

**YONGMAO HOLDINGS LIMITED**  
**(Company Registration No.200510649K)**

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2015. These figures have not been audited.

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sep 2015 (Q2 FY2016)	3 months ended 30 Sep 2014 (Q2 FY2015) <i>Restated<sup>1</sup></i>	Increase/ (Decrease)	6 months ended 30 Sep 2015 (First Half FY2016)	6 months ended 30 Sep 2014 (First Half FY2015)	Increase/ (Decrease)
<b>Revenue</b>	127,599	219,518	(41.9)	212,690	449,064	(52.6)
Cost of sales	(87,595)	(151,468)	(42.2)	(149,589)	(313,516)	(52.3)
<b>Gross profit</b>	40,004	68,050	(41.2)	63,101	135,548	(53.4)
Other income	609	400	52.3	880	13,624	(93.5)
Distribution costs	(12,664)	(19,406)	(34.7)	(22,551)	(32,384)	(30.4)
Administrative expenses	(18,725)	(20,392)	(8.2)	(36,558)	(38,879)	(6.0)
Other operating expenses	(2,252)	(2,532)	(11.1)	(2,068)	(252)	720.6
Finance costs	(5,981)	(5,480)	9.1	(10,916)	(10,972)	(0.5)
<b>Total operating expenses</b>	(39,622)	(47,810)	(17.1)	(72,093)	(82,487)	(12.6)
<b>Profit/(loss) before taxation</b>	991	20,640	(95.2)	(8,112)	66,685	NM
Taxation	(441)	(4,179)	(89.4)	803	(10,868)	NM
<b>Net profit/(loss) for the period</b>	550	16,461	(96.7)	(7,309)	55,817	NM
<b>Attributable to:</b>						
Equity holders of the Company	2,244	12,446	(82.0)	(5,200)	48,599	NM
Non-controlling interests	(1,694)	4,015	NM	(2,109)	7,218	NM
<b>Net profit/(loss) for the period</b>	550	16,461	(96.7)	(7,309)	55,817	NM

NM: Not Meaningful

Note:

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

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sep 2015 (Q2 FY2016)	3 months ended 30 Sep 2014 (Q2 FY2015)	Increase/ (Decrease)	6 months ended 30 Sep 2015 (First Half FY2016)	6 months ended 30 Sep 2014 (First Half FY2015)	Increase/ (Decrease)
<b>Net profit/(loss) for the period</b>	550	16,461	(96.7)	(7,309)	55,817	NM
<b>Other comprehensive income/(expense):</b> Items that may be reclassified subsequently to profit or loss:						
Exchange translation difference	1,950	(1,054)	NM	2,090	(2,570)	NM
Other comprehensive income/(expense) for the period, net of tax	1,950	(1,054)	NM	2,090	(2,570)	NM
<b>Total comprehensive income/(expense) for the period</b>	2,500	15,407	(83.8)	(5,219)	53,247	NM
<b>Total comprehensive income/(expense) attributable to:</b>						
Equity holders of the Company	3,347	11,723	(71.4)	(3,982)	46,302	NM
Non-controlling interests	(847)	3,684	NM	(1,237)	6,945	NM
<b>Total comprehensive income/(expense) for the period</b>	2,500	15,407	(83.8)	(5,219)	53,247	NM

