

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

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

**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 31 December 2016. These figures have not been audited.

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2016 (Q3 FY2017)	3 months ended 31 Dec 2015 (Q3 FY2016)	Increase/ (Decrease)	9 months ended 31 Dec 2016 (9M FY2017)	9 months ended 31 Dec 2015 (9M FY2016)	Increase/ (Decrease)
<b>Revenue</b>	116,380	125,729	(7.4)	455,540	338,419	34.6
Cost of sales	(77,973)	(84,782)	(8.0)	(299,251)	(234,371)	27.7
<b>Gross profit</b>	<b>38,407</b>	<b>40,947</b>	<b>(6.2)</b>	<b>156,289</b>	<b>104,048</b>	<b>50.2</b>
Other income	1,082	1,723	(37.2)	3,929	2,603	50.9
Distribution costs	(12,688)	(11,997)	5.8	(42,234)	(34,548)	22.2
Administrative expenses	(21,940)	(18,266)	20.1	(63,813)	(54,824)	16.4
Other operating expenses	(201)	(3,819)	(94.7)	(6,212)	(5,887)	5.5
Finance costs	(4,283)	(5,527)	(22.5)	(13,508)	(16,443)	(17.8)
<b>Total operating expenses</b>	<b>(39,112)</b>	<b>(39,609)</b>	<b>(1.3)</b>	<b>(125,767)</b>	<b>(111,702)</b>	<b>12.6</b>
<b>Profit/(Loss) before taxation</b>	<b>377</b>	<b>3,061</b>	<b>(87.7)</b>	<b>34,451</b>	<b>(5,051)</b>	<b>NM</b>
Taxation	1,969	(234)	NM	(6,096)	569	NM
<b>Net profit/(loss) for the period</b>	<b>2,346</b>	<b>2,827</b>	<b>(17.0)</b>	<b>28,355</b>	<b>(4,482)</b>	<b>NM</b>
<b>Attributable to:</b>						
Equity holders of the Company	439	768	(42.8)	22,461	(4,432)	NM
Non-controlling interests	1,907	2,059	(7.4)	5,894	(50)	NM
<b>Net profit/(loss) for the period</b>	<b>2,346</b>	<b>2,827</b>	<b>(17.0)</b>	<b>28,355</b>	<b>(4,482)</b>	<b>NM</b>

NM: Not Meaningful

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2016 (Q3 FY2017)	3 months ended 31 Dec 2015 (Q3 FY2016)	Increase/ (Decrease)	9 months ended 31 Dec 2016 (9M FY2017)	9 months ended 31 Dec 2015 (9M FY2016)	Increase/ (Decrease)
<b>Net profit/(loss) for the period</b>	2,346	2,827	(17.0)	28,355	(4,482)	NM
<b>Other comprehensive income:</b>						
Item that may be reclassified subsequently to profit or loss:						
Exchange translation difference <sup>1</sup>	4,112	(542)	NM	7,136	1,548	361.0
Other comprehensive income of the period, net of tax	4,112	(542)	NM	7,136	1,548	361.0
<b>Total comprehensive income/(expense) for the period</b>	6,458	2,285	182.6	35,491	(2,934)	NM
<b>Total comprehensive income/(expense) attributable to:</b>						
Equity holders of the Company	2,806	515	444.9	26,713	(3,467)	NM
Non-controlling interests	3,652	1,770	106.3	8,778	533	1,546.9
<b>Total comprehensive income/(expense) for the period</b>	6,458	2,285	182.6	35,491	(2,934)	NM

