

YONGMAO HOLDINGS LIMITED
(Company Registration No.200510649K)

UNAUDITED FOURTH QUARTER/FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD/YEAR ENDED 31 MARCH 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q4), HALF-YEAR AND FULL YEAR RESULTS

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

Group statement of profit or loss and other comprehensive income for the financial period/year ended 31 March 2019. These figures have not been audited.

| | Group (Fourth Quarter) | | | Group (Full Year) | | |
|--|--|--|-------------------------|--|--|-------------------------|
| | RMB'000 | | % | RMB'000 | | % |
| | 3 months ended 31 Mar 2019 (Q4 FY2019) | 3 months ended 31 Mar 2018 (Q4 FY2018) | Increase/ (Decrease) | 12 months ended 31 Mar 2019 (FY2019) | 12 months ended 31 Mar 2018 (FY2018) | Increase/ (Decrease) |
| | | <i>Restated¹</i> | | | <i>Restated¹</i> | |
| Revenue | 263,870 | 173,769 | 51.9 | 885,413 | 653,535 | 35.5 |
| Cost of sales | (187,003) | (130,133) | 43.7 | (646,737) | (464,042) | 39.4 |
| Gross profit | 76,867 | 43,636 | 76.2 | 238,676 | 189,493 | 26.0 |
| Other income | 3,747 | 972 | 285.5 | 9,083 | 3,341 | 171.9 |
| Distribution costs | (16,170) | (16,648) | (2.9) | (69,885) | (54,198) | 28.9 |
| Administrative expenses | (22,692) | (24,068) | (5.7) | (88,952) | (84,202) | 5.6 |
| Other operating expenses | 1,967 | 1,268 | 55.1 | 5,636 | (1,757) | NM |
| Finance costs | (5,034) | (3,650) | 37.9 | (18,520) | (16,107) | 15.0 |
| Total operating expenses | (41,929) | (43,098) | (2.7) | (171,721) | (156,264) | 9.9 |
| Profit before taxation | 38,685 | 1,510 | 2,461.9 | 76,038 | 36,570 | 107.9 |
| Taxation | (9,285) | (1,774) | 423 | (17,232) | (8,163) | 111.1 |
| Net profit/(loss) for the period/year | 29,400 | (264) | NM | 58,806 | 28,407 | 107.0 |
| Attributable to: | | | | | | |
| Equity holders of the Company | 30,419 | 914 | 3,228.1 | 61,453 | 27,628 | 122.4 |
| Non-controlling interests | (1,019) | (1,178) | (13.5) | (2,647) | 779 | NM |
| Net profit/(loss) for the period/year | 29,400 | (264) | NM | 58,806 | 28,407 | 107.0 |

NM: Not Meaningful

Note:

- The Q4 FY2018 and Full Year FY2018 comparative figures have been restated to take into account the retrospective adjustment arising from the adoption of SFRS(I) 15 – Revenue Contracts With Customers as detailed in Paragraph 5 of this announcement.

| | Group (Fourth Quarter) | | | Group (Full Year) | | |
|---|--|--|-------------------------|--|--|-------------------------|
| | RMB'000 | | % | RMB'000 | | % |
| | 3 months ended 31 Mar 2019 (Q4 FY2019) | 3 months ended 31 Mar 2018 (Q4 FY2018) | Increase/ (Decrease) | 12 months ended 31 Mar 2019 (FY2019) | 12 months ended 31 Mar 2018 (FY2018) | Increase/ (Decrease) |
| | | <i>Restated¹</i> | | | <i>Restated¹</i> | |
| Net profit/(loss) for the period/year | 29,400 | (264) | NM | 58,806 | 28,407 | 107.0 |
| Other comprehensive (expense)/income: | | | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | | | |
| Fair value loss on available-for-sale financial assets ² | - | (4,940) | (100.0) | - | (4,940) | (100.0) |
| Exchange translation difference ³ | (3,499) | (4,679) | (25.2) | 8,354 | (12,237) | NM |
| | (3,499) | (9,619) | (63.6) | 8,354 | (17,177) | NM |
| Item that cannot be reclassified subsequently to profit or loss: | | | | | | |
| Fair value gain on financial assets, FVOCI ² | 30,718 | - | NM | 30,718 | - | NM |
| Other comprehensive income/(expense) of the period, net of tax | 27,219 | (9,619) | NM | 39,072 | (17,177) | NM |
| Total comprehensive income/(expense) for the period/year | 56,619 | (9,883) | NM | 97,878 | 11,230 | 771.6 |
| Total comprehensive income/(expense) attributable to: | | | | | | |
| Equity holders of the Company | 58,880 | (6,964) | NM | 97,494 | 15,112 | 545.1 |
| Non-controlling interests | (2,261) | (2,919) | (22.5) | 384 | (3,882) | NM |
| Total comprehensive income/(expense) for the period/year | 56,619 | (9,883) | NM | 97,878 | 11,230 | 771.6 |

