

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group statement of profit or loss and other comprehensive income for the financial period ended 30 June 2018. These figures have not been audited.

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2018 (Q1 FY2019)	3 months ended 30 Jun 2017 (Q1 FY2018)	Increase/ (Decrease)
	<i>Restated¹</i>		
Revenue	180,469	152,849	18.1
Cost of sales	(137,446)	(108,602)	26.6
Gross profit	43,023	44,247	(2.8)
Other income	1,791	425	321.4
Distribution costs	(15,289)	(12,295)	24.4
Administrative expenses	(18,839)	(19,423)	(3.0)
Other operating expenses	1,962	(963)	NM
Finance costs	(4,415)	(3,642)	21.2
Total operating expenses	(36,581)	(36,323)	0.7
Profit before taxation	8,233	8,349	(1.4)
Taxation	(2,278)	(1,192)	91.1
Net profit for the period	5,955	7,157	(16.8)
Attributable to:			
Equity holders of the Company	8,038	6,389	25.8
Non-controlling interests	(2,083)	768	NM
Net profit for the period	5,955	7,157	(16.8)

Note:

1. The Q1 FY2018 comparative figures have been restated to take into account the retrospective adjustment arising from the adoption of SFRS(I) 15 – Revenue Contracts With Customers as detailed in Paragraph 5 of this announcement.

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2018 (Q1 FY2019)	3 months ended 30 Jun 2017 (Q1 FY2018) <i>Restated</i> ¹	Increase/ (Decrease)
Net profit for the period	5,955	7,157	(16.8)
Other comprehensive income/(expense):			
Item that may be reclassified subsequently to profit of loss:			
Exchange translation difference ²	6,209	(2,487)	NM
Other comprehensive income/(expense) of the period, net of tax	6,209	(2,487)	NM
Total comprehensive income for the period	12,164	4,670	160.5
Total comprehensive income attributable to:			
Equity holders of the Company	11,880	4,865	144.2
Non-controlling interests	284	(195)	NM
Total comprehensive income for the period	12,164	4,670	160.5

Notes to Group statement of profit or loss:

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2018 (Q1 FY2019)	3 months ended 30 Jun 2017 (Q1 FY2018)	Increase/ (Decrease)
Other income			
Amortisation of deferred capital grants	57	57	-
Gain on disposal of property, plant and equipment	31	-	NM
Interest income	46	217	(78.8)
Rental income ³	905	-	NM
Compensation income ⁴	552	-	NM
Others	200	151	32.5
	1,791	425	321.4
Other operating expenses			
Exchange (gain)/loss ⁵	(2,166)	366	NM
Bank charges	173	576	(70.0)
Others	31	21	47.6
	(1,962)	963	NM

NM: Not Meaningful

Notes to other profit or loss items

The Group profit before taxation is arrived at after charging:

	Group (First Quarter)		
	RMB'000		%
	3 months ended 30 Jun 2018 (Q1 FY2019)	3 months ended 30 Jun 2017 (Q1 FY2018)	Increase/ (Decrease)
Amortisation of intangibles assets	-	25	(100.0)
Depreciation of property, plant and equipment	12,745	13,533	(5.8)
Gain on disposal of property, plant and equipment, net	(31)	-	NM
Interest expense	4,415	3,642	21.2
Operating lease rentals ⁶	3,230	2,048	57.7

Note:

