

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 2023

A. Condensed interim consolidated statement of profit or loss and other comprehensive income for the second half year and full year ended 31 March 2023

	Note	Group (Second Half)			Group (Full Year)		
		RMB'000		%	RMB'000		%
		6 months ended 31 Mar 2023 (2H FY2023)	6 months ended 31 Mar 2022 (2H FY2022)	Increase/ (Decrease)	12 months ended 31 Mar 2023 (FY2023)	12 months ended 31 Mar 2022 (FY2022)	Increase/ (Decrease)
Revenue	5	402,484	479,936	(16.1)	915,716	1,111,308	(17.6)
Cost of sales		(296,460)	(347,364)	(14.7)	(661,696)	(803,845)	(17.7)
Gross profit		106,024	132,572	(20.0)	254,020	307,463	(17.4)
Other income		9,340	10,054	(7.1)	15,864	14,480	9.6
Distribution costs		(40,897)	(59,463)	(31.2)	(97,859)	(125,408)	(22.0)
Administrative expenses		(43,226)	(44,146)	(2.1)	(84,951)	(82,719)	2.7
Other operating expenses		(4,336)	(12,101)	(64.2)	(1,072)	(19,104)	(94.4)
Finance costs		(9,394)	(8,781)	7.0	(17,348)	(17,008)	2.0
Shares of results of an associate		(22)	(406)	(94.6)	(638)	(406)	57.1
Total operating expenses		(97,875)	(124,897)	(21.6)	(201,868)	(244,645)	(17.5)
Profit before taxation	6	17,489	17,729	(1.4)	68,016	77,298	(12.0)
Taxation	7	(316)	(957)	(67.0)	(8,983)	(12,603)	(28.7)
Net profit for the period/year		17,173	16,772	2.4	59,033	64,695	(8.8)
Other comprehensive income/(expense):							
Item that <u>may</u> be reclassified subsequently to profit or loss:							
Exchange translation difference		(1,422)	(3,094)	(54.0)	13,878	(5,621)	NM
Item that <u>cannot</u> be reclassified to profit or loss:							
Fair value gain/(loss) on financial assets, FVOCI ²		21,740	(8,372)	NM	24,349	(21,978)	NM
Exchange translation difference		(2,851)	(1,570)	81.6	5,080	(2,435)	NM
Other comprehensive income/(expense) of the period, net of tax		17,467	(13,036)	NM	43,307	(30,034)	NM
Total comprehensive income for the period/year		34,640	3,736	827.2	102,340	34,661	195.3
Profit attributable to:							
Equity holders of the Company		12,971	10,794	20.2	51,306	55,297	(7.2)
Non-controlling interests		4,202	5,978	(29.7)	7,727	9,398	(17.8)
Net profit for the period/year		17,173	16,772	2.4	59,033	64,695	(8.8)
Total comprehensive income attributable to:							
Equity holders of the Company		33,289	(672)	NM	89,533	27,698	223.2
Non-controlling interests		1,351	4,408	(69.4)	12,807	6,963	83.9
Total comprehensive income for the period/year		34,640	3,736	827.2	102,340	34,661	195.3

NM: Not Meaningful

B. Condensed interim statements of financial position as at 31 March 2023

	Note	Group		Company	
		31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current					
Property, plant and equipment	10	574,277	526,733	-	-
Subsidiaries		-	-	344,363	344,363
Investment in an associate	11	196	834	-	-
Financial assets, at FVOCI	12	110,442	86,093	110,442	86,093
Deferred tax assets		32,668	28,188	-	-
		<u>717,583</u>	<u>641,848</u>	<u>454,805</u>	<u>430,456</u>
Current					
Inventories		416,330	376,139	-	-
Trade and other receivables		603,727	613,527	276	205
Amounts owing by subsidiaries		-	-	27,276	33,691
Amounts owing by related parties		46,765	27,576	-	-
Cash and cash equivalents	13	249,795	198,490	6,071	1,812
		<u>1,316,617</u>	<u>1,215,732</u>	<u>33,623</u>	<u>35,708</u>
TOTAL ASSETS		<u>2,034,200</u>	<u>1,857,580</u>	<u>488,428</u>	<u>466,164</u>
EQUITY					
Capital and Reserves					
Share capital	14	312,484	312,484	312,484	312,484
Reserves		598,701	513,485	170,865	148,638
Equity attributable to equity holders of the Company		<u>911,185</u>	<u>825,969</u>	<u>483,349</u>	<u>461,122</u>
Non-controlling interests		76,979	64,172	-	-
TOTAL EQUITY		<u>988,164</u>	<u>890,141</u>	<u>483,349</u>	<u>461,122</u>
LIABILITIES					
Non-current					
Borrowings	15	3,256	10,519	-	-
Deferred capital grants		8,855	9,084	-	-
Deferred tax liabilities		46,950	36,683	-	9
Trade and other payables		11,123	12,468	-	-
		<u>70,184</u>	<u>68,754</u>	<u>-</u>	<u>9</u>
Current					
Trade and other payables		620,002	582,261	5,072	5,008
Borrowings	15	338,138	298,531	-	-
Deferred capital grants		229	229	-	-
Amounts owing to/advances from related parties		12,651	7,594	-	-
Amounts owing to a corporate shareholder of a subsidiary		1,703	1,579	-	-
Current tax payable		3,129	8,491	7	25
		<u>975,852</u>	<u>898,685</u>	<u>5,079</u>	<u>5,033</u>
TOTAL LIABILITIES		<u>1,046,036</u>	<u>967,439</u>	<u>5,079</u>	<u>5,042</u>
TOTAL EQUITY AND LIABILITIES		<u>2,034,200</u>	<u>1,857,580</u>	<u>488,428</u>	<u>466,164</u>

