

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

Condensed interim financial statements
For the second half year and full year ended 31 March 2022

A. Condensed interim consolidated statement of profit or loss and other comprehensive income for the second half year and full year ended 31 March 2022

	Note	Group (Second Half)			Group (Full Year)		
		RMB'000		%	RMB'000		%
		6 months ended 31 Mar 2022 (2H FY2022)	6 months ended 31 Mar 2021 (2H FY2021)	Increase/ (Decrease)	12 months ended 31 Mar 2022 (FY2022)	12 months ended 31 Mar 2021 (FY2021)	Increase/ (Decrease)
Revenue	5	479,936	626,618	(23.4)	1,111,308	1,027,966	8.1
Cost of sales		(347,364)	(474,952)	(26.9)	(803,845)	(773,003)	4.0
Gross profit		132,572	151,666	(12.6)	307,463	254,963	20.6
Other income		10,054	12,060	(16.6)	14,480	18,417	(21.4)
Distribution costs		(59,463)	(48,222)	23.3	(125,408)	(80,007)	56.7
Administrative expenses		(44,146)	(38,926)	13.4	(82,719)	(71,954)	15.0
Other operating expenses		(12,101)	(25,244)	(52.1)	(19,104)	(28,940)	(34.0)
Finance costs		(8,781)	(7,356)	19.4	(17,008)	(14,771)	15.1
Shares of profit of associate company		(406)	-	NM	(406)	-	NM
Total operating expenses		(124,897)	(119,748)	4.3	(244,645)	(195,672)	25.0
Profit before taxation	6	17,729	43,978	(59.7)	77,298	77,708	(0.5)
Taxation	7	(957)	(9,264)	(89.7)	(12,603)	(16,010)	(21.3)
Net profit for the period/year		16,772	34,714	(51.7)	64,695	61,698	4.9
Other comprehensive expense:							
Item that <u>may</u> be reclassified subsequently to profit or loss:							
Exchange translation difference		(3,094)	(4,581)	(32.5)	(5,621)	(7,921)	(29.0)
Item that <u>cannot</u> be reclassified to profit or loss:							
Fair value loss on financial assets, FVOCI ²		(8,372)	(10,958)	(23.6)	(21,978)	(10,958)	100.6
Exchange translation difference		(1,570)	(2,426)	(35.3)	(2,435)	(4,712)	(48.3)
Other comprehensive expense		(13,036)	(17,965)	(27.4)	(30,034)	(23,591)	27.3
Total comprehensive income for the period/year		3,736	16,749	(77.7)	34,661	38,107	(9.0)
Profit attributable to:							
Equity holders of the Company		10,794	29,976	(64.0)	55,297	54,860	0.8
Non-controlling interests		5,978	4,738	26.2	9,398	6,838	37.4
Net profit for the period/year		16,772	34,714	(51.7)	64,695	61,698	4.9
Total comprehensive income attributable to:							
Equity holders of the Company		(672)	14,437	NM	27,698	35,981	(23.0)
Non-controlling interests		4,408	2,312	90.7	6,963	2,126	227.5
Total comprehensive income for the period/year		3,736	16,749	(77.7)	34,661	38,107	(9.0)

NM: Not Meaningful

B. Condensed interim statements of financial position as at 31 March 2022

	Note	Group		Company	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current					
Property, plant and equipment	10	526,733	416,615	-	-
Subsidiaries		-	-	344,363	344,363
Associated company	11	834	-	-	-
Financial assets, at FVOCI	12	86,093	108,071	86,093	108,071
Deferred tax assets		28,188	22,346	-	-
		<u>641,848</u>	<u>547,032</u>	<u>430,456</u>	<u>452,434</u>
Current					
Inventories		376,139	500,423	-	-
Trade and other receivables		613,527	624,948	205	251
Amounts owing by subsidiaries		-	-	33,691	34,524
Amounts owing by related parties		27,576	15,461	-	-
Cash and cash equivalents	13	198,490	114,424	1,812	945
		<u>1,215,732</u>	<u>1,255,256</u>	<u>35,708</u>	<u>35,720</u>
TOTAL ASSETS		<u>1,857,580</u>	<u>1,802,288</u>	<u>466,164</u>	<u>488,154</u>
EQUITY					
Capital and Reserves					
Share capital	14	312,484	312,484	312,484	312,484
Reserves		513,485	490,050	148,638	171,200
Equity attributable to equity holders of the Company		<u>825,969</u>	<u>802,534</u>	<u>461,122</u>	<u>483,684</u>
Non-controlling interests		64,172	57,209	-	-
TOTAL EQUITY		<u>890,141</u>	<u>859,743</u>	<u>461,122</u>	<u>483,684</u>
LIABILITIES					
Non-current					
Borrowings	15	10,519	743	-	-
Deferred capital grants		9,084	9,313	-	-
Deferred tax liabilities		36,683	30,541	9	9
Trade and other payables		12,468	14,140	-	-
		<u>68,754</u>	<u>54,737</u>	<u>9</u>	<u>9</u>
Current					
Trade and other payables		582,261	600,637	5,008	4,416
Borrowings	15	298,531	262,938	-	-
Deferred capital grants		229	229	-	-
Amounts owing to/advances from related parties		7,594	11,499	-	-
Amounts owing to shareholders of subsidiaries		1,579	1,644	-	-
Current tax payable		8,491	10,861	25	45
		<u>898,685</u>	<u>887,808</u>	<u>5,033</u>	<u>4,461</u>
TOTAL LIABILITIES		<u>967,439</u>	<u>942,545</u>	<u>5,042</u>	<u>4,470</u>
TOTAL EQUITY AND LIABILITIES		<u>1,857,580</u>	<u>1,802,288</u>	<u>466,164</u>	<u>488,154</u>