Notes to Group statement of profit or loss:

| | Group (Fourth Quarter) | | | Group (Full Year) | | |
|---|--|--|-------------------------|--|--|-------------------------|
| | RMB'000 | | % | RMB'000 | | % |
| | 3 months ended 31 Mar 2019 (Q4 FY2019) | 3 months ended 31 Mar 2018 (Q4 FY2018) | Increase/ (Decrease) | 12 months ended 31 Mar 2019 (FY2019) | 12 months ended 31 Mar 2018 (FY2018) | Increase/ (Decrease) |
| Other income | | | | | | |
| Amortisation of deferred capital grants | 57 | 57 | - | 229 | 228 | 0.4 |
| Gain on disposal of property, plant and equipment | - | - | - | 43 | 175 | (75.4) |
| Government grants ⁴ | 1,336 | 121 | 1,004.1 | 2,218 | 356 | 523.0 |
| Interest income ⁵ | 1,143 | 143 | 699.3 | 1,159 | 1,026 | 13.0 |
| Rental income ⁵ | 721 | - | NM | 3,320 | - | NM |
| Compensation income ⁶ | 399 | - | NM | 951 | - | NM |
| Others | 91 | 651 | (86.0) | 1,163 | 1,556 | (25.3) |
| | 3,747 | 972 | 285.5 | 9,083 | 3,341 | 171.9 |

NM: Not Meaningful

| | Group (Fourth Quarter) | | | Group (Full Year) | | |
|--|--|--|-------------------------|--|--|-------------------------|
| | RMB'000 | | % | RMB'000 | | % |
| | 3 months ended 31 Mar 2019 (Q4 FY2019) | 3 months ended 31 Mar 2018 (Q4 FY2018) | Increase/ (Decrease) | 12 months ended 31 Mar 2019 (FY2019) | 12 months ended 31 Mar 2018 (FY2018) | Increase/ (Decrease) |
| Other operating expenses | | | | | | |
| Reversal of impairment for trade receivables ⁷ | (3,749) | (4,418) | (15.1) | (3,749) | (4,761) | (21.3) |
| Exchange loss/(gain) ⁷ | 1,031 | 2,126 | (51.5) | (3,258) | 4,313 | NM |
| Bank charges | 730 | 321 | 127.4 | 1,231 | 1,431 | (14.0) |
| Loss on disposal of property, plant and equipment | - | - | - | 72 | - | NM |
| Property, plant and equipment written off | - | 97 | (100.0) | - | 98 | (100.0) |
| Provision for loss on disposal of property, plant and equipment ⁸ | - | 568 | (100.0) | - | 568 | (100.0) |
| Donations | - | - | - | 3 | - | NM |
| Others | 21 | 38 | (44.7) | 65 | 108 | (39.8) |
| | (1,967) | (1,268) | 55.1 | (5,636) | 1,757 | NM |

Notes to other profit or loss items

The Group profit before taxation is arrived at after charging:

| | Group (Fourth Quarter) | | | Group (Full Year) | | |
|--|--|--|-------------------------|--|--|-------------------------|
| | RMB'000 | | % | RMB'000 | | % |
| | 3 months ended 31 Mar 2019 (Q4 FY2019) | 3 months ended 31 Mar 2018 (Q4 FY2018) | Increase/ (Decrease) | 12 months ended 31 Mar 2019 (FY2019) | 12 months ended 31 Mar 2018 (FY2018) | Increase/ (Decrease) |
| Amortisation of intangibles assets | - | - | - | - | 50 | (100.0) |
| Depreciation of property, plant and equipment | 13,702 | 13,971 | (1.9) | 54,006 | 54,131 | (0.2) |
| Loss/(Gain) on disposal of property, plant and equipment, net | - | - | - | 29 | (175) | NM |
| Interest expense | 5,034 | 3,650 | 37.9 | 18,520 | 16,107 | 15.0 |
| Operating lease rentals ⁷ | 2,858 | 3,128 | (8.6) | 11,792 | 9,258 | 27.4 |
| (Reversal of write down)/ Write-down of Inventory ⁹ | (68) | - | NM | 4,443 | - | NM |