C. Condensed interim statement of changes in equity for the second half year and full year ended 31 March 2023

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
FY2023:									
Balance as at 1 Apr 2022	312,484	(26,769)	85,822	7,418	450,805	(3,791)	825,969	64,172	890,141
Profit for the period	-	-	-	-	38,335	-	38,335	3,525	41,860
Other comprehensive expenses for the period	-	-	-	2,609	-	15,300	17,909	7,931	25,840
Total comprehensive income for the period	-	-	-	2,609	38,335	15,300	56,244	11,456	67,700
Dividends	-	-	-	-	(4,317)	-	(4,317)	-	(4,317)
Transfer to statutory common reserve	-	-	1,576	-	(1,576)	-	-	-	-
Balance as at 30 Sep 2022	312,484	(26,769)	87,398	10,027	483,247	11,509	877,896	75,628	953,524
Profit for the period	-	-	-	-	12,971	-	12,971	4,202	17,173
Other comprehensive expenses for the period	-	-	-	21,740	-	(1,422)	20,318	(2,851)	17,467
Total comprehensive income/(expense) for the period	-	-	-	21,740	12,971	(1,422)	33,289	1,351	34,640
Transfer to statutory common reserve	-	-	1,509	-	(1,509)	-	-	-	-
Balance as at 31 Mar 2023	312,484	(26,769)	88,907	31,767	494,709	10,087	911,185	76,979	988,164

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 expenses 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 expenses 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

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
FY2023:				
Balance as at 1 Apr 2022	312,484	7,418	141,220	461,122
Profit for the period	-	-	4,192	4,192
Other comprehensive expense for the period	-	2,609	-	2,609
Total comprehensive income for the period	-	2,609	4,192	6,801
Dividends	-	-	(4,317)	(4,317)
Balance as at 30 Sep 2022	312,484	10,027	141,095	463,606
Loss for the period	-	-	(1,997)	(1,997)
Other comprehensive income for the period	-	21,740	-	21,740
Total comprehensive income for the period	-	21,740	(1,997)	19,743
Balance as at 31 Mar 2023	312,484	31,767	139,098	483,349

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
FY2022:				
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 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
Loss 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

D. Condensed interim consolidated statement of cash flows for the second half and full year ended 31 March 2023

	Group (Second Half)		Group (Full Year)	
	RMB'000		RMB'000	
	6 months ended 31 Mar 2023 (2H FY2023)	6 months ended 31 Mar 2022 (2H FY2022)	12 months ended 31 Mar 2023 (FY2023)	12 months ended 31 Mar 2022 (FY2022)
Cash flows from operating activities				
Profit before taxation	17,489	17,729	68,016	77,298
Adjustments for :				
Share of results of associate company	22	406	638	406
Amortisation of deferred capital grants	(115)	(115)	(229)	(229)
Depreciation of property, plant and equipment	42,016	37,212	82,688	70,117
Gain on disposal of property, plant and equipment, net	(812)	(57)	(812)	(201)
Provision for impairment of property, plant and equipment	34	-	1,784	-
Property, plant and equipment written off	-	19	7	26
(Reversal of allowance)/Allowance for obsolete and slow moving inventory, net	(4,032)	2,429	(2,070)	(252)
Allowance for expected credit loss, net	5,044	6,839	12,071	11,433
Reversal of over-accrual of housing fund contribution	(1,200)	(1,220)	(1,200)	(1,220)
(Reversal of provision)/Provision for warranty	(185)	630	(185)	630
Dividend income from investment, FVOCI	-	(1,378)	-	(1,378)
Interest expense	9,394	8,781	17,348	17,008
Interest income	(2,225)	(605)	(2,764)	(752)
Exchange translation difference	58	(183)	880	(349)
Operating profit before working capital changes	65,488	70,487	176,172	172,537
Increase in inventories ¹	(58,258)	(20,561)	(132,864)	(36,104)
(Increase)/Decrease in operating receivables	(38,473)	42,417	(2,377)	(22,997)
Increase/(Decrease) in operating payables	6,839	(53,784)	14,032	(3,839)
Cash (used in)/generated from operations	(24,404)	38,559	54,963	109,597
Interest paid	(10,583)	(7,282)	(17,979)	(14,578)
Tax paid	(6,798)	(5,169)	(12,946)	(13,386)
Net cash (used in)/generated from operating activities	(41,785)	26,108	24,038	81,633
Cash flows from investing activities				
Acquisition of property, plant and equipment	(7,149)	(635)	(10,538)	(18,682)
Investment in an associated company	-	(1,240)	-	(1,240)
Proceeds from disposal of property, plant and equipment	838	436	840	2,012
Dividend income from investment, FVOCI	-	1,378	-	1,378
Interest received	2,154	605	2,693	752
Net cash (used in)/generated from investing activities	(4,157)	544	(7,005)	(15,780)
Cash flows from financing activities				
Proceeds from borrowings	133,417	120,880	341,417	311,567
Repayment of borrowings	(120,669)	(176,802)	(310,004)	(306,159)
Proceeds from hire purchase with financial institutions	319	40,661	21,437	-
Repayment of hire purchase with financial institutions	(3,281)	(3,017)	(6,368)	(5,821)
Additions from lease liabilities	386	-	386	40,661
Repayment of principal portion of lease liabilities	(9,785)	(3,585)	(18,979)	(6,001)
Restricted bank balances	3,020	7,403	10,790	3,121
Repayment to a director	-	-	-	(10,000)
Dividends paid to equity holders of the company	-	-	(4,317)	(4,263)
Net cash generated from/(used in) financing activities	3,407	(14,460)	34,362	23,105
Net (decrease)/increase in cash and cash equivalents	(42,535)	12,192	51,395	88,958
Cash and cash equivalents at beginning of period/year	257,020	135,674	153,472	66,285
Exchange adjustments	1,082	(934)	10,700	(1,771)
Cash and cash equivalents at end of period/year	215,567	146,932	215,567	153,472

