

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 ended 31 December 2017. These figures have not been audited.

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2017 (Q3 FY2018)	3 months ended 31 Dec 2016 (Q3 FY2017)	Increase/ (Decrease)	9 months ended 31 Dec 2017 (9M FY2018)	9 months ended 31 Dec 2016 (9M FY2017)	Increase/ (Decrease)
Revenue	138,785	116,380	19.3	465,098	455,540	2.1
Cost of sales	(101,310)	(77,973)	29.9	(324,017)	(299,251)	8.3
Gross profit	37,475	38,407	(2.4)	141,081	156,289	(9.7)
Other income	724	1,082	(33.1)	2,369	3,929	(39.7)
Distribution costs	(11,906)	(12,688)	(6.2)	(37,550)	(42,234)	(11.1)
Administrative expenses	(21,304)	(21,940)	(2.9)	(60,134)	(63,813)	(5.8)
Other operating expenses	1,590	(201)	NM	(3,025)	(6,212)	(51.3)
Finance costs	(4,354)	(4,283)	1.7	(12,457)	(13,508)	(7.8)
Total operating expenses	(35,974)	(39,112)	(8.0)	(113,166)	(125,767)	(10.0)
Profit before taxation	2,225	377	490.2	30,284	34,451	(12.1)
Taxation	349	1,969	(82.3)	(5,469)	(6,096)	(10.3)
Net profit for the period	2,574	2,346	9.7	24,815	28,355	(12.5)
Attributable to:						
Equity holders of the Company	258	439	(41.2)	22,858	22,461	1.8
Non-controlling interests	2,316	1,907	21.4	1,957	5,894	(66.8)
Net profit for the period	2,574	2,346	9.7	24,815	28,355	(12.5)

NM: Not Meaningful

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2017 (Q3 FY2018)	3 months ended 31 Dec 2016 (Q3 FY2017)	Increase/ (Decrease)	9 months ended 31 Dec 2017 (9M FY2018)	9 months ended 31 Dec 2016 (9M FY2017)	Increase/ (Decrease)
Net profit for the period	2,574	2,346	9.7	24,815	28,355	(12.5)
Other comprehensive (expense)/income:						
Item that may be reclassified subsequently to profit or loss:						
Exchange translation difference ¹	(2,452)	4,112	NM	(7,558)	7,136	NM
Other comprehensive (expense)/income of the period, net of tax	(2,452)	4,112	NM	(7,558)	7,136	NM
Total comprehensive income for the period	122	6,458	(98.1)	17,257	35,491	(51.4)
Total comprehensive income attributable to:						
Equity holders of the Company	(1,244)	2,806	NM	18,220	26,713	(31.8)
Non-controlling interests	1,366	3,652	(62.6)	(963)	8,778	NM
Total comprehensive income for the period	122	6,458	(98.1)	17,257	35,491	(51.4)

Notes to Group statement of profit or loss:

	Group (Third Quarter)			Group (Nine Months)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Dec 2017 (Q3 FY2018)	3 months ended 31 Dec 2016 (Q3 FY2017)	Increase/ (Decrease)	9 months ended 31 Dec 2017 (9M FY2018)	9 months ended 31 Dec 2016 (9M FY2017)	Increase/ (Decrease)
Other income						
Amortisation of deferred capital grants	57	58	(1.7)	171	172	(0.6)
Gain on disposal of property, plant and equipment	30	437	(93.1)	177	440	(59.8)
Interest income ²	45	150	(70.0)	883	580	52.2
Compensation income ³	-	-	-	-	1,902	(100.0)
Others	592	437	35.5	1,138	835	36.3
	724	1,082	(33.1)	2,369	3,929	(39.7)
Other operating expenses						
(Reversal of)/Allowance for impairment of trade receivables ⁴	(2,574)	-	NM	(343)	3,964	NM
Exchange loss ⁵	676	(87)	NM	2,187	860	154.3
Bank charges	307	270	13.7	1,110	1,076	3.2
Property, plant and equipment written off	1	1	-	1	5	(80.0)
Donations	-	-	-	-	100	(100.0)
Others	-	17	(100.0)	70	207	(66.2)
	(1,590)	201	NM	3,025	6,212	(51.3)

