)
Dividends paid to equity holders of the Company	(11,017)	(5,404)	(11,017)	(5,404)
<b>Net cash generated from/(used in) financing activities</b>	<b>31,560</b>	<b>(42,564)</b>	<b>(62,729)</b>	<b>(5,365)</b>
Net decrease in cash and cash equivalents	(41,589)	(27,510)	(93,387)	(17,035)
Cash and cash equivalents at beginning of period	86,548	106,059	138,253	95,895
Exchange adjustments	(298)	24	(205)	(287)
<b>Cash and cash equivalents at end of period</b>	<b>44,661</b>	<b>78,573</b>	<b>44,661</b>	<b>78,573</b>

Note:

- Included in decrease/(increase) in inventories for Q2 FY2015 and 1H FY2015 of RMB9.7 million and RMB14.7 million respectively, were towercranes and towercrane components and accessories that were self-constructed 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)

	Group	
	RMB'000 30 Sept 2014	RMB'000 30 Sept 2013
<b>Analysis of cash and cash equivalents</b>		
Cash on hand	476	4,469
Bank balances	115,748	118,197
	116,224	122,666
Restricted bank balances	(71,563)	(44,093)
	44,661	78,573

**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 RMB'000	Merger reserve RMB'000	Statutory common reserve RMB'000	Retained profits RMB'000	Exchange fluctuation reserve RMB'000	Total attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Current year:</b>								
<b>Balance as at 1 Apr 2014</b>	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)	-	-	-	-
<b>Balance as at 30 Jun 2014</b>	312,484	(26,769)	57,543	221,249	620	565,127	43,062	608,189
Total comprehensive income/(expense) for the period	-	-	-	12,446	(723)	11,723	3,684	15,407
Transfer to statutory common reserve	-	-	2,666	(2,666)	-	-	-	-
Dividends	-	-	-	(11,017)	-	(11,017)	-	(11,017)
<b>Balance as at 30 Sept 2014</b>	312,484	(26,769)	60,209	220,012	(103)	565,833	46,746	612,579

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
<b>Previous year:</b>								
<b>Balance as at 1 Apr 2013</b>	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)	-	-	-	-
<b>Balance as at 30 Jun 2013</b>	312,484	(26,769)	48,890	162,399	1,733	498,737	20,204	518,941
Total comprehensive income/(expense) for the period	-	-	-	14,877	(12)	14,865	(284)	14,581
Transfer to statutory common reserve	-	-	1,335	(1,335)	-	-	-	-
Dividends	-	-	-	(5,404)	-	(5,404)	-	(5,404)
<b>Balance as at 30 Sept 2013</b>	312,484	(26,769)	50,225	170,537	1,721	508,198	19,920	528,118

Company	Share capital	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000
<b>Current year:</b>			
<b>Balance as at 1 Apr 2014</b>	312,484	97,406	409,890
Total comprehensive income for the period	-	8,981	8,981
<b>Balance as at 30 Jun 2014</b>	312,484	106,387	418,871
Total comprehensive income for the period	-	2,739	2,739
Dividends	-	(11,017)	(11,017)
<b>Balance as at 30 Sept 2014</b>	312,484	98,109	410,593

Company	Share capital	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000
<b>Previous year:</b>			
<b>Balance as at 1 Apr 2013</b>	312,484	35,963	348,447
Total comprehensive expense for the period	-	(592)	(592)
<b>Balance as at 30 Jun 2013</b>	312,484	35,371	347,855
Total comprehensive expense for the period	-	(754)	(754)
Dividends	-	(5,404)	(5,404)
<b>Balance as at 30 Sept 2013</b>	312,484	29,213	341,697

- 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 was no change 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 in Q2 FY2015 or Q2 FY2014.

The total number of shares issued by the Company is 443,750,000 as at 30 September 2014 (30 September 2013 – 443,750,000).

There was no outstanding convertible or treasury share as at 30 September 2014 (30 September 2013 – Nil).

- 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 September 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.**

There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2014 (30 September 2013 – Nil).

- 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 (Second Quarter)		Group (First Half)	
	RMB'000	RMB'000	RMB'000	RMB'000
	3 months ended 30 Sept 2013 (Q2 FY2014)	3 months ended 30 Sept 2013 (Q2 FY2014)	6 months ended 30 Sept 2013 (First Half FY2014)	6 months ended 30 Sept 2013 (First Half FY2014)
	As restated	As reported	As restated	As reported
Proceeds from borrowings	68,524	-	249,406	7,612
Repayment of borrowings	(90,000)	(21,476)	(241,794)	-