Note

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Note:

1. Included in increase in inventories for 2H FY2023 of RMB76.1 million (2H FY2022: RMB80.7 million) and Full Year FY2023 of RMB135.2 million (Full Year FY2022: RMB179.1 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.

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 full year ended 31 March 2023 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 2023 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 2022. 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 2022. 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 2022.

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
2H FY2023				
Sales				
Total segment sales	447,493	89,819	84,872	622,184
Inter-segment sales	(215,352)	82	(4,430)	(219,700)
Sales to external parties	232,141	89,901	80,442	402,484
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	209,533	3,006	72,574	285,113
Rental and service income	22,608	86,895	7,868	117,371
Total revenue	232,141	89,901	80,442	402,484
Results				
Interest income	117	64	2,044	2,225
Depreciation expense	13,300	24,857	3,859	42,016
Interest expense	6,925	1,903	566	9,394
Allowance for expected credit loss, net	3,574	1,470	-	5,044
Reportable segment profit before taxation	(753)	10,325	7,917	17,489
Additions to property, plant and equipment	680	5,966	43	6,689

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
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

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
FY2023				
Sales				
Total segment sales	991,030	181,798	253,074	1,425,902
Inter-segment sales	(504,059)	173	(6,300)	(510,186)
Sales to external parties	486,971	181,971	246,774	915,716
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	440,261	6,664	217,313	664,238
Rental and service income	46,710	175,307	29,461	251,478
Total revenue	486,971	181,971	246,774	915,716
Results				
Interest income	572	64	2,128	2,764
Depreciation expense	28,265	47,048	7,375	82,688
Interest expense	12,857	3,516	975	17,348
Allowance for expected credit loss, net	10,601	1,470	-	12,071
Reportable segment profit before taxation	1,424	24,674	41,918	68,016
Additions to property, plant and equipment	996	9,119	62	10,177

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

Segment Assets and Liabilities

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
As at 31 March 2023				
Reportable segment assets	1,351,078	292,668	353,640	1,997,386
Reportable segment liabilities	743,417	88,270	164,270	995,957
As at 31 March 2022				
Reportable segment assets	1,227,581	250,072	340,490	1,818,143
Reportable segment liabilities	667,927	82,686	171,652	922,265

5. Revenue

	Group (Second Half)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	6 months ended 31 Mar 2023 (2H FY2023)	6 months ended 31 Mar 2022 (2H FY2022)	Increase/ (Decrease)	12 months ended 31 Mar 2023 (FY2023)	12 months ended 31 Mar 2022 (FY2022)	Increase/ (Decrease)
Types of goods or services:						
Sale of manufactured tower cranes	243,097	313,743	(22.5)	573,222	791,736	(27.6)
Sale of tower cranes components and accessories	42,016	41,496	1.3	91,016	89,844	1.3
Service income	36,160	36,589	(1.2)	79,308	74,171	6.9
Revenue from contracts within customers - At a point in time	321,273	391,828	(18.0)	743,546	955,751	(22.2)
Rental income - over time	81,211	88,108	(7.8)	172,170	155,557	10.7
Total revenue	402,484	479,936	(16.1)	915,716	1,111,308	(17.6)
Geographical information:						
The PRC	192,157	195,177	(1.5)	402,234	559,704	(28.1)
Asia (outside of the PRC)	161,134	196,646	(18.1)	399,905	379,897	5.3
USA & Europe	2,302	44,908	(94.9)	2,980	89,973	(96.7)
Middle East & others	46,891	43,205	8.5	110,597	81,734	35.3
Total revenue	402,484	479,936	(16.1)	915,716	1,111,308	(17.6)