## Notes to Group statement of profit or loss:

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2016 (Q3 FY2017)	3 months ended 31 Dec 2015 (Q3 FY2016)	Increase/ (Decrease)	9 months ended 31 Dec 2016 (9M FY2017)	9 months ended 31 Dec 2015 (9M FY2016)	Increase/ (Decrease)
<b>Other income</b>						
Amortisation of deferred capital grants	58	179	(67.6)	172	279	(38.4)
Gain on disposal of property, plant and equipment <sup>2</sup>	437	23	1,800.0	440	49	798.0
Interest income	150	277	(45.8)	580	563	3.0
Compensation income <sup>3</sup>	-	839	(100.0)	1,902	839	126.7
Others	437	405	7.9	835	873	(4.4)
	1,082	1,723	(37.2)	3,929	2,603	50.9
<b>Other operating expenses</b>						
Allowance for impairment of trade receivables <sup>4</sup>	-	1,999	(100.0)	3,964	2,094	89.3
Exchange loss	(87)	1,267	(106.9)	860	1,884	(54.4)
Bank charges	270	107	152.3	1,076	1,059	1.6
Property, plant and equipment written off	1	-	NM	5	1	400.0
Donations	-	-	NM	100	400	(75.0)
Others	17	446	(96.2)	207	449	(53.9)
	201	3,819	(94.7)	6,212	5,887	5.5

NM: Not Meaningful

**Notes to other profit or loss items**

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

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2016 (Q3 FY2017)	3 months ended 31 Dec 2015 (Q3 FY2016)	Increase/ (Decrease)	9 months ended 31 Dec 2016 (9M FY2017)	9 months ended 31 Dec 2015 (9M FY2016)	Increase/ (Decrease)
Amortisation of intangibles assets	25	25	-	75	75	-
Depreciation of property, plant and equipment <sup>5</sup>	14,093	12,945	8.9	41,792	37,207	12.3
Gain on disposal of property, plant and equipment, net <sup>2</sup>	(437)	(23)	1,800.0	(440)	(49)	798.0
Interest expense	4,283	5,527	(22.5)	13,508	16,443	(17.8)
Operating lease rentals	2,223	2,422	(8.2)	6,346	6,552	(3.1)
Inventory write-down <sup>6</sup>	-	156	(100.0)	1,000	156	541.0

**Note:**

- Gain on exchange translation arose mainly from translation of the net assets of our Hong Kong subsidiaries. HKD appreciated 6.8% against RMB as at 31 December 2016 as compared to last financial year end.
- Mainly from disposal of motor vehicles
- Mainly from customer's compensation income received by court orders resulted from breach of contract.
- See Paragraph 8 – Operating expense.
- Increase mainly due to addition of rental fleet.
- Mainly provision for inventory obsolescence that decline in value arising from technological changes. The provision for inventory obsolescence is included in "cost of sales".

**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	
	31 Dec 2016 RMB'000	31 Mar 2016 RMB'000	31 Dec 2016 RMB'000	31 Mar 2016 RMB'000
<b>ASSETS</b>				
<b>Non-current</b>				
Property, plant and equipment	462,580	454,693	-	-
Intangible assets	75	150	-	-
Subsidiaries	-	-	344,363	344,363
Available-for-sale financial assets	81,846	81,846	81,846	81,846
Trade and other receivables	807	826	-	-
Deferred costs	5,659	10,442	-	-
Deferred tax assets	17,651	16,643	-	-
	<u>568,618</u>	<u>564,600</u>	<u>426,209</u>	<u>426,209</u>
<b>Current</b>				
Inventories	311,885	280,801	-	-
Trade and other receivables	318,835	316,013	40	184
Deferred costs	9,212	10,398	-	-
Amounts owing by subsidiaries	-	-	41,524	42,519
Amounts owing by related parties	61,539	95,584	-	-
Amount owing by a corporate shareholder of a subsidiary	469	453	-	-
Cash and cash equivalents	149,688	166,036	1,115	2,042
	<u>851,628</u>	<u>869,285</u>	<u>42,679</u>	<u>44,745</u>
<b>TOTAL ASSETS</b>	<u>1,420,246</u>	<u>1,433,885</u>	<u>468,888</u>	<u>470,954</u>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	312,484	312,484	312,484	312,484
Reserves	287,976	261,263	147,941	149,721
<b>Equity attributable to equity holders of the Company</b>	<u>600,460</u>	<u>573,747</u>	<u>460,425</u>	<u>462,205</u>
Non-controlling interests	62,861	54,083	-	-
<b>TOTAL EQUITY</b>	<u>663,321</u>	<u>627,830</u>	<u>460,425</u>	<u>462,205</u>
<b>LIABILITIES</b>				
<b>Non-current</b>				
Borrowings	1,684	507	-	-
Deferred income	8,566	15,730	-	-
Deferred capital grants	10,285	10,457	-	-
Deferred tax liabilities	16,944	15,975	6,427	5,964
Trade and other payables	20,042	22,135	-	-
	<u>57,521</u>	<u>64,804</u>	<u>6,427</u>	<u>5,964</u>
<b>Current</b>				
Trade and other payables	394,164	296,882	1,935	2,524
Borrowings	229,772	367,071	-	-
Deferred income	12,984	14,593	-	-
Deferred capital grants	229	229	-	-
Amounts owing to/advances from related parties	32,336	34,000	80	80
Amounts owing to a corporate shareholder of a subsidiary	24,139	26,008	-	-
Current tax payable	5,780	2,468	21	181
	<u>699,404</u>	<u>741,251</u>	<u>2,036</u>	<u>2,785</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,420,246</u>	<u>1,433,885</u>	<u>468,888</u>	<u>470,954</u>