## Notes to Group statement of profit or loss:

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sep 2015 (Q2 FY2016)	3 months ended 30 Sep 2014 (Q2 FY2015)	Increase/ (Decrease)	6 months ended 30 Sep 2015 (First Half FY2016)	6 months ended 30 Sep 2014 (First Half FY2015)	Increase/ (Decrease)
<b>Other income</b>						
Amortisation of deferred capital grants	52	89	(41.6)	100	129	(22.5)
Gain on restructuring <sup>1</sup>	-	-	-	-	12,058	(100.0)
Gain on disposal of property, plant and equipment	9	137	(93.4)	26	1,018	(97.4)
Interest income	240	67	258.2	286	167	71.3
Others	308	107	187.9	468	252	85.7
	609	400	52.3	880	13,624	(93.5)
<b>Other operating expenses</b>						
Allowance for impairment of trade receivables	94	-	NM	94	-	NM
Exchange loss/(gain)	1,569	696	125.4	617	(1,780)	NM
Bank charges	186	1,481	(87.4)	952	1,663	(42.8)
Loss on disposal of property, plant and equipment	-	9	(100.0)	-	18	(100.0)
Property, plant and equipment written off	-	-	-	1	3	(66.7)
Donations	400	200	100.0	400	200	100.0
Others	3	146	(97.9)	4	148	(97.3)
	2,252	2,532	(11.1)	2,068	252	720.6

NM: Not Meaningful

**Notes to other profit or loss items**

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

	Group (Second Quarter)			Group (First Half)		
	RMB'000		%	RMB'000		%
	3 months ended 30 Sep 2015 (Q2 FY2016)	3 months ended 30 Sep 2014 (Q2 FY2015)	Increase/ (Decrease)	6 months ended 30 Sep 2015 (First Half FY2016)	6 months ended 30 Sep 2014 (First Half FY2015)	Increase/ (Decrease)
Amortisation of intangible assets	25	25	-	50	50	-
Depreciation of property, plant and equipment <sup>2</sup>	12,352	11,040	11.9	24,262	21,846	11.1
Gain on disposal of property, plant and equipment, net <sup>3</sup>	(9)	(128)	(93.0)	(26)	(1,000)	(97.4)
Interest expense	5,981	5,480	9.1	10,916	10,972	(0.5)
Operating lease rentals	2,062	2,135	(3.4)	4,130	4,364	(5.4)

NM: Not Meaningful

Note:

1. See Paragraph 8 – Other income.
2. Increase mainly due to additions of machineries transferred from inventories for the use of rental income generation.
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 Sep 2015	31 Mar 2015	30 Sep 2015	31 Mar 2015
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current</b>				
Property, plant and equipment	446,247	444,077	-	-
Intangible assets	200	250	-	-
Subsidiaries	-	-	344,362	314,988
Available-for-sale financial assets	79,467	79,467	79,467	79,467
Trade and other receivables	925	535	-	-
Deferred costs	13,904	3,790	-	-
Deferred tax assets	17,015	16,896	-	-
	<u>557,758</u>	<u>545,015</u>	<u>423,829</u>	<u>394,455</u>
<b>Current</b>				
Inventories	268,109	263,454	-	-
Trade and other receivables	339,629	393,256	94	175
Deferred costs	14,402	8,929	-	-
Amounts owing by subsidiaries	-	-	40,303	33,490
Amounts owing by related parties	83,325	81,285	-	-
Amount owing by a corporate shareholder of a subsidiary	365	195	-	-
Cash and cash equivalents	175,388	149,922	2,938	11,611
	<u>881,218</u>	<u>897,041</u>	<u>43,335</u>	<u>45,276</u>
<b>TOTAL ASSETS</b>	<u>1,438,976</u>	<u>1,442,056</u>	<u>467,164</u>	<u>439,731</u>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	312,484	312,484	312,484	312,484
Reserves	248,246	268,535	146,977	112,749
<b>Equity attributable to equity holders of the Company</b>	<u>560,730</u>	<u>581,019</u>	<u>459,461</u>	<u>425,233</u>
Non-controlling interests	52,880	54,811	-	-
<b>TOTAL EQUITY</b>	<u>613,610</u>	<u>635,830</u>	<u>459,461</u>	<u>425,233</u>
<b>LIABILITIES</b>				
<b>Non-current</b>				
Borrowings	2,294	5,934	-	-
Deferred income	20,548	5,094	-	-
Deferred capital grants	10,697	9,242	-	-
Deferred tax liabilities	14,400	18,278	5,943	10,016
Trade and other payables	22,471	23,972	-	-
	<u>70,410</u>	<u>62,520</u>	<u>5,943</u>	<u>10,016</u>
<b>Current</b>				
Trade and other payables	292,826	352,475	1,522	4,402
Borrowings	394,959	332,920	-	-
Deferred income	19,804	12,066	-	-
Deferred capital grants	225	194	-	-
Amounts owing to/advance payments from related parties	19,708	19,475	80	80
Amounts owing to a corporate shareholder of a subsidiary	25,404	24,910	-	-
Current tax payable	2,030	1,666	158	-
	<u>754,956</u>	<u>743,706</u>	<u>1,760</u>	<u>4,482</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,438,976</u>	<u>1,442,056</u>	<u>467,164</u>	<u>439,731</u>

