

Yongmao Holdings Limited and its subsidiaries
(Company Registration No.200510649K)

Condensed interim financial statements
For the six months ended 30 September 2021

A. Condensed interim consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 September 2021

	Note	Group (First Half)		
		RMB'000		%
		6 months ended 30 Sep 2021 (1H FY2022)	6 months ended 30 Sep 2020 (1H FY2021)	Increase/ (Decrease)
Revenue	5	631,372	401,348	57.3
Cost of sales		(456,481)	(298,051)	53.2
Gross profit		174,891	103,297	69.3
Other income		4,426	6,357	(30.4)
Distribution costs		(65,945)	(31,785)	107.5
Administrative expenses		(38,573)	(33,028)	16.8
Other operating expenses		(7,003)	(3,696)	89.5
Finance costs		(8,227)	(7,415)	11.0
Total operating expenses		(119,748)	(75,924)	57.7
Profit before taxation	6	59,569	33,730	76.6
Taxation	7	(11,646)	(6,746)	72.6
Net profit for the period		47,923	26,984	77.6
Other comprehensive expense:				
Item that <u>may be</u> reclassified subsequently to profit or loss				
Exchange translation difference		(2,527)	(3,340)	(24.3)
Item that <u>cannot be</u> reclassified subsequently to profit or loss				
Fair value loss on financial assets, FVOCI		(13,606)	-	NM
Exchange translation difference		(865)	(2,286)	(62.2)
Other comprehensive expense of the period, net of tax		(16,998)	(5,626)	202.1
Total comprehensive income for the period		30,925	21,358	44.8
Profit attributable to:				
Equity holders of the Company		44,503	24,884	78.8
Non-controlling interests		3,420	2,100	62.9
Net profit for the period		47,923	26,984	77.6
Total comprehensive income attributable to:				
Equity holders of the Company		28,370	21,544	31.7
Non-controlling interests		2,555	(186)	NM
Total comprehensive income for the period		30,925	21,358	44.8
Earnings per share for profit for the period attributable to the equity holders of the Company:				
Basic (RMB in cent)	8	50.14	28.04	78.8
Diluted (RMB in cent)	8	50.14	28.04	78.8

NM: Not Meaningful

B. Condensed interim statements of financial position as at 30 September 2021

	Note	Group		Company	
		30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current					
Property, plant and equipment	10	488,961	416,615	-	-
Subsidiaries		-	-	344,363	344,363
Financial assets, at FVOCI	11	94,465	108,071	94,465	108,071
Deferred tax assets		27,427	22,346	-	-
		<u>610,853</u>	<u>547,032</u>	<u>438,828</u>	<u>452,434</u>
Current					
Inventories		426,701	500,423	-	-
Trade and other receivables		626,703	624,948	164	251
Derivative financial assets		141	-	-	-
Amounts owing by subsidiaries		-	-	33,589	34,524
Amounts owing by related parties		67,346	15,461	-	-
Cash and cash equivalents	12	194,635	114,424	1,735	945
		<u>1,315,526</u>	<u>1,255,256</u>	<u>35,488</u>	<u>35,720</u>
TOTAL ASSETS		<u>1,926,379</u>	<u>1,802,288</u>	<u>474,316</u>	<u>488,154</u>
EQUITY					
Capital and Reserves					
Share capital	13	312,484	312,484	312,484	312,484
Reserves		514,157	490,050	158,810	171,200
Equity attributable to equity holders of the Company		<u>826,641</u>	<u>802,534</u>	<u>471,294</u>	<u>483,684</u>
Non-controlling interests		59,764	57,209	-	-
TOTAL EQUITY		<u>886,405</u>	<u>859,743</u>	<u>471,294</u>	<u>483,684</u>
LIABILITIES					
Non-current					
Borrowings	14	639	743	-	-
Deferred capital grants		9,199	9,313	-	-
Deferred tax liabilities		32,801	30,541	18	9
Trade and other payables		12,763	14,140	-	-
		<u>55,402</u>	<u>54,737</u>	<u>18</u>	<u>9</u>
Current					
Trade and other payables		639,258	600,637	2,980	4,416
Borrowings	14	318,871	262,938	-	-
Deferred capital grants		229	229	-	-
Amounts owing to/advances from related parties		8,263	11,499	-	-
Amounts owing to shareholders of subsidiaries		1,619	1,644	-	-
Current tax payable		16,332	10,861	24	45
		<u>984,572</u>	<u>887,808</u>	<u>3,004</u>	<u>4,461</u>
TOTAL LIABILITIES		<u>1,039,974</u>	<u>942,545</u>	<u>3,022</u>	<u>4,470</u>
TOTAL EQUITY AND LIABILITIES		<u>1,926,379</u>	<u>1,802,288</u>	<u>474,316</u>	<u>488,154</u>