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

	As at 31 Dec 2016		As at 31 Mar 2016	
	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	229,772	31,405	367,071	35,134
Amount repayable after one year	1,684	-	507	-
	231,456	31,405	367,578	35,134

**Details of any collaterals**

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

	31 Dec 2016	31 Mar 2016	Description
	RMB'000	RMB'000	
<b>Bank borrowings</b>			
a)	20,000	50,000	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)	40,000	50,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao.
c)	10,000	-	Granted to Fushun Yongmao, guaranteed by the Company.
d)	68,884	102,927	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.
e)	10,000	49,217	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by fixed deposits.
f)	30,000	40,000	Granted to Fushun Yongmao, guaranteed by the Company, Beijing Yongmao and a director of the Company and secured by fixed deposit.
g)	-	5,393	Granted to Yongmao Machinery Pte. Ltd., guaranteed by the Company.
	178,884	297,537	
<b>Short-term trade financing</b>			
a)	-	25,000	Granted to Fushun Yongmao, guaranteed by the Company, Beijing Yongmao and a director of the Company and secured by certain trade receivables.
	-	25,000	
<b>Finance lease obligations</b>			
a)	2,509	899	In respect of motor vehicles and office equipment acquired under finance leases.
b)	50,063	44,142	In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.
	52,572	45,041	
	231,456	367,578	

The above borrowings are for working capital purposes.

