

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED FOURTH QUARTER/FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD/YEAR ENDED 31 MARCH 2017

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/year ended 31 March 2017. These figures have not been audited.

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2017 (Q4 FY2017)	3 months ended 31 Mar 2016 (Q4 FY2016)	Increase/ (Decrease)	12 months ended 31 Mar 2017 (FY2017)	12 months ended 31 Mar 2016 (FY2016)	Increase/ (Decrease)
Revenue	118,954	116,532	2.1	574,494	454,951	26.3
Cost of sales	(78,977)	(79,380)	(0.5)	(378,228)	(313,751)	20.6
Gross profit	39,977	37,152	7.6	196,266	141,200	39.0
Other income	670	5,270	(87.3)	4,599	7,873	(41.6)
Distribution costs	(12,926)	(11,659)	10.9	(55,160)	(46,207)	19.4
Administrative expenses	(20,966)	(20,071)	4.5	(84,779)	(74,895)	13.2
Other operating expenses	1,964	3,012	(34.8)	(4,248)	(2,875)	47.8
Finance costs	(3,133)	(4,212)	(25.6)	(16,641)	(20,655)	(19.4)
Total operating expenses	(35,061)	(32,930)	6.5	(160,828)	(144,632)	11.2
Profit before taxation	5,586	9,492	(41.2)	40,037	4,441	801.5
Taxation	(1,814)	(2,686)	(32.5)	(7,910)	(2,117)	273.6
Net profit for the period/year	3,772	6,806	(44.6)	32,127	2,324	1,282.4
Attributable to:						
Equity holders of the Company	5,662	8,343	(32.1)	28,123	3,911	619.1
Non-controlling interests	(1,890)	(1,537)	23.0	4,004	(1,587)	NM
Net profit for the period/year	3,772	6,806	(44.6)	32,127	2,324	1,282.4

	Group (Forth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2017 (Q4 FY2017)	3 months ended 31 Mar 2016 (Q4 FY2016)	Increase/ (Decrease)	12 months ended 31 Mar 2017 (FY2017)	12 months ended 31 Mar 2016 (FY2016)	Increase/ (Decrease)
Net profit for the period/year	3,772	6,806	(44.6)	32,127	2,324	1,282.4
Other comprehensive income:						
Item that may be reclassified subsequently to profit of loss:						
Fair value gain on available-for-sale financial assets	11,221	2,379	371.7	11,221	2,379	371.7
Exchange translation difference ¹	(769)	2,750	NM	6,367	4,298	48.1
Other comprehensive income of the period/year, net of tax	10,452	5,129	103.8	17,588	6,677	163.4
Total comprehensive income for the period/year	14,224	11,935	19.2	49,715	9,001	452.3
Total comprehensive income attributable to:						
Equity holders of the Company	16,586	12,502	32.7	43,299	9,035	379.2
Non-controlling interests	(2,362)	(567)	316.6	6,416	(34)	NM
Total comprehensive income for the period/year	14,224	11,935	19.2	49,715	9,001	452.3

Notes to Group statement of profit or loss:

	Group (Forth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2017 (Q4 FY2017)	3 months ended 31 Mar 2016 (Q4 FY2016)	Increase/ (Decrease)	12 months ended 31 Mar 2017 (FY2017)	12 months ended 31 Mar 2016 (FY2016)	Increase/ (Decrease)
Other income						
Amortisation of deferred capital grants	57	57	-	229	336	(31.8)
Gain on disposal of property, plant and equipment ²	1	420	(99.8)	440	469	(6.2)
Interest income	192	4,393	(95.6)	772	4,956	(84.4)
Compensation income ³	-	-	-	1,902	839	126.7
Others	420	400	5.0	1,256	1,273	(1.3)
	670	5,270	(87.3)	4,599	7,873	(41.6)
Other operating expenses						
(Reversal of)/allowance for impairment of trade receivables ⁴	(2,427)	(1,657)	46.5	1,537	437	251.7
Exchange loss	86	(1,576)	NM	946	309	206.1
Bank charges	315	372	(15.3)	1,391	1,431	(2.8)
Property, plant and equipment written off	-	1	(100.0)	5	1	400.0
Donations	-	-	-	100	400	(75.0)
Others	62	(152)	NM	269	297	(9.4)
	(1,964)	(3,012)	(34.8)	4,248	2,875	47.8