C. Condensed interim statement of changes in equity for the six months period ended 30 September 2021

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 2021	312,484	(26,769)	78,632	29,396	406,961	1,830	802,534	57,209	859,743
Profit for the period	-	-	-	-	44,503	-	44,503	3,420	47,923
Other comprehensive expenses for the period	-	-	-	(13,606)	-	(2,527)	(16,133)	(865)	(16,998)
Total comprehensive income for the period	-	-	-	(13,606)	44,503	(2,527)	28,370	2,555	30,925
Dividends	-	-	-	-	(4,263)	-	(4,263)	-	(4,263)
Transfer to statutory common reserve	-	-	3,541	-	(3,541)	-	-	-	-
Balance as at 30 Sep 2021	312,484	(26,769)	82,173	15,790	443,660	(697)	826,641	59,764	886,405
Current year:									
Balance as at 1 Apr 2020	312,484	(26,769)	69,441	40,354	372,018	9,751	777,279	51,595	828,874
Profit for the period	-	-	-	-	24,884	-	24,884	2,100	26,984
Other comprehensive expenses for the period	-	-	-	-	-	(3,340)	(3,340)	(2,286)	(5,626)
Total comprehensive income/(expenses) for the period	-	-	-	-	24,884	(3,340)	21,544	(186)	21,358
Transfer to statutory common reserve	-	-	2,025	-	(2,025)	-	-	-	-
Balance as at 30 Sep 2020	312,484	(26,769)	71,466	40,354	394,877	6,411	798,823	51,409	850,232

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 2021	312,484	29,396	141,804	483,684
Profit for the period	-	-	5,479	5,479
Other comprehensive expense for the period	-	(13,606)	-	(13,606)
Total comprehensive (expense)/income for the period	-	(13,606)	5,479	8,127
Dividends	-	-	(4,263)	(4,263)
Balance as at 30 Sep 2021	312,484	15,790	143,020	471,294

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 2020	312,484	40,354	147,555	500,393
Total comprehensive expense for the period	-	-	(2,007)	(2,007)
Balance as at 30 Sep 2020	312,484	40,170	145,548	498,386

D. Condensed interim consolidated statement of cash flows for the six month period ended 30 September 2021

	Group (First Half)	
	RMB'000	
Note	6 months ended 30 Sep 2021 (1H FY2022)	6 months ended 30 Sep 2020 (1H FY2021)
Cash flows from operating activities		
Profit before taxation	59,569	33,730
Adjustments for :		
Amortisation of deferred capital grants	(114)	(114)
Depreciation of property, plant and equipment	32,905	31,749
(Gain)/Loss on disposal of property, plant and equipment, net	(144)	292
Property, plant and equipment written off	7	-
Net reversal of inventory obsolescence	(2,681)	-
Allowance for expected credit loss	4,594	-
Interest expense	8,227	7,415
Interest income	(147)	(780)
Exchange translation difference	(166)	(46)
Operating profit before working capital changes	102,050	72,246
Increase in inventories ¹	(15,543)	(67,148)
Increase in operating receivables	(65,414)	(35,463)
Increase in operating payables	49,945	62,038
Cash generated from operations	71,038	31,673
Tax paid	(8,217)	(10,228)
Net cash generated from operating activities	62,821	21,445
Cash flows from investing activities		
Acquisition of property, plant and equipment	(18,047)	(5,078)
Proceeds from disposal of property, plant and equipment	1,576	1,306
Repayment to shareholder of a subsidiary	-	(30)
Interest received	147	780
Net cash used in investing activities	(16,324)	(3,022)
Cash flows from financing activities		
Proceeds from borrowings	190,687	92,000
Repayment of borrowings	(129,357)	(115,946)
Repayment of principal portion of lease liabilities	(5,220)	(5,748)
Restricted bank balances	(10,822)	7,048
Repayment to a director	(10,000)	-
Advances from shareholder of a subsidiary	-	1,760
Dividends paid to equity holders of the company	(4,263)	-
Interest paid	(7,296)	(7,957)
Net cash generated from/(used in) financing activities	23,729	(28,843)
Net increase/(decrease) in cash and cash equivalents	70,226	(10,420)
Cash and cash equivalents at beginning of period	66,285	109,010
Exchange adjustments	(837)	(1,438)
Cash and cash equivalents at end of period	135,674	97,152