**Note (2):** The unsecured loans include the followings:

- RMB18.4 million (31 March 2016 – 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.
- RMB Nil million (31 March 2016 – RMB16.8 million), which was interest-free, was from a related party to Yongmao Machinery Pte Ltd for the purpose of increasing the working capital of the Group. This is included as part of "Amounts owing to/advances from related parties" under current liabilities in the balance sheet.
- RMB13.0 million (31 March 2016 – RMB Nil), which was interest-bearing, was from related parties to Fushun Yongmao for the purpose of increasing the working capital of the Group. This is included as part of "Amounts owing to/advances from related parties" 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 (Third Quarter)		Group (Nine Months)	
	RMB'000		RMB'000	
	3 months ended 31 Dec 2016 (Q3 FY2017)	3 months ended 31 Dec 2015 (Q3 FY2016)	9 months ended 31 Dec 2016 (9M FY2017)	9 months ended 31 Dec 2015 (9M FY2016)
<b>Cash flows from operating activities</b>				
Profit/(Loss) before taxation	377	3,061	34,451	(5,051)
Adjustments for:				
Amortisation of deferred capital grants	(58)	(179)	(172)	(279)
Amortisation of intangible assets	25	25	75	75
Depreciation of property, plant and equipment	14,093	12,945	41,792	37,207
Gain on disposal of property, plant and equipment	(437)	(23)	(440)	(49)
Property, plant and equipment written off	1	-	5	1
Inventories write-down	-	156	1,000	156
Interest expense	4,283	5,527	13,508	16,443
Interest income	(150)	(277)	(580)	(563)
Exchange translation difference	2,428	2,122	5,184	5,764
<b>Operating profit before working capital changes</b>	20,562	23,357	94,823	53,704
Increase in inventories <sup>1</sup>	(22,586)	(8,221)	(66,193)	(27,667)
Decrease/(Increase) in deferred costs	268	5,732	5,969	(9,855)
Decrease/(Increase) in operating receivables	35,854	32,509	34,368	82,594
Increase/(Decrease) in operating payables	31,760	(22,512)	92,694	(84,070)
(Increase)/Decrease in deferred income	(838)	(7,767)	(8,773)	15,425
<b>Cash generated from operations</b>	65,020	23,098	152,888	30,131
Interest paid	(4,273)	(6,120)	(13,160)	(16,805)
Tax paid	(1,322)	39	(3,665)	(2,118)
<b>Net cash generated from operating activities</b>	59,425	17,017	136,063	11,208
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(2,831)	(1,097)	(5,093)	(9,035)
Proceeds from disposal of property, plant and equipment	437	23	440	239
Proceeds from government grants	-	-	-	1,586
Interest received	28	277	190	563
<b>Net cash used in investing activities</b>	(2,366)	(797)	(4,463)	(6,647)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	20,219	55,006	115,923	266,649
Repayment of borrowings	(21,811)	(106,706)	(238,685)	(250,832)
Repayment of finance lease liabilities	(6,896)	(6,444)	(21,552)	(20,818)
Restricted bank balances	(9,900)	21,944	17,253	16,935
Repayment to related parties	(2,800)	-	(3,949)	-
Dividends paid to non-controlling interests	-	-	(694)	-
Dividends paid to equity holders of the Company	-	-	-	(16,307)
<b>Net cash used in financing activities</b>	(21,188)	(36,200)	(131,704)	(4,373)
Net increase/(decrease) in cash and cash equivalents	35,871	(19,980)	(104)	188
Cash and cash equivalents at beginning of period	46,006	78,840	81,258	58,383
Exchange adjustments	286	165	1,009	454
<b>Cash and cash equivalents at end of period</b>	82,163	59,025	82,163	59,025

Note:

1. Included in (increase)/decrease in inventories for Q3 FY2017 of RMB21.6 million (Q3 FY2016 : RMB15.8 million) and 9M FY2017 of RMB43.4 million (9M FY2016 : RMB33.9 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 31 Dec 2016	RMB'000 31 Dec 2015
<b>Analysis of cash and cash equivalents</b>		
Cash on hand	229	156
Bank balances	149,459	133,473
	149,688	133,629
Restricted bank balances	(67,525)	(74,604)
	82,163	59,025

- 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 earnings	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 2016</b>	312,484	(26,769)	58,070	3,171	224,006	2,785	573,747	54,083	627,830
Total comprehensive income for the period	-	-	-	-	22,022	1,885	23,907	5,126	29,033
Transfer from statutory common reserve	-	-	3,042	-	(3,042)	-	-	-	-
<b>Balance as at 30 Sep 2016</b>	312,484	(26,769)	61,112	3,171	242,986	4,670	597,654	59,209	656,863
Total comprehensive income for the period	-	-	-	-	439	2,367	2,806	3,652	6,458
Transfer from statutory common reserve	-	-	(1,276)	-	1,276	-	-	-	-
<b>Balance as at 31 Dec 2016</b>	312,484	(26,769)	59,836	3,171	244,701	7,037	600,460	62,861	663,321

Group	Share capital	Merger reserve	Statutory common reserve	Fair value reserve	Retained earnings	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	-	-	-	-	(5,200)	1,218	(3,982)	(1,237)	(5,219)
Transfer from statutory common reserve	-	-	(674)	-	674	-	-	-	-
Dividends	-	-	-	-	(16,307)	-	(16,307)	(694)	(17,001)
<b>Balance as at 30 Sep 2015</b>	312,484	(26,769)	57,658	792	215,307	1,258	560,730	52,880	613,610
Total comprehensive income/(expense) for the period	-	-	-	-	768	(253)	515	1,770	2,285
Transfer to statutory common reserve	-	-	863	-	(863)	-	-	-	-
<b>Balance as at 31 Dec 2015</b>	312,484	(26,769)	58,521	792	215,212	1,005	561,245	54,650	615,895