NM: Not Meaningful

Note:

- The Q4 FY2018 and Full Year FY2018 comparative figures have been restated to take into account the retrospective adjustment arising from the adoption of SFRS(I) 15 – Revenue Contracts With Customers as detailed in Paragraph 5 of this announcement.
- Fair value gain/(loss) arises from the valuation surplus/(deficit) from the unquoted equity investment.
- The Full Year FY2019 gain on exchange translation arose from translation of the net assets of our Hong Kong subsidiaries and Singapore subsidiaries. HKD and SGD depreciated 6.8% and 3.4% respectively against RMB as at 31 March 2019 as compared to last financial year end. As for Q4 FY2019, HKD and SGD appreciated 2.4% and 1.3% respectively against RMB as at 31 March 2019 from 31 December 2018 resulted exchange translation loss for the period.
- Mainly refers to product development grants and export incentive received from the PRC authorities.
- See Paragraph 8 – Other income.
- Mainly compensation income received from sub-contractors resulted from non-conformance in quality for goods delivered and compensation from customers by court order.
- See Paragraph 8 – Operating expense.
- Provision made for loss on disposal of property, plant and equipment in conjunction with the shifting of the Group's Hong Kong office and warehouse.
- Mainly provision for inventory obsolescence on certain components and accessories that decline in value arising from products rationalization exercise to discontinue certain towercranes model with low market demand. The provision for inventory obsolescence is included in "cost of sales".

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

| | Group | | Company | |
|---|---------------------------|---|---------------------------|---|
| | 31 Mar 2019 RMB'000 | 31 Mar 2018 RMB'000 <i>Restated</i> ¹ | 31 Mar 2019 RMB'000 | 31 Mar 2018 RMB'000 <i>Restated</i> ¹ |
| ASSETS | | | | |
| Non-current | | | | |
| Property, plant and equipment | 426,204 | 424,921 | - | - |
| Subsidiaries | - | - | 344,363 | 344,363 |
| Financial assets, at FVOCI | 118,845 | - | 118,845 | - |
| Available-for-sale financial assets | - | 88,127 | - | 88,127 |
| Trade and other receivables | 225 | 498 | - | - |
| Deferred tax assets | 17,996 | 13,720 | - | - |
| | <u>563,270</u> | <u>527,266</u> | <u>463,208</u> | <u>432,490</u> |
| Current | | | | |
| Inventories | 358,641 | 322,349 | - | - |
| Trade and other receivables | 455,030 | 392,740 | 229 | 183 |
| Amounts owing by subsidiaries | - | - | 34,387 | 32,078 |
| Amounts owing by related parties | 89,199 | 71,236 | - | - |
| Amount owing by a corporate shareholder of a subsidiary | 3,345 | 699 | - | - |
| Cash and cash equivalents | 193,651 | 131,967 | 2,558 | 858 |
| | <u>1,099,866</u> | <u>918,991</u> | <u>37,174</u> | <u>33,119</u> |
| TOTAL ASSETS | <u>1,663,136</u> | <u>1,446,257</u> | <u>500,382</u> | <u>465,609</u> |
| EQUITY | | | | |
| Capital and Reserves | | | | |
| Share capital | 312,484 | 312,484 | 312,484 | 312,484 |
| Reserves | 413,058 | 319,897 | 172,616 | 142,573 |
| Equity attributable to equity holders of the Company | <u>725,542</u> | <u>632,381</u> | <u>485,100</u> | <u>455,057</u> |
| Non-controlling interests | 57,001 | 56,617 | - | - |
| TOTAL EQUITY | <u>782,543</u> | <u>688,998</u> | <u>485,100</u> | <u>455,057</u> |
| LIABILITIES | | | | |
| Non-current | | | | |
| Borrowings | 708 | 961 | - | - |
| Deferred capital grants | 9,771 | 10,000 | - | - |
| Deferred tax liabilities | 22,412 | 21,432 | 9,343 | 7,678 |
| Trade and other payables | 18,434 | 20,201 | - | - |
| | <u>51,325</u> | <u>52,594</u> | <u>9,343</u> | <u>7,678</u> |
| Current | | | | |
| Trade and other payables | 506,621 | 376,238 | 4,927 | 2,874 |
| Borrowings | 251,895 | 270,514 | - | - |
| Deferred capital grants | 229 | 229 | - | - |
| Amounts owing to a subsidiary | - | - | 994 | - |
| Amounts owing to/advances from related parties | 23,969 | 25,732 | - | - |
| Amounts owing to a corporate shareholder of a subsidiary | 34,325 | 29,832 | - | - |
| Current tax payable | 12,229 | 2,120 | 18 | - |
| | <u>829,268</u> | <u>704,665</u> | <u>5,939</u> | <u>2,874</u> |
| TOTAL LIABILITIES | <u>880,593</u> | <u>757,259</u> | <u>15,282</u> | <u>10,552</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,663,136</u> | <u>1,446,257</u> | <u>500,382</u> | <u>465,609</u> |