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Note:

- Included in increase in inventories for 1H FY2022 of RMB98.4 million (1H FY2021: RMB32.0 million) respectively, were tower cranes and tower crane 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.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

The Company is listed on the Singapore Exchange Mainboard and incorporated and domiciled in Singapore as a limited liability company.

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are:

- i. Manufacturing and sales of tower cranes and related components; and
- ii. Rental and servicing of tower cranes and construction machinery

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2021. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Renminbi ("RMB") which is also the Company's functional currency, rounded to the nearest thousand ("RMB'000").

2.1 New and amended Standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 January 2021. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

Management has determined the operating segments based on the reports reviewed by the Group's chief operating decision-maker that are used to make strategic decisions, allocate resources, and assess performance.

The Group's chief operating decision-maker considers the business from a geographic segment perspective. 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 segments:

The PRC : Engaged predominantly in the manufacture and sale, with some rental and servicing of tower cranes and tower crane components and accessories
 Hong Kong and Macau : Engaged predominantly in the rental and servicing, with some sale of tower cranes and tower crane components and accessories.

Other segments included corporate functions and the sale and servicing of tower cranes and tower crane components and accessories in Singapore. These are not included within the reportable operating segments as they are not separately reported to the Group's chief operating decision-maker and does not meet the quantitative thresholds required by SFRS(I) 8 for reportable segments. The results of these operations are included in the "All other segments" column.

The segment information provided to the Group's chief operating decision-maker for the reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Group's chief operating decision-maker. Segment profit is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
1H FY2022				
Sales				
Total segment sales	740,215	82,362	105,275	927,852
Inter-segment sales	(296,011)	-	(469)	(296,480)
Sales to external parties	444,204	82,362	104,806	631,372
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	422,916	2,276	101,149	526,341
Rental and service income	21,288	80,086	3,657	105,031
Total revenue	444,204	82,362	104,806	631,372
Results				
Interest income	34	-	113	147
Depreciation expense	12,616	19,607	682	32,905
Interest expense	7,385	713	129	8,227
Allowance for expected credit loss, net	2,879	1,713	-	4,592
Reportable segment profit before taxation	41,062	11,320	7,187	59,569
Additions to property, plant and equipment	10,404	2,614	5,571	18,589

4. Segment and revenue information (cont'd)

Segment results (cont'd)

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
1H FY2021				
Sales				
Total segment sales	449,905	61,490	41,762	553,157
Inter-segment sales	(151,872)	63	-	(151,809)
Sales to external parties	298,033	61,553	41,762	401,348
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	285,778	1,970	40,036	327,784
Rental and service income	12,255	59,583	1,726	73,564
Total revenue	298,033	61,553	41,762	401,348
Results				
Interest income	780	-	-	780
Depreciation expense	12,315	18,940	494	31,749
Interest expense	6,474	433	508	7,415
Allowance for expected credit loss, net	-	-	-	-
Reportable segment profit before taxation	31,485	3,738	(1,493)	33,730
Additions to property, plant and equipment	3,353	3,306	-	6,659