NM: Not Meaningful

Notes to other profit or loss items

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

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2017 (Q4 FY2017)	3 months ended 31 Mar 2016 (Q4 FY2016)	Increase/ (Decrease)	12 months ended 31 Mar 2017 (FY2017)	12 months ended 31 Mar 2016 (FY2016)	Increase/ (Decrease)
Amortisation of intangibles assets	25	25	-	100	100	-
Depreciation of property, plant and equipment ⁵	14,643	12,780	14.6	56,435	49,987	12.9
Gain on disposal of property, plant and equipment, net	(1)	(420)	(99.8)	(440)	(469)	(6.2)
Interest expense	3,133	4,212	(25.6)	16,641	20,655	(19.4)
Operating lease rentals	2,327	1,860	25.1	8,673	8,412	3.1
Inventory write-down ⁶	2,982	1,380	116.1	3,982	1,536	159.2

Note:

- Gain on exchange translation arose mainly from translation of the net assets of our Hong Kong subsidiary. HKD depreciated 0.8% against RMB in Q4 FY2017. However, it appreciated 6.0% against RMB as at 31 March 2017 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 additions 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 Mar 2017 RMB'000	31 Mar 2016 RMB'000	31 Mar 2017 RMB'000	31 Mar 2016 RMB'000
ASSETS				
Non-current				
Property, plant and equipment	467,201	454,693	-	-
Intangible assets	50	150	-	-
Subsidiaries	-	-	344,363	344,363
Available-for-sale financial assets	93,067	81,846	93,067	81,846
Trade and other receivables	743	826	-	-
Deferred costs	4,090	10,442	-	-
Deferred tax assets	15,518	16,643	-	-
	<u>580,669</u>	<u>564,600</u>	<u>437,430</u>	<u>426,209</u>
Current				
Inventories	317,649	280,801	-	-
Trade and other receivables	292,136	316,013	189	184
Deferred costs	8,335	10,398	-	-
Amounts owing by subsidiaries	-	-	42,157	42,519
Amounts owing by related parties	83,081	95,584	-	-
Amount owing by a corporate shareholder of a subsidiary	434	453	-	-
Cash and cash equivalents	148,453	166,036	643	2,042
	<u>850,088</u>	<u>869,285</u>	<u>42,989</u>	<u>44,745</u>
TOTAL ASSETS	<u>1,430,757</u>	<u>1,433,885</u>	<u>480,419</u>	<u>470,954</u>
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	304,562	261,263	158,594	149,721
Equity attributable to equity holders of the Company	<u>617,046</u>	<u>573,747</u>	<u>471,078</u>	<u>462,205</u>
Non-controlling interests	60,499	54,083	-	-
TOTAL EQUITY	<u>677,545</u>	<u>627,830</u>	<u>471,078</u>	<u>462,205</u>
LIABILITIES				
Non-current				
Borrowings	1,570	507	-	-
Deferred income	6,284	15,730	-	-
Deferred capital grants	10,228	10,457	-	-
Deferred tax liabilities	19,883	15,975	6,559	5,964
Trade and other payables	23,098	22,135	-	-
	<u>61,063</u>	<u>64,804</u>	<u>6,559</u>	<u>5,964</u>
Current				
Trade and other payables	365,246	296,882	2,680	2,524
Borrowings	256,029	367,071	-	-
Deferred income	11,829	14,593	-	-
Deferred capital grants	229	229	-	-
Amounts owing to/advances from related parties	31,345	34,000	80	80
Amounts owing to a corporate shareholder of a subsidiary	25,489	26,008	-	-
Current tax payable	1,982	2,468	22	181
	<u>692,149</u>	<u>741,251</u>	<u>2,782</u>	<u>2,785</u>
TOTAL EQUITY AND LIABILITIES	<u>1,430,757</u>	<u>1,433,885</u>	<u>480,419</u>	<u>470,954</u>