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 2023 (2H FY2023)	6 months ended 31 Mar 2022 (2H FY2022)	Increase/ (Decrease)	12 months ended 31 Mar 2023 (FY2023)	12 months ended 31 Mar 2022 (FY2022)	Increase/ (Decrease)
Allowance for expected credit loss, net	5,044	6,839	(26.2)	12,071	11,433	5.6
Amortisation of deferred capital grants	(115)	(115)	-	(229)	(229)	-
Depreciation of property, plant and equipment	42,016	37,212	12.9	82,688	70,117	17.9
Exchange (gain)/loss	(668)	3,716	NM	(14,597)	3,619	NM
Gain on disposal of property, plant and equipment, net	(812)	(57)	1,324.6	(812)	(201)	304.0
Government grant	(4,148)	(5,629)	(26.3)	(7,603)	(7,583)	0.3
Interest expense	9,394	8,781	7.0	17,348	17,008	2.0
Operating lease rentals	3,823	3,885	(1.6)	7,467	7,647	(2.3)
Provision for impairment of property, plant and equipment	34	-	NM	1,784	-	NM
(Reversal of provision)/Provision for slow-moving inventories, net	(4,032)	2,429	NM	(2,070)	(252)	721.4
Sub-contractor costs and costs of rental of tower cranes	66,997	59,535	12.5	137,363	121,018	13.5

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 2023 (2H FY2023)	6 months ended 31 Mar 2022 (2H FY2022)	Increase/ (Decrease)	12 months ended 31 Mar 2023 (FY2023)	12 months ended 31 Mar 2022 (FY2022)	Increase/ (Decrease)
Current income tax	(2,098)	(4,053)	(48)	5,089	10,414	(51.1)
Deferred income tax	2,763	4,563	(39.4)	4,243	1,742	143.6
	665	510	30.4	9,332	12,156	(23.2)
Under provision in respect of prior year					-	
- Current taxation	(33)	1,145	NM	(33)	1,145	NM
- Deferred tax	(316)	(698)	(54.7)	(316)	(698)	(54.7)
	(349)	447	NM	(349)	447	NM
	316	957	(67.0)	8,983	12,603	(28.7)

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 2023 (2H FY2023)	6 months ended 31 Mar 2022 (2H FY2022)	12 months ended 31 Mar 2023 (FY2023)	12 months ended 31 Mar 2022 (FY2022)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	12,971	10,794	51,306	55,297
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	14.62	12.16	57.81	62.31
(b) On a fully diluted basis	14.62	12.16	57.81	62.31

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

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

9. Net Asset Value

	Group		Company	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Net asset value per ordinary share (RMB cents)	1,026.69	930.67	544.62	519.57

Net asset value per share for the Group and the Company for 31 March 2023 and 31 March 2022 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 full year ended 31 March 2023, the Group acquired assets amounting to RMB10.2 million (31 March 2022: RMB31.1 million) from third parties and self-constructed tower cranes and tower crane components and accessories held for rental purposes of RMB135.2 million (31 March 2022: RMB179.1 million).

The Group have disposed of assets including leased tower cranes amounting to RMB38.6 million (31 March 2022: RMB21.0 million)

A provision for impairment in property, plant and equipment of RMB1.8 million was provided for the six months ended 31 March 2023. The provision relates to the tower crane incident in Hong Kong. Please refer to para 4 on page 22 for more information.

11. Investment in an associate

	Group	
	31 Mar 2023	31 Mar 2022
Balance as at beginning of period/year	834	-
Investment in an associated during the financial year	-	1,240
Share of results and reserve for the year	(638)	(406)
Carrying value of interest in associates	196	834

The Group's subsidiary company, Fushun Yongmao Construction Machinery Co., Ltd ("Fushun Yongmao"), owns 31% share interest of the joint venture Company, Liaoning Xingmao Heavy Industry Co., Ltd (辽宁兴茂重工有限公司).

12. Financial assets, at FVOCI

	Group & Company	
	31 Mar 2023	31 Mar 2022
	RMB'000	RMB'000
The Company and The Group		
Unquoted equity of investments		
Balance as at beginning of period/year	86,093	108,071
Fair value gain/(loss) recognised in other comprehensive income, net of nil tax	24,349	(21,978)
Balance as at end of period/year	110,442	86,093

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 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	122	112	-	-
Bank balances	132,237	196,878	6,071	1,812
Fixed deposit	117,436	1,500	-	-
	<u>249,795</u>	<u>198,490</u>	<u>6,071</u>	<u>1,812</u>
Restricted bank balances	(34,228)	(45,018)	-	-
Cash and cash equivalents per consolidated of cash flows	<u>215,567</u>	<u>153,472</u>	<u>6,071</u>	<u>1,812</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 2023	31 March 2022
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 full year ended 31 March 2023.

There was no outstanding convertible, treasury share or subsidiary holdings as at 31 March 2023

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the full year ended 31 March 2023.

