

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

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 2015. These figures have not been audited.

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2015 (Q1 FY2016)	3 months ended 30 Jun 2014 (Q1 FY2015) <i>Restated¹</i>	Increase/ (Decrease)
Revenue	85,091	229,546	(62.9)
Cost of sales	(61,994)	(162,048)	(61.7)
Gross profit	23,097	67,498	(65.8)
Other income	271	13,224	(98.0)
Distribution costs	(9,887)	(12,978)	(23.8)
Administrative expenses	(17,833)	(18,487)	(3.5)
Other operating expenses	184	2,280	(91.9)
Finance costs	(4,935)	(5,492)	(10.1)
Total operating expenses	(32,471)	(34,677)	(6.4)
(Loss)/profit before taxation	(9,103)	46,045	NM
Taxation	1,244	(6,689)	NM
Net (loss)/profit for the period	(7,859)	39,356	NM
Attributable to:			
Equity holders of the Company	(7,444)	36,153	NM
Non-controlling interests	(415)	3,203	NM
Net (loss)/profit for the period	(7,859)	39,356	NM

NM: Not Meaningful

Note:

1. See Paragraph 4 on the reclassification of comparative figures.

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2015 (Q1 FY2016)	3 months ended 30 Jun 2014 (Q1 FY2015)	Increase/ (Decrease)
Net (loss)/profit for the period	(7,859)	39,356	NM
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Exchange translation difference	140	(1,516)	NM
Other comprehensive income/(expense) for the period, net of tax	140	(1,516)	NM
Total comprehensive (expense)/income for the period	(7,719)	37,840	NM
Total comprehensive (expense)/income attributable to:			
Equity holders of the Company	(7,329)	34,579	NM
Non-controlling interests	(390)	3,261	NM
Total comprehensive (expense)/income for the period	(7,719)	37,840	NM

Notes to Group statement of profit or loss:

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2015 (Q1 FY2016)	3 months ended 30 Jun 2014 (Q1 FY2015)	Increase/ (Decrease)
Other income			
Amortisation of deferred capital grants	48	40	20.0
Gain on restructuring ¹	-	12,058	(100.0)
Gain on disposal of property, plant and equipment	17	881	(98.1)
Interest income	46	100	(54.0)
Others	160	145	10.3
	271	13,224	(98.0)
Other operating expenses			
Exchange gain	(952)	(2,476)	(61.6)
Bank charges	766	182	320.9
Loss on disposal of property, plant and equipment	-	9	(100.0)
Property, plant and equipment written off	-	3	(100.0)
Others	2	2	-
	(184)	(2,280)	(91.9)

NM: Not Meaningful

Notes to other profit or loss items

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

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2015 (Q1 FY2016)	3 months ended 30 Jun 2014 (Q1 FY2015)	Increase/ (Decrease)
Amortisation of intangible assets	25	25	-
Depreciation of property, plant and equipment ²	11,910	10,806	10.2
Gain on disposal of property, plant and equipment, net ³	(17)	(872)	(98.1)
Interest expense	4,935	5,492	(10.1)
Operating lease rentals	2,068	2,229	(7.2)

NM: Not Meaningful

Note:

1. See Paragraph 8 – Other income.
2. Increase mainly due to depreciation of motor vehicles, renovation of office premises and machinery acquired subsequent to Q1 FY2015.
3. Decrease mainly due to fewer machinery disposed.