Segment Assets and Liabilities

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
As at 30 September 2021				
Reportable segment assets	1,340,586	222,602	329,276	1,892,464
Deferred income tax assets	27,427	-	-	27,427
GST & VAT receivables	5,447	241	-	5,688
Tax recoverable	-	-	-	-
Other tax receivables	-	800	-	800
Consolidated total assets	1,373,460	223,643	329,276	1,926,379
Reportable segment liabilities	818,388	28,858	143,595	990,841
Deferred tax liabilities	15,669	15,783	1,349	32,801
Current tax payable	13,423	1,672	1,237	16,332
Consolidated total liabilities	847,480	46,313	146,181	1,039,974
As at 31 March 2021				
Reportable segment assets	1,312,721	214,893	249,492	1,777,106
Deferred tax assets	22,346	-	-	22,346
GST & VAT receivables	2,908	-	(1,429)	1,479
Tax recoverable	-	490	-	490
Other tax receivables	-	867	-	867
Consolidated total assets	1,337,975	54,737	248,063	1,802,288
Reportable segment liabilities	794,164	35,214	71,765	901,143
Deferred tax liabilities	13,192	16,022	1,327	30,541
Current tax payable	9,983	-	878	10,861
Consolidated total liabilities	817,339	51,236	73,970	942,545

5. Revenue

	Group (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2021 (1H FY2022)	6 months ended 30 Sep 2020 (1H FY2021)	Increase/ (Decrease)
Types of goods or services:			
Sale of manufactured tower cranes and tower crane components and accessories	526,341	327,784	60.6
Rental and service income	105,031	73,564	42.8
Total revenue	631,372	401,348	57.3
Timing of revenue recognition:			
At a point in time	563,923	355,328	58.7
Over time	67,449	46,020	46.6
Total revenue	631,372	401,348	57.3
Geographical information:			
The PRC	364,527	266,673	36.7
Asia (outside of the PRC)	183,251	97,558	87.8
USA & Europe	45,065	9,170	391.4
Middle East & others	38,529	27,947	37.9
Total revenue	631,372	401,348	57.3

6. Profit before tax is arrived at after charging/(crediting) the following:

	Group (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2021 (1H FY2022)	6 months ended 30 Sep 2020 (1H FY2021)	Increase/ (Decrease)
Allowance for expected credit loss, net	4,594	-	NM
Amortisation of deferred capital grants	(114)	(114)	-
Depreciation of property, plant and equipment	32,905	31,749	3.6
Exchange (gain)/loss	(97)	2,435	NM
(Gain)/Loss on disposal of property, plant and equipment, net	(144)	292	NM
Government grant	(1,954)	(3,757)	(48.0)
Interest expense	6,798	7,415	(8.3)
Operating lease rentals	3,762	3,655	2.9
Reversal for obsolete and slow-moving inventories, net	(2,681)	-	NM
Sub-contractor costs and costs of rental of tower cranes	61,483	50,270	22.3

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2021 (1H FY2022)	6 months ended 30 Sep 2020 (1H FY2021)	Increase/ (Decrease)
Current income tax	14,467	5,139	181.5
Deferred income tax	(2,821)	1,607	NM
	11,646	6,746	72.6

8. Earnings per share

Basic earnings per share is calculated based on:

	Group (First Half)	
	RMB'000	
	6 months ended 30 Sep 2021 (1H FY2022)	6 months ended 30 Sep 2020 (1H FY2021)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	44,503	24,884
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	50.14	28.04
(b) On a fully diluted basis	50.14	28.04

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.

9. Net Asset Value

	Group		Company	
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
Net asset value per ordinary share (RMB cents)	931.43	904.26	531.04	545.00

Net asset value per share for the Group and the Company for 30 September 2021 and 31 March 2021 has been computed based on shareholders' equity as at the respective dates and the number of shares of 88,749,997 ordinary shares.

10. Property, plant and equipment

During the six months ended 30 September 2021, the Group acquired assets amounting to RMB18.6 million (30 September 2020: RMB6.7 million) from third parties and self-constructed tower cranes and tower crane components and accessories held for rental purposes of RMB98.4 million (30 September 2020: RMB32.0 million).