15. Borrowings

	Group	
	31 Mar 2023	31 Mar 2022
	RMB'000	RMB'000
<u>Amount repayable after one year</u>		
Hire purchase with financial institution - secured	1,677	4,491
Lease liabilities - secured	168	238
Lease liabilities - unsecured	1,411	5,790
	<u>1,579</u>	<u>6,028</u>
	<u>3,256</u>	<u>10,519</u>
<u>Amount payable in one year or less, or on demand</u>		
Bank loans - secured	73,000	96,155
Bank loans - unsecured	210,731	156,169
	<u>283,731</u>	<u>252,324</u>
Hire purchase with financial institution - secured	48,958	40,123
Lease liabilities - secured	692	552
Lease liabilities - unsecured	4,757	5,532
	<u>5,449</u>	<u>6,084</u>
	<u>338,138</u>	<u>298,531</u>

Bank loans of the Group are secured by way of certain bank deposits of RMB26.3 million and property, plant and equipment of RMB85.5 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.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
The Company and The Group				
At 31 March 2023				
Assets				
Financial assets - FVOCI	-	-	110,442	110,442
At 31 March 2022				
Assets				
Financial assets - FVOCI	-	-	86,093	86,093

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 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI	110,442	86,093	110,442	86,093
Financial assets, at fair value	110,442	86,093	110,442	86,093
Trade and other receivables ¹	520,909	531,236	74	67
Amount owing by subsidiaries	-	-	27,276	33,691
Amount owing by related parties	46,765	27,576	-	-
Cash and cash equivalents	249,795	198,490	6,071	1,812
Financial assets, at amortised costs	817,469	757,302	33,421	35,570
Trade and other payables ²	505,196	418,232	5,072	5,008
Borrowings	341,394	309,050	-	-
Amounts owing to a subsidiary	-	-	-	-
Amount owing to/advances from related parties	12,651	7,594	-	-
Amount owing to a corporate shareholder of a subsidiary	1,703	1,579	-	-
Financial liabilities, at amortised costs	860,944	736,455	5,072	5,008

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

² Excludes deposit from customers and provision for assurance warranty

17. 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 2023 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 FY2023 and full year of FY2023 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 FY2023 ("2H FY2023") vs Second-Half FY2022 ("2H FY2022")

Revenue

Group revenue decreased by 16.1% to RMB402.5 million in 2H FY2023 as compared to RMB479.9 million in 2H FY2022.

The decrease is mainly due to lower revenue from sales of tower cranes and components of RMB70.1 million from RMB355.2 million in 2H FY2022 to RMB285.1 million in 2H FY2023. Rental and service income dropped by RMB7.3 million or approximate to 5.9% to RMB117.4 million in 2H FY2023. Lower rental income mainly due to lower rental rate amidst competitive rental market.

Revenue in the USA & Europe segment has decreased significantly by RMB42.6 million from RMB44.9 in 2H FY2022 to RMB2.3 million in 2H FY2023. The decrease is mainly due to the non-recurrence sales of a unit of STL2400 mega-size crane approximate to RMB34.6m in 2H FY2022. Revenue from Asia (outside of the PRC) has also dropped by RMB35.5 million as delivery of tower cranes has slowed in Singapore. Revenue in the PRC reduced marginally by RMB3.0 million to RMB192.2 million in 2H FY2023. The decrease was offset by the increase in revenue in the Middle East by RMB3.7 million

Overall, sales in the PRC and Asia (outside the PRC) contributed to 47.7% (2H FY2022 : 40.7%) and 40.0% (2H FY2022 : 41.0%) respectively of the Group revenue in 2H FY2023.

Gross profit and gross profit margin

In line with decrease in revenue, gross profit decreased by 20.0% to RMB106.0 million in 2H FY2023 from RMB132.6 million in 2H FY2022.

Average gross profit margin decreased to 26.3% in 2H FY2023 from 27.6% in 2H FY2022.

The lower gross profit margin in 2H FY2023 is due to higher sales proportion of small and medium size tower cranes which generate lower sales margin were sold in 2H FY2023 against more large and mega size tower cranes were sold in 2H FY2022. Lower gross

profit margin in 2H FY2023 is also due to loss of disposal of tower cranes previously held as rental cranes for the amount approximates to RMB6.6 million arising from exercising of option to purchase under rental agreement in the PRC.

Other income

Other income slightly decreased by RMB0.7 million to RMB9.3 million in 2H FY2023 as compared to RMB10.0 million in 2H FY2022. The decrease is due to non-recurrence of dividend received from investment, FVOCI of RMB1.4 million and lower government grant of RMB1.5 million, partly offset by higher interest income of RMB1.6 million and higher gain on disposal of property, plant and equipment of RMB0.7 million.

Other income for 2H FY2023 includes government subsidies and rebates/grants of RMB4.1 million, interest income of RMB2.2 million, gain on disposal of property, plant and equipment of RMB0.7 million and rental income and ancillary charges of RMB0.7 million which pertains to sub-rental income from Hong Kong yard.

The government subsidies and rebates were received from various authorities, as part of the financial assistance to help businesses tide through the pandemic and encouragement for technology invention.

Operating expenses

Total operating expenses decreased 21.6% to RMB97.9 million in 2H FY2023 as compared to RMB124.9 million in 2H FY2022.