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 2017 (Q3 FY2018)	3 months ended 31 Dec 2016 (Q3 FY2017)	Increase/ (Decrease)	9 months ended 31 Dec 2017 (9M FY2018)	9 months ended 31 Dec 2016 (9M FY2017)	Increase/ (Decrease)
Amortisation of intangibles assets	-	25	(100.0)	50	75	(33.3)
Depreciation of property, plant and equipment	13,039	14,093	(7.5)	40,160	41,792	(3.9)
Gain on disposal of property, plant and equipment, net	(30)	(437)	(93.1)	(177)	(440)	(59.8)
Interest expense	4,354	4,283	1.7	12,457	13,508	(7.8)
Operating lease rentals	2,069	2,223	(6.9)	6,130	6,346	(3.4)
Inventory write-down ⁶	-	-	-	-	1,000	(100.0)

Note:

- Loss on exchange translation arose mainly from translation of the net assets of our Singapore subsidiaries and Hong Kong subsidiaries. SGD and HKD depreciated 1.4% and 6.0% respectively against RMB as at 31 December 2017 as compared to last financial year end.
- Mainly interest income from bank security deposit
- Mainly from customer's compensation income received by court orders resulted from breach of contract.
- See Paragraph 8 – Operating expense.
- See Paragraph 8 – Operating expense.
- 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 2017 RMB'000	31 Mar 2017 RMB'000	31 Dec 2017 RMB'000	31 Mar 2017 RMB'000
ASSETS				
Non-current				
Property, plant and equipment	435,772	467,201	-	-
Intangible assets	-	50	-	-
Subsidiaries	-	-	344,363	344,363
Available-for-sale financial assets	93,067	93,067	93,067	93,067
Trade and other receivables	569	743	-	-
Deferred costs	11,894	4,090	-	-
Deferred tax assets	15,729	15,518	-	-
	<u>557,031</u>	<u>580,669</u>	<u>437,430</u>	<u>437,430</u>
Current				
Inventories	306,051	317,649	-	-
Trade and other receivables	349,185	292,136	36	189
Deferred costs	10,424	8,335	-	-
Amounts owing by subsidiaries	-	-	31,945	42,157
Amounts owing by related parties	85,915	83,081	-	-
Amount owing by a corporate shareholder of a subsidiary	496	434	-	-
Cash and cash equivalents	105,342	148,453	2,106	643
	<u>857,413</u>	<u>850,088</u>	<u>34,087</u>	<u>42,989</u>
TOTAL ASSETS	<u>1,414,444</u>	<u>1,430,757</u>	<u>471,517</u>	<u>480,419</u>
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	318,412	304,562	149,616	158,594
Equity attributable to equity holders of the Company	<u>630,896</u>	<u>617,046</u>	<u>462,100</u>	<u>471,078</u>
Non-controlling interests	59,536	60,499	-	-
TOTAL EQUITY	<u>690,432</u>	<u>677,545</u>	<u>462,100</u>	<u>471,078</u>
LIABILITIES				
Non-current				
Borrowings	1,120	1,570	-	-
Deferred income	17,303	6,284	-	-
Deferred capital grants	10,057	10,228	-	-
Deferred tax liabilities	19,788	19,883	7,229	6,559
Trade and other payables	21,292	23,098	-	-
	<u>69,560</u>	<u>61,063</u>	<u>7,229</u>	<u>6,559</u>
Current				
Trade and other payables	355,115	365,246	2,108	2,680
Borrowings	224,261	256,029	-	-
Deferred income	15,479	11,829	-	-
Deferred capital grants	229	229	-	-
Amounts owing to/advances from related parties	26,070	31,345	80	80
Amounts owing to a corporate shareholder of a subsidiary	28,707	25,489	-	-
Current tax payable	4,591	1,982	-	22
	<u>654,452</u>	<u>692,149</u>	<u>2,188</u>	<u>2,782</u>
TOTAL EQUITY AND LIABILITIES	<u>1,414,444</u>	<u>1,430,757</u>	<u>471,517</u>	<u>480,419</u>