1. The Q1 FY2018 comparative figures have been restated to take into account the retrospective adjustment arising from the adoption of SFRS(I) 15 – Revenue Contracts With Customers as detailed in Paragraph 5 of this announcement.
2. Gain on exchange translation arose from translation of the net assets of our Hong Kong subsidiaries and Singapore subsidiaries. HKD and SGD appreciated 5.3% and 1.3% respectively against RMB as at 30 June 2018 as compared to last financial year end.
3. See Paragraph 8 – Other income
4. Mainly compensation income received from sub-contractors resulted from non-conformance in quality for goods delivered.
5. See Paragraph 8 – Operating expense.
6. See Paragraph 8 – Operating expense.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Jun 2018 RMB'000	31 Mar 2018 RMB'000	30 Jun 2018 RMB'000	31 Mar 2018 RMB'000
		<i>Restated¹</i>		<i>Restated¹</i>
ASSETS				
Non-current				
Property, plant and equipment	437,868	424,921	-	-
Subsidiaries	-	-	344,363	344,363
Available-for-sale financial assets	88,127	88,127	88,127	88,127
Trade and other receivables	368	498	-	-
Deferred tax assets	14,676	13,720	-	-
	<u>541,039</u>	<u>527,266</u>	<u>432,490</u>	<u>432,490</u>
Current				
Inventories	341,214	322,349	-	-
Trade and other receivables	375,681	392,740	95	183
Amounts owing by subsidiaries	-	-	31,784	32,078
Amounts owing by related parties	77,597	71,236	-	-
Amount owing by a corporate shareholder of a subsidiary	1,649	699	-	-
Cash and cash equivalents	165,222	131,967	1,385	858
	<u>961,363</u>	<u>918,991</u>	<u>33,264</u>	<u>33,119</u>
TOTAL ASSETS	<u>1,502,402</u>	<u>1,446,257</u>	<u>465,754</u>	<u>465,609</u>
EQUITY				
Capital and Reserves				
Share capital	312,484	312,484	312,484	312,484
Reserves	331,777	319,897	141,905	142,573
Equity attributable to equity holders of the Company	<u>644,261</u>	<u>632,381</u>	<u>454,389</u>	<u>455,057</u>
Non-controlling interests	56,901	56,617	-	-
TOTAL EQUITY	<u>701,162</u>	<u>688,998</u>	<u>454,389</u>	<u>455,057</u>
LIABILITIES				
Non-current				
Borrowings	864	961	-	-
Deferred capital grants	9,943	10,000	-	-
Deferred tax liabilities	22,657	21,432	8,171	7,678
Trade and other payables	19,712	20,201	-	-
	<u>53,176</u>	<u>52,594</u>	<u>8,171</u>	<u>7,678</u>
Current				
Trade and other payables	404,896	376,238	3,194	2,874
Borrowings	283,043	270,514	-	-
Deferred capital grants	229	229	-	-
Amounts owing to/advances from related parties	27,349	25,732	-	-
Amounts owing to a corporate shareholder of a subsidiary	31,162	29,832	-	-
Current tax payable	1,385	2,120	-	-
	<u>748,064</u>	<u>704,665</u>	<u>3,194</u>	<u>2,874</u>
TOTAL LIABILITIES	<u>801,240</u>	<u>757,259</u>	<u>11,365</u>	<u>10,552</u>
TOTAL EQUITY AND LIABILITIES	<u>1,502,402</u>	<u>1,446,257</u>	<u>465,754</u>	<u>465,609</u>

Note:

- The comparative figures as at 31 March 2018 have been restated to take into account the retrospective adjustment arising from the adoption of SFRS(I) 15 – Revenue Contracts With Customers as detailed in Paragraph 5 of this announcement.

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

	As at 30 Jun 2018		As at 31 Mar 2018	
	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	283,043	33,405	270,514	33,405
Amount repayable after one year	864	-	961	-
	283,907	33,405	271,475	33,405

Details of any collaterals

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

	30 Jun 2018	31 Mar 2018	Description
	RMB'000	RMB'000	
Bank borrowings			
a)	116,000	96,000	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	10,000	Granted to Fushun Yongmao, guaranteed by the Company.
d)	10,000	10,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by bank deposits.
e)	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.
f)	20,000	20,000	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by bank deposits.
	236,000	216,000	
Short-term trade financing			
a)	18,900	32,900	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables from related party.
b)	-	6,021	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables from related company and Yongmao Machineries Pte Ltd ("Singapore Yongmao").
	18,900	38,921	
Finance lease obligations			
a)	2,230	2,379	In respect of motor vehicles and office equipment acquired under finance leases.
b)	26,777	14,175	In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.
	29,007	16,554	
	283,907	271,475	

The above borrowings are for working capital purposes.