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 2015	31 Mar 2015	30 Jun 2015	31 Mar 2015
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current				
Property, plant and equipment	435,492	444,077	-	-
Intangible assets	225	250	-	-
Subsidiaries	-	-	314,988	314,988
Available-for-sale financial assets	79,467	79,467	79,467	79,467
Trade and other receivables	876	535	-	-
Deferred costs	16,835	3,790	-	-
Deferred tax assets	17,625	16,896	-	-
	<u>550,520</u>	<u>545,015</u>	<u>394,455</u>	<u>394,455</u>
Current				
Inventories	269,394	263,454	-	-
Trade and other receivables	370,476	393,256	91	175
Deferred costs	14,773	8,929	-	-
Amounts owing by subsidiaries	-	-	40,823	33,490
Amounts owing by related parties	82,420	81,285	-	-
Amount owing by a corporate shareholder of a subsidiary	254	195	-	-
Cash and cash equivalents	188,892	149,922	4,419	11,611
	<u>926,209</u>	<u>897,041</u>	<u>45,333</u>	<u>45,276</u>
TOTAL ASSETS	<u>1,476,729</u>	<u>1,442,056</u>	<u>439,788</u>	<u>439,731</u>
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	261,206	268,535	113,212	112,749
Equity attributable to equity holders of the Company	<u>573,690</u>	<u>581,019</u>	<u>425,696</u>	<u>425,233</u>
Non-controlling interests	54,421	54,811	-	-
TOTAL EQUITY	<u>628,111</u>	<u>635,830</u>	<u>425,696</u>	<u>425,233</u>
LIABILITIES				
Non-current				
Borrowings	4,192	5,934	-	-
Deferred income	24,547	5,094	-	-
Deferred capital grants	9,194	9,242	-	-
Deferred tax liabilities	16,944	18,278	8,730	10,016
Trade and other payables	23,361	23,972	-	-
	<u>78,238</u>	<u>62,520</u>	<u>8,730</u>	<u>10,016</u>
Current				
Trade and other payables	327,201	352,475	5,282	4,402
Borrowings	366,866	332,920	-	-
Deferred income	20,214	12,066	-	-
Deferred capital grants	194	194	-	-
Amounts owing to/advance payments from related parties	27,324	19,475	80	80
Amounts owing to a corporate shareholder of a subsidiary	26,089	24,910	-	-
Current tax payable	2,492	1,666	-	-
	<u>770,380</u>	<u>743,706</u>	<u>5,362</u>	<u>4,482</u>
TOTAL EQUITY AND LIABILITIES	<u>1,476,729</u>	<u>1,442,056</u>	<u>439,788</u>	<u>439,731</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 30 Jun 2015		As at 31 Mar 2015	
	Secured ⁽¹⁾	Unsecured ⁽²⁾	Secured ⁽¹⁾	Unsecured ⁽²⁾
	RMB'000	RMB'000	RMB'000	RMB'000
Amount repayable in one year or less, or on demand	366,866	18,355	332,920	18,355
Amount repayable after one year	4,192	-	5,934	-
	371,058	18,355	338,854	18,355

Details of any collaterals

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

	30 Jun 2015 RMB'000	31 Mar 2015 RMB'000	Description
Bank borrowings			
a)	30,000	30,000	Granted to Fushun Yongmao Construction Machinery Co., Ltd. ("Fushun Yongmao"), guaranteed by Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd. ("Beijing Yongmao") and a director of the Company.
b)	50,000	50,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao.
c)	30,000	30,000	Granted to Fushun Yongmao, guaranteed by the Company.
d)	20,000	20,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company.
e)	97,409	97,846	Granted to Fushun Yongmao, guaranteed by the Company and the 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.
f)	39,462	-	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by fixed deposits.
g)	10,335	11,845	Granted to Yongmao Machinery Pte. Ltd., guaranteed by the Company.
	277,206	239,691	
Short-term trade financing			
a)	8,700	8,700	Granted to Fushun Yongmao, guaranteed by certain directors of the Company.
b)	-	22,000	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables.
c)	25,000	-	Granted to Fushun Yongmao, guaranteed by the Company, Beijing Yongmao and a director of the Company.
	33,700	30,700	
Finance lease obligations			
a)	1,444	1,653	In respect of motor vehicles and office equipment acquired under finance leases.
b)	58,708	66,810	In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.
	60,152	68,463	
	371,058	338,854	

The above borrowings are for working capital purposes.