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

	As at 31 Dec 2017		As at 31 Mar 2017	
	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	224,261	35,396	256,029	33,505
Amount repayable after one year	1,120	-	1,570	-
	225,381	35,396	257,599	33,505

Details of any collaterals

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

	31 Dec 2017	31 Mar 2017	Description
	RMB'000	RMB'000	
Bank borrowings			
a)	50,000	20,000	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)	20,000	50,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao.
c)	10,000	10,000	Granted to Fushun Yongmao, guaranteed by the Company.
d)	13,068	55,194	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	10,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by bank deposits.
f)	30,000	30,000	Granted to Fushun Yongmao, guaranteed by the Company, Beijing Yongmao and a director of the Company and secured by fixed deposit.
g)	20,000	12,000	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by bank deposits.
	153,068	187,194	
Short-term trade financing			
a)	32,900	25,000	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables from related party.
b)	14,000	-	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables from related company.
	46,900	25,000	
Finance lease obligations			
a)	2,684	2,933	In respect of motor vehicles and office equipment acquired under finance leases.
b)	22,729	42,472	In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.
	25,413	45,405	
	225,381	257,599	

The above borrowings are for working capital purposes.

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

- RMB18.4 million (31 March 2017 – 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.
- RMB10.4million (31 March 2017 – RMB12.0 million), 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.
- RMB6.6 million (31 March 2017 – RMB3.1 million), 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 (Third Quarter)		Group (Nine Months)	
	RMB'000		RMB'000	
	3 months ended 31 Dec 2017 (Q3 FY2018)	3 months ended 31 Dec 2016 (Q3 FY2017)	9 months ended 31 Dec 2017 (9M FY2018)	9 months ended 31 Dec 2016 (9M FY2017)
Cash flows from operating activities				
Profit before taxation	2,225	377	30,284	34,451
Adjustments for:				
Amortisation of deferred capital grants	(57)	(58)	(171)	(172)
Amortisation of intangible assets	-	25	50	75
Depreciation of property, plant and equipment	13,039	14,093	40,160	41,792
Gain on disposal of property, plant and equipment	(30)	(437)	(177)	(440)
Property, plant and equipment written off	1	1	1	5
Inventories write-down	-	-	-	1,000
Interest expense	4,354	4,283	12,457	13,508
Interest income	(45)	(150)	(883)	(580)
Exchange translation difference	(95)	2,428	(2,004)	5,184
Operating profit before working capital changes	19,392	20,562	79,717	94,823
Increase in inventories ¹	(1,994)	(22,586)	(2,132)	(66,193)
(Increase)/Decrease in deferred costs	(3,402)	268	(9,893)	5,969
Decrease/(Increase) in operating receivables	8,286	35,854	(63,902)	34,368
(Decrease)/Increase in operating payables	(13,959)	31,760	(11,550)	92,694
Increase/(Decrease) in deferred income	5,749	(838)	14,669	(8,773)
Cash generated from operations	14,072	65,020	6,909	152,888
Interest paid	(4,551)	(4,273)	(12,673)	(13,160)
Tax paid	(1,257)	(1,322)	(2,282)	(3,665)
Net cash generated from/(used in) operating activities	8,264	59,425	(8,046)	136,063
Cash flows from investing activities				
Acquisition of property, plant and equipment	(2,658)	(2,831)	(4,496)	(5,093)
Proceeds from disposal of property, plant and equipment	57	437	204	440
Receipt from corporate shareholder of a subsidiary	-	-	10	-
Interest received	45	28	1,371	190
Net cash used in investing activities	(2,556)	(2,366)	(2,911)	(4,463)
Cash flows from financing activities				
Proceeds from borrowings	78,294	20,219	233,488	115,923
Repayment of borrowings	(87,249)	(21,811)	(243,259)	(238,685)
Repayment of finance lease liabilities	(6,412)	(6,896)	(18,421)	(21,552)
Restricted bank balances	5,072	(9,900)	41,855	17,253
Repayment to related parties	(200)	(2,800)	(1,610)	(3,949)
(Repayment to)/Advances from a director	(1,000)	-	3,500	-
Dividends paid to non-controlling interests	-	-	-	(694)
Dividends paid to equity holders of the Company	-	-	(4,370)	-
Net cash (used in)/generated from financing activities	(11,495)	(21,188)	11,183	(131,704)
Net (decrease)/increase in cash and cash equivalents	(5,787)	35,871	226	(104)
Cash and cash equivalents at beginning of period	58,929	46,006	53,938	81,258
Exchange adjustments	(460)	286	(1,482)	1,009
Cash and cash equivalents at end of period	52,682	82,163	52,682	82,163