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

- RMB18.4 million (31 March 2018 – 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.
- RMB10.3 million (31 March 2018 – RMB10.3 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.
- RMB4.7 million (31 March 2018 – RMB4.7 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 (First Quarter)	
	RMB'000	
	3 months ended 30 Jun 2018 (Q1 FY2019)	3 months ended 30 Jun 2017 (Q1 FY2018)
		<i>Restated¹</i>
Cash flows from operating activities		
Profit before taxation	8,233	8,349
Adjustments for:		
Amortisation of deferred capital grants	(57)	(57)
Amortisation of intangible assets	-	25
Depreciation of property, plant and equipment	12,745	13,533
Gain on disposal of property, plant and equipment	(31)	-
Interest expense	4,415	3,642
Interest income	(46)	(217)
Exchange translation difference	113	(564)
Operating profit before working capital changes	25,372	24,711
Increase in inventories ²	(38,148)	(13,155)
Decrease/(Increase) in operating receivables	12,844	(25,429)
Increase in operating payables	29,097	11,019
Cash generated from/(used in) operations	29,165	(2,854)
Interest paid	(5,024)	(3,759)
Tax paid	(1,928)	(153)
Net cash generated from/(used in) operating activities	22,213	(6,766)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(817)	(1,393)
Proceeds from disposal of property, plant and equipment	1,271	-
Receipt from corporate shareholder of a subsidiary	-	10
Interest received	46	217
Net cash generated from/(used in) investing activities	500	(1,166)
Cash flows from financing activities		
Proceeds from borrowings	93,344	46,298
Repayment of borrowings	(78,021)	(50,739)
Repayment of finance lease liabilities	(4,005)	(6,728)
Restricted bank balances	(21,462)	29,552
Repayment to related parties	(1,441)	(910)
Advances from a director	-	6,500
Net cash (used in)/generated from financing activities	(11,585)	23,973
Net increase in cash and cash equivalents	11,128	16,041
Cash and cash equivalents at beginning of period	65,307	53,938
Exchange adjustments	665	(504)
Cash and cash equivalents at end of period	77,100	69,475

Note:

- The Q1 FY2018 comparative figures have been restated to take into account the retrospective adjustment arising from the adoption of SFRS(I) 15 – Revenue Contracts With Customers as detailed in Paragraph 5 of this announcement.
- Included in increase in inventories for Q1 FY2019 of RMB22.9 million (Q1 FY2018 : RMB8.6 million) 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 SFRS(I) 1-7 Statement of Cash Flows.

	Group	
	RMB'000	RMB'000
	30 Jun 2018	30 Jun 2017
<u>Analysis of cash and cash equivalents</u>		
Cash on hand	99	128
Bank balances	165,123	134,310
	165,222	134,438
Restricted bank balances	(88,122)	(64,963)
	77,100	69,475

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 2018	312,484	(26,769)	60,326	9,452	266,111	(836)	620,768	56,617	677,385
Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2018	-	-	-	-	11,613	-	11,613	-	11,613
As Restated at 1 Apr 2018	312,484	(26,769)	60,326	9,452	277,724	(836)	632,381	56,617	688,998
Total comprehensive income for the period	-	-	-	-	8,038	3,842	11,880	284	12,164
Transfer to statutory common reserve	-	-	959	-	(959)	-	-	-	-
Balance as at 30 Jun 2018	312,484	(26,769)	61,285	9,452	284,803	3,006	644,261	56,901	701,162

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
Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2017	-	-	-	-	4,593	-	4,593	-	4,593
As Restated at 1 Apr 2017	312,484	(26,769)	59,251	14,392	255,541	6,740	630,896	60,499	682,138
Total comprehensive income for the period	-	-	-	-	6,702	(1,524)	5,178	(195)	4,983
Transfer to statutory common reserve	-	-	392	-	(392)	-	-	-	-
Balance as at 30 Jun 2017	312,484	(26,769)	59,643	14,392	257,258	5,216	622,224	60,304	682,528
Impact of adoption of SFRS(I) 15 on previously reported reserves as at 30 Jun 2017	-	-	-	-	4,280	-	4,280	-	4,280
As Restated at 30 Jun 2017	312,484	(26,769)	59,643	14,392	261,538	5,216	626,504	60,304	686,808

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 2018	312,484	9,452	133,732	455,668
Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2018			(611)	(611)
As restated at 1 April 2018	312,484	9,452	133,121	455,057
Total comprehensive expense for the period	-	-	(668)	(668)
Balance as at 30 Jun 2018	312,484	9,452	132,453	454,389

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 2017	312,484	14,392	144,202	471,078
Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2017			(242)	(242)
As restated at 1 April 2017	312,484	14,392	143,960	470,836
Total comprehensive income for the period	-	-	(1,663)	(1,663)
Balance as at 30 Jun 2017	312,484	14,392	142,539	469,415
Impact of adoption of SFRS(I) 15 on previously reported reserves as at 30 Jun 2017			(225)	(225)
As restated at 30 Jun 2017	312,484	14,392	142,314	469,190

- 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 Q1 FY2019 or Q1 FY2018.