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

RMB18.4 million (31 March 2015 – 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 3 months ended 30 Jun 2015 (Q1 FY2016)	RMB'000 3 months ended 30 Jun 2014 (Q1 FY2015)
Cash flows from operating activities		
(Loss)/profit before taxation	(9,103)	46,045
Adjustments for:		
Unrealised profits from sale of towercranes and towercrane accessories to associated companies	-	(14,452)
Amortisation of deferred capital grants	(48)	(40)
Amortisation of intangible assets	25	25
Depreciation of property, plant and equipment	11,910	10,806
Gain on disposal of property, plant and equipment	(17)	(872)
Gain on restructuring	-	(12,058)
Property, plant and equipment written off	-	3
Interest expense	4,935	5,492
Interest income	(46)	(100)
Exchange translation difference	(266)	366
Operating profit before working capital changes	7,390	35,215
Increase in inventories ¹	(6,811)	(32,131)
(Increase)/decrease in deferred costs	(18,889)	6,515
Decrease in operating receivables	22,387	59,163
Decrease in operating payables	(17,579)	(256)
Decrease/(increase) in deferred income	27,601	(9,022)
Cash generated from operations	14,099	59,484
Interest paid	(4,471)	(4,953)
Tax paid	(148)	(4,294)
Net cash generated from operating activities	9,480	50,237
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,196)	(12,421)
Proceeds from disposal of property, plant and equipment	85	1,434
Proceeds from government grants	-	3,141
Interest received	46	100
Net cash used in investing activities	(3,065)	(7,746)
Cash flows from financing activities		
Proceeds from borrowings	124,461	120,884
Repayment of borrowings	(83,735)	(224,369)
Repayment of finance lease liabilities	(8,362)	(3,532)
Restricted bank balances	(4,511)	12,728
Net cash generated from/(used in) financing activities	27,853	(94,289)
Net increase/(decrease) in cash and cash equivalents	34,268	(51,798)
Cash and cash equivalents at beginning of period	58,383	138,253
Exchange adjustments	191	93
Cash and cash equivalents at end of period	92,842	86,548

Note:

1. Included in increase in inventories for Q1 FY2016 were towercranes and towercrane components and accessories that were self-constructed amounting to RMB4.1 million (Q1 FY2015 – RMB5.0 million), which were held for rental purposes and have been presented under operating activities in accordance with FRS 7.

	Group	
	RMB'000 30 Jun 2015	RMB'000 30 Jun 2014
Analysis of cash and cash equivalents		
Cash on hand	178	118
Bank balances	188,714	166,572
	<hr/>	<hr/>
	188,892	166,690
Restricted bank balances	(96,050)	(80,142)
	<hr/>	<hr/>
	92,842	86,548

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	Fair value 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
Current year:									
Balance as at 1 Apr 2015	312,484	(26,769)	58,332	792	236,140	40	581,019	54,811	635,830
Total comprehensive (expense)/income for the period	-	-	-	-	(7,444)	115	(7,329)	(390)	(7,719)
Transfer to statutory common reserve	-	-	(506)	-	506	-	-	-	-
Balance as at 30 Jun 2015	312,484	(26,769)	57,826	792	229,202	155	573,690	54,421	628,111

Group	Share capital RMB'000	Merger reserve RMB'000	Statutory common reserve RMB'000	Fair value 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
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

Company	Share capital	Fair value reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Current year:				
Balance as at 1 Apr 2015	312,484	792	111,957	425,233
Total comprehensive income for the period	-	-	463	463
Balance as at 30 Jun 2015	312,484	792	112,420	425,696

Company	Share capital	Fair value reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Previous 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

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 Q1 FY2016 or Q1 FY2015.

The total number of shares issued by the Company is 443,750,000 as at 30 June 2015 (30 June 2014 – 443,750,000).

There was no outstanding convertible or treasury share as at 30 June 2015 (30 June 2014 – 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 June 2015	31 March 2015
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 June 2015 (30 June 2014 – 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 2015 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 2015.

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.

Some direct service cost of RMB5.0 million incurred in Q1 FY2015 recognised under "distribution costs" previously has been reclassified to "cost of sales" in the Group statement of profit or loss to conform with the Q1 FY2016 presentation.

	Group (First Quarter)	
	RMB'000	RMB'000
	3 months ended 30 Jun 2014 (Q1 FY2015)	3 months ended 30 Jun 2014 (Q1 FY2015)
	<i>Restated</i>	<i>Reported</i>
Cost of sales	162,048	157,016
Distribution costs	12,978	18,010

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 Paragraph 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 30 Jun 2015 (Q1 FY2016)	3 months ended 30 Jun 2014 (Q1 FY2015)
(Loss)/earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	(7,444)	36,153
Weighted average no. of shares used in computation of basic earning per shares	443,750,000	443,750,000
(Loss)/earnings per share (in cents RMB)		
(a) Based on weighted average number of ordinary shares on issue	(1.68)	8.15
(b) On a fully diluted basis	(1.68)	8.15