C. Condensed interim statement of changes in equity for the second half and full year ended 31 March 2022

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
FY2022:									
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 expense for the period	-	-	-	(13,606)	-	(2,527)	(16,133)	(865)	(16,998)
Total comprehensive (expense)/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
Profit for the period	-	-	-	-	10,794	-	10,794	5,978	16,772
Other comprehensive expense for the period	-	-	-	(8,372)	-	(3,094)	(11,466)	(1,570)	(13,036)
Total comprehensive (expense)/income for the period	-	-	-	(8,372)	10,794	(3,094)	(672)	4,408	3,736
Transfer to statutory common reserve	-	-	3,649	-	(3,649)	-	-	-	-
Balance as at 31 Mar 2022	312,484	(26,769)	85,822	7,418	450,805	(3,791)	825,969	64,172	890,141

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
FY2021:									
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/(expense) 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
Profit for the period	-	-	-	-	29,976	-	29,976	4,738	34,714
Other comprehensive expenses for the period	-	-	-	(10,958)	-	(4,581)	(15,539)	(2,426)	(17,965)
Total comprehensive income/(expense) for the period	-	-	-	(10,958)	29,976	(4,581)	14,437	2,312	16,749
Acquisition of NCI in subsidiary without a change in control	-	-	-	-	(6,253)	-	(6,253)	3,488	(2,765)
Dividends	-	-	-	-	(4,473)	-	(4,473)	-	(4,473)
Total transaction with owners, recognized directly to equity	-	-	-	-	(10,726)	-	(10,726)	3,488	(7,238)
Transfer to statutory common reserve	-	-	7,166	-	(7,166)	-	-	-	-
Balance as at 31 Mar 2021	312,484	(26,769)	78,632	29,396	406,961	1,830	802,534	57,209	859,743

Company	Share capital RMB'000	Fair value reserve RMB'000	Retained earnings RMB'000	Total equity 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
Profit for the period	-	-	(1,800)	(1,800)
Other comprehensive expense for the period	-	(8,372)	-	(8,372)
Total comprehensive expense for the period	-	(8,372)	(1,800)	(10,172)
Balance as at 31 Mar 2022	312,484	7,418	141,220	461,122

Company	Share capital RMB'000	Fair value reserve RMB'000	Retained earnings RMB'000	Total equity 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	40,354	145,548	498,386
Total comprehensive (expense)/income for the period	-	(10,958)	729	(10,229)
Dividends	-	-	(4,473)	(4,473)
Balance as at 31 Mar 2021	312,484	29,396	141,804	483,684

D. Condensed interim consolidated statement of cash flows for the second half and full year ended 31 March 2022

	Group (Second Half)		Group (Full Year)	
	RMB'000		RMB'000	
	6 months ended 31 Mar 2022 (2H FY2022)	6 months ended 31 Mar 2021 (2H FY2021)	12 months ended 31 Mar 2022 (FY2022)	12 months ended 31 Mar 2021 (FY2021)
Cash flows from operating activities				
Profit before taxation	17,729	43,978	77,298	77,708
Adjustments for :				
Share of results of associate company	406	-	406	-
Amortisation of deferred capital grants	(115)	(115)	(229)	(229)
Depreciation of property, plant and equipment	37,212	31,575	70,117	63,324
(Gain)/Loss on disposal of property, plant and equipment, net	(57)	(152)	(201)	140
Property, plant and equipment written off	19	366	26	366
Allowance for obsolete and slow moving inventory, net	2,429	7,926	(252)	7,926
Allowance for expected credit loss, net	6,839	18,705	11,433	18,705
Reversal of over-accrual of housing fund contribution	(1,220)	(1,330)	(1,220)	(1,330)
Provision of warranty	630	1,677	630	1,677
Dividend income from investment, FVOCI	(1,378)	-	(1,378)	-
Interest expense	8,781	7,356	17,008	14,771
Interest income	(605)	(810)	(752)	(1,590)
Exchange translation difference	(183)	(126)	(349)	(172)
Operating profit before working capital changes	70,487	109,050	172,537	181,296
Increase in inventories ¹	(20,561)	(95,287)	(36,104)	(162,435)
Decrease/(Increase) in operating receivables	42,417	(125,435)	(22,997)	(160,898)
(Decrease)/Increase in operating payables	(53,784)	83,049	(3,839)	145,087
Cash generated from/(used in) operations	38,559	(28,623)	109,597	3,050
Tax paid	(5,169)	(6,881)	(13,386)	(17,109)
Net cash generated from/(used in) operating activities	33,390	(35,504)	96,211	(14,059)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(635)	(8,130)	(18,682)	(13,208)
Investment in an associated company	(1,240)	-	(1,240)	-
Proceeds from disposal of property, plant and equipment (net of cash acquired) ²	436	1,199	2,012	2,505
Advances from shareholder of a subsidiary	-	30	-	-
Dividend income from investment, FVOCI	1,378	-	1,378	-
Interest received	605	810	752	1,590
Net cash from/(used in) investing activities	544	(6,091)	(15,780)	(9,113)
Cash flows from financing activities				
Proceeds from borrowings	120,880	190,550	311,567	282,550
Repayment of borrowings	(176,802)	(168,002)	(306,159)	(283,948)
Proceeds from finance lease	40,661	601	40,661	601
Repayment of principal portion of lease liabilities	(6,602)	(5,149)	(11,822)	(10,897)
Restricted bank balances	7,403	3,146	(3,419)	10,194
Repayment to related parties	-	(1,000)	-	(1,000)
Advance from/(Repayment to) a director	-	10,000	(10,000)	10,000
(Repayment to)/Advances from shareholder of a subsidiary	-	(57)	-	1,703
Cash outflow on acquisition of a subsidiary	-	(2,765)	-	(2,765)
Dividends paid to equity holders of the company	-	(4,473)	(4,263)	(4,473)
Interest paid	(7,282)	(9,910)	(14,578)	(17,867)
Net cash (used in)/generated from financing activities	(21,742)	12,941	1,987	(15,902)
Net increase/(decrease) in cash and cash equivalents	12,192	(28,654)	82,418	(39,074)
Cash and cash equivalents at beginning of period/year	135,674	97,152	66,285	109,010
Exchange adjustments	(934)	(2,213)	(1,771)	(3,651)
Cash and cash equivalents at end of period/year	146,932	66,285	146,932	66,285