Distribution costs decreased 31.2% to RMB40.9 million in 2H FY2023 as compared to RMB59.5 million in 2H FY2022 mainly due to lower freight and transportation charges and lower sales service expenses. The significant decrease in freight and transportation charges is mainly due to lower freight rate in 2H FY2023 as compared against 2H FY2022 which was affected by the supply shortage.

Administrative expenses decreased 2.1% to RMB43.2 million in 2H FY2023 as compared to RMB44.1 million in 2H FY2022 mainly due to lower employee costs as lower provision for bonus was accrued in 2H FY2023. The decrease is partly offset by higher legal fee.

Other operating expenses decreased RMB7.8 million in 2H FY2023 from RMB12.1 million in 2H FY2022 to RMB4.3 million in 2H FY2023. The decrease was mainly due to an exchange gain of RMB0.7 million in 2H FY2023 as compared to an exchange loss of RMB3.7 million in 2H FY2022 and a lower provision for expected credit loss ("ECL") of RMB1.8 million.

The exchange gain for 2H FY2023 arose mainly from the strengthening of Singapore Dollars ("SGD") against Renminbi ("RMB") due to net RMB liabilities in the Singapore subsidiary's book; offset by

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

Finance costs increased by 7.0% to RMB9.4 million in 2H FY2023 as compared to RMB8.8 million in 2H FY2022 due mainly to higher average borrowings and higher letter of credit discounting charges in 2H FY2022.

Taxation

Income tax expense decreased to RMB0.3 million in 2H FY2023 as compared to RMB1.0 million in 2H FY2022 is in line with lower profits for the financial period under review. Low effective tax rate is due to utilization of unabsorbed tax losses in Beijing Yongmao.

Other comprehensive income/(expenses)

The Group reported other comprehensive income of RMB17.5 million in 2H FY2023 as compared to other comprehensive expense of RMB13.0 million in 2H FY2022. The difference mainly pertains to the fair value gain on financial assets, FVOCI of RMB21.7 million in 2H FY2023 as compared to a fair value loss of RMB8.4 million in 2H FY2022.

Other comprehensive income/(expenses) also include gain/(loss) on exchange translation arose from translation of the net assets of our Hong Kong and Singapore subsidiaries.

HKD depreciated 4.1% and SGD appreciated 4.4% respectively against RMB as at 31 March 2023 as compared to the first half year ended.

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

As a result of the above, the Group recorded a profit before taxation of RMB17.5 million in 2H FY2023 as compared to RMB17.7 million in 2H FY2022.

Net profit attributable to equity holders of the Company increased to RMB13.0 million in 2H FY2023 from RMB10.8 million in 2H FY2022.

Full Year FY2023 (“FY2023”) vs Full Year FY2022 (“FY2022”)

Revenue

Group revenue decreased by 17.6% to RMB915.7 million in FY2023 as compared to RMB1,111.3 million in FY2022 due to the high base a year-ago as business activity resume normalcy from the COVID-19 pandemic when certain back-log deliveries were fulfilled. The revenue for FY2023 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 results, revenue in the PRC reportedly lower by 28.1% from RMB559.7 million in FY2022 to RMB402.2 million in FY2023.

Revenue in the USA & Europe has decreased significantly from RMB90.0 million FY2022 to RMB3.0 million in FY2023. The decrease is mainly due to the non-recurrence sales of 2 units of mega size tower cranes approximate to RMB84.5m in FY2022. The decrease in revenue were partly offset by the increase in sales to Middle East and others and Asia (outside of the PRC) of RMB28.9 million and RMB20.0 million respectively.

Overall, sales in the PRC and Asia (outside the PRC) contributed to 43.9% (FY2022 : 50.2%) and 43.7% (FY2022 : 34.2%) respectively of the Group revenue in FY2023.

Revenue from sales of tower cranes and components decreased by RMB217.3 million from RMB881.6 million in FY2022 to RMB664.2 million in FY2023. The decrease was partly offset by increase in rental and service income of RMB21.8 million during the period under review. The increase was also mainly due to the higher exchange translation rate from Yongmao Hong Kong and Yongmao Singapore as HKD and SGD appreciated significantly by 10.3% and 7.9% against RMB during the financial year. The increase also partly due to higher rental income in the Middle East.

Gross profit and gross profit margin

In line with lower revenue, gross profit decreased by 17.4% to RMB254.0 million in FY2023 from RMB307.5 million in FY2022.

Average gross profit margin reported the same as in FY2022 at 27.7%.

The margin for respective geographical segments were relatively stable as compared to FY2022. PRC market reported a slight drop in margin due to higher sales proportion of small and medium size tower cranes which generate lower sales margin were sold in FY2023 against more large and mega size tower cranes were sold in FY2022. The decrease is offset by higher proportion of export sales which generate higher sales margin.

Other income

Other income increased by RMB1.4 million to RMB15.9 million in FY2023 as compared to RMB14.5 million in FY2022. The increase is due to higher interest income of RMB2.0 million and debts no longer required to pay of RB0.8 million in FY2023, partly offset by non-recurrence of dividend received from investment, FVOCI of RMB1.4 million in FY2022 for the period under review.