There was no outstanding convertible, treasury share or subsidiary holdings as at 30 June 2018 (30 June 2017 – 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.**

	30 June 2018	31 March 2018
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 30 June 2018 (30 June 2017 – 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 30 June 2018 (30 June 2017 – 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 and the Company have adopted the same accounting policies and method of computation as the audited financial statements for the financial year ended 31 March 2018.

The Group has also adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 April 2018. The adoption of the SFRS(I) did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements except for those as disclosed in Paragraph 5.

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.

Adoption of SFRS(I) 15

SFRS(I) 15 Revenue Contracts with Customers

SFRS(I) 15 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue - Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

The standard clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The Group entered certain sales with seller undertaking provided to banks or financial institutions where the transfer of risks and rewards of ownership occur at a different time from the transfer of legal title or passing of possession. The Group previously recognised revenue and cost based on the flow of economic benefits to the Group. i.e. when the Group received the upfront payment and when the banks or financial institutions received the instalment payment progressively. The remains unpaid sum to banks or financial institution is regarded as deferred income and the cost incurred in the manufactured goods is regarded as deferred cost.

The new standard provides clarification on recognition criteria for certain revenue elements, resulting in restatements to revenue, cost of sales and the tax implications, respectively. With the adoption of SFRS(I) 15, the Group had fully recognised the carrying amount of the deferred revenue and deferred cost in the balance sheet to retained earnings (net of tax) retrospectively.

Summary of financial impact

The adoption of SFRS (I) 15 has been accounted for retrospectively and the restatement of comparative financial statements are as follows:

Group statement of profit or loss and other comprehensive income for the financial period ended 30 June 2017.

	Group (First Quarter FY2018)		
	3 months ended 30 Jun 2017		
	As previously reported	Adoption of SFRS(I) 15	As restated
	RMB'000	RMB'000	RMB'000
Revenue	153,165	(316)	152,849
Cost of sales	(108,531)	(71)	(108,602)
Taxation	(1,266)	74	(1,192)

Statement of financial position as at 31 March 2018.

The Group and the Company

	Group			Company		
	31 Mar 2018			31 Mar 2018		
	As previously reported	Adoption of SFRS(I) 15	As restated	As previously reported	Adoption of SFRS(I) 15	As restated
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred costs (Non-current assets)	16,354	(16,354)	-	-	-	-
Deferred tax assets (Non-current assets)	15,877	(2,157)	13,720	-	-	-
Deferred costs (Current assets)	14,382	(14,382)	-	-	-	-
Reserves	308,284	11,613	319,897	143,184	(611)	142,573
Deferred income (Non-current liabilities)	23,934	(23,934)	-	-	-	-
Deferred tax liabilities (Non-current liabilities)	20,821	611	21,432	7,067	611	7,678
Deferred income (Current liabilities)	21,183	(21,183)	-	-	-	-

Statement of cash flows for the Group for the financial period ended 30 June 2017.

	Group (First Quarter FY2018)		
	3 months ended 30 Jun 2017		
	As previously reported	Adoption of SFRS(I) 15	As restated
	RMB'000	RMB'000	RMB'000
Cash flows from operating activities			
Profit before taxation	8,736	(387)	8,349
Increase in deferred costs	(72)	72	-
Decrease in deferred income	(315)	315	-

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group (First Quarter)	
	RMB'000	
	3 months ended 30 Jun 2018 (Q1 FY2019)	3 months ended 30 Jun 2017 (Q1 FY2018)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	8,038	6,389
Weighted average no. of shares used in computation of basic earning per shares	88,749,997	88,749,997
Earnings per share (in cents RMB)		
(a) Based on weighted average number of ordinary shares on issue	9.06	7.20
(b) On a fully diluted basis	9.06	7.20