The Group have disposed of assets including leased tower cranes amounting to RMB8.2 million (30 September 2020: RMB21.0 million)

11. Financial assets, at FVOCI

	Group	
	30 Sep 2021	31 Mar 2021
	RMB'000	RMB'000
The Company and The Group		
Unquoted equity of investments		
Balance as at beginning of period/year	108,071	119,029
Fair value loss recognised in other comprehensive income, net of nil tax	(13,606)	(10,958)
Balance as at end of period/year	94,465	108,071

The financial asset pertains to an investment of 11.6% equity interest in Tat Hong Equipment (China) Pte Ltd ("THEC"). The Group has elected to measure this equity security at FVOCI due to the Group's intention to hold this equity instrument for long-term appreciation as part of the Group's business model.

12. Cash and cash equivalents

	Group		Company	
	30 Sep 2021	31 Mar 2021	30 Sep 2021	31 Mar 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	120	157	-	-
Bank balances	191,515	112,767	1,735	945
Fixed deposit	3,000	1,500	-	-
	194,635	114,424	1,735	945
Restricted bank balances	(58,961)	(48,139)	-	-
Cash and cash equivalents per consolidated of cash flows	135,674	66,285	1,735	945

Restricted cash balances are pledged in relations to bank loans, bills payables, seller undertaking and letter of guarantee.

13. Share capital

The Company and the Group

	30 September 2021	31 March 2021
Total number of issued shares (excluding treasury shares)	88,749,997	88,749,997

There was no change in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 during the half year ended 30 September 2021.

There was no outstanding convertible, treasury share or subsidiary holdings as at 30 September 2021

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the half year ended 30 September 2021.

14. Borrowings

	Group	
	30 Sep	31 Mar
	2021	2021
	RMB'000	RMB'000
<u>Amount repayable after one year</u>		
Secured leased liabilities	283	332
Unsecured leased liabilities	356	411
	<u>639</u>	<u>743</u>
<u>Amount repayable in one year or less, or on demand</u>		
Secured bank loans	100,104	94,232
Unsecured bank loans	208,186	152,800
	<u>308,290</u>	<u>247,032</u>
Secured leased liabilities	9,152	11,775
Unsecured leased liabilities	1,429	4,131
	<u>10,581</u>	<u>15,906</u>
	<u>318,871</u>	<u>262,938</u>

The Group leases land use rights, warehouse space, plant and machinery and motor vehicles.

Bank loans of the Group are secured by way of certain bank deposits of RMB56.0 million and property, plant and equipment of RMB10.6 million.

Unsecured bank loans facilities are guaranteed by the Company, a fellow subsidiary and certain directors of the Company.

15. Fair value of assets and liabilities***Fair value measurement of financial instruments***

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Company and The Group	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 September 2021				
Assets				
Financial assets - FVOCI	-	-	94,465	94,465
At 31 March 2021				
Assets				
Financial assets - FVOCI	-	-	108,071	108,071

15. Fair value of assets and liabilities (cont'd)

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Group		Company	
	30 Sep	31 Mar	30 Sep	31 Mar
	2021	2021	2021	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI	94,465	108,071	94,465	108,071
Derivative financial assets	141	-	-	-
Financial assets, at fair value	94,606	108,071	94,465	108,071
Trade and other receivables ¹	566,094	532,653	68	69
Amount owing by subsidiaries	-	-	33,589	34,524
Amount owing by related parties	67,346	15,461	-	-
Cash and cash equivalents	194,635	114,424	1,735	945
Financial assets, at amortised costs	828,075	662,538	35,392	35,538
Trade and other payables ²	498,952	531,519	2,980	4,416
Borrowings	308,290	247,032	-	-
Lease liabilities	11,220	16,649	-	-
Amount owing to related parties	7,583	6,821	-	-
Amount owing to individual shareholders of a subsidiary	1,619	1,644	-	-
Financial liabilities, at amortised costs	827,664	803,665	2,980	4,416

¹ Excludes advances/down payments made to vendors, prepaid expenses and tax recoverable.

² Excludes deposit from customers and provision for assurance warranty

16. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

17. Subsequent event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1. Review of the condensed financial statements

1.1 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

1.2 Where the figures have been audited or reviewed, the auditors' report (including any modification or emphasis of a matter).

Not applicable.