Note:

- Included in decrease/(increase) in inventories for Q3 FY2018 of RMB5.1 million (Q3 FY2017 : RMB21.6 million) and 9M FY2018 of RMB37.1 million (9M FY2017 : RMB43.4 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	RMB'000
	31 Dec 2017	31 Dec 2016
Analysis of cash and cash equivalents		
Cash on hand	127	229
Bank balances	105,215	149,459
	<hr/>	<hr/>
	105,342	149,688
Restricted bank balances	(52,660)	(67,525)
	<hr/>	<hr/>
	52,682	82,163
	<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 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 2017	312,484	(26,769)	59,251	14,392	250,948	6,740	617,046	60,499	677,545
Total comprehensive income/(expense) for the period	-	-	-	-	22,600	(3,136)	19,464	(2,329)	17,135
Transfer from statutory common reserve	-	-	1,741	-	(1,741)	-	-	-	-
Dividends	-	-	-	-	(4,370)	-	(4,370)	-	(4,370)
Balance as at 30 Sep 2017	<hr/> 312,484	<hr/> (26,769)	<hr/> 60,992	<hr/> 14,392	<hr/> 267,437	<hr/> 3,604	<hr/> 632,140	<hr/> 58,170	<hr/> 690,310
Total comprehensive income/(expense) for the period	-	-	-	-	258	(1,502)	(1,244)	1,366	122
Transfer from statutory common reserve	-	-	446	-	(446)	-	-	-	-
Balance as at 31 Dec 2017	<hr/> 312,484	<hr/> (26,769)	<hr/> 61,438	<hr/> 14,392	<hr/> 267,249	<hr/> 2,102	<hr/> 630,896	<hr/> 59,536	<hr/> 690,432

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	-	-	-	-	22,022	1,885	23,907	5,126	29,033
Transfer from statutory common reserve	-	-	3,042	-	(3,042)	-	-	-	-
Balance as at 30 Sep 2016	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 to statutory common reserve	-	-	(1,276)	-	1,276	-	-	-	-
Balance as at 31 Dec 2016	312,484	(26,769)	59,836	3,171	244,701	7,037	600,460	62,861	663,321

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 2017	312,484	14,392	144,202	471,078
Total comprehensive expense for the period	-	-	(3,325)	(3,325)
Dividends	-	-	(4,370)	(4,370)
Balance as at 30 Sep 2017	312,484	14,392	136,507	463,383
Total comprehensive expense for the period	-	-	(1,283)	(1,283)
Balance as at 31 Dec 2017	312,484	14,392	135,224	462,100

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 2016	312,484	3,171	146,550	462,205
Total comprehensive income for the period	-	-	(1,367)	(1,367)
Balance as at 30 Sep 2016	312,484	3,171	145,183	460,838
Total comprehensive income for the period	-	-	(413)	(413)
Balance as at 31 Dec 2016	312,484	3,171	144,770	460,425

- 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 Q3 FY2018 or Q3 FY2017.

There was no outstanding convertible, treasury share or subsidiary holdings as at 31 December 2017 (31 December 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 December 2017	31 March 2017
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 December 2017 (31 December 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 December 2017 (31 December 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 2017 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 2017.