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

	As at 30 Sep 2015		As at 31 Mar 2015	
	Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>	Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>
	RMB'000	RMB'000	RMB'000	RMB'000
Amount repayable in one year or less, or on demand	394,959	18,355	332,920	18,355
Amount repayable after one year	2,294	-	5,934	-
	397,253	18,355	338,854	18,355

**Details of any collaterals**

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

	30 Sep 2015 RMB'000	31 Mar 2015 RMB'000	Description
<b>Bank borrowings</b>			
a)	50,000	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	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company.
e)	101,610	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)	49,217	-	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by fixed deposits.
g)	8,351	11,845	Granted to Yongmao Machinery Pte. Ltd., guaranteed by the Company.
	289,178	239,691	
<b>Short-term trade financing</b>			
a)	5,980	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)	45,000	-	Granted to Fushun Yongmao, guaranteed by the Company, Beijing Yongmao and a director of the Company.
	50,980	30,700	
<b>Finance lease obligations</b>			
a)	1,235	1,653	In respect of motor vehicles and office equipment acquired under finance leases.
b)	55,860	66,810	In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.
	57,095	68,463	
	397,253	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 (Second Quarter)		Group (First Half)	
	RMB'000	RMB'000	RMB'000	RMB'000
	3 months ended 30 Sep 2015 (Q2 FY2016)	3 months ended 30 Sep 2014 (Q2 FY2015)	6 months ended 30 Sep 2015 (First Half FY2016)	6 months ended 30 Sep 2014 (First Half FY2015)
<b>Cash flows from operating activities</b>				
Profit/(loss) before taxation	991	20,640	(8,112)	66,685
Adjustments for:				
Unrealised profits from sale of towercranes and towercrane accessories to associated companies	-	-	-	(14,452)
Amortisation of deferred capital grants	(52)	(89)	(100)	(129)
Amortisation of intangible assets	25	25	50	50
Depreciation of property, plant and equipment	12,352	11,040	24,262	21,846
Gain on disposal of property, plant and equipment	(9)	(128)	(26)	(1,000)
Gain on restructuring	-	-	-	(12,058)
Property, plant and equipment written off	1	-	1	3
Interest expense	5,981	5,480	10,916	10,972
Interest income	(240)	(67)	(286)	(167)
Exchange translation difference	3,908	(1,086)	3,642	(720)
<b>Operating profit before working capital changes</b>	22,957	35,815	30,347	71,030
(Increase)/decrease in inventories <sup>1</sup>	(12,635)	24,306	(19,446)	(7,825)
Decrease/(increase) in deferred costs	3,302	6,235	(15,587)	12,750
Decrease/(increase) in operating receivables	27,728	(69,224)	50,085	(10,061)
Decrease in operating payables	(43,979)	(51,262)	(61,558)	(51,518)
Decrease/(increase) in deferred income	(4,409)	(8,770)	23,192	(17,792)
<b>Cash (used in)/generated from operations</b>	(7,036)	(62,900)	7,033	(3,416)
Interest paid	(6,214)	(5,052)	(10,685)	(10,005)
Tax paid	(2,009)	(3,078)	(2,157)	(7,372)
<b>Net cash used in operating activities</b>	(15,259)	(71,030)	(5,809)	(20,793)
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(4,742)	(7,292)	(7,938)	(19,713)
Proceeds from disposal of property, plant and equipment	131	179	216	1,613
Proceeds from government grants	1,586	4,927	1,586	8,068
Interest received	240	67	286	167
<b>Net cash used in investing activities</b>	(2,785)	(2,119)	(5,850)	(9,865)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	87,182	101,991	211,643	222,875
Repayment of borrowings	(60,391)	(61,500)	(144,126)	(285,869)
Repayment of finance lease liabilities	(6,012)	(4,851)	(14,374)	(8,383)
Restricted bank balances	(498)	8,579	(5,009)	21,307
Repayment to related parties	-	(1,233)	-	(1,233)
Dividends paid to non-controlling interests	-	(409)	-	(409)
Dividends paid to equity holders of the Company	(16,307)	(11,017)	(16,307)	(11,017)
<b>Net cash generated from/(used in) financing activities</b>	3,974	31,560	31,827	(62,729)
Net (decrease)/increase in cash and cash equivalents	(14,100)	(41,589)	20,168	(93,387)
Cash and cash equivalents at beginning of period	92,842	86,548	58,383	138,253
Exchange adjustments	98	(298)	289	(205)
<b>Cash and cash equivalents at end of period</b>	78,840	44,661	78,840	44,661