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current year:</b>				
<b>Balance as at 1 Apr 2016</b>	312,484	3,171	146,550	462,205
Total comprehensive income for the period	-	-	(1,367)	(1,367)
<b>Balance as at 30 Sep 2016</b>	312,484	3,171	145,183	460,838
Total comprehensive income for the period	-	-	(413)	(413)
<b>Balance as at 31 Dec 2016</b>	312,484	3,171	144,770	460,425

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Previous year:</b>				
<b>Balance as at 1 Apr 2015</b>	312,484	792	111,957	425,233
Total comprehensive income for the period	-	-	50,535	50,535
Dividends	-	-	(16,307)	(16,307)
<b>Balance as at 30 Sep 2015</b>	312,484	792	146,185	459,461
Total comprehensive income for the period	-	-	250	250
<b>Balance as at 31 Dec 2015</b>	312,484	792	146,435	459,711



- 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 Q3 FY2017 or Q3 FY2016.

There was no outstanding convertible or treasury share as at 31 December 2016 (31 December 2015 – 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.**

	<b>31 December 2016</b>	<b>31 March 2016</b>
Total number of issued shares (excluding treasury shares)	88,749,997	88,749,997

- 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 31 December 2016 (31 December 2015 – 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 2016 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 2016.

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.

- 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 (Third Quarter)		Group (9 Months)	
	RMB'000		RMB'000	
	3 months ended 31 Dec 2016 (Q3 FY2017)	3 months ended 31 Dec 2015 (Q3 FY2016)	9 months ended 31 Dec 2016 (9M FY2017)	9 months ended 31 Dec 2015 (9M FY2016)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	439	768	22,461	(4,432)
Weighted average no. of shares used in computation of basic earning per shares	88,749,997	88,749,997	88,749,997	88,749,997
Earnings per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	0.49	0.87	25.31	(4.99)
(b) On a fully diluted basis	0.49	0.87	25.31	(4.99)

**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	
	31 Dec 2016	31 Mar 2016	31 Dec 2016	31 Mar 2016
Net asset value per ordinary share (RMB cents)	676.57	646.48	518.79	520.79

Net asset value per share for the Group and the Company for 31 December 2016 and 31 March 2016 has been computed based on shareholders' equity as at the respective dates and the number of shares of 88,749,997 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

### Third Quarter FY2017 ("Q3 FY2017") vs Third Quarter FY2016 ("Q3 FY2016")

#### Revenue

Group revenue decreased by RMB9.3 million or 7.4% to RMB116.4 million in Q3 FY2017 as compared to RMB125.7 million in Q3 FY2016. Sales in Middle East and others has dropped RMB5.6 million to RMB10.6 million in Q3 FY2017 from RMB16.2 in Q3 FY2016. Asia (outside the PRC) sales has also down by RMB5.8 million to RMB43.1 million in Q3 FY2017 amidst slowdown in Singapore and Malaysia market.

Sales in PRC are comparable which reported at RMB51.2 million for both Q3 FY2017 and Q3 FY2016. Rental and service income in PRC has increased with demand for large-sized towercranes used for infrastructure projects in PRC.

#### Gross profit and gross profit margin

Gross profit decreased 6.2% to RMB38.4 million in Q3 FY2017 from RMB40.9 million in Q3 FY2016 in line with decrease in revenue. Average gross profit margin slightly increased to 33.0% in Q3 FY2017 from 32.6% in Q3 FY2016. The increase was attributable to sales of more larger-sized tower cranes of higher lifting capacity which

generates higher gross margin. This was offset by lower margin of service income from Hong Kong operations resulted from higher repairs and maintenance expenses.