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 2015	31 Mar 2015	30 Jun 2015	31 Mar 2015
Net asset value per ordinary share (RMB cents)	129.28	130.93	95.93	95.83

Net asset value per share for the Group and the Company for 30 June 2015 and 31 March 2015 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 FY2016 ("Q1 FY2016") vs First Quarter FY2015 ("Q1 FY2015")

Revenue

Group revenue decreased 62.9% to RMB85.1 million in Q1 FY2016 as compared to RMB229.5 million in Q1 FY2015 mainly due to decrease in the PRC sales by 99.6% as a result of weaker domestic demand arising from sluggish PRC market conditions contributed in part by the on-going property slump and general slowdown in investment growth. The decline in PRC sales was also partly due to deferred sales of RMB31.2 million in Q1 FY2016 which will only be recognised over three to four years (see Note on deferred income under "Current Liabilities"). Asia (outside the PRC) sales also decreased by 19.6% as the rental revenue contribution from Macau operations was lower following the completion of various casino projects.

Following the decline in the PRC sales, Asia (outside the PRC) formed the bulk of the sales at 57.7% in Q1 FY2016 as compared to 26.6% in Q1 FY2015.

Gross profit and gross profit margin

Gross profit decreased 65.8% to RMB23.1 million in Q1 FY2016 from RMB67.5 million in Q1 FY2015. The decrease was due to lower revenue and average gross profit margin in Q1 FY2016. Furthermore, the decrease in gross profit was due to the accounting recognition of unrealised profits of RMB14.5 million in Q1 FY2015 from previous sale of towercranes and towercrane accessories to associated companies realised upon the disposal of the associated companies in accordance with FRS 28 – Investment in Associates and Joint Ventures (see also Paragraph 8 – Other income below).

Average gross profit margin decreased to 27.1% in Q1 FY2016 from 29.4% in Q1 FY2015. The decrease was attributable to lower rental income which generate higher gross profit margin and lower sales of the higher margin Luffing series towercranes.

Other income

Other income decreased to RMB0.3 million in Q1 FY2016 as compared to RMB13.2 million in Q1 FY2015. The decrease was mainly due to one-time gain on restructuring which was recognised in Q1 FY2015 upon the completion of the Restructuring with Tat Hong Holdings Ltd per our announcement dated 30 April 2014. The decrease was also due to lower gain on disposal of property, plant and equipment in Q1 FY2016.

Operating expenses

Total operating expenses decreased 6.4% to RMB32.5 million in Q1 FY2016 as compared to RMB34.7 million in Q1 FY2015.

Distribution costs decreased 23.8% to RMB9.9 million in Q1 FY2016 as compared to RMB13.0 million in Q1 FY2015 mainly due to lower freight and transportation charges as a result of lower sales.

Administrative expenses decreased 3.5% to RMB17.8 million in Q1 FY2016 as compared to RMB18.5 million in Q1 FY2015 mainly due to lower employee benefits cost due to lower bonus accruals and lower transportation and travelling expenses and professional fee. This decrease was partly offset by higher depreciation expenses during the financial period.

Other operating expenses decreased 91.9% to a credit balance of RMB0.2 million in Q1 FY2016 as compared to a credit balance of RMB2.3 million in Q1 FY2015. This was mainly due to lower exchange gain, partly offset by higher bank charges.

The lower exchange gain arose mainly from:

- a) the exchange gain from the strengthening of Chinese Yuan ("RMB") against Singapore dollars ("SGD") due to net SGD liabilities in the PRC books; partly offset by
- b) the exchange loss from the weakening of SGD against RMB due to net RMB liabilities in the Singapore subsidiary's books.

Finance costs decreased 10.1% to RMB4.9 million in Q1 FY2016 as compared to RMB5.5 million in Q1 FY2015 mainly due to lower average borrowings.

Taxation

The credit balance in income tax expense of RMB1.2 million was in line with the net loss for the financial period.

(Loss)/profit before taxation and Net (loss)/profit attributable to equity holders of the Company

The Group recorded a loss before taxation of RMB9.1 million in Q1 FY2016 as compared to profit before taxation of RMB46.0 million in Q1 FY2015 was mainly due to lower revenue, gross profit and other income, partly offset by lower operating expenses.