Note:

1. Included in (increase)/decrease in inventories for Q2 FY2016 of RMB14.0 million (Q2 FY2015 : RMB9.7 million) and 1H FY2016 of RMB18.1 million (1H FY2015 : 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.

	Group	
	RMB'000 30 Sep 2015	RMB'000 30 Sep 2014
<b><u>Analysis of cash and cash equivalents</u></b>		
Cash on hand	149	476
Bank balances	175,239	115,748
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	175,388	116,224
Restricted bank balances	(96,548)	(71,563)
	<hr/>	<hr/>
	78,840	44,661
	<hr/>	<hr/>

**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	Fair value 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	RMB'000
<b>Current year:</b>									
<b>Balance as at 1 Apr 2015</b>	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	-	-	-	-
<b>Balance as at 30 Jun 2015</b>	312,484	(26,769)	57,826	792	229,202	155	573,690	54,421	628,111
Total comprehensive income/(expense) for the period	-	-	-	-	2,244	1,103	3,347	(847)	2,500
Transfer to statutory common reserve	-	-	(168)	-	168	-	-	-	-
Dividends	-	-	-	-	(16,307)	-	(16,307)	(694)	(17,001)
<b>Balance as at 30 Sep 2014</b>	312,484	(26,769)	57,658	792	215,307	1,258	560,730	52,880	613,610

Group	Share capital	Merger reserve	Statutory common reserve	Fair value 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	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 Sep 2014</b>	312,484	(26,769)	60,209	-	220,012	(103)	565,833	46,746	612,579

Company	Share capital	Fair value reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current year:</b>				
<b>Balance as at 1 Apr 2015</b>	312,484	792	111,957	425,233
Total comprehensive income for the period	-	-	463	463
<b>Balance as at 30 Jun 2015</b>	312,484	792	112,420	425,696
Total comprehensive income for the period	-	-	50,072	50,072
Dividends	-	-	(16,307)	(16,307)
<b>Balance as at 30 Sep 2015</b>	312,484	792	146,185	459,461

Company	Share capital	Fair value reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Previous 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 Sep 2014</b>	312,484	-	98,109	410,593



- 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 FY2016 or Q2 FY2015.

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

There was no outstanding convertible or treasury share as at 30 September 2015 (30 September 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 September 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 September 2015 (30 September 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 Q2 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 Q2 FY2016 presentation.