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

	As at 31 Mar 2017		As at 31 Mar 2016	
	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	256,029	33,505	367,071	35,134
Amount repayable after one year	1,570	-	507	-
	257,599	33,505	367,578	35,134

Details of any collaterals

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

	31 Mar 2017	31 Mar 2016	Description
	RMB'000	RMB'000	
Bank borrowings			
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)	50,000	50,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao.
c)	10,000	-	Granted to Fushun Yongmao, guaranteed by the Company.
d)	55,194	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 bank deposits.
e)	10,000	49,217	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by bank 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)	12,000	-	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by bank deposits.
h)	-	5,393	Granted to Yongmao Machinery Pte. Ltd., guaranteed by the Company.
	187,194	297,537	
Short-term trade financing			
a)	25,000	-	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables from related party.
b)	-	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	25,000	
Finance lease obligations			
a)	2,933	899	In respect of motor vehicles and office equipment acquired under finance leases.
b)	42,472	44,142	In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.
	45,405	45,041	
	257,599	367,578	

The above borrowings are for working capital purposes.

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

- a) 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.
- b) 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.
- c) RMB12.0 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.
- d) RMB3.1 million (31 March 2016 – RMB Nil), which was non-interest bearing, was from a director of the Company to Fushun Yongmao for the purpose of increasing the working capital of the Group. This is included as part of “Trade and other payables” 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 (Fourth Quarter)		Group (Full Year)	
	RMB'000		RMB'000	
	3 months ended 31 Mar 2017 (Q4 FY2017)	3 months ended 31 Mar 2016 (Q4 FY2016)	12 months ended 31 Mar 2017 (FY2017)	12 months ended 31 Mar 2016 (FY2016)
Cash flows from operating activities				
Profit before taxation	5,586	9,492	40,037	4,441
Adjustments for:				
Amortisation of deferred capital grants	(57)	(57)	(229)	(336)
Amortisation of intangible assets	25	25	100	100
Depreciation of property, plant and equipment	14,643	12,780	56,435	49,987
Gain on disposal of property, plant and equipment	(1)	(420)	(441)	(469)
Property, plant and equipment written off	-	-	5	1
Inventories write-down	2,982	1,380	3,982	1,536
Interest expense	3,133	4,212	16,641	20,655
Interest income	(192)	(4,393)	(772)	(4,956)
Exchange translation difference	(87)	(83)	5,097	5,681
Operating profit before working capital changes	26,032	22,936	120,855	76,640
Increase in inventories ¹	(27,575)	(32,852)	(93,768)	(60,519)
Decrease/(Increase) in deferred costs	2,446	1,734	8,415	(8,121)
Decrease/(Increase) in operating receivables	5,867	(18,056)	40,235	64,538
(Decrease)/Increase in operating payables	(29,438)	20,736	63,256	(63,334)
(Increase)/Decrease in deferred income	(3,437)	(2,262)	(12,210)	13,163
Cash (used in)/generated from operations	(26,105)	(7,764)	126,783	22,367
Interest paid	(2,791)	(4,759)	(15,951)	(21,564)
Tax paid	(405)	(189)	(4,070)	(2,307)
Net cash (used in)/generated from operating activities	(29,301)	(12,712)	106,762	(1,504)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(1,486)	(3,106)	(6,579)	(12,141)
Proceeds from disposal of property, plant and equipment	1	544	441	783
Proceeds from government grants	-	-	-	1,586
Receipt from corporate shareholder of a subsidiary	(5)	4	(5)	4
Interest received	94	4,393	284	4,956
Net cash (used in)/generated from investing activities	(1,396)	1,835	(5,859)	(4,812)
Cash flows from financing activities				
Proceeds from borrowings	121,911	90,017	237,834	356,666
Repayment of borrowings	(83,289)	(57,741)	(321,974)	(308,573)
Repayment of finance lease liabilities	(11,551)	(6,657)	(33,103)	(27,475)
Restricted bank balances	(26,990)	(10,174)	(9,737)	6,761
Repayment to related parties	(1,025)	16,779	(4,974)	16,779
Advances from a director	3,100	-	3,100	-
Dividends paid to non-controlling interests	-	-	(694)	-
Dividends paid to equity holders of the Company	-	-	-	(16,307)
Net cash generated from/(used in) from financing activities	2,156	32,224	(129,548)	27,851
Net (decrease)/increase in cash and cash equivalents	(28,541)	21,347	(28,645)	21,535
Cash and cash equivalents at beginning of period/year	82,163	59,025	81,258	58,383
Exchange adjustments	316	886	1,325	1,340
Cash and cash equivalents at end of period/year	53,938	81,258	53,938	81,258