Borrowings in Q2 FY2014 and 1H 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 (Second Quarter)		Group (First Half)	
	RMB'000	RMB'000	RMB'000	RMB'000
	3 months ended 30 Sept 2014 (Q2 FY2015)	3 months ended 30 Sept 2013 (Q2 FY2014)	6 months ended 30 Sept 2014 (First Half FY2015)	6 months ended 30 Sept 2013 (First Half FY2014)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	12,446	14,877	48,599	27,951
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 per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	2.80	3.35	10.95	6.30
(b) On a fully diluted basis	2.80	3.35	10.95	6.30

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 Sept 2014	31 Mar 2014	30 Sept 2014	31 Mar 2014
Net asset value per ordinary share (RMB cents)	127.51	119.56	92.53	92.37

Net asset value per share for the Group and the Company for 30 September 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**

### **Second Quarter FY2015 ("Q2 FY2015") vs Second Quarter FY2014 ("Q2 FY2014")**

#### **Revenue**

Group revenue decreased 5.4% to RMB219.5 million in Q2 FY2015 as compared to RMB232.1 million in Q2 FY2014 mainly due to decrease in the PRC sales by 31.9% as a result of weaker domestic demand due to the ongoing property slowdown in many PRC cities. However, sales in Africa, Europe, Asia (outside the PRC) and Middle East grew by 292.2%, 156.7%, 48.6% and 35.1% respectively due to higher demand for our products and services especially in Nigeria, Finland, Singapore, Hong Kong, Macau and Middle East. Overall, PRC sales still made the largest turnover contribution to the Group, amounting to 48.7% of revenue in Q2 FY2015 as compared to 67.6% of revenue in Q2 FY2014.

#### **Gross profit and gross profit margin**

Gross profit increased 4.4% to RMB63.0 million in Q2 FY2015 from RMB60.4 million in Q2 FY2014. The increase was mainly due to higher average gross profit margin despite the lower revenue in Q2 FY2015.

Average gross profit margin increased to 28.7% in Q2 FY2015 from 26.0% in Q2 FY2014 mainly due to higher overseas sales and rental income which typically generated higher gross profit margin.

#### **Other income**

Other income decreased 43.8% to RMB0.4 million in Q2 FY2015 from RMB0.7 million in Q2 FY2014 mainly due to decrease in interest income and sale of scrap materials.

#### **Operating expenses**

Total operating expenses increased slightly to RMB42.8 million in Q2 FY2015 as compared to RMB42.7 million in Q2 FY2014.

Distribution costs decreased 10.5% to RMB14.4 million in Q2 FY2015 as compared to RMB16.1 million in Q2 FY2014 mainly due to reclassification of Q1 FY2015 direct service cost to cost of sales. In addition, freight and transportation charges decreased as a result of lower sales. These are partly offset by inclusion of employee costs from the newly acquired subsidiaries, Eastime Engineering Limited ("EEL") and Eastime Engineering (Macau) Co., Ltd ("EEM") since October 2013.

Administrative expenses increased 5.4% to RMB20.4 million in Q2 FY2015 as compared to RMB19.3 million in Q2 FY2014 mainly due to higher administrative expenses contributed by EEL and EEM. The increase was also due to higher depreciation and entertainment expenses.

Other operating expenses increased 88.3% to RMB2.5 million in Q2 FY2015 as compared to RMB1.3 million in Q2 FY2014 mainly due to increase in bank charges and exchange loss.

The exchange loss arose mainly from the weakening of Singapore dollars ("SGD") against Chinese Yuan ("RMB") due to net SGD assets in the Company's books and RMB liabilities in the Singapore subsidiary's books.

In line with the lower borrowings and effective interest rate, finance costs decreased 7.6% to RMB5.5 million in Q2 FY2015 as compared to RMB5.9 million in Q2 FY2014.

#### **Share of results of associated companies**

There was no share of results of associated companies in Q2 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 income under 1H FY2015).

## Taxation

Income tax expense decreased 9.6% to RMB4.2 million in Q2 FY2015 despite the increase in profit before taxation mainly due to losses incurred in the Company which increased the effective tax rate in Q2 FY2014.

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

Profit before taxation increased 7.4% to RMB20.6 million in Q2 FY2015 from RMB19.2 million in Q2 FY2014 mainly due to higher gross profit, partly offset by no share of results of associated companies.

Net profit attributable to equity holders of the Company decreased 16.3% to RMB12.4 million in Q2 FY2015 from RMB14.9 million in Q2 FY2014 despite an increase in profit before taxation and lower income tax expense mainly due to higher profits attributable to non-controlling interests.