### **Other income**

Other income decreased to RMB1.1 million in Q3 FY2017 as compared to RMB1.7 million in Q3 FY2016 was mainly due to non-recurrence compensation income in Q3 FY2016 of RMB0.8 million offset by higher gain on disposal of property, plant and equipment of RMB0.4 million.

### **Operating expenses**

Total operating expenses decreased 1.3% to RMB39.1 million in Q3 FY2017 as compared to RMB39.6 million in Q3 FY2016.

Distribution costs increased 5.8% to RMB12.7 million in Q3 FY2017 as compared to RMB12.0 million in Q3 FY2016 mainly due to higher freight and transportation charges as a result of more sales for large-sized towercranes, partly offset by lower sales commission. This was also affected by the stricter loading restriction imposed by the local authority from Sep 2016 resulted in higher freight and transportation cost.

Administrative expenses increased 20.1% to RMB21.9 million in Q3 FY2017 as compared to RMB18.3 million in Q3 FY2016 due to higher entertainment and transportation expenses, higher staff cost and higher property and land holding tax in Q3 FY2017. Increase in entertainment and transportation arose from the participation in the bi-annual Bauma 2016 exhibition. Staff cost increased due to increase in number of staff as well as salary increment.

Other operating expenses decreased to RMB0.2 million in Q3 FY2017 from RMB3.8 million in Q3 FY2016. This is mainly due to provision for doubtful debts of RMB2.0 million in Q3 FY2016 and the exchange loss of RMB1.3 million in Q3 FY2016 as compared to the exchange gain of RMB0.1 million in Q3 FY2017.

In line with the lower average borrowing and lower effective interest rate, finance costs decreased 22.5% to RMB4.3 million in Q3 FY2017 as compared to RMB5.5 million in Q3 FY2016.

### **Taxation**

The credit balance in tax expense of RMB2.0 million in Q3 mainly due to tax expense reversal in one of the subsidiaries following losses reported in Q3 FY2017.

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

The Group recorded a profit before taxation RMB0.4 million in Q3 FY2017 as compare to RMB3.1 million in Q3 FY2016 was mainly due to lower revenue, gross profit and lower other income, partly offset by lower operating expenses.

Net profit attributable to equity holders of the Company decreased to RMB0.4 million in Q3 FY2017 as compared to RMB0.8 million in Q3 FY2016. This was mainly due to profit before taxation, and the credit balance in the tax expense reported.

## **Nine Months FY2017 ("9M FY2017") vs Nine Months FY2016 ("9M FY2016")**

### **Revenue**

Group revenue increased 34.6% to RMB455.5 million in 9M FY2017, as compared to RMB338.4 million in 9M FY2016. Sales in PRC has increased with revenue recorded at RMB235.7 million in 9M FY2017 as demand increased for large sized towercranes used for infrastructure projects, such as power plants, bridges and the Beijing New Airport project in Daxing. The increase is also partly contributed from higher rental and service income in the PRC. Asia (outside the PRC) sales has also increased by 6.9% contributed from improved sales in Taiwan market and higher rental and service income from Hong Kong operations offset by lower sales in Singapore and Malaysia. The increase was partly offset by decrease in sales to Middle East, USA and Europe of RMB 40.6 million from RMB85.7 million in 9M FY2016 to RMB45.1 million in 9M FY2017.

Following the improvement in the PRC sales, it formed the bulk of the sales at 51.7% in 9M FY2017 as compared to 26.4% in 9M FY2016.

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

Gross profit increased 50.2% to RMB156.3 million in 9M FY2017 from RMB104.0 million in 9M FY2016. The increase was due to both higher revenue and better margin in 9M FY2017.

Average gross profit margin increased to 34.3% in 9M FY2017 from 30.7% in 9M FY2016. The increase was attributable to sales of more larger-sized tower cranes of higher lifting capacity and luffing series towercranes which generates higher gross margin as well as higher rental income and service income from Hong Kong operations, partly offset by lower gross margin on sales of components and accessories.