1.3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

2. 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 Half FY2022 ("1H FY2022") vs First Half FY2021 ("1H FY2021")

Revenue

Group revenue increased by 57.3% to RMB631.4 million in 1H FY2022 as compared to RMB401.3 million in 1H FY2021 mainly due to the low base a year-ago when the COVID-19 pandemic hit the economy with many countries under lockdown mode. Revenue increases in 1H FY2022 as business activity resume normalcy as well as certain back-log deliveries were fulfilled during the period under review.

As a result, revenue from sales of tower cranes and components increased by RMB198.6 million from RMB327.8 million in 1H FY2021 to RMB526.3 million in 1H FY2022. Rental and service income has also increased by RMB31.5 million during the period under review with more government projects for both infrastructure and residential in Hong Kong and increase in rental activities in the PRC.

Due to the recovery of economy in the PRC post lockdown, revenue in the PRC has increased by RMB97.8 million from RMB266.7 in 1H FY2021 to RMB364.5 million in 1H FY2022. Revenue in all other segment, including Asia (outside of the PRC), the Middle East and others and the USA & Europe also increased by RMB85.7 million, RMB35.9 million and RMB10.6 million respectively.

Overall, sales in the PRC and Asia (outside the PRC) contributed to 57.7% and 29.0% respectively of the Group revenue in 1H FY2022.

Gross profit and gross profit margin

In line with higher revenue, gross profit increased by 69.3% to RMB174.9 million in 1H FY2022 from RMB103.3 million in 1H FY2021.

Average gross profit margin increased to 27.7% in 1H FY2022 from 25.7% in 1H FY2021.

The higher gross profit margin in 1H FY2022 is due to product mixed as higher sales proportion for large and mega size tower cranes as well as the luffing series which generate higher sales margin were sold during the period under review. The lower gross profit in 1H FY2021 was also attributable to high production overhead cost absorbed during the first half of year 2020 with government containment measures implemented in the PRC amid the rapid spread of the COVID-19 pandemic. The increase is also due to higher rental income which generates higher margin.

Other income

Other income decreased by RMB2.0 million to RMB4.4 million in 1H FY2022 as compared to RMB6.4 million in 1H FY2021 was mainly due to lower government subsidies and rebates/grants of RMB2.0 million in 1H FY2022 as compared to RMB3.8 million in 1H FY2021. The government subsidies and rebates were received from various authorities, as part of the financial assistance to help businesses tide through the pandemic.

Other income also includes rental income and ancillary charges of RMB1.6 million which pertains to sub-rental income from Hong Kong yard for 1H FY2022 and insurance compensation of RMB0.3 million.

Operating expenses

Total operating expenses increased 57.7% to RMB119.7 million in 1H FY2022 as compared to RMB75.9 million in 1H FY2021.

Distribution costs increased 107.5% to RMB65.9 million in 1H FY2022 as compared to RMB31.8 million in 1H FY2021 mainly due to higher freight and transportation charges and employee benefits cost in line with higher sales. Other than higher sales, land transportation and sea freight had also increased significantly during the period under review due to supply shortage.

Administrative expenses increased 16.8% to RMB38.6 million in 1H FY2022 as compared to RMB33.0 million in 1H FY2021 mainly due to higher employee benefits costs, higher land & property taxes in the PRC and higher professional fee. Certain land & property taxes in 1H FY2021 were waived or reduced during the lock-down period.

Other operating expenses increased to RMB7.0 million in 1H FY2022 from RMB3.7 million in 1H FY2021. The increase is due mainly to higher impairment provision for expected credit loss ("ECL") of RMB4.6 million in 1H FY2022. Bank charges also increased to RMB2.3 million in 1H FY2022 from RMB 0.9 million in 1H FY2021. Higher bank charges were incurred for the issuance of letter of guarantee for certain export sales. The increase is offset by lower exchange loss. The Group reported an exchange gain of RMB0.1 million in 1H FY2022 as compared to an exchange loss of RMB2.4 million in 1H FY2021.

The exchange gain for 1H FY2022 arose mainly from:

- a) the strengthening of USD against RMB due to net USD assets in the Singapore's subsidiary's book; offset by
- b) the weakening of Singapore Dollars ("SGD") and Hong Kong Dollars ("HKD") against Renminbi ("RMB") due to net RMB liabilities in the Singapore subsidiary's book and Hong Kong subsidiary's book;

Finance costs increased 11.0% to RMB8.2 million in 1H FY2022 as compared to RMB7.4 million in 1H FY2021 due mainly to higher average borrowings and higher letter of credit discounting charges in 1H FY2022.