Other income in FY2023 mainly includes government subsidies and rebates/grants of RMB7.6 million, rental income and ancillary charges of RMB1.5 million which pertains to sub-rental income from Hong Kong yard, interest income of RMB2.7 million and debts no longer required to pay of RB0.8 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 and encouragement for technology invention.

Operating expenses

Total operating expenses decreased 17.5% to RMB201.9 million in FY2023 as compared to RMB244.6 million in FY2022.

Distribution costs decreased 22.0% to RMB97.9 million in FY2023 as compared to RMB125.4 million in FY2022 in line with lower revenue during the period under review. The decline is mainly from lower freight and transportation expenses and sales service expenses. The significant decrease in freight and transportation charges is mainly due to lower freight rate in FY2023 as compared against FY2022 which was affected by the supply shortage.

Administrative expenses increased 2.7% to RMB85.0 million in FY2023 as compared to RMB82.7 million in FY2022 mainly due to provision of legal fee for Yongmao Hong Kong.

Other operating expenses decreased RMB18.0 million from RMB19.1 million in FY2022 to RMB1.1 million in FY2023. The decrease was mainly due to an exchange gain of RMB14.6 million in FY2023 as compared to an exchange loss of RMB3.6 million in FY2022 and lower bank charges. The decrease is partly offset by provision for impairment in property, plant and equipment of RMB1.8 million relates to the tower crane incident in Hong Kong.

The exchange gain in FY2023 arose mainly from:

- a) the strengthening 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; and
- b) the strengthening of USD against RMB due to net USD assets in the Singapore’s subsidiary’s book and PRC’s subsidiary’s book.

Finance costs marginally increased 2.0% to RMB17.3 million in FY2023 due to higher average borrowings during the period under review.

Taxation

Income tax expense lowered to RMB9.0 million in FY2023 as compared to RMB12.6 million in FY2022 in line with lower operating profits. The lower effective tax rate was due to utilization of unabsorbed tax losses previously not recognized.

Other comprehensive income/(expenses)

The Group reported other comprehensive income of RMB51.0 million in FY2023 as compared to other comprehensive expense of RMB30.0 million in FY2022. Other comprehensive income pertains to gain on exchange translation of RMB26.7 million arose from translation of the net assets of our Hong Kong and Singapore subsidiaries and RMB24.3 million fair value gain of financial assets, FVOCI.

SGD and HKD appreciated 10.3% and 7.9% respectively against RMB as at 31 March 2023 as compared to last financial year end.

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

As a result of the above, the Group recorded a profit before taxation of RMB68.0 million in FY2023 as compared to RMB77.3 million in FY2022.

Net profit attributable to equity holders of the Company amounted to RMB51.3 million in FY2023 as compared to RMB55.3 million in FY2022.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB75.7 million to RMB717.6 million as at 31 March 2023 mainly due to higher property, plant and equipment, higher financial assets, at FVOCI and higher deferred tax asset.

The increase of RMB47.5 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 for rental sales in the PRC and Hong Kong, a number of large and mega size tower cranes were added to the operations. The increase was also partly due to the exchange translation differences from Yongmao Hong Kong as HKD appreciated significantly by 7.9% y-o-y against RMB.

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

Financial assets, at FVOCI increased with fair value gain of RMB24.3 million as at 31 March 2023.

Current Assets

Current assets increased by RMB100.9 million to RMB1,316.6 million as at 31 March 2023 mainly due to higher cash and cash equivalents (see Note on Review on Cash Flow Statement below), higher inventories and higher amount owing by related parties, partly offset by lower trade and other receivables.

Trade and other receivables decreased by RMB9.8 million to RMB603.7 million as at 31 March 2023. Lower trade receivables mainly due to higher provision for doubtful debts by RMB12.2 million as compared to 31 March 2022.

Inventories increased by RMB40.2 million to RMB416.3 million as at 31 March 2023 as compared to RMB376.1 million as at 31 March 2022. The higher inventory mainly due to the delivery due in the next quarter.

Amount owing by related parties increased by RMB19.2 million to RMB46.8 million as at 31 March 2023 due to higher sales over repayments by related parties.

Non-current Liabilities

Non-current liabilities increased marginally to RMB70.2 million as at 31 March 2023 from RMB68.8 million as at 31 March 2022. The increase was due to higher deferred tax liabilities by RMB10.3 million to RMB47.0 million as at 31 March 2023, partly offset by lower borrowings. Borrowings decreased by RMB7.3 million during the year, to report at RMB3.3 million as at 31 March 2023.

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 RMB77.2 million to RMB975.9 million as at 31 March 2023 as compared to RMB898.7 million as at 31 March 2022 mainly due to higher trade and other payable and higher borrowings.

Trade and other payables increased by RMB37.7 million mainly due to higher purchases over payment.

Borrowings increased by RMB39.6 million mainly due to higher financing in YMHK for the new rental fleets.

Total Equity

As at 31 March 2023, the Group's total equity amounted to RMB988.2 million. The increase was mainly due to total comprehensive income of RMB110.1 million, partly offset by dividends paid in FY2023.