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	
	30 Jun 2018	31 Mar 2018	30 Jun 2018	31 Mar 2018
		<i>Restated</i>		<i>Restated</i>
Net asset value per ordinary share (RMB cents)	725.93	712.54	511.99	512.74

Net asset value per share for the Group and the Company for 30 June 2018 and 31 March 2018 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

First Quarter FY2019 ("Q1 FY2019") vs First Quarter FY2018 ("Q1 FY2018")

Revenue

Group revenue increased by 18.1% to RMB180.5 million in Q1 FY2019 as compared to RMB152.8 million in Q1 FY2018. The increase in revenue was mainly from higher sales of towercranes by RM27.6 million from RMB107.1 million in Q1 FY2018 to RMB134.7 million in Q1 FY2019. Rental income as well as service income also increased by RMB4.9 million. The increase was partly offset by lower sales of components and parts of RMB4.9 million.

Sales in PRC has increased with revenue recorded at RMB107.8 million in Q1 FY2019 as compared to RMB71.1 million in Q1 FY2018 as demand increased for medium sized towercranes amidst growth in the construction sector. Rental income for the PRC has also increased mainly in the used of large sized towercranes for infrastructure projects. Revenue in Middle East & Others has also up by RMB15.3 million. The increase was offset by the decrease in Asia (outside the PRC) and the USA & Europe which was down by RMB19.7 million and RMB4.8 million respectively in Q1 FY2019 as compared to Q1 FY2018.

With the improvement in the PRC sales, it formed the bulk of the Group's sales at 59.8% in Q1 FY2019.

Gross profit and gross profit margin

Despite the increase in revenue, gross profit decreased by 2.8% to RMB43.0 million in Q1 FY2019 from RMB44.2 million in Q1 FY2018 amidst keen price competition resulting in lower margins from sales of towercranes, coupled with higher steel material cost.

Accordingly, average gross profit margin decreased to 23.8% in Q1 FY2019 from 28.9% in Q1 FY2018.

Other income

The increase in other income to RMB1.8 million in Q1 FY2019 as compared to RMB0.4 million in Q1 FY2018 was mainly due to sub-rental of premises income from Hong Kong of RMB0.9 million and compensation income from sub-contractors resulted from non-conformance in quality for goods delivered of RMB0.6 million. The increase was partly offset by lower interest income of RMB0.2 million.

Operating expenses

Total operating expenses slightly increased 0.7% to RMB36.6 million in Q1 FY2019 as compared to RMB36.3 million in Q1 FY2018.

Distribution costs increased 24.4% to RMB15.3 million in Q1 FY2019 as compared to RMB12.3 million in Q1 FY2018 mainly due to higher freight and transportation charges in line with higher sales. The increase is further explained by higher premises rental in Hong Kong as it incurred double rental cost both for new and old warehouse and office during the transitional period of relocation.

Administrative expenses slightly decreased 3.0% to RMB18.8 million in Q1 FY2019 as compared to RMB19.4 million in Q1 FY2018 mainly due to lower depreciation expenses.

Other operating expenses reported a credit balance of RMB2.0 million in Q1 FY2019 from a debit balance of RMB1.0 million in Q1 FY2018. The credit balance in Q1 FY2019 was mainly from exchange gain of RMB2.2 million whilst it reported an exchange loss of RMB0.4 million in Q1 FY2018. The differences was also due to lower bank charges of RMB0.2 million in Q1 FY2019 as compared to RMB0.6 million in Q1 FY2018.

The exchange gain arose mainly from:

- a) the strengthening 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 strengthening 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 strengthening of USD against SGD due to net USD assets in the Singapore subsidiary's book.

In line with the higher average borrowing and higher effective interest rate, finance costs increased 21.2% to RMB4.4 million in Q1 FY2019 as compared to RMB3.6 million in Q1 FY2018.

Taxation

Income tax expense increased 91.1% to RMB2.3 million in Q1 FY2019 as compared to RMB1.2 million in Q1 FY2018 despite profit before taxation for the two periods reported was comparable. This is mainly due to losses from one of the China subsidiary.

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

The Group recorded a profit before taxation of RMB8.2 million in Q1 FY2019 as compared to RMB8.3 million in Q1 FY2018 was mainly due to lower gross profit offset by higher operating expenses.