Note

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Note:

1. Included in increase in inventories for 2H FY2022 of RMB80.7 million (2H FY2021: RMB43.8 million) and Full Year FY2022 of RMB179.1 million (Full Year FY2021: RMB75.8 million) 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.
2. 24 February 2021, the Group's subsidiary company, Fushun Yongmao Construction Machinery Co., Ltd ("Fushun Yongmao"), has acquired 10,200,000 shares or equal to 34% of the issued and paid-up share capital of Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd ("Beijing Yongmao") from Beijing Construction Group Co., Ltd, state-owned entity of the People's Republic of China for a consideration of RMB2,765,288.

There is no open market value for the acquired shares of Beijing Yongmao as the shares are not publicly traded. The fair value of assets and liabilities assumed as book value were as follows:

	RMB'000
Net tangible liabilities of the acquired shares	3,488
Considerations paid in cash	2,765
Decrease in equity attributable to owner of the Company	<u>6,253</u>

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 for the second half and full year ended 31 March 2022 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 second half and full year ended 31 March 2022 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.

4. Segment and revenue information (cont'd)

Segment results

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
2H FY2022				
Sales				
Total segment sales	544,769	93,140	118,059	755,968
Inter-segment sales	(277,694)	2,957	(1,295)	(276,032)
Sales to external parties	267,075	96,097	116,764	479,936
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	241,238	10,344	103,657	355,239
Rental and service income	25,837	85,753	13,107	124,697
Total revenue	267,075	96,097	116,764	479,936
Results				
Interest income	718	-	(113)	605
Depreciation expense	14,153	20,459	2,600	37,212
Interest expense	7,875	771	135	8,781
Allowance for expected credit loss, net	6,855	(16)	-	6,839
Reportable segment profit before taxation	(1,225)	17,961	993	17,729
Additions to property, plant and equipment	4,077	13,971	(5,516)	12,532
2H FY2021				
Sales				
Total segment sales	703,771	68,270	144,463	916,504
Inter-segment sales	(289,523)	(2)	(361)	(289,886)
Sales to external parties	414,248	68,268	144,102	626,618
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	393,987	7,363	141,692	543,042
Rental and service income	20,261	60,905	2,410	83,576
Total revenue	414,248	68,268	144,102	626,618
Results				
Interest income	810	-	-	810
Depreciation expense	12,659	18,233	683	31,575
Interest expense	7,025	307	24	7,356
Allowance for expected credit loss, net	18,705	-	-	18,705
Reportable segment profit before taxation	28,721	12,240	3,017	43,978
Additions to property, plant and equipment	983	6,660	38	7,681

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
FY2022				
Sales				
Total segment sales	1,284,984	175,502	223,334	1,683,820
Inter-segment sales	(573,705)	2,957	(1,764)	(572,512)
Sales to external parties	711,279	178,459	221,570	1,111,308
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	664,154	12,620	204,806	881,580
Rental and service income	47,125	165,839	16,764	229,728
Total revenue	711,279	178,459	221,570	1,111,308
Results				
Interest income	752	-	-	752
Depreciation expense	26,769	40,066	3,282	70,117
Interest expense	15,260	1,484	264	17,008
Allowance for expected credit loss, net	9,736	1,697	-	11,433
Reportable segment profit before taxation	39,837	29,281	8,180	77,298
Additions to property, plant and equipment	14,481	16,585	55	31,121
FY2021				
Sales				
Total segment sales	1,153,676	129,760	186,225	1,469,661
Inter-segment sales	(441,395)	61	(361)	(441,695)
Sales to external parties	712,281	129,821	185,864	1,027,966
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	679,765	9,333	181,728	870,826
Rental and service income	32,516	120,488	4,136	157,140
Total revenue	712,281	129,821	185,864	1,027,966
Results				
Interest income	1,590	-	-	1,590
Depreciation expense	24,974	37,173	1,177	63,324
Interest expense	13,499	740	532	14,771
Allowance for expected credit loss, net	18,705	-	-	18,705
Reportable segment profit before taxation	60,206	15,978	1,524	77,708
Additions to property, plant and equipment	4,336	9,966	38	14,340