Note:

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

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

| | As at 31 Mar 2019 | | As at 31 Mar 2018 | |
|--|------------------------|--------------------------|------------------------|--------------------------|
| | Secured ⁽¹⁾ | Unsecured ⁽²⁾ | Secured ⁽¹⁾ | Unsecured ⁽²⁾ |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Amount repayable in one year or less, or on demand | 251,895 | 28,662 | 270,514 | 33,405 |
| Amount repayable after one year | 708 | - | 961 | - |
| | 252,603 | 28,662 | 271,475 | 33,405 |

Details of any collaterals

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

| | 31 Mar 2019 | 31 Mar 2018 | |
|-----------------------------------|-------------|-------------|--|
| | RMB'000 | RMB'000 | Description |
| Bank borrowings | | | |
| a) | 73,000 | 96,000 | Granted to Fushun Yongmao Construction Machinery Co., Ltd. ("Fushun Yongmao"), guaranteed by Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd. ("Beijing Yongmao") and a director of the Company. |
| b) | 49,000 | 50,000 | Granted to Fushun Yongmao, guaranteed by Beijing Yongmao. |
| c) | 30,000 | 10,000 | Granted to Fushun Yongmao, guaranteed by the Company. |
| d) | 10,000 | 10,000 | Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by bank deposits. |
| e) | - | 30,000 | Granted to Fushun Yongmao, guaranteed by the Company, Beijing Yongmao and a director of the Company and secured by fixed deposit. |
| f) | 42,000 | 20,000 | Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by bank deposits. |
| | 204,000 | 216,000 | |
| Short-term trade financing | | | |
| a) | 24,514 | 32,900 | Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables from related party. |
| b) | - | 6,021 | Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by certain trade receivables from related company and Yongmao Machineries Pte Ltd ("Singapore Yongmao"). |
| | 24,514 | 38,921 | |
| Finance lease obligations | | | |
| a) | 1,470 | 2,379 | In respect of motor vehicles and office equipment acquired under finance leases. |
| b) | 22,619 | 14,175 | In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited. |
| | 24,089 | 16,554 | |
| | 252,603 | 271,475 | |

The above borrowings are for working capital purposes.