	Group (Second Quarter)	
	RMB'000	RMB'000
	3 months ended	3 months ended
	30 Sep 2014 (Q2 FY2015)	30 Sep 2014 (Q2 FY2015)
	<i>Restated</i>	<i>Reported</i>
Cost of sales	151,468	156,500
Distribution costs	19,406	14,374

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 (Second Quarter)		Group (First Half)	
	RMB'000		RMB'000	
	3 months ended 30 Sep 2015 (Q2 FY2016)	3 months ended 30 Sep 2014 (Q2 FY2015)	6 months ended 30 Sep 2015 (First Half FY2016)	6 months ended 30 Jun 2014 (First Half FY2015)
Earnings/(loss) of the Group, after deducting any provision for preference dividends (in RMB'000):	2,244	12,446	(5,200)	48,599
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/(loss) per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	0.51	2.80	(1.17)	10.95
(b) On a fully diluted basis	0.51	2.80	(1.17)	10.95

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 Sep 2015	31 Mar 2015	30 Sep 2015	31 Mar 2015
Net asset value per ordinary share (RMB cents)	126.36	130.93	103.54	95.83

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

### **Second Quarter FY2016 ("Q2 FY2016") vs Second Quarter FY2015 ("Q2 FY2015")**

#### **Revenue**

Group revenue decreased 41.9% to RMB127.6 million in Q2 FY2016 as compared to RMB219.5 million in Q2 FY2015. Market demand decreased in all geographical segments reported, in particular to PRC market where sales decreased by 65.2% 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. Asia (outside the PRC) sales also decreased by 16.6% 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 51.3% in Q2 FY2016 as compared to 35.7% in Q2 FY2015.

**Gross profit and gross profit margin**

Gross profit decreased 41.2% to RMB40.0 million in Q2 FY2016 from RMB68.0 million in Q2 FY2015. The decrease was due to lower revenue in Q2 FY2016.

Average gross profit margin slightly increased to 31.4% in Q2 FY2016 from 31.0% in Q1 FY2015. The increase was attributable to changes in product mixed with higher percentage sales reported for Luffing series towercranes which generates higher margin.

**Other income**

Other income increased to RMB0.6 million in Q2 FY2016 as compared to RMB0.4 million in Q2 FY2015 was mainly contributed from higher interest income and government grant obtained, partly offset by lower gain on disposal of property, plant and equipment.

**Operating expenses**

Total operating expenses decreased 17.1% to RMB39.6 million in Q2 FY2016 as compared to RMB47.8 million in Q2 FY2015.

Distribution costs decreased 34.7% to RMB12.7 million in Q2 FY2016 as compared to RMB19.4 million in Q2 FY2015 mainly due to lower freight and transportation charges as a result of lower sales.

Administrative expenses decreased 8.2% to RMB18.7 million in Q2 FY2016 as compared to RMB20.4 million in Q2 FY2015 mainly due to lower staff cost resulted from lower number of employee and lower bonus accruals. This decrease was partly offset by higher depreciation expenses and professional fee during the financial period. The increase in depreciation was mainly due to motor vehicles, renovation of office premises and machineries acquired.

Other operating expenses decreased 11.1% to RMB2.3 million in Q2 FY2016 as compared to RMB2.5 million in Q2 FY2015. This was mainly due to lower bank charges, partly offset by higher exchange loss.

The higher exchange loss arose mainly from:

- a) the weakening of Chinese Yuan ("RMB") against United States Dollars ("USD") due to net USD liabilities reported in the Group; and
- b) the weakening of Singapore Dollars ("SGD") against Chinese Yuan ("RMB") due to net SGD assets reported in the Group.

Finance costs increased 9.1% to RMB6.0 million in Q2 FY2016 as compared to RMB5.5 million in Q2 FY2015 mainly due to higher average borrowings, offset by lower effective interest rate.