Segment Assets and Liabilities

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
As at 31 March 2022				
Reportable segment assets	1,228,415	250,072	340,490	1,818,977
Reportable segment liabilities	667,927	82,686	171,652	922,265
As at 31 March 2021				
Reportable segment assets	1,312,721	214,893	249,492	1,777,106
Reportable segment liabilities	794,164	35,214	71,765	901,143

5. Revenue

	Group (Second Half)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	6 months ended 31 Mar 2022 (2H FY2022)	6 months ended 31 Mar 2021 (2H FY2021)	Increase/ (Decrease)	12 months ended 31 Mar 2022 (FY2022)	12 months ended 31 Mar 2021 (FY2021)	Increase/ (Decrease)
Types of goods or services:						
Sale of manufactured tower cranes	313,744	486,055	(35.5)	791,736	770,958	2.7
Sale of tower cranes components and accessories	41,495	56,987	(27.2)	89,844	99,868	(10.0)
Service income	36,589	30,447	20.2	74,171	57,991	27.9
Revenue from contracts within customers - At a point in time	391,828	573,489	(31.7)	955,751	928,817	2.9
Rental income - over time	88,108	53,129	65.8	155,557	99,149	56.9
Total revenue	479,936	626,618	(23.4)	1,111,308	1,027,966	8.1
Geographical information:						
The PRC	195,176	335,191	(41.8)	559,704	601,864	(7.0)
Asia (outside of the PRC)	196,646	219,276	(10.3)	379,897	316,834	19.9
USA & Europe	44,909	49,058	(8.5)	89,973	58,228	54.5
Middle East & others	43,205	23,093	87.1	81,734	51,040	60.1
Total revenue	479,936	626,618	(23.4)	1,111,308	1,027,966	8.1

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

	Group (Second Half)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	6 months ended 31 Mar 2022 (2H FY2022)	6 months ended 31 Mar 2021 (2H FY2021)	Increase/ (Decrease)	12 months ended 31 Mar 2022 (FY2022)	12 months ended 31 Mar 2021 (FY2021)	Increase/ (Decrease)
Allowance for expected credit loss, net	6,839	18,705	(63.4)	11,433	18,705	(38.9)
Amortisation of deferred capital grants	(115)	(115)	-	(229)	(229)	-
Depreciation of property, plant and equipment	37,212	31,575	17.9	70,117	63,324	10.7
Exchange loss	3,716	5,801	(35.9)	3,619	8,235	(56.1)
(Gain)/Loss on disposal of property, plant and equipment, net	(57)	(152)	(62.5)	(201)	140	NM
Government grant	(5,629)	(6,736)	(16.4)	(7,583)	(10,493)	(27.7)
Interest expense	8,781	7,356	19.4	17,008	14,771	15.1
Operating lease rentals	3,885	3,871	0.4	7,647	7,527	1.6
Reversal/(Provision) for obsolete and slow-moving inventories, net	2,429	(7,926)	NM	252	(7,926)	NM
Sub-contractor costs and costs of rental of tower cranes	59,535	51,969	14.6	121,018	102,238	18.4

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 (Second Half)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	6 months ended 31 Mar 2022 (2H FY2022)	6 months ended 31 Mar 2021 (2H FY2021)	Increase/ (Decrease)	12 months ended 31 Mar 2022 (FY2022)	12 months ended 31 Mar 2021 (FY2021)	Increase/ (Decrease)
Current income tax	(3,310)	9,269	NM	10,416	14,408	(27.7)
Deferred income tax	3,821	(333)	NM	1,000	1,274	(21.5)
	511	8,936	(94.3)	12,157	15,682	(22.5)
Under provision in respect of prior year						
- Current taxation	1,146	328	249	1,146	328	249.4
- Deferred tax	(700)	-	NM	(700)	-	NM
	446	328	36.0	446	328	36.0
	957	9,264	(89.7)	12,603	16,010	(21.3)

8. Earnings per share

Basic earnings per share is calculated based on:

	Group (Second Half)		Group (Full Year)	
	RMB'000		RMB'000	
	6 months ended 31 Mar 2022 (2H FY2022)	6 months ended 31 Mar 2021 (2H FY2021)	12 months ended 31 Mar 2022 (FY2022)	12 months ended 31 Mar 2021 (FY2021)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	10,794	29,976	55,297	54,860
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	12.16	33.78	62.31	61.81
(b) On a fully diluted basis	12.16	33.78	62.31	61.81

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	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Net asset value per ordinary share (RMB cents)	930.67	904.26	519.57	545.00

Net asset value per share for the Group and the Company for 31 March 2022 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 financial year ended 31 March 2022, the Group acquired assets amounting to RMB31.1 million (31 March 2021: RMB14.3 million) from third parties and self-constructed tower cranes and tower crane components and accessories held for rental purposes of RMB179.1 million (31 March 2021: RMB75.8 million).

The Group have disposed of assets including leased tower cranes amounting to RMB21.0 million (31 March 2021: RMB33.3 million)

11. Investment in associate company

	Group	
	31 Mar 2022	31 Mar 2021
Investment in an associate company during the financial year	1,240	-
Share of results of associate company for the period/year	(406)	-
Carrying value of interest in associates	834	-

The Group's subsidiary company, Fushun Yongmao Construction Machinery Co., Ltd ("Fushun Yongmao"), has invested RMB1,240,000, an amount equal to 31% share interest of the joint venture Company, Liaoning Xingmao Heavy Industry Co., Ltd (辽宁兴茂重工有限公司) during the financial year.