**Other income**

Other income increased to RMB3.9 million in 9M FY2017 as compared to RMB2.6 million in 9M FY2016 was mainly due to higher compensation income from customers and suppliers of RMB1.9 million in 9M FY2017 as compared to RMB0.8 million in 9M FY2016 and the gain on disposal of property, plant and equipment of RMB0.4 million in 9M FY2017.

**Operating expenses**

Total operating expenses increased 12.6% to RMB125.8 million in 9M FY2017 as compared to RMB111.7 million in 9M FY2016.

Distribution costs increased 22.2% to RMB42.2 million in 9M FY2017 as compared to RMB34.5 million in 9M FY2016 mainly due to higher freight and transportation charges as a result of higher sales and more sales of large-sized towercranes. This was also affected by the stricter loading restriction imposed by the local authority from Sep 2016 resulted in higher freight and transportation cost.

Administrative expenses increased 16.4% to RMB63.8 million in 9M FY2017 as compared to RMB54.8 million in 9M FY2016 largely due to higher bonus provision. There was lower bonus provision made in 9M FY2016 which reported a net loss position. The increase is also due to higher entertainment and transportation expenses, higher staff cost (excludes bonuses) and higher property and land holding tax in Q3 FY2017. Increase in entertainment and transportation arose from the participation in the bi-annual Bauma 2016 exhibition. Staff cost increased due to increase in number of staff as well as salary increment.

Other operating expenses increased to RMB6.2 million in 9M FY2017 from RMB5.9 million in 9M FY2016. This is mainly due to higher provision for doubtful debts of RMB4.0 million in 9M FY2017 as compared to RMB2.1 million in 9M FY2016. Certain provision for doubtful debts were made mainly for two Beijing local rental companies which were long-outstanding. This was offset by lower exchange loss of RMB1.0 million reported at RMB0.9 million in 9M FY2017 as compared to RMB1.9 million in 9M FY2016.

In line with the lower average borrowing and lower effective interest rate, finance costs decreased 17.8% to RMB13.5 million in 9M FY2017 as compared to RMB16.4 million in 9M FY2016.

**Taxation**

Income tax expense reported at RMB6.1 million in 9M FY2017 as compared to a credit balance of RMB0.6 million in 9M FY2016 in line with the net profit for the financial period.

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

The Group reported profit before taxation of RMB34.5 million in 9M FY2017 as compared to a loss before tax of RMB5.1 million in 9M FY2016 was mainly due to higher revenue, gross profit, partly offset by higher operating expenses.

Net profit attributable to equity holders of the Company increased to RMB22.5 million in 9M FY2017 as compared to a net loss attributable to equity holders of the Company of RMB4.4 million in 9M FY2016. This was mainly due to profit before taxation, offset by tax expense.

**REVIEW OF FINANCIAL POSITION OF THE GROUP****Non-current Assets**

Non-current assets increased by RMB4.0 million to RMB568.6 million as at 31 December 2016 arises from net additions in property, plant and equipment mainly due to increase in rental fleet and higher deferred tax assets. This was slightly offset by lower deferred cost 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 RMB17.7 million to RMB851.6 million as at 31 December 2016 mainly due to lower amount owing by related parties, lower cash and cash equivalents (see Note on Review on Cash Flow Statement below) and lower deferred costs, offset by higher trade and other receivables and higher inventories.

Trade and other receivables increased by RMB2.8 million mainly due to increase in trade receivables in line with higher sales. Despite the increase in trade and other receivables, collection turnover days has improved. Amount owing by related parties are mainly trade in nature which decreased due to net collection over sales for the financial period.

Inventories increased by RMB31.1 million to RMB311.9 million as at 31 December 2016 as compared to RMB280.8 million as at 31 March 2016 for delivery due in Q4 FY2017.

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 decreased by RMB7.3 million to RMB57.5 million as at 31 December 2016 mainly due to lower deferred income (See Note on deferred income below) and lower trade and other payables, partly offset by higher deferred tax liabilities.