Note:

1. Included in (increase)/decrease in inventories for Q4 FY2017 of RMB18.2 million (Q4 FY2016 : RMB12.0 million) and FY2017 of RMB62.1 million (FY2016 : RMB45.9 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 Mar 2017	RMB'000 31 Mar 2016
<u>Analysis of cash and cash equivalents</u>		
Cash on hand	141	116
Bank balances	148,312	165,920
	148,453	166,036
Restricted bank balances	(94,515)	(84,778)
	53,938	81,258

- 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
Current year:									
Balance as at 1 Apr 2016	312,484	(26,769)	58,070	3,171	224,006	2,785	573,747	54,083	627,830
Total comprehensive income for the period	-	-	-	-	22,461	4,252	26,713	8,778	35,491
Transfer to statutory common reserve	-	-	1,766	-	(1,766)	-	-	-	-
Balance as at 31 Dec 2016	312,484	(26,769)	59,836	3,171	244,701	7,037	600,460	62,861	663,321
Total comprehensive income/(expense) for the period	-	-	-	11,221	5,662	(297)	16,586	(2,362)	14,224
Transfer from statutory common reserve	-	-	(585)	-	585	-	-	-	-
Balance as at 31 Mar 2017	312,484	(26,769)	59,251	14,392	250,948	6,740	617,046	60,499	677,545

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
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	-	-	-	-	(4,432)	965	(3,467)	533	(2,934)
Transfer to statutory common reserve	-	-	189	-	(189)	-	-	-	-
Dividends	-	-	-	-	(16,307)	-	(16,307)	(694)	(17,001)
Balance as at 31 Dec 2015	312,484	(26,769)	58,521	792	215,212	1,005	561,245	54,650	615,895
Total comprehensive income/(expense) for the period	-	-	-	2,379	8,343	1,780	12,502	(567)	11,935
Transfer from statutory common reserve	-	-	(451)	-	451	-	-	-	-
Balance as at 31 Mar 2016	312,484	(26,769)	58,070	3,171	224,006	2,785	573,747	54,083	627,830

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Current year:				
Balance as at 1 Apr 2016	312,484	3,171	146,550	462,205
Total comprehensive expense for the period	-	-	(1,780)	(1,780)
Balance as at 31 Dec 2016	312,484	3,171	144,770	460,425
Total comprehensive income/(expense) for the period	-	11,221	(568)	10,653
Balance as at 31 Mar 2017	312,484	14,392	144,202	471,078

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Previous year:				
Balance as at 1 Apr 2015	312,484	792	111,957	425,233
Total comprehensive income for the period	-	-	50,785	50,785
Dividends	-	-	(16,307)	(16,307)
Balance as at 31 Dec 2015	312,484	792	146,435	459,711
Total comprehensive income for the period	-	2,379	115	2,494
Balance as at 31 Mar 2016	312,484	3,171	146,550	462,205

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 Q4 FY2017 or Q4 FY2016.

There was no outstanding convertible, treasury share or subsidiary holdings as at 31 March 2017 (31 March 2016 – Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31 March 2017	31 March 2016
Total number of issued shares (excluding treasury shares)	88,749,997	88,749,997

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There was no sale, transfer, cancellation and/or use of treasury shares as at 31 March 2017 (31 March 2016 – Nil).