12. Financial assets, at FVOCI

	Group	
	31 Mar 2022	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	(21,978)	(10,958)
Balance as at end of period/year	86,093	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.

THEC has direct and indirect ownership interest in Tat Hong Equipment Service Co Ltd.(a HKEX listed company).

13. Cash and cash equivalents

	Group		Company	
	31 Mar 2022 RMB'000	31 Mar 2021 RMB'000	31 Mar 2022 RMB'000	31 Mar 2021 RMB'000
Cash on hand	112	157	-	-
Bank balances	196,878	112,767	1,812	945
Fixed deposit	1,500	1,500	-	-
	<u>198,490</u>	<u>114,424</u>	<u>1,812</u>	<u>945</u>
Restricted bank balances	(51,558)	(48,139)	-	-
Cash and cash equivalents per consolidated of cash flows	<u>146,932</u>	<u>66,285</u>	<u>1,812</u>	<u>945</u>

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

14. Share capitalThe Company and the Group

	31 March 2022	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 financial year ended 31 March 2022.

There was no outstanding convertible, treasury share or subsidiary holdings as at 31 March 2022

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the financial year ended 31 March 2022.

15. Borrowings

	Group	
	31 Mar 2022 RMB'000	31 Mar 2021 RMB'000
<u>Amount repayable after one year</u>		
Secured leased liabilities	4,729	332
Unsecured leased liabilities	5,790	411
	<u>10,519</u>	<u>743</u>
<u>Amount payable in one year or less, or on demand</u>		
Secured bank loans	96,155	94,232
Unsecured bank loans	156,169	152,800
	<u>252,324</u>	<u>247,032</u>
Secured leased liabilities	40,675	11,775
Unsecured leased liabilities	5,532	4,131
	<u>46,207</u>	<u>15,906</u>
	<u>298,531</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 RMB41.5 million and property, plant and equipment of RMB9.4 million.

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

16. 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 31 March 2022				
Assets				
Financial assets - FVOCI	-	-	86,093	86,093
At 31 March 2021				
Assets				
Financial assets - FVOCI	-	-	108,071	108,071

17. 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	
	31 Mar 2022 RMB'000	31 Mar 2021 RMB'000	31 Mar 2022 RMB'000	31 Mar 2021 RMB'000
Financial assets, at FVOCI	86,093	108,071	86,093	108,071
Financial assets, at fair value	86,093	108,071	86,093	108,071
Trade and other receivables ¹	531,236	532,653	67	69
Amount owing by subsidiaries	-	-	33,691	34,524
Amount owing by related parties	27,576	15,461	-	-
Cash and cash equivalents	198,490	114,424	1,812	945
Financial assets, at amortised costs	757,302	662,538	35,570	35,538
Trade and other payables ²	425,278	531,519	5,008	4,416
Borrowings	252,324	247,032	-	-
Lease liabilities	56,726	16,649	-	-
Amount owing to related parties	7,594	6,821	-	-
Amount owing to individual shareholders of a subsidiary	1,579	1,644	-	-
Financial liabilities, at amortised costs	743,501	803,665	5,008	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

18. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the 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 31 March 2022 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 2H FY2022 and full year of FY2022 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

Second-Half FY2022 ("2H FY2022") vs Second-Half FY2021 ("2H FY2021")

Revenue

Group revenue decreased by 23.4% to RMB479.9 million in 2H FY2022 as compared to RMB626.6 million in 2H FY2021 mainly due to the high base in 2H FY2021 with COVID-19 under control in the PRC, certain back-log deliveries were fulfilled during the half year under review. The revenue for 2H FY2022 was also affected by a lackluster property market and recent COVID-19 outbreak in the PRC. Restriction has again been imposed in various cities, with stay-home orders and movement restrictions, resulted in slower business activities.

As a result, revenue from sales of tower cranes and components decreased by RMB187.8 million from RMB543.0 million in 2H FY2021 to RMB355.2 million in 2H FY2022. The decrease in revenue was partly offset by the increase in rental and service income of RMB41.1 million during the period under review with more government projects for both infrastructure and residential in Hong Kong and increase in rental sales in the PRC.

Due to the high base in 2H FY2021 and the slow-down of economy in 2H FY2022 in the PRC, revenue in the PRC has decreased by RMB140.0 million or equal to 41.8% from RMB335.2 in 2H FY2021 to RMB195.2 million in 2H FY2022. Revenue in Asia (outside of the PRC) and the USA & Europe have also dropped by RMB22.6 million and RMB4.2 million respectively. The decrease was offset by the increase in the Middle East of RMB20.1 million.

Overall, sales in Asia (outside the PRC) and the PRC contributed to 41.0% and 40.7% respectively of the Group revenue in 2H FY2022.

Gross profit and gross profit margin

In line with decrease in revenue, gross profit decreased by 12.6% to RMB132.6 million in 2H FY2022 from RMB151.7 million in 2H FY2021.

Average gross profit margin increased to 27.6% in 2H FY2022 from 24.2% in 2H FY2021.

The higher gross profit margin in 2H FY2022 is due to sales of 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 2H FY2021 was also attributable to lower average selling price resulting from the pricing sensitivity from the recovering market as well as increase in steel price. The increase is also due to higher rental income which generates higher margin.