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 (First Half)	
	RMB'000		RMB'000	
	3 months ended 31 Dec 2017 (Q3 FY2018)	3 months ended 31 Dec 2016 (Q3 FY2017)	9 months ended 31 Dec 2017 (9M FY2018)	9 months ended 31 Dec 2016 (9M FY2017)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	258	439	22,858	22,461
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	0.29	0.49	25.76	25.31
(b) On a fully diluted basis	0.29	0.49	25.76	25.31

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 Dec 2017	31 Mar 2017	31 Dec 2017	31 Mar 2017
Net asset value per ordinary share (RMB cents)	710.87	695.26	520.68	530.79

Net asset value per share for the Group and the Company for 31 December 2017 and 31 March 2017 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 FY2018 ("Q3 FY2018") vs Third Quarter FY2017 ("Q3 FY2017")

Revenue

Group revenue increased 19.3% to RMB138.8 million in Q3 FY2018 as compared to RMB116.4 million in Q3 FY2017. The increase resulted mainly from higher sales in towercranes of RMB19.7 million, higher services income of RMB6.8 million, and higher sales of components and accessories of RMB0.3 million, partly offset by lower rental income of RMB4.4 million.

All sales region except for the USA & Europe has reported a higher revenue in Q3 FY2018 as compared to Q3 FY2017. Asia (outside the PRC) has increased by 28.5% to RMB55.4 million amidst higher demand of medium and large size towercranes. Revenue in the PRC increased 16.8% from RMB51.2 million in Q3 FY2017 to RMB59.8 million in Q3 FY2018 resulted mainly from higher demands in small and medium size towercranes and higher rental income in Q3 FY2018. Revenue in Middle East & Others has also up by RMB8.7 million. The increase was offset by the decrease in the USA & Europe which was down by RMB7.2 million.

Overall, PRC sales and Asia (outside the PRC) contributed 43.1% and 39.9% respectively of the Group revenue.

Gross profit and gross profit margin

Gross profit decreased 2.4% to RMB37.5 million in Q3 FY2018 from RMB38.4 million in Q3 FY2017 despite higher revenue reported. The decrease was mainly due to lower margin in Q3 FY2018.

Average gross profit margin decreased to 27.0% in Q3 FY2018 from 33.0% in Q3 FY2017. The decrease was mainly attributable to more sales of small and medium sizes towercranes which generates lower gross margin and lower rental income which generates higher gross margin.

Other income

Other income decreased to RMB0.7 million in Q3 FY2018 as compared to RMB1.1 million in Q3 FY2017 was mainly due to higher gain on disposal of motor vehicles for the amount of RMB0.4 million in Q3 FY2017.

Operating expenses

Total operating expenses decreased 8.0% to RMB36.0 million in Q3 FY2018 as compared to RMB39.1 million in Q3 FY2017.

Distribution costs decreased 6.2% to RMB11.9 million in Q3 FY2018 as compared to RMB12.7 million in Q3 FY2017 mainly due to lower exhibition expenses incurred for the participation in the bi-annual Bauma 2016 exhibition in Q3 FY2017.

Administrative expenses slightly decreased 2.9% to RMB21.3 million in Q3 FY2018 as compared to RMB21.9 million in Q3 FY2017 largely due to lower depreciation cost and lower transportation cost, partly offset by higher employee benefit costs. Lower transportation costs was mainly due to the participation in the bi-annual Bauma 2016 exhibition in Q3 FY2017.