The net loss attributable to equity holders of the Company of RMB7.4 million in Q1 FY2016 as compared to net profit attributable to equity holders of the Company of RMB36.2 million in Q1 FY2015 was mainly due to loss before taxation partly offset by a credit balance in income tax expense.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB5.5 million to RMB550.5 million as at 30 June 2015 mainly due to higher deferred costs, partly offset by lower property, plant and equipment due to depreciation expenses charged for the financial period.

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 increased by RMB29.2 million to RMB926.2 million as at 30 June 2015 mainly due to higher cash and cash equivalents (see Note on Review on Cash Flow Statement below), inventory and deferred costs, partly offset by lower trade and other receivables.

Inventories increased slightly by RMB5.9 million for delivery due in second quarter FY2016.

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

Trade and other receivables decreased by RMB22.8 million mainly due to decrease in trade receivables in line with lower sales and receipts from financial institution in line with higher deferred sales during the financial period.

Non-current Liabilities

Non-current liabilities increased by RMB15.7 million to RMB78.2 million as at 30 June 2015 mainly due to higher deferred income (See Note on deferred income below).

Current Liabilities

Current liabilities increased by RMB26.7 million to RMB770.4 million as at 30 June 2015 mainly due to higher borrowings, deferred income and amount owing to related parties. These were partly offset by lower trade and other payables.

Deferred income included RMB44.8 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 increase in deferred income, from RMB17.2 million as at 31 March 2015, was mainly due to the increase in such deferred sales partly offset by repayment by customers to financial institutions.

Amount owing to related parties increased by RMB7.8 million to RMB27.3 million as at 30 June 2015 mainly due to advance payment received from related parties.

Trade and other payables decreased by RMB25.3 million mainly due to lower trade and bills payables in line with lower purchases. Freight and transportation charges payables also reduced in line with lower sales.

Total Equity

As at 30 June 2015, the Group's total equity amounted to RMB628.1 million. The decrease was mainly due to net loss of RMB7.9 million for Q1 FY2016.

REVIEW OF CASHFLOW STATEMENT

Q1 FY2016 vs Q1 FY2015

The Group reported a net increase in cash and cash equivalents amounting to RMB34.3 million in Q1 FY2016 mainly due to:

- a) Net cash generated from operating activities in Q1 FY2016 of RMB9.5 million mainly from operating profit before working capital changes, decrease in operating receivables in line with lower sales and increase in deferred income, partly offset by decrease in operating payables as result of lower purchases;
- b) Net cash used in investing activities of RMB3.1 million mainly from purchases of machinery and payment for land use rights in the PRC, Fushun City; and
- c) Net cash generated from financing activities of RMB27.9 million mainly from net bank borrowings obtained. This was partly offset by repayment to finance lease creditors and higher restricted bank balance.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's results were in line with the profit guidance announcement released to SGX-ST on 22 July 2015.

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 7.0 percent in the first half of calendar year 2015 contributed in part by the on-going property slump and general slowdown in investment growth.

With China rebalancing its 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.

Demand for towercranes in other overseas markets is mixed with markets such as Taiwan and Australia likely to see increase in construction activities whereas Europe, Singapore and Macau markets remain challenging.

In light of the present weaker China economy and less than favorable global market conditions, the Group views that the overall business environment for the coming months will be challenging.

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 FY2016.

(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 FY2015.

(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 2015 (Q1 FY2016) RMB'000	3 months ended 30 June 2014 (Q1 FY2015) RMB'000	3 months ended 30 June 2015 (Q1 FY2016) RMB'000	3 months ended 30 June 2014 (Q1 FY2015) RMB'000
Sales to related parties				
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械租赁有限公司)	-	-	629	-
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	-	574	48,018
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.**

Revenue information based on geographical location of customers is as follows:

Revenue	Middle East & Others RMB'000	Asia (outside the PRC) RMB'000	USA & Europe RMB'000	PRC RMB'000	Consolidated RMB'000
FY2016					
Q1	21,991	49,126	13,448	526	85,091
FY2015					
Q1	19,860	61,129	15,203	133,354	229,546

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 2015 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
3 August 2015