## First Half FY2015 (“1H FY2015”) vs First Half FY2014 (“1H FY2014”)

### Revenue

Group revenue decreased 8.5% to RMB449.1 million in 1H FY2015 as compared to RMB490.6 million in 1H FY2014 mainly due to decrease in the PRC sales by 31.8% as a result of weaker domestic demand due to the ongoing property slowdown in many PRC cities. However, sales in Europe, Africa, Middle East and Asia (outside the PRC) grew by 288.4%, 266.4%, 92.8% and 30.5% respectively due to higher demand for our products and services especially in Russia, Finland, Nigeria, Middle East, Hong Kong, Macau and Myanmar. Overall, PRC sales still formed the bulk of the turnover of the Group, amounting to 53.5% of revenue in 1H FY2015 as compared to 71.8% of revenue in 1H FY2014.

### Gross profit and gross profit margin

Gross profit increased 11.2% to RMB135.5 million in 1H FY2015 from RMB121.9 million in 1H FY2014. The increase was mainly due to higher average gross profit margin despite the lower revenue in 1H FY2015. In addition, the increase in gross profit was partly due to accounting recognition of unrealised profits of RMB14.5 million in Q1 FY2015 from previous sale of towercranes and towercrane accessories to associated companies. This was realised upon disposal of the associated companies in accordance with FRS 28 - Investments in Associates and Joint Ventures (see also Paragraph 8 – Other income below).

Average gross profit margin increased to 30.2% in 1H FY2015 from 24.8% in 1H FY2014 mainly due to higher overseas sales and rental income which typically generated higher gross profit margin. In addition, there was no provision for stock obsolescence in 1H FY2015 as compared to 1H FY2014.

### Other income

Other income increased 619.3% to RMB13.6 million in 1H 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 (“THZMI”) 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 4.8% to RMB82.5 million in 1H FY2015 as compared to RMB86.7 million in 1H FY2014.

Distribution costs increased slightly to RMB32.4 million in 1H FY2015 as compared to RMB32.2 million in 1H FY2014 mainly due to inclusion of employee costs from the newly acquired subsidiaries, EEL and EEM since October 2013. This was partly offset by lower freight and transportation charges as a result of lower sales.

Administrative expenses increased 1.1% to RMB38.9 million in 1H FY2015 as compared to RMB38.5 million in 1H FY2014 mainly due to higher administrative expenses contributed by EEL and EEM. The increase was also due to higher depreciation and entertainment expenses.

Other operating expenses decreased 94.5% to RMB0.3 million in 1H FY2015 as compared to RMB4.6 million in 1H FY2014 mainly due to exchange gain and lower property, plant and equipment written off partly offset by higher bank charges. In addition, there was no allowance for impairment of trade receivables in 1H FY2015 as compared to 1H FY2014.

The exchange gain arose mainly from:

- a) the strengthening of RMB against SGD due to net SGD liabilities in the PRC books; and
- b) the strengthening of USD against RMB due to net USD assets in the PRC books in Q1 FY2015 as a result of USD received for the disposal of THZMI shares by a subsidiary.

In line with the lower borrowings and effective interest rate, finance costs decreased 3.7% to RMB11.0 million in 1H FY2015 as compared to RMB11.4 million 1H FY2014.

### **Share of results of associated companies**

There was no share of results of associated companies in 1H 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 income above).

### **Taxation**

In line with higher profit for the financial period, income tax expense increased 30.6% to RMB10.9 million in 1H FY2015 from RMB8.3 million in 1H FY2014.

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

Profit before taxation increased 77.4% to RMB66.7 million in 1H FY2015 from RMB37.6 million in 1H FY2014 and net profit attributable to equity holders of the Company increased 73.9% to RMB48.6 million in 1H FY2015 from RMB28.0 million in 1H FY2014. This was mainly due to higher gross profit, other income and lower operating expenses, partly offset by higher income tax expense for the financial period.

## **REVIEW OF FINANCIAL POSITION OF THE GROUP**

### **Non-current Assets**

Non-current assets increased by RMB24.7 million to RMB554.4 million as at 30 September 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 income under 1H FY2015) 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 RMB122.7 million to RMB976.8 million as at 30 September 2014 mainly due to lower trade and other receivables, inventories and deferred costs, partly offset by higher amounts owing by related parties.

Trade and other receivables decreased by RMB40.6 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.

Inventories decreased by RMB3.9 million mainly due to self-constructed towercranes used for rental purposes transferred to property, plant and equipment.

Amounts owing by related parties increased by RMB47.3 million mainly due to sales made during the financial period and slower repayment of trade debts from related parties. Subsequent to 30 September 2014, approximately RMB48.0 million was received.

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 RMB15.2 million to RMB200.0 million as at 30 September 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 RMB155.4 million to RMB718.6 million as at 30 September 2014 mainly due to decrease in trade and other payables, borrowings and deferred income.

Trade and other payables decreased by RMB49.4 million mainly due to lower trade and bills payables in line with the lower purchases, and lower advance payments by customers as a result of lower sales.