Other operating expenses reported a credit balance of RMB1.6 million in Q3 FY2018 from a debit balance of RMB0.2 million in Q3 FY2017. The credit balance in Q3 FY2018 was due to reversal of impairment of trade receivables for the amount of RMB2.6 million, partly offset by exchange loss of RMB0.7 million and bank charges of RMB0.3 million. In Q3 FY2018, the Group had recovered trade receivables previously provided for in FY2016, mainly consist of:

- a) RMB1.9 million by recalling two units of tower cranes; and
- b) RMB0.5 million by court order:

The exchange loss arose mainly from:

- a) the weakening of Singapore Dollars ("SGD") and Hong Kong Dollars ("HKD") against Chinese Yuan ("RMB") due to net RMB liabilities in the Singapore subsidiary's book and Hong Kong subsidiary's book; and
- b) the weakening of HKD against RMB and SGD due to net HKD assets in the Company's book and the Singapore subsidiary's book; and
- c) the weakening of USD against SGD due to net USD assets in the Singapore subsidiary's book.

Finance costs slightly increased 1.7% to RMB4.4 million in Q3 FY2018 as compared to RMB4.3 million in Q3 FY2017 as a result of higher average interest rate.

Taxation

Credit balance of income tax expense decreased to RMB0.3 million in Q3 FY2018 as compared to RMB2.0 million in Q3 FY2017. Credit balance of tax expense arose mainly from utilization of unabsorbed tax losses previously not recognized as deferred tax asset.

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

Profit before taxation increased to RMB2.2 million in Q3 FY2018 as compared to RMB0.4 million in Q3 FY2017 despite lower gross profit and lower other income. This was mainly due to lower total operating expenses in the quarter reported.

Net profit attributable to equity holders of the Company decreased to RMB0.3 million in Q3 FY2018 as compared to RMB0.4 million in Q3 FY2017. This was mainly due to higher net profit attributable to non-controlling interests of RMB2.3 million in Q3 FY2018 as compared to RMB1.9 million in Q3 FY2017.

Nine Months FY2018 ("9M FY2018") vs Nine Months FY2017 ("9M FY2017")

Revenue

Group revenue slightly increased 2.1% to RMB465.1 million in 9M FY2018, as compared to RMB455.5 million in 9M FY2017. The increase resulted mainly from higher towercranes sales of RMB21.8 million, partly offset by lower sales in components and accessories of RMB6.7 million, lower rental income of RMB2.1 million and lower services income of RMB3.4 million.

Middle East & others increased 135.3% from RMB20.8 million in 9M FY2017 to RMB48.8 million in 9M FY2018 with higher quantity of towercranes delivered.

Asia (outside the PRC) also increased RMB6.4 million to RMB181.1 million in 9M FY2018 from RMB174.7 million in 9M FY2017 mainly contributed by sales of higher lifting capacity towercranes in adoption of Prefabricated Pre-finished Volumetric Construction (PPVC) method. The increase was offset by lower rental income and service income in Hong Kong and Macau operations as a result of weaker demand.

Revenue in the PRC and USA & Europe decreased by RMB21.0 million and RMB4.0 million respectively in 9M FY2018 as compared to 9M FY2017. Towercranes revenue in the PRC has seen a decrease partly mitigated by the Company engaging into more leasing activities for mega-sized towercranes in lieu of outright sales. This explained the higher rental income reported in 9M FY2018. Nevertheless, PRC sales still made the largest turnover contribution to the Group, amounting to 46.2% of revenue in 9M FY2018.

Gross profit and gross profit margin

Gross profit decreased 9.7% to RMB141.1 million in 9M FY2018 from RMB156.3 million in 9M FY2017. The decrease was due to lower margin in 9M FY2018.

Average gross profit margin decreased to 30.3% in 9M FY2018 from 34.3% in 9M FY2017. The decrease was mainly attributable to more sales of small and medium sizes towercranes which generates lower gross margin and lower rental income which generates higher gross margin. The decrease was also due to lower margin from service income in Macau as more dismantling services was provided in 9M FY2017. However, there were no such services in 9M FY2018.

Other income

Other income decreased to RMB2.4 million in 9M FY2018 as compared to RMB3.9 million in 9M FY2017 was mainly due to compensation income from customers of RMB1.9 million in 9M FY2017.

Operating expenses

Total operating expenses decreased 10.0% to RMB113.2 million in 9M FY2018 as compared to RMB125.8 million in 9M FY2017.