### **Current Liabilities**

Current liabilities decreased by RM41.8 million to RMB699.4 million as at 31 December 2016 mainly due to repayment of borrowings, partly offset by higher trade and other payables.

Trade and other payables increased by RMB97.3 million mainly due to higher purchases as a result of higher sales and slower repayment.

Amount owing to related parties which was interest-bearing loan, was from related parties to Fushun Yongmao for the purpose of increasing the working capital of the Group.

Deferred income included RMB21.6 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 RMB30.3 million as at 31 March 2016, was mainly due to repayment by customers to financial institutions.

### **Total Equity**

As at 31 December 2016, the Group's total equity amounted to RMB663.3 million. The increase was mainly due to net profit of RMB28.4 million and other comprehensive income of RMB7.1 million for 9M FY2017.

## **REVIEW OF CASH FLOW STATEMENT**

### **Q3 FY2017 vs Q3 FY2016**

The Group reported a net increase in cash and cash equivalents amounting to RMB35.9 million in Q3 FY2017 mainly due to:

- a) Net cash generated from operating activities in Q3 FY2017 of RMB59.4 million resulted mainly from operating profit before working capital changes, decrease in operating receivables and increase in operating payables, partly offset by increase in inventories;
- b) Net cash used in investing activities of RMB2.4 million mainly from purchases of machinery and motor vehicles; and
- c) Net cash used in financing activities of RMB21.2 million mainly from net repayment of bank borrowings and finance lease creditors, repayment to related parties and higher restricted bank balances.

### **9M FY2017 vs 9M FY2016**

The Group reported a net decrease in cash and cash equivalents amounting to RMB0.1 million in 9M FY2017 mainly due to:

- a) Net cash from operating activities in 9M FY2017 of RMB136.1 million mainly from operating profit before working capital changes, decrease in operating receivables and increase in operating payables, partly offset by increase in inventories;
- b) Net cash used in investing activities of RMB4.5 million mainly from purchases of machinery and motor vehicles; and
- c) Net cash used in financing activities of RMB131.7 million mainly from net repayment of bank borrowings and finance lease creditors, repayment to related parties, 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.**

China's economy expanded 6.8 percent in the last quarter of the year 2016, a slightly improvement over the previous three quarters of 6.7 percent. Overall, the economy expanded 6.7% in 2016 which was slightly below the 6.9% rise in 2015 and well within the government's 2016 growth target between 6.5% and 7.0%.

The unexpected recovery in China's residential property market since late last year has helped support the economy in 2016. The recovery appears uneven as rapid price rises in some of the biggest cities fanned concerns of overheating and prompted a few local governments to cool sales by tightening property transfer restrictions. In smaller cities, a large number of unsold new properties continued to hit sales and prices forcing local authorities to explore new ways to increase sales. As such, domestic demand for construction machinery and equipment including towercranes for residential property market continues to remain muted.

Demand for towercranes in other overseas markets is mixed with markets such as Taiwan and Australia likely to see a better demand in the replacement market whereas markets like Singapore and Macau 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 next 12 months will remain 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 the Q3 FY2017.

**(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 the Q3 FY2016.

**(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) 9 months ended 31 Dec 2016 (9M FY2017) 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) 9 months ended 31 Dec 2016 (9M FY2017) 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)	-	2,034
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	78,719
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	636	-
Fushun Yongmao Industry and Trade Co., Ltd (抚顺市永茂工贸发展有限公司)	-	511
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	928	-
<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)	-	1,260
<b>Rental charged by a director</b>	608	-

## **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>FY2017</b>					
- Q3	10,622	43,094	11,437	51,227	116,380
- 9M	20,761	174,704	24,358	235,717	455,540
<b>FY2016</b>					
- Q3	16,172	48,894	9,121	51,542	125,729
- 9M	51,438	163,438	34,290	89,253	338,419

- 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.

- 19. Confirmation of Undertakings of Directors and Executive Officers Pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

- 20. Negative Assurance Confirmation on Third Quarter Financial Results 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 interim unaudited financial statements for the three months ended 31 December 2016 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  
13 February 2017