REVIEW OF CASH FLOW STATEMENT

2H FY2023 vs 2H FY2022

The Group reported a net decrease in cash and cash equivalents amounting to RMB42.5 million in 2H FY2023 mainly due to:

- a) Net cash used in operating activities of RMB41.8 million resulted from increase in inventories, increase in operating receivables and taxes paid, partly offset by operating profit before working capital changes and increase in operating payables.
- b) Net cash used in investing activities of RMB4.2 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 RMB3.4 million mainly from higher net proceed from borrowings and lower restricted bank balances, partly offset by repayment of principal portion of lease liabilities and interest paid.

Full Year FY2023 vs Full Year FY2022

The Group reported a net increase in cash and cash equivalents amounting to RMB51.4 million in full year FY2023 mainly due to:

- a) Net cash generated from operating activities of RMB24.0 million resulted from operating profit before working capital changes and increase in operating payables, partly offset by increase in inventories, increase in operating receivables, interest and taxes paid.
- b) Net cash used in investing activities of RMB7.0 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 RMB34.4 million mainly from higher net proceed from 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 gross domestic product grew by 4.5% in the first quarter from a year ago, according to the National Bureau of Statistics. With China scrapping the zero-Covid policy in December 2022 ending most of its strict Covid restrictions that were in place for nearly three years, the economic recovery gains traction. Consumption posted the strong rebound. Retail sales jumped 10.6% in March from a year earlier while retail sales grew 5.8% in the first quarter of 2023, mainly lifted by a surge in revenue from the service industry. Industrial production also showed a steady increase. However, fixed asset investment by the private sector was extremely weak indicating a lack of confidence among entrepreneurs. Investment in property also declined 5.8% in the first quarter of 2023.

China's economic data for April 2023 also broadly missed expectations as the economy continued to show an uneven path of recovery amidst property slump market conditions and weak global demand. China is in the stage of recovering, compared to last year. To support the growth, policymakers will likely rely on a mix of modest monetary easing and infrastructure spending, alongside efforts to bolster the property sector.

The International Monetary Fund's chief economist has voiced optimism that there will be positive spillover effects on Asian economies tied to the reopening of China as it exits the Covid-19 pandemic. However, the challenges lie ahead with slow

export growth in Asia (other than the PRC), amidst the EU entering a recession and the US economy forecast to slow sharply. The economic outlook for Asia will also be challenging as rises in interest-rate filter through its economies.

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.

As announced by the Company on 8 September 2022, 13 March 2023, 22 March 2023 and 3 April 2023, the Company's 60% owned subsidiary, Yongmao Machinery (H.K.) Company Limited ("YMHK") and YMHK's 100% wholly-owned subsidiary, Eastime Engineering Limited ("EEL"), have been served with summonses to appear before the magistrate of Magistrate Court of Hong Kong on 30 June 2023 to answer to various alleged offences under, inter alia, (i) the Factories and Industrial Undertakings Ordinance, Cap. 59, Law of Hong Kong and (ii) the Occupational Safety and Health Ordinance, Cap. 509. Pending the appearances to be made by YMHK and EEL before the magistrate on 30 June 2023 and on the basis of the information available to us at the moment, there have been no material developments in relation to the tower cranes accident in Hong Kong. The Company will provide further updates as and when there are any material developments."

There is no significant development in respect to the Writ of Summons and Statement of Claim filed by CMNT Investment Pty Ltd, an Australian company since the last announcement dated 15 September 2022.

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 cash dividend of S\$0.01 per ordinary share and a special cash 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 cash dividend of S\$0.01 per ordinary share which was subsequently approved at the Annual General Meeting held on 26 July 2022.

(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 dividends are 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 2023 (FY2023) 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 2023 (FY2023) 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)	-	7,241
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	29,938
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	8,145
Liaoning Yongmao Hydraulic Machinery Co., Ltd. (辽宁永茂液压机械有限公司)	1,232	-
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	9,702	-
Purchases from related parties		
Fushun Yongmao Industry and Trade Co., Ltd. (抚顺市永茂工贸发展有限公司)	-	746
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.	510	-
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)	1,430	-

7 Disclosure pursuant to Rule 706A of the Listing Manual

The Board of Directors ("Directors") of Yongmao Holdings Limited (the "Company") wishes to announce that the Company has incorporated a wholly owned subsidiary in Singapore under the name of Suncrane Machinery Pte. Ltd. ("Suncrane") on 1 April 2023.

The principal activities of Suncrane are mainly trading of used cranes and rental and servicing of tower cranes, construction machinery and related components.

The registered share capital is SGD1,000.

The incorporation of Suncrane is funded through internal resources and is not expected to have a material effect on the consolidated earnings per share or net tangible assets per share of the Group for the financial year ending 31 March 2024.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

8. **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	67	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	67	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	41	Son of Sun Zhao Lin and Tian Ruo Nan	Executive Director, 2009 Group General Manager, 2012 Assist the Chief Executive Officer in the management of Group's business.	N.A.
Tian Cheng Tian	65	Brother-in-law of Sun Zhao Lin and brother of Tian Ruo Nan	Product Design & Quality Control Engineer, 2022	Appointed during the financial year
Tian Hao	42	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.

9. **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
29 May 2023