Taxation

Income tax expense increased to RMB11.6 million in 1H FY2022 as compared to RMB6.7 million in 1H FY2021 is in line with higher profits for the financial period under review.

Other comprehensive expenses

Other comprehensive expenses increased to RMB17.0 million in 1H FY2022 as compared to RMB5.6 million in 1H FY2021. Other comprehensive expenses pertain to loss on exchange translation arose from translation of the net assets of our Hong Kong and Singapore subsidiaries and fair value loss of financial assets, FVOCI.

HKD and SGD depreciated 1.5% and 2.6% respectively against RMB as at 30 September 2021 as compared to last financial year end.

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

The Group recorded a profit before taxation of RMB59.6 million in 1H FY2022 as compared to RMB33.7 million in 1H FY2021 mainly due to higher gross profit from higher revenue, partly offset by higher operating expenses.

Net profit attributable to equity holders of the Company increased to RMB44.5 million in 1H FY2022 from RMB24.9 million in 1H FY2021. This was mainly due to higher profit before taxation, offset by tax expense.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB63.8 million to RMB610.9 million as at 30 September 2021 mainly due to higher property, plant and equipment and higher deferred tax assets, offset by lower financial asset, at FVOCI.

The increase of RMB72.3 million in the Group's net carrying amount of property, plant and equipment was mainly attributable to the increase in rental fleet, partly offset by net depreciation charges and disposals. With the increase demand in Hong Kong rental market, a number of large and mega size tower cranes were added to the operations. Apart from this, two unit of our mega-size rental fleets were deployed to the Middle East and a unit to a windmill in the PRC.

Increase in property, plant and equipment was also due to the capitalisation of tower cranes sold with option to return by customer. During the period under review, certain sales of tower cranes were entered with an option to return by customers within a period of time-frame. In accordance to SFRS(I) 15, if the sale of the tower cranes is combined with a residual value commitment (buybacks), the criterion of transferring control is based on if the customer has a significant economic incentive to exercise the option to return the tower cranes. A significant economic incentive exists, or if the historical returns indicate that it is probable that the customer will return the tower cranes at the end of the commitment period. Thus, the control has not been transferred and the sales transaction is recognized as an operating lease transaction. The revenue and expense are recognized over the residual value commitment period in the income statement. Assets under operating leases, payment received as advances from customers are recognized in the balance sheet.

Deferred tax assets arose mainly from provisions and elimination of unrealised profits in intragroup sales and the various provisions made.

Financial assets, at FVOCI decreased with fair value loss of RMB13.6 million as at 30 September 2021.

Current Assets

Current assets increased by RMB60.3 million to RMB1,315.5 million as at 30 September 2021 mainly due to higher amount owing by related parties, higher cash and cash equivalents and higher trade and other receivables, partly offset by lower inventories (see Note on Review on Cash Flow Statement below).

Amount owing by related parties increased by RMB51.9 million to RMB67.3 million as at 30 September 2021 due to higher sales over repayments to related parties.

Trade and other receivables increased marginally by RMB1.8 million to RMB626.7 million as at 30 September 2021. The increase is due to higher trade receivables in line with higher sales in 1H FY2022, partly offset by lower advances to suppliers.

Inventories decreased by RMB32.7 million to RMB467.8 million as at 30 September 2021 as compared to RMB500.4 million as at 31 March 2021. This lower inventory mainly due to the fulfilment of more deliveries which was delayed in previous months due to the pandemic.

Derivative financial asset pertains to fair value of a forex forward contract.

Non-current Liabilities

Non-current liabilities increased by RMB0.7 million to RMB55.4 million as at 30 September 2021 as compared to RMB54.7 million as at 31 March 2021 mainly due to higher deferred tax liabilities, partly offset by repayments of borrowings.

Deferred tax provision was mainly made for withholding tax levied on dividends of undistributed earnings of PRC subsidiaries, accelerated tax depreciation on inter-company sales of tower cranes used as rental fleet.