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There was no sale, transfer, cancellation and/or use of subsidiary holdings as at 31 March 2017 (31 March 2016 – 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 (Fourth Quarter)		Group (Full Year)	
	RMB'000		RMB'000	
	3 months ended	3 months ended	12 months ended	12 months ended
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
	(Q4 FY2017)	(Q4 FY2016)	(FY2017)	(FY2016)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	5,662	8,343	28,123	3,911
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	6.38	9.40	31.69	4.41
(b) On a fully diluted basis	6.38	9.40	31.69	4.41

The basic and diluted earnings per ordinary share of the Group is computed based on the Group's profit after taxation attributable to equity holders of the Company on the existing number of ordinary shares in issue of 88,749,997 at the end of the reporting periods.

There is no difference between the basic and diluted earnings per share

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 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Net asset value per ordinary share (RMB cents)	695.26	646.48	530.79	520.79

Net asset value per share for the Group and the Company for 31 March 2017 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

Fourth Quarter FY2017 ("Q4 FY2017") vs Fourth Quarter FY2016 ("Q4 FY2016")

Revenue

Group revenue increased by 2.1% to RMB119.0 million in Q4 FY2017 as compared to RMB116.5 million in Q4 FY2016. The increase in revenue was contributed from higher rental income and higher sales of components and parts, partly offset by lower sales of towercranes in Q4 FY2017 as compared to Q4 FY2016.

Sales in PRC has increased by RMB4.2 million to RMB47.6 million in Q4 FY2017 as compared to RMB43.4 million in Q4 FY2016. Rental and service income in PRC has increased with demand for large-sized towercranes used for infrastructure projects in PRC. Asia (outside the PRC) sales has also up by RMB2.0 million to RMB47.000 million in Q4 FY2017.

Sales in Middle East and others, the USA and Europe has dropped RMB2.6 million and RMB1.2 million respectively in Q4 FY2017 as compared to Q4 FY2016 mainly due to decrease in sales of towercranes, partly offset by increased sales of components and accessories.

Gross profit and gross profit margin

Gross profit increased 7.6% to RMB40.0 million in Q4 FY2017 from RMB37.2 million in Q4 FY2016. The increase was mainly due to higher margin in Q4 FY2017.

Accordingly, average gross profit margin increased to 33.6% in Q4 FY2017 from 31.9% in Q4 FY2016. The increase was attributable to sales of more large-sized luffing series towercranes of higher lifting capacity which generates higher 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 RMB0.7 million in Q4 FY2017 as compared to RMB5.3 million in Q4 FY2016 was mainly due to lower interest income of RMB4.2 million and lower gain on disposal of property, plant and equipment of RMB0.4 million.

Operating expenses

Total operating expenses increased 6.5% to RMB35.1 million in Q4 FY2017 as compared to RMB32.9 million in Q4 FY2016.

Distribution costs increased 10.9% to RMB12.9 million in Q4 FY2017 as compared to RMB11.7 million in Q4 FY2016 mainly due to higher bonus paid offset by lower freight and transportation charges in line with lower sales of towercranes.

Administrative expenses increased 4.5% to RMB21.0 million in Q4 FY2017 as compared to RMB20.1 million in Q4 FY2016 mainly due to additional property and land holding tax of RMB1.4 million charged by the tax authority in respect to prior years.

Other operating expenses reported a credit balance of RMB2.0 million in Q4 FY2017 from a credit balance of RMB3.0 million in Q4 FY2016. The decrease is due to exchange loss of RMB0.1 million in Q4 FY2017 as compared to the exchange gain of RMB1.6 million in Q4 FY2016 offset by higher reversal for impairment of trade receivables of RMB0.7 million. Via a court order, the Group had recovered trade receivables of RMB2.0m previously provided for the customer, 陕西宏城机械租赁有限公司 in Q4 FY2017.

In line with the lower average borrowing and lower effective interest rate, finance costs decreased 25.6% to RMB3.1 million in Q4 FY2017 as compared to RMB4.2 million in Q4 FY2016.