Net profit attributable to equity holders of the Company increased 25.8% to RMB8.0 million in Q1 FY2019 from RMB6.4 million mainly due to higher losses attributable to non-controlling interest.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB13.8 million to RMB541.0 million as at 30 June 2018 arises from net additions in property, plant and equipment mainly due to increase in rental fleet.

Deferred tax assets also increased by RMB1.0 million. Deferred tax assets arose mainly from provisions and elimination of unrealised profits in intragroup sales.

Current Assets

Current assets increased by RMB42.4 million to RMB961.4 million as at 30 June 2018 mainly due to higher inventory, higher cash and cash equivalent and higher amount owing by related parties. This was partly offset by lower trade and other receivables.

Inventories increased by RMB18.9 million for delivery due in the second quarter FY2019.

Amount owing by related parties increased by RMB6.4 million to RMB77.6 million as at 30 June 2018 due to higher sales over repayments from related parties.

Trade and other receivables decreased by RMB17.1 million to RMB375.7 million as at 30 June 2018 due to higher collections over sales and lower advances to suppliers in Q1 FY2019.

Non-current Liabilities

Non-current liabilities increased by RMB0.6 million to RMB53.2 million as at 30 June 2018 as compared to RMB52.6 million as at 31 March 2018 mainly due to increase in deferred tax liabilities, partly offset by lower trade and other payables.

Current Liabilities

Current liabilities increased by RM43.4 million to RMB748.1 million as at 30 June 2018 as compared to RMB704.7 million as at 31 March 2018 mainly due to increase in trade and other payables, borrowings amount owing to related parties and amount owing to a corporate shareholder of a subsidiary. The increase was partly offset by lower tax payable.

Trade and other payables increased by RMB28.7 million mainly due to higher purchases made during the period and higher advances from customers.

Amount owing to related parties and amount owing to a corporate shareholder increased by RMB1.6 million and RMB1.3million respectively due to higher transactions over repayments during the period.

Total Equity

As at 30 June 2018, the Group's total equity amounted to RMB701.2 million. The increase was mainly due to total comprehensive income of RMB12.2 million for Q1 FY2019.

REVIEW OF CASH FLOW STATEMENT

Q1 FY2019 vs Q1 FY2018

The Group reported a net increase in cash and cash equivalents amounting to RMB11.1 million in Q1 FY2019 mainly due to:

- a) Net cash generated from operating activities in Q1 FY2019 of RMB22.2 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 generated from investing activities of RMB0.5 million mainly from proceed from disposal of property, plant and equipment of in conjunction with the shifting of the Group's Hong Kong office and warehouse, partly offset by purchase of machineries during the period; and
- c) Net cash used in financing activities of RMB11.6 million mainly from higher restricted bank balances and repayment to related parties, partly offset by net proceeds of bank borrowings and finance lease creditors.

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 6.7 percent year-on-year in the second quarter of 2018 slowing only marginally from 6.8 percent growth in the previous three quarters as Beijing's crackdown on debt risks crimped activity, while June factory output growth weakened to a two-year low is a worrying sign as a heated trade war with the United States threatens to dampen exports.

Infrastructure investment in China is picking up on the back of regional development initiatives outlined by the 13th Five-Year Plan and the Xiongan economic zone. China's infrastructure funding has fueled demand for buildings material, from cements to steel and all others. Nevertheless, the Group remains cautious in view of the rising material and 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.

The Group is currently looking into consolidating its Beijing's manufacturing plant to Fushun as part of the Group's effort to streamline its operations and to improve overall management and cost efficiency.

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 Q1 FY2019.

(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 Q1 FY2018.

(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.

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) 3 months ended 30 Jun 2018 (Q1 FY2019) 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) 3 months ended 30 Jun 2018 (Q1 FY2019) 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)	-	5,512
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	16,694
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	1,657
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	625	-
Liaoning Yongmao Hydraulic Machinery Co., Ltd. (辽宁永茂液压机械有限公司)	811	-
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)	-	560

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	PRC RMB'000	Asia (outside the PRC) RMB'000	USA & Europe RMB'000	Middle East & Others RMB'000	Consolidated RMB'000
FY2019					
- Q1	107,849	41,953	1,623	29,044	180,469
FY2018 - Restated					
- Q1	71,054	61,633	6,468	13,694	152,849

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 30 June 2018 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 August 2018