Distribution costs decreased 11.1% to RMB37.6 million in 9M FY2018 as compared to RMB42.2 million in 9M FY2017 mainly due to lower sales of large and mega sized towercranes in 9M FY2018 and exhibition expenses for the participation in the bi-annual Bauma 2016 exhibition in 9M FY2017.

Administrative expenses decreased 5.8% to RMB60.1 million in 9M FY2018 as compared to RMB63.8 million in 9M FY2017 largely due to lower depreciation cost and lower transportation cost. Lower transportation costs was also due to the participation in the bi-annual Bauma 2016 exhibition in 9M FY2017.

Other operating expenses decreased to RMB3.0 million in 9M FY2018 from RMB6.2 million in 9M FY2017. A net reversal of doubtful debts of RMB0.3 million was made in 9M FY2018 as compared to a provision of RMB4.0 million made in 9M FY2017. The decrease was partly offset by higher exchange losses of RMB2.2 million in 9M FY2018 as compared to RMB0.9 million in 9M FY2017.

The net reversal of impairment of trade receivables in 9M FY2018 mainly refer to:

- a) RMB1.9 million recovered by recalling two units of tower cranes provided for in FY2016; and
- b) RMB0.5 million recovered by court order provided for in FY2016; offset by
- c) RMB2.2 million provision made for a Beijing construction company which was long outstanding for more than three years.

The exchange loss arose mainly from:

- a) the weakening of SGD and HKD against RMB due to net RMB liabilities in the Singapore subsidiary's book and Hong Kong subsidiary's book; and
- b) the weakening of HKD against RMB and SGD due to net HKD assets in the Company's book and the Singapore subsidiary's book; and
- c) the weakening of USD against SGD due to net USD assets in the Singapore subsidiary's book.

In line with the lower average borrowing, finance costs decreased 7.8% to RMB12.5 million in 9M FY2018 as compared to RMB13.5 million in 9M FY2017.

Taxation

Income tax expense decreased to RMB5.5 million in 9M FY2018 as compared to RMB6.1 million in 9M FY2017 in line with lower profit for the financial period.

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

The Group reported a lower profit before taxation of RMB30.3 million in 9M FY2018 as compared to RMB34.5 million in 9M FY2017 was mainly due to lower gross profit, partly offset by lower operating expenses.

Net profit attributable to equity holders of the Company marginally increased to RMB22.8 million in 9M FY2018 as compared to RMB22.5 million in 9M FY2017. This was mainly due to lower profits attributable to non-controlling interests and lower tax expense, partly offset by lower profit before taxation.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets decreased by RMB23.6 million to RMB557.0 million as at 31 December 2017 mainly due to depreciation and amortization expenses charged, partly offset by higher 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 increased by RMB7.3 million to RMB857.4 million as at 31 December 2017 mainly due to higher trade and other receivables, higher amount owing by related parties and higher deferred cost, partly offset by lower inventory and cash and cash equivalents (see Note on Review on cash flow statement below).

Trade and other receivables increased by RMB57.0 million to RMB349.2 million as at 31 December 2017 due to timing of sales and slower collections in the PRC.

Inventories decreased by RMB11.6 million to RMB306.1 million as at 31 December 2017. Higher inventory level are normally maintained for first half of the year due to the seasonal cycle of demand.

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 RMB8.5 million to RMB69.6 million as at 31 December 2017 as compared to RMB61.1 million as at 31 March 2017 mainly due to increase in deferred income (See Note on deferred income below).

Current Liabilities

Current liabilities decreased by RMB37.7 million to RMB654.5 million as at 31 December 2017 mainly due to repayment of borrowings and amount owing to/advances from related parties and lower trade and other payables, partly offset by higher amount owing to a corporate shareholder of a subsidiary.

Trade and other payables decreased by RMB10.1 million in line with lower purchase as lower inventory level to be kept due to seasonal cycle demand.