Taxation

Income tax expense decreased 32.5% to RMB1.8 million in Q4 FY2017 as compared to RMB2.7 million in Q4 FY2016 in line with the lower profit for the financial period.

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

The Group recorded a profit before taxation RMB5.6 million in Q4 FY2017 as compared to RMB9.5 million in Q4 FY2016 was mainly due to lower other income and higher operating expenses, partly offset by higher revenue resulting in higher gross profit.

In line with profit before taxation, net profit for the period decreased by 44.6% to RMB3.8 million in Q4 FY2017 from RMB6.8 million in Q4 FY2016.

Net profit attributable to equity holders of the Company decreased 32.1% to RMB5.7 million in Q4 FY2017 from RMB8.3 million mainly due to lower profit before taxation as mentioned above and, partly offset by losses attributable to non-controlling interest.

FY2017 vs FY2016

Revenue

Group revenue increased 26.3% to RMB574.5 million in FY2017, as compared to RMB455.0 million in FY2016. Sales in PRC has increased with revenue recorded at RMB283.3 million, up by 113.6% in FY2017 as compared to FY2016 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 RMB13.3 million or equal to 6.4% 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 44.4 million from RMB113.9 million in FY2016 to RMB69.5 million in FY2017.

Following the improvement in the PRC sales, it formed the bulk of the sales at 49.3% in FY2017 as compared to 29.1% in FY2016.

Gross profit and gross profit margin

Gross profit increased 39.0% to RMB196.3 million in FY2017 from RMB141.2 million in FY2016. The increase was due to both higher revenue and better margin in FY2017.

Average gross profit margin increased to 34.2% in FY2017 from 31.0% in 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 from both PRC and Hong Kong operations. 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 RMB4.6 million in FY2017 as compared to RMB7.9 million in FY2016. This decrease is due to lower interest income of RMB4.2 million offset by higher compensation income from customers and suppliers of RMB1.1 million.

Operating expenses

Total operating expenses increased 11.2% to RMB160.8 million in FY2017 as compared to RMB144.6 million in FY2016.

Distribution costs increased 19.4% to RMB55.2 million in FY2017 as compared to RMB46.2 million in FY2016 mainly due to higher freight and transportation charges in line with 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 13.2% to RMB84.8 million in FY2017 as compared to RMB74.9 million in FY2016 largely due to higher bonus provision in line with higher profit reported in FY2017. The increase is also due to higher entertainment and transportation expenses, higher staff cost (excludes bonuses) and higher property and land holding tax in 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. Additional property and land holding tax of RMB1.4 million was charged by the tax authority in respect to prior years.

Other operating expenses increased to RMB4.2 million in FY2017 from RMB2.9 million in FY2016. This is mainly due to higher allowance for impairment of trade receivables and higher exchange losses offset by lower donations. Allowance for impairment of trade receivables reported at RMB1.5 million in FY2017 pertains to allowance made mainly for two Beijing local rental companies namely 北京中惠博远机械工程有限公司 and 北京拓兴盛机械设备租赁

有限公司 which were long-outstanding, partly offset by doubtful debts previously provided for, now recovered from 陕西宏城机械租赁有限公司 by court orders.

The exchange losses arose mainly from:

- a) the weakening of Chinese Yuan (“RMB”) against United States Dollars (“USD”) due to net USD liabilities reported in the Group, offset by
- b) the strengthening of Singapore Dollars (“SGD”) against RMB due to net SGD assets reported in the Group.

In line with the lower average borrowing and lower effective interest rate, finance costs decreased 19.4% to RMB16.6 million in FY2017 as compared to RMB20.7 million in FY2016.

Taxation

Income tax expense reported at RMB7.9 million in FY2017 as compared to RMB2.1 million in FY2016 in line with higher profit for the financial year.

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

The Group recorded a profit before taxation RMB40.0 million in FY2017 as compare to RMB4.4 million in FY2016 was mainly due to higher revenue resulting in higher gross profit, partly offset by lower other income and higher operating expenses.