Current Liabilities

Current liabilities increased by RMB96.8 million to RMB984.6 million as at 30 September 2021 as compared to RMB887.8 million as at 31 March 2021 mainly due to higher trade and other payable, higher borrowings, and higher tax payable, partly offset by lower amount owing to related parties.

Trade and other payables increased by RMB38.6 million mainly due to higher advances from customers of RMB70.0 million offset by lower trade payables. Increase in advances from customers primarily relates to the sales with option to return by customers. (See Note on property, plant and equipment above for more explanation).

Borrowings increased by RMB55.8 million mainly due to higher trade financing arranged on export sales.

Amount owing to related parties decreased from RMB11.5 million in 31 March 2021 to RMB8.3 million in 30 September 2021 was due to higher repayment over transactions made during the period under review.

Total Equity

As at 30 September 2021, the Group's total equity amounted to RMB886.4 million. The increase was mainly due to total comprehensive income of RMB30.9 million for 1H FY2022.

REVIEW OF CASH FLOW STATEMENT

1H FY2022 vs 1H FY2021

The Group reported a net increase in cash and cash equivalents amounting to RMB70.2 million in 1H FY2022 mainly due to:

- a) Net cash generated from operating activities of RMB62.8 million resulted from operating profit before working capital changes, increase in operating payables and taxes paid, partly offset by increase in operating receivables and inventories.
- b) Net cash used in investing activities of RMB16.3 million from acquisition of property, plant and equipment, partly offset by interested received and proceeds from disposal of property, plant and equipment; and
- c) Net cash generated from financing activities of RMB23.7 million mainly from higher net proceed from bank borrowings, partly offset by higher restricted bank balances, repayment of principal portion of lease liabilities and interest paid.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

4. 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 GDP growth slows to 4.9 per cent in the third quarter of 2021 compared with a year earlier, missed expectations for a 5.2 per cent expansion. Fixed asset investment for the first three quarters of the year came in weaker than expected as a result of tight credit conditions.

The power shortage had a negative impact on overall production activities in China and it is reported that many factories had to stop production in late September as a surge in the price of coal and a shortage of electricity prompted local authorities to abruptly cut off power.

Amid several headwinds including power shortages, supply chain bottlenecks, a persistent property bubble and COVID-19 outbreaks, China's economy could slow down further in the fourth quarter of 2021.

Outside China, Covid-19 epidemic is still spreading globally and the international landscape is complicated with high uncertainties and instabilities.

Meanwhile, in the Group's major markets, i.e. Singapore and Hong Kong, have kept the COVID-19 pandemic largely under controls. Delivery of goods has gradually resumed in September 2020. With a sudden increased in cases in recent weeks, this may dampen recovery if more stringent lockdown measures are implemented.

Notwithstanding with the increase in revenue in 1H FY2022, the Group expects the operating environment in 2H FY2022 to be challenging for the reasons as mentioned above. The Group remains vigilant and committed in exercising cost discipline and will take necessary remedial actions, where possible.

The Company will provide further updates as and when there are any material developments.

5. Dividend

5.1 If a decision regarding dividend has been made

(a) Whether an interim (final) ordinary dividend had been declared (recommended); and

No dividend has been declared or recommended for the 1H FY2022.

(b) (i) Amount per share (cents)

No dividend has been declared or recommended for the 1H FY2022.

(ii) Previously correspondence period (cents)

No dividend has been declared or recommended for the 1H FY2022.

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

- (d) The date the dividend is payable

Not applicable.

- (e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

5.2 If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.

Dividends are declared on an annual basis for the full year results ending 31 March.

6. 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) 6 months ended 30 Sep 2021 (1H FY2022) RMB'000	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) 6 months ended 30 Sep 2021 (1H FY2022) RMB'000
Sales to interested persons		
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械租赁有限公司)	-	2,054
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	82,364
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	5,127
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	833	-
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	-	441
Rental charged by related party		
Fushun Yongmao Engineering Machinery Co., Ltd. (抚顺永茂工程机械有限公司)	2,752	-
Other expenses charged by related parties		
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	769	-

7. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

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 six months ended 30 September 2021 to be false or misleading in any material aspect.

8. Confirmation that the issuer has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1).

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).

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
8 November 2021