Borrowings decreased by RMB85.0 million mainly due to repayments of borrowings during the financial period.

Deferred income included RMB28.4 million of revenue deferred due to uncertainty in the timing of the consideration for the delivery of goods made to the customer. Owing to the uncertainty, the amount of the unpaid sum owed 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 September 2014, the Group's total equity amounted to RMB612.6 million. The increase was mainly due to net profits of RMB55.8 million for 1H FY2015, partly offset by dividends paid.

## **REVIEW OF CASHFLOW STATEMENT**

### **Q2 FY2015 vs Q2 FY2014**

The Group reported a net decrease in cash and cash equivalents amounting to RMB41.6 million in Q2 FY2015 mainly due to:

- a) Net cash used in operating activities in Q2 FY2015 of RMB71.0 million mainly from slower repayment of trade debts by related parties and decrease in trade payables as a result of lower purchases;
- b) Net cash used in investing activities of RMB2.1 million from the purchase of renovation and machinery partly offset by government grants received relating to the acquisition of land use rights; and
- c) Net cash generated from financing activities of RMB31.6 million mainly from net proceeds from borrowings and lower restricted bank balances, partly offset by repayment to related parties and dividends paid.

### **1H FY2015 vs 1H FY2014**

The Group reported a net decrease in cash and cash equivalents amounting to RMB93.4 million in 1H FY2015 mainly due to:

- a) Net cash used in operating activities in 1H FY2015 of RMB20.8 million mainly from decrease in operating payables due to lower purchases and increase in operating receivables due to slower repayment of trade debts by related parties;
- b) Net cash used in investing activities of RMB9.9 million from the purchase of plant structure, machinery, renovation and motor vehicle, partly offset by government grants received relating to the acquisition of land use rights and sales proceeds received mainly from the disposal of machinery; and
- c) Net cash used in financing activities of RMB62.7 million from net repayment of borrowings and dividends paid, 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 slowed to a GDP growth of 7.3 percent in the third quarter of calendar year 2014, the weakest pace in more than five years, contributed in part by the on-going property slump and general slowdown in investment growth. The PRC property market is facing an oversupply issue for second to fourth-tier cities and slowing sales in first-tier cities.

With China rebalancing her economy from an investment-driven growth to a consumption-based growth, the investment slowdown has affected key pillars of the economy such as the property and construction market. This has impacted the domestic demand for construction equipment including towercranes in the PRC. To shore up confidence in the property market, 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 2014. Additionally, state-controlled banks have also revved up lending to the sector in a bid to bolster the flagging demand.

In light of the present weaker economy and less than favorable market conditions, the Group views that the business environment for the second half year will be challenging for the domestic market.

Demand for towercranes in South East Asia markets will be mixed with areas such as Malaysia and new developing markets like Myanmar is likely to see increase in construction activities. Construction sector for Singapore market is challenging.

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 markets such as the United States and European nations seem encouraging.

- 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 Q2 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 Q2 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 Sept 2014 (Q2 FY2015) RMB'000	3 months ended 30 Sept 2013 (Q2 FY2014) RMB'000	6 months ended 30 Sept 2014 (First Half FY2015) RMB'000	6 months ended 30 Sept 2013 (First Half FY2014) RMB'000	3 months ended 30 Sept 2014 (Q2 FY2015) RMB'000	3 months ended 30 Sept 2013 (Q2 FY2014) RMB'000	6 months ended 30 Sept 2014 (First Half FY2015) RMB'000	6 months ended 30 Sept 2013 (First Half FY2014) RMB'000
<b>Sales to related parties</b>								
Shanghai Tat Hong Equipment Rental Co., Ltd. (上海达丰机械租赁有限公司)	-	-	-	-	(18) <sup>1</sup>	(6,994) <sup>1</sup>	(18) <sup>1</sup>	757
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械租赁有限公司)	-	-	-	-	(2,196) <sup>2</sup>	-	(2,196) <sup>2</sup>	-
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	-	-	-	62,449	31,230	116,128	97,959
<b>Restructuring of investments</b>								
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	-	-	-	-	-

Note:

1. Reclassification of sales to Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司) in respect of previous financial period.
2. Reclassification of sales to Shanghai Tat Hong Equipment Rental Co., Ltd. (上海达丰机械租赁有限公司) in respect of previous financial period.

## **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
<b>FY2015</b>					
Q2	21,203	78,454	13,004	106,857	219,518
1H	41,063	139,583	28,207	240,211	449,064
<b>FY2014</b>					
Q2	13,858	52,786	8,600	156,855	232,099
1H	20,361	106,955	11,248	352,018	490,582

- 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 September 2014 and six months ended 30 September 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  
12 November 2014