In line with profit before taxation, net profit for the year increased to RMB32.1 million in FY2017 from RMB2.3 million in FY2016.

Net profit attributable to equity holders of the Company increased to RMB28.1 million in FY2017 from RMB3.9 million mainly due to higher profit before taxation as mentioned above, partly offset by profit attributable to non-controlling interest.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB16.1 million to RMB580.7 million as at 31 March 2017 arises from net additions in property, plant and equipment mainly due to increase in rental fleet and higher available-for-sale financial assets. This was partly offset by lower deferred costs and lower deferred tax assets. Fair value gains of RMB11.2 million on the available-for-sale financial assets was recognised as at 31 March 2017.

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 RMB19.2 million to RMB850.1 million as at 31 March 2017 mainly due to lower trade and other receivables, lower amount owing by related parties, and lower cash and cash equivalents (see Note on Review on Cash Flow Statement below), offset by higher inventories.

Despite increase in revenue, trade and other receivables decreased by RMB23.9 million to RMB292.1 million as at 31 March 2017 due to improvement in collection.

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 RMB36.8 million to RMB317.6 million as at 31 March 2017 as compared to RMB280.8 million as at 31 March 2016 for delivery due in Q1 FY2018.

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 RMB3.7 million to RMB61.1 million as at 31 March 2017 as compared to RMB64.8 million as at 31 March 2016 mainly due to lower deferred income (See Note on deferred income below), partly offset by higher deferred tax liabilities, higher borrowings and higher trade and other payables.

Current Liabilities

Current liabilities decreased by RM49.1 million to RMB692.1 million as at 31 March 2017 as compared to RMB741.3 million as at 31 March 2016 mainly due to repayment of borrowings, partly offset by higher trade and other payables.

Trade and other payables increased by RMB68.4 million mainly due to higher purchases as a result of higher sales and slower repayment.

Amount owing to related parties was for the purpose of increasing the working capital of the Group.

Deferred income included RMB18.1 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 March 2017, the Group's total equity amounted to RMB677.5 million. The increase was mainly due to net profit of RMB32.1 million and other comprehensive income of RMB17.6 million for FY2017.

REVIEW OF CASH FLOW STATEMENT

Q4 FY2017 vs Q4 FY2016

The Group reported a net decrease in cash and cash equivalents amounting to RMB28.5 million in Q4 FY2017 mainly due to:

- a) Net cash used in generated from operating activities in Q4 FY2017 of RMB29.3 million resulted mainly from increase in inventories, decrease in operating payables, partly offset by operating profit before working capital changes and decrease in operating receivables;
- b) Net cash used in investing activities of RMB1.4 million mainly from purchases of machinery and motor vehicles; and
- c) Net cash generated from financing activities of RMB2.2 million mainly from net proceeds of bank borrowings and advances from a director, partly offset by net repayment to finance lease creditors, repayment to related parties and higher restricted bank balances.

FY2017 vs FY2016

The Group reported a net decrease in cash and cash equivalents amounting to RMB28.6 million in FY2017 mainly due to:

- a) Net cash from operating activities in FY2017 of RMB106.8 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 RMB5.9 million mainly from purchases of machinery and motor vehicles; and
- c) Net cash used in financing activities of RMB129.5 million mainly from net repayment of bank borrowings and finance lease creditors, repayment to related parties and higher restricted bank balances, partly offset by advance from a director.

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 6.9 percent year-on-year in the March quarter of 2017, compared to a 6.8 percent growth in the fourth quarter 2016. This was the strongest expansion since the September quarter 2015 supported by faster rises in industrial output, retail sales and fixed-asset investment while fiscal spending surged.

The unexpected recovery in China's residential property market 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.

Despite recent residential property tightening measures, investment momentum is likely to stay stronger in coming months amid heavy infrastructure investment. The April announcement of the new Xiongan economic zone portends stronger construction spending and suggests authorities are likely to remain reliant on investment to help support longer-term growth. This augurs positively for the construction market for infrastructure development in China.