Other income

Other income decreased by RMB2.0 million to RMB10.1 million in 2H FY2022 as compared to RMB12.1 million in 2H FY2021 was mainly due to lower sales of scrap, lower government subsidies and rebates/grants and non-recurrence of debts no longer required to pay of RMB1.5 million, RMB1.1 million and RMB0.7 million respectively. The government subsidies and rebates were received from various authorities, as part of the financial assistance to help businesses tide through the pandemic. The decrease was offset by dividend received from investment, FVOCI of RMB1.4 million.

Operating expenses

Total operating expenses increased 4.3% to RMB124.9 million in 2H FY2022 as compared to RMB119.7 million in 2H FY2021.

Despite lower revenue, distribution costs increased 23.3% to RMB59.5 million in 2H FY2022 as compared to RMB48.2 million in 2H FY2021 mainly due to higher freight and transportation charges and employee benefits cost. Land transportation and sea freight had increased significantly during the period under review due to supply shortage against high demand.

Administrative expenses increased 13.4% to RMB44.1 million in 2H FY2022 as compared to RMB38.9 million in 2H FY2021 mainly due to higher employee benefits costs and higher professional fee.

Other operating expenses decreased RMB13.1 million in 2H FY2022 from RMB25.2 million in 2H FY2021 to RMB12.1 million in 2H FY2022. The decrease is mainly due to lower provision for expected credit loss ("ECL") of RMB11.9 million and lower exchange losses of RMB2.1 million. The Group reported an exchange loss of RMB3.7 million in 2H FY2022 as compared to RMB5.8 million in 2H FY2021.

The exchange loss for 2H FY2022 arose mainly from:

- a) 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;
- 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 RMB due to net USD assets in the Singapore's subsidiary's book

Finance costs increased 19.4% to RMB8.8 million in 2H FY2022 as compared to RMB7.4 million in 2H FY2021 due mainly to higher average borrowings and higher letter of credit discounting charges in 2H FY2022.

Taxation

Income tax expense decreased to RMB1.0 million in 2H FY2022 as compared to RMB9.3 million in 2H FY2021 is in line with lower profits for the financial period under review. Lower effective tax rate is due to utilization of unabsorbed tax losses in Beijing Yongmao.

Other comprehensive expenses

Other comprehensive expenses decreased to RMB13.0 million in 2H FY2022 as compared to RMB18.0 million in 2H 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. The fair value loss in financial assets, FVOCI is mainly due to the decrease in share price of an entity listed in The Stock Exchange of Hong Kong which the financial assets, FVOCI has an ownership interest.

HKD and SGD depreciated 2.5% and 1.4% respectively against RMB as at 31 March 2022 as compared to 31 March 2021.

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

The Group recorded a profit before taxation of RMB17.7 million in 2H FY2022 as compared to RMB44.0 million in 2H FY2021 mainly due to lower operating income and higher operating expenses.

Net profit attributable to equity holders of the Company decreased to RMB10.8 million in 2H FY2022 from RMB30.0 million in 2H FY2021. This was mainly due to lower profit before taxation, offset by lower tax expense.

Full Year FY2022 (“FY2022”) vs Full Year (“FY2021”)

Revenue

Group revenue increased by 8.1% y-o-y to RMB1,111.3 million in FY2022 as compared to RMB1,028.0 million in FY2021.

Demand and delivery of cranes were choppy during the two financial years with the impact of COVID-19 pandemic hitting our various economies market segments.

In 1H FY2021, COVID-19 outbreak halted economic activities in the PRC and disrupted global supply chains. With the COVID-19 under control in the PRC and Singapore, the Group’s revenue saw significant increase in 2H FY2021 with certain back-log orders being fulfilled. The strong delivery continued to 1H FY2022 which also include other segments, the Middle East and others, and the USA & Europe. However, the demands in the PRC slowed in 2H FY2022, affected by a lackluster property market and recent COVID-19 outbreak in the PRC. Restriction has again been imposed in various cities, with stay-home orders and movement restrictions, resulted in slower business activities.

On a y-o-y comparison, revenue from sales of tower cranes and components slightly increased by RMB10.8 million from RMB870.8 million in FY2021 to RMB881.6 million in FY2022. Rental and service income has also increased by RMB72.6 million with more government projects for both infrastructure and residential in Hong Kong and increase in rental sales in the PRC.

Due to the recovery of economy post lockdown, other than the PRC, revenue in all other segment including Asia (outside of the PRC), the USA & Europe and the Middle East and others increased by RMB63.1 million, RMB31.7 million and RMB30.7 million respectively. Revenue in the PRC decreased by RMB42.2 million from RMB601.9 million in FY2021 to RMB559.7 million in FY2022 due to the reasons as explained above.

Despite the reduction in revenue from the PRC, sales in the PRC still remains the highest contribution to the Group revenue at 50.4% followed by Asia (outside the PRC) at 34.2% in FY2022.

Gross profit and gross profit margin

In line with higher revenue, gross profit increased by 20.6% to RMB307.5 million in FY2022 from RMB255.0 million in FY2021.

Average gross profit margin increased to 27.7% in FY2022 from 24.8% in FY2021.

The higher gross profit margin in FY2022 is due to sales of 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 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 in gross profit margin in FY2022 is also due to higher rental income which generates higher margin.

Other income

Other income decreased by RMB3.9 million to RMB14.5 million in FY2022 as compared to RMB18.4 million in FY2021 was mainly due to due to lower government subsidies and rebates/grants, lower sales of scrap and non-recurrence of debts no longer required to pay of RB2.9 million, RMB1.4 million and RMB0.7 million respectively. The government subsidies and rebates were received from various authorities, as part of the financial assistance to help businesses tide through the pandemic. The decrease was offset by dividend received from investment, FVOCI of RB1.4 million.