**Taxation**

Income tax expense of RMB0.4 million was mainly due to tax on operating profit of our wholly owned subsidiary, Fushun Yongmao.

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

Profit before taxation decreased 95.2% to RMB1.0 million in Q2 FY2016 from RMB20.6 million in Q2 FY2015 mainly due to lower revenue resulting in lower gross profit for the financial period, partly offset by lower operating expenses.

Net profit attributable to equity holders of the Company decreased 82.2% to RMB2.2 million in Q2 FY2016 from RMB12.4 million in Q2 FY2015 mainly due to lower profit before taxation as mentioned above and, partly offset by losses in our subsidiary, Beijing Yongmao, attributable to non-controlling interests.

**First Half FY2016 ("1H FY2016") vs First Half FY2015 ("1H FY2015")****Revenue**

Group revenue decreased 52.6% to RMB212.7 million in 1H FY2016, as compared to RMB449.1 million in 1H FY2015. Market demand decreased in all geographical segments reported in particular to PRC market where sales decreased by 84.3% 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 17.9% as the rental revenue contribution from Macau operations was lower following the completion of various casino projects.

**Gross profit and gross profit margin**

Gross profit decreased 53.4% to RMB63.1 million in 1H FY2016 from RMB135.5 million in 1H FY2015 which is in line with the decrease in revenue. In addition, the decrease in gross profit was 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 decreased slightly to 29.7% in 1H FY2016 from 30.2% in 1H FY2015. The decrease was attributable to lower rental income which generates higher gross margin, partly offset by changes in product mixed with higher percentage sales reported for Luffing series towercranes which generates higher profit margin.

### Other income

Other income decreased to RMB0.9 million in 1H FY2016 as compared to RMB13.6 million in 1H 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 1H FY2016.

### Operating expenses

Total operating expenses decreased 12.6% to RMB72.1 million in 1H FY2016 as compared to RMB82.5 million in 1H FY2015.

Distribution costs decreased 30.4% to RMB22.6 million in 1H FY2016 as compared to RMB32.4 million in 1H FY2015 mainly due to lower freight and transportation charges as a result of lower sales.

Administrative expenses decreased 6.0% to RMB36.6 million in 1H FY2016 as compared to RMB38.9 million in 1H FY2015 mainly due to lower staff cost resulted by lower number of employee and lower bonus accruals. Transportation and travelling expenses also reduced. This decrease was partly offset by higher depreciation expenses during the financial period. The increase in depreciation was mainly due to motor vehicles, renovation of office premises and machineries acquired.

Other operating expenses increased to RMB2.1 million in 1H FY2016 from RMB0.3 million reported in 1H FY2015. This was mainly due higher exchange loss, partly offset by lower bank charges.

The higher exchange loss arose mainly from:

- a) the weakening of Chinese Yuan ("RMB") against United States Dollars ("USD") due to net USD liabilities reported in the Group; and
- b) the weakening of Singapore Dollars ("SGD") against Chinese Yuan ("RMB") due to net SGD assets reported in the Group

Finance costs reported a slight decrease of 0.5% to RMB10.9 million in 1H FY2016 as compared to RMB11.0 million in 1H FY2015 mainly due to lower effective interest rate, offset by higher average borrowings.

### Taxation

The credit balance in income tax expense of RMB0.8 million was in line with the net loss for the financial period.

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

The Group reported loss before taxation of RMB8.1 million in 1H FY2016 as compared to profit before tax of RMB66.7 million in 1H FY2015 was mainly due to lower revenue, gross profit, partly offset by lower operating expenses.

Net loss attributable to equity holders of the Company recorded at RMB5.2 million in 1H FY2016 as compared to net profit attributable to equity holders of the Company of RMB48.6 million in 1H FY2015 was mainly due to loss before taxation as mentioned above, partly offset by losses in our subsidiary, Beijing Yongmao, attributable to non-controlling interests and a credit balance in income tax expense.