Demand for towercranes in other overseas markets is mixed with markets such as Singapore, Taiwan and Australia likely to see a better demand in the replacement market whereas markets like Macau remain challenging.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Board of Directors is proposing a first and final dividend of One (1) Singapore cent per ordinary share, for approval by shareholders at the forthcoming Annual General Meeting to be convened.

(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 for the corresponding period of the immediately preceding financial year.

(c) Date payable

To be advised at a later date.

(d) Books closure date

To be advised at a later date.

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.**

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) Full Year ended 31 Mar 2017 (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) Full Year ended 31 Mar 2017 (FY2017) 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)	-	7,135
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	90,347
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	1,805	-
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	1,106	-
Purchases from related parties		
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	-	1,260
Fushun Yongmao Industry and Trade Co., Ltd (抚顺市永茂工贸发展有限公司)	-	588
Rental charged by a director	810	-

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.**Operating segments**

Management manages and monitors the business in the two primary geographical areas of operations namely, 1) the PRC and 2) Hong Kong and Macau. The following summary describes the operations in each of the Group's reportable operating segments:

The PRC	:	Engaged predominantly in the manufacture and sale, with some rental and servicing of towercranes and towercrane components and accessories
Hong Kong and Macau	:	Engaged predominantly in the rental and servicing, with some sale of towercranes and towercrane components and accessories
All other segments	:	Included corporate functions and the sale and servicing of towercranes and towercrane components and accessories in Singapore.

	The PRC RMB'000	Hong Kong and Macau RMB'000	All other segments RMB'000	Total RMB'000
2017				
Sales				
Total segment sales	583,255	133,713	89,227	806,195
Inter-segment sales	(234,111)	3,940	(1,530)	(231,701)
Sales to external parties	349,144	137,653	87,697	574,494
Reportable segment (loss)/profit before income tax	15,794	20,144	4,129	40,037
2016				
Sales				
Total segment sales	480,285	95,924	91,652	667,861
Inter-segment sales	(216,538)	3,628	-	(212,910)
Sales to external parties	263,747	99,552	91,652	454,951
Reportable segment (loss)/profit before income tax	(10,339)	12,956	1,824	4,441

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

Revenue	PRC RMB'000	Asia (outside the PRC) RMB'000	USA & Europe RMB'000	Middle East & Others RMB'000	Consolidated RMB'000
FY2017					
- Q4	47,588	46,999	10,323	14,044	118,954
- Full Year	283,305	221,703	34,681	34,805	574,494
FY2016					
- Q4	43,357	45,004	11,544	16,627	116,532
- Full Year	132,610	208,442	45,834	68,065	454,951

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

	Group		
	RMB'000		%
	FY2017	FY2016	Increase/ (Decrease)
Revenue			
- First Half	339,160	212,690	59.5
- Second Half	235,334	242,261	(2.9)
Profit/(Loss) after taxation			
- First Half	26,009	(7,309)	NM
- Second Half	6,118	9,633	(36.5)

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:-

	Latest Full Year (S\$)	Previous Full Year (S\$)
Ordinary – proposed final	-	3,550,000

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.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Sun Zhao Lin	61	Father of Sun Tian and spouse of Tian Ruo Nan	Executive Chairman, 2005 Responsible for the formulation and execution of overall business strategy and policies and future direction as well as the overall management of the Group.	N.A.
Tian Ruo Nan	61	Spouse of Sun Zhao Lin and mother of Sun Tian	Chief Executive Officer, 2007 Responsible for and oversees the day-to-day management of the Group.	N.A.
Sun Tian	35	Son of Sun Zhao Lin and Tian Ruo Nan	Executive Director, 2009 Group General Manager, 2012 Assist the Chief Executive Officer in the management of Group's business.	N.A.
Tian Cheng Tian	59	Brother-in-law of Sun Zhao Lin and brother of Tian Ruo Nan	Purchasing Manager, 2001	N.A.
Tian Hao	36	Nephew of Sun Zhao Lin and Tian Ruo Nan	Sales Manager of Beijing Yongmao, 2006 Responsible for the sales and marketing operations of Beijing Yongmao.	N.A.

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.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
29 May 2017