Operating expenses

Total operating expenses increased 25.0% to RMB244.6 million in FY2022 as compared to RMB195.7 million in FY2021.

Distribution costs increased 56.7% to RMB125.4 million in FY2022 as compared to RMB80.0 million in FY2021 mainly due to higher freight and transportation charges and employee benefits cost in line with higher sales. Other than higher proportion of export sales, land transportation and sea freight had also increased significantly during the year under review due to supply shortage against high demand.

Administrative expenses increased 15.0% to RMB82.7 million in FY2022 as compared to RMB72.0 million in FY2021 mainly due to higher employee benefits costs, higher land & property taxes in the PRC and higher professional fee. Certain land & property taxes in FY2021 were waived or reduced during the lock-down period.

Other operating expenses decreased to RMB19.1 million in FY2022 from RMB28.9 million in FY2021. The decrease is mainly due to lower provision for expected credit loss (“ECL”) of RMB7.3 million and lower exchange losses of RMB4.6 million. The Group reported an exchange loss of RMB3.6 million in FY2022 as compared to RMB8.2 million in FY2021. Bank charges also increased to RMB3.2 million in FY2022 from RMB 1.2 million in FY2021. Higher bank charges were incurred for certain export sales.

The exchange loss for FY2022 arose mainly from:

- a) 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;
- 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 RMB due to net USD assets in the Singapore’s subsidiary’s book.

Finance costs increased 13.0% to RMB17.0 million in FY2022 as compared to RMB14.8 million in FY2021 due mainly to higher average borrowings and higher letter of credit discounting charges in FY2022.

Taxation

Income tax expense decreased to RMB12.6 million in FY2022 as compared to RMB16.0 million in FY2021 despite operating profit remains comparable. Lower effective tax rate due to utilization of unabsorbed tax losses in Beijing Yongmao.

Other comprehensive expenses

Other comprehensive expenses increased to RMB30.0 million in FY2022 as compared to RMB23.6 million in 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. The fair value loss in financial assets, FVOCI is mainly due to the decrease in share price of an entity listed in The Stock Exchange of Hong Kong which the financial assets, FVOCI has an ownership interest.

SGD and HKD depreciated 4.0% and 3.8% respectively against RMB as at 31 March 2022 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 RMB77.3 million in FY2022 as compared to RMB77.7 million in 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 slightly to RMB55.3 million in FY2022 from RMB54.9 million in FY2021.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB94.8 million to RMB641.8 million as at 31 March 2022 mainly due to higher property, plant and equipment and higher deferred tax assets, offset by lower financial asset, at FVOCI.

The increase of RMB110.1 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.

During the period under review, sales of tower cranes for the amount approximate to RMB114.2 million 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 were capitalised as property, plant and equipment, 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 RMB22.0 million as at 31 March 2022.

Current Assets

Current assets decreased by RMB39.5 million to RMB1,215.7 million as at 31 March 2022 mainly due to lower inventories and lower trade and other receivables, partly offset by higher amount owing by related parties, higher cash and cash equivalents (see Note on Review on Cash Flow Statement below).

Amount owing by related parties increased by RMB12.1 million to RMB27.6 million as at 31 March 2022 due to higher sales over repayments to related parties.

Trade and other receivables decreased by RMB11.4 million to RMB613.5 million as at 31 March 2022. The decrease is due to lower advances to suppliers.

Inventories decreased by RMB124.3 million to RMB376.1 million as at 31 March 2022 as compared to RMB500.4 million as at 31 March 2021. This lower inventory mainly due to capitalisation to property, plant & equipment as rental equipment, partly offset by increase in operating inventory level.

Non-current Liabilities

Non-current liabilities increased by RMB14.0 million to RMB68.8 million as at 31 March 2022 as compared to RMB54.7 million as at 31 March 2021 mainly due to higher borrowings, higher deferred tax liabilities, partly offset by lower trade and other payables.

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 RMB10.9 million to RMB898.7 million as at 31 March 2022 as compared to RMB887.8 million as at 31 March 2021 mainly due to higher borrowings, offset by lower trade and other payable, lower amount owing to related parties, and lower tax payable.

Borrowings increased by RMB35.6 million mainly due to higher trade financing arranged on export sales.

Trade and other payables decreased by RMB18.4 million mainly due to lower purchases over payment offset by higher advances from customers. Increase in advances from customers relates to the sales with option to return by customers. (See Note on property, plant and equipment above for more explanation).

Amount owing to related parties decreased from RMB11.5 million in 31 March 2021 to RMB7.6 million in 31 March 2022 was due to higher repayment over transactions made during the period under review.

Total Equity

As at 31 March 2022, the Group's total equity amounted to RMB890.1 million. The increase was mainly due to total comprehensive income of RMB34.7 million for FY2022, offset by dividend paid.

REVIEW OF CASH FLOW STATEMENT

2H FY2022 vs 2H FY2021

The Group reported a net increase in cash and cash equivalents amounting to RMB12.2 million in 2H FY2022 mainly due to:

- a) Net cash generated from operating activities of RMB33.4 million resulted from operating profit before working capital changes and decrease in operating receivables, partly offset by decrease in operating payables, increase in inventories and taxes paid.
- b) Net cash from investing activities of RMB0.5 million from dividend received from investment, interested received and proceeds from disposal of property, plant and equipment, partly offset by acquisition of property, plant and equipment and investment in an associated company; and
- c) Net cash used in financing activities of RMB21.7 million mainly from higher net repayment to bank borrowings, and interest paid, partly offset by net proceed over repayment of principal portion of lease liabilities and higher restricted bank balances.