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

Deferred income included RMB32.8 million of revenue deferred due to uncertainty in the timing of the consideration for the delivery of goods made to the customer. Owing to the uncertainty, the amount of the unpaid sum owed by the customer to the financial institution is deferred and recognised as revenue when the uncertainty is removed. The deferred costs, as mentioned under non-current and current assets above, related to the amount carried in the statement of financial position to the extent that revenue has been deferred. The increase in deferred income, from RMB18.1 million as at 31 March 2017, was mainly due to the increase in such deferred sales partly offset by repayment by customers to financial institutions.

Total Equity

As at 31 December 2017, the Group's total equity amounted to RMB690.4 million. The increase was mainly due to net profit of RMB24.8 million, partly offset by other comprehensive expense of RMB7.6 million for 9M FY2018.

REVIEW OF CASH FLOW STATEMENT

Q3 FY2018 vs Q3 FY2017

The Group reported a net decrease in cash and cash equivalents amounting to RMB5.8 million in Q3 FY2018 mainly due to:

- a) Net cash generated from operating activities in Q3 FY2018 of RMB8.3 million resulted mainly from operating profit before working capital changes, decrease in operating receivables and increase in deferred income, partly offset by decrease in operating payables, increase in deferred cost, increase in inventory, as well as interest and taxes paid;
- b) Net cash used in investing activities of RMB2.6 million mainly from purchase of machineries and motor vehicles; and
- c) Net cash used in financing activities of RMB11.5 million mainly from net repayment of bank borrowings and finance lease creditors and also repayment to a director, partly offset by lower restricted bank balances.

9M FY2018 vs 9M FY2017

The Group reported a net increase in cash and cash equivalents amounting to RMB0.2 million in 9M FY2018 mainly due to:

- a) Net cash used in operating activities in 9M FY2018 of RMB8.0 million resulted mainly from operating profit before working capital changes and increase in deferred income, partly offset by increase in operating receivables, decrease in operating payables, increase in deferred cost, as well as interest and taxes paid;
- b) Net cash used in investing activities of RMB2.9 million mainly from purchases of machinery and motor vehicles, partly offset by interest received; and
- c) Net cash generated from financing activities of RMB11.2 million mainly from lower restricted bank balances and advances from a director, offset by net repayment of bank borrowings and finance lease creditors, repayment to related parties and dividend paid to shareholders of the Company.

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 year-on-year in the fourth quarter of 2017, the same pace as in the previous period. Growth remained steady and positive as industrial output, retail sales and fixed-asset investment remained strong. The economic growth is also bolstered by global recovery where exports have been quite buoyant vis-a-vis last year. However, the economic growth may cool in coming months as government crack-down on financial risks thereby raising borrowing costs for businesses.

While resale residential property sector slowed, infrastructure investment is picking up on the back of regional development initiatives outlined by the 13th Five-Year Plan and the Xiongan economic zone. China pouring of funds into infrastructure has fueled demand for buildings material, from cements to steel and all others. Nevertheless, the Group remains cautious in view of the rising business cost.

Demand for towercranes in other overseas markets is mixed with markets such as Singapore, Taiwan and Middle East 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?

No dividend has been declared or recommended for the Q3 FY2018.

(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 FY2017.

(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 2017 (9M FY2018) 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 2017 (9M FY2018) 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)	-	15,407
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	19,707
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	754
Shanghai Tat Hong Equipment Rental Co., Ltd. Rental Co., Ltd. (上海达丰机械租赁有限公司)	-	922
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	2,542	-
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	817	-
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)	-	2,975
Fushun Yongmao Industry and Trade Co., Ltd (抚顺市永茂工贸发展有限公司)	-	490
Rental charged by a director	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
FY2018					
- Q3	19,376	55,370	4,196	59,843	138,785
- 9M	48,847	181,149	20,407	214,695	465,098
FY2017					
- Q3	10,622	43,094	11,437	51,227	116,380
- 9M	20,761	174,704	24,358	235,717	455,540

- 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 2017 to be false or misleading in any material aspect.

Sun Zhao Lin
Executive Director

Tian Ruo Nan
Executive Director

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
12 February 2018