## REVIEW OF FINANCIAL POSITION OF THE GROUP

### Non-current Assets

Non-current assets increased by RMB12.7 million to RMB557.8 million as at 30 September 2015 mainly due to higher deferred costs and additions in property, plant and equipment, partly offset by 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 decreased by RMB15.8 million to RMB881.2 million as at 30 September 2015 mainly due lower trade and other receivables, partly offset by higher cash and cash equivalents (see Note on Review on Cash Flow Statement below), inventory and deferred costs.

Trade and other receivables decreased by RMB53.6 million mainly due to decrease in trade receivables in line with lower sales and repayment from customer. Certain repayments was made by mean of hire purchase arrangement with financial institution resulted higher deferred income reported during the financial period in accordance with the Group's revenue recognition policy (See Note on deferred income below).

Inventories increased by RMB4.7 million for delivery due in third quarter FY2016.

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 RMB7.9 million to RMB70.4 million as at 30 September 2015 mainly due to higher deferred income (See Note on deferred income below), partly offset by lower deferred tax liabilities.

**Current Liabilities**

Current liabilities increased by RMB11.3 million to RMB755.0 million as at 30 September 2015 mainly due to higher borrowings and deferred income, partly offset by lower trade and other payables.

Deferred income included RMB40.4 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 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.

Trade and other payables decreased by RMB59.6 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 September 2015, the Group's total equity amounted to RMB613.6 million. The decrease was mainly due to dividend paid and the loss incurred for 1H FY2016.

**REVIEW OF CASH FLOW STATEMENT****Q2 FY2016 vs Q2 FY2015**

The Group reported a net decrease in cash and cash equivalents amounting to RMB14.1 million in Q2 FY2016 mainly due to:

- a) Net cash used in operating activities in Q2 FY2016 of RMB15.3 million resulted mainly from net repayment made to operating payables, partly offset by net collections from operating receivables;
- b) Net cash used in investing activities of RMB2.8 million mainly from purchases of machinery, partly offset by grants obtained from government; and
- c) Net cash generated from financing activities of RMB4.0 million mainly from net bank borrowings obtained. This was partly offset by repayment to finance lease creditors and dividend paid in Q2 2016.

**1H FY2016 vs 1H FY2015**

The Group reported a net increase in cash and cash equivalents amounting to RMB20.2 million in 1H FY2016 mainly due to:

- a) Net cash used in operating activities in 1H FY2016 of RMB5.8 million mainly from net repayment to operating payables, partly offset by net collections from operating receivables;
- b) Net cash used in investing activities of RMB5.9 million from purchases of machinery and payment for land use rights in the PRC, Fushun City, partly offset by grants obtained from government; and
- c) Net cash generated from financing activities of RMB31.8 million mainly from net borrowings obtained and lower restricted bank balances. This was partly offset by repayment to finance lease creditors and dividend paid in 1H 2016.

**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 29 October 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 6.9 percent in the third quarter 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. Results of the Group for the second half of the financial year will be substantially lower than previous corresponding period. Consequently, results for the full financial year ending 31 March 2016 will also be substantially lower than previous year.

At the Extraordinary General Meeting held on 26 October 2015, shareholders approved the share consolidation of five (5) existing ordinary shares in the capital of the Company into one (1) ordinary share. The book closure date will be announced at a later date.

**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 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 Q2 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) 6 months ended 30 Sep 2015 (First Half FY2016) RMB'000	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) 6 months ended 30 Sep 2015 (First Half FY2016) RMB'000
<b>Sales to related parties</b>		
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械租赁有限公司)	-	926
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	709
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	1,207	-
<b>Purchases from related parties</b>		
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	-	1,348

**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
<b>FY2016</b>					
Q2	13,275	65,418	11,721	37,185	127,599
1H	35,266	114,544	25,169	37,711	212,690
<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

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 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  
9 November 2015