Full Year FY2022 vs Full Year FY2021

The Group reported a net increase in cash and cash equivalents amounting to RMB82.4 million in Full Year FY2022 mainly due to:

- a) Net cash generated from operating activities of RMB96.2 million resulted from operating profit before working capital changes and decrease in operating receivables, partly offset by decrease in operating payables, increase in inventories and taxes paid.
- b) Net cash used in investing activities of RMB15.8 million from acquisition of property, plant and equipment and investment in an associated company, partly offset by dividend received from investment, interested received and proceeds from disposal of property, plant and equipment; and
- c) Net cash generated from financing activities of RMB2.0 million mainly from higher net proceed from bank borrowings and net proceed over repayment of principal portion of lease liabilities, partly offset by higher restricted bank balances, repayment to a director 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.

The Group's result was in line with the announcement released on SGX-ST on 22 May 2022.

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 2022 first-quarter GDP beats expectations to grow 4.8% year-on-year. However, economists have cut their forecasts for China's full-year economic growth in recent days after the country reported worse-than-expected data for April 2022 as Covid-19 controls restricted business activity. Since March, mainland China has struggled to contain its worst Covid outbreak in two years. Notably, Shanghai is slowly starting to emerge from a six-week lockdown amid signs the Covid-19 outbreak in the city is coming under control, while cases in Beijing are rising as the capital continues to tighten restrictions.

April's weak data pointed to a plunge in retail sales and industrial production, far worse than expected. However, the country has signaled in recent weeks that it still wants to meet its growth target of 5.5% this year despite downside risks from COVID-19 disruptions and geopolitical tensions. The support would include infrastructure investment, tax cuts and rebates, measures to boost consumption, and other relief measures for companies.

Outside China, Covid-19 epidemic is still spreading globally and the international landscape is complicated with high uncertainties and instabilities. The financial leaders of the world's most powerful countries warned of the potential for a global economic slowdown, as the threats caused by Russia's invasion of Ukraine continued to multiply. Globally, hike in interest rates which is determined to curb inflation will risk pushing all nations into recession. The developing world faces an emerging debt crisis on top of a growing hunger problem sparked by the war.

Meanwhile, in the Group's major markets, i.e. Singapore and Hong Kong, have kept the COVID-19 pandemic largely under controls. The Housing Board of Singapore has announced the launching of about 17,000 units Build-To-Order (BTO) flats in 2022, similar to 2021. The Hong Kong construction industry is forecast to grow by 2.5% this year, up from an estimated growth of 2.1% in 2021, supported by the gradual recovery of construction activity and the execution of major transportation and housing infrastructure projects outlined in the 2021 Budget to stimulate economic growth. The Hong Kong government established HKD5 billion funding scheme to promote the construction of transitional housing, in an attempt to improve affordability in what is the most unaffordable city globally.

Notwithstanding with the increase in revenue in FY2022, the Group expect the operating environment to be challenging and the reasons as stated 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

Yes

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

The Board of Directors is proposing a first and final dividend of S\$0.01 per ordinary share, for approval by shareholders at the forthcoming Annual General Meeting to be convened.

(ii) Previously correspondence period (cents)

The Board of Directors have proposed a first and final dividend of S\$0.01 per ordinary share which was subsequently approved at the Annual General Meeting held on 28 July 2021.

(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).

The dividend is tax exempt one-tier.

(d) The date the dividend is payable

To be advised at a later date.

(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.

To be advised at a later date.

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

Not applicable.

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) 12 months ended 31 Mar 2022 (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) 12 months ended 31 Mar 2022 (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)	-	5,807
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	85,500
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏众建达丰机械租赁有限公司) (f.k.a 江苏中建达丰机械租赁有限公司)	-	10,588
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	1,290	-
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	512	-
Sales of property, plant and equipment to related party		
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	1,578	-
Purchases from related parties		
Fushun Yongmao Industry and Trade Co., Ltd (抚顺市永茂工贸发展有限公司)	-	824
Rental charged by related party		
Fushun Yongmao Engineering Machinery Co., Ltd. (抚顺永茂工程机械有限公司)	5,505	-
Rental charged by ultimate holding company		
Sun & Tian Investment Pte. Ltd.	483	-
Rental charged by a director		
	809	-
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)	1,613	-

7. **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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Sun Zhao Lin	66	Father of Sun Tian and spouse of Tian Ruo Nan	Executive Chairman, 2005 Responsible for the formulation and execution of overall business strategy and policies and future direction as well as the overall management of the Group.	N.A.
Tian Ruo Nan	66	Spouse of Sun Zhao Lin and mother of Sun Tian	Chief Executive Officer, 2007 Responsible for and oversees the day-to-day management of the Group.	N.A.
Sun Tian	40	Son of Sun Zhao Lin and Tian Ruo Nan	Executive Director, 2009 Group General Manager, 2012 Assist the Chief Executive Officer in the management of Group's business.	N.A.
Tian Hao	41	Nephew of Sun Zhao Lin and Tian Ruo Nan	Sales Manager of Beijing Yongmao, 2006 Responsible for the sales and marketing operations of Beijing Yongmao.	N.A.

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
27 May 2022