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

- RMB18.4 million (31 March 2018 – RMB18.4 million), which was interest-bearing, was from a corporate shareholder to Beijing Yongmao for the purpose of increasing the working capital of Beijing Yongmao. This is included as part of "Amounts owing to a corporate shareholder of a subsidiary" under current liabilities in the balance sheet.
- RMB8.8 million (31 March 2018 – RMB10.3 million), which was interest-bearing, was from related parties to Fushun Yongmao for the purpose of increasing the working capital of the Group. This is included as part of "Amounts owing to/advances from related parties" under current liabilities in the balance sheet.
- RMB1.5 million (31 March 2018 – RMB4.7 million), which was non-interest bearing, was from a director of the Company to Fushun Yongmao for the purpose of increasing the working capital of the Group. This is included as part of "Trade and other payables" under current liabilities in the balance sheet.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group (Fourth Quarter) | | Group (Full Year) | |
|---|------------------------|-----------------------------|-------------------|-----------------------------|
| | RMB'000 | | RMB'000 | |
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | 31 Mar 2019 | 31 Mar 2018 | 31 Mar 2019 | 31 Mar 2018 |
| | (Q4 FY2019) | (Q4 FY2018) | (FY2019) | (FY2018) |
| | | <i>Restated¹</i> | | <i>Restated¹</i> |
| Cash flows from operating activities | | | | |
| Profit before taxation | 38,685 | 1,510 | 76,038 | 36,570 |
| Adjustments for: | | | | |
| Amortisation of deferred capital grants | (57) | (57) | (229) | (228) |
| Amortisation of intangible assets | - | - | - | 50 |
| Depreciation of property, plant and equipment | 13,702 | 13,971 | 54,006 | 54,131 |
| Loss/(Gain) on disposal of property, plant and equipment | - | - | 29 | (175) |
| Provision for loss on disposal of property, plant and equipment | - | 568 | - | 568 |
| Property, plant and equipment written off | - | 97 | 1 | 98 |
| (Reversal of write-down)/Write-down of inventory | (68) | - | 4,443 | - |
| Interest expense | 5,034 | 3,650 | 18,520 | 16,107 |
| Interest income | (1,143) | (143) | (1,159) | (1,026) |
| Exchange translation difference | (115) | (554) | 343 | (2,558) |
| Operating profit before working capital changes | 56,038 | 19,042 | 151,992 | 103,537 |
| Decrease/(Increase) in inventories ² | 12,909 | (22,575) | (72,490) | (24,707) |
| Increase in operating receivables | (50,304) | (27,527) | (79,407) | (91,429) |
| Increase in operating payables | 55,817 | 25,057 | 135,449 | 13,507 |
| Cash generated from/(used in) operations | 74,460 | (6,003) | 135,544 | 908 |
| Interest paid | (6,841) | (6,767) | (17,182) | (19,440) |
| Tax paid | (3,562) | (3,591) | (9,843) | (5,873) |
| Net cash generated from/(used in) operating activities | 64,057 | (16,361) | 108,519 | (24,405) |
| Cash flows from investing activities | | | | |
| Acquisition of property, plant and equipment | (7,887) | (1,412) | (17,240) | (5,908) |
| Proceeds from disposal of property, plant and equipment | - | - | 2,621 | 202 |
| (Repayment to)/Receipt from corporate shareholder of a subsidiary | (179) | - | (477) | 10 |
| Interest received | 1,143 | 143 | 1,159 | 1,514 |
| Net cash used in investing activities | (6,923) | (1,269) | (13,937) | (4,182) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | 69,704 | 142,012 | 311,955 | 375,500 |
| Repayment of borrowings | (78,111) | (86,675) | (315,032) | (329,934) |
| Repayment of finance lease liabilities | (6,338) | (8,062) | (16,858) | (26,483) |
| Restricted bank balances | 2,594 | (14,000) | (3,142) | 27,855 |
| Repayment to related parties | (3,074) | (170) | (6,359) | (1,780) |
| (Repayment to)/Advances from a director | - | (1,900) | (3,213) | 1,600 |
| Dividends paid to equity holders of the Company | - | - | (4,333) | (4,370) |
| Net cash (used in)/generated from financing activities | (15,225) | 31,205 | (36,982) | 42,388 |
| Net increase in cash and cash equivalents | 41,909 | 13,575 | 57,600 | 13,801 |
| Cash and cash equivalents at beginning of period/year | 82,312 | 52,682 | 65,307 | 53,938 |
| Exchange adjustments | (372) | (950) | 942 | (2,432) |
| Cash and cash equivalents at end of period/year | 123,849 | 65,307 | 123,849 | 65,307 |

Note:

- The Q4 FY2018 and Full Year FY2018 comparative figures have been restated to take into account the retrospective adjustment arising from the adoption of SFRS(I) 15 – Revenue Contracts With Customers as detailed in Paragraph 5 of this announcement.
- Included in increase in inventories for Q4 FY2019 of RMB4.2 million (Q4 FY2018: RMB18.2 million) and FY2019 of RMB56.9 million (FY2018: RMB62.1 million) respectively, were towercranes and towercrane components and accessories that were self-constructed which were held for rental purposes and have been presented under operating activities in accordance with SFRS(I) 1-7 Statement of Cash Flows.

| | Group | |
|--|-------------|-------------|
| | RMB'000 | RMB'000 |
| | 31 Mar 2019 | 31 Mar 2018 |
| Analysis of cash and cash equivalents | | |
| Cash on hand | 89 | 103 |
| Bank balances | 193,562 | 131,864 |
| | 193,651 | 131,967 |
| Restricted bank balances | (69,802) | (66,660) |
| | 123,849 | 65,307 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Group | Share capital | Merger reserve | Statutory common reserve | Fair value reserve | Retained earnings | Exchange fluctuation reserve | Total attributable to equity holders of the Company | Non-controlling interests | Total equity |
|---|----------------|-----------------|--------------------------|--------------------|-------------------|------------------------------|---|---------------------------|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Current year: | | | | | | | | | |
| Balance as at 1 Apr 2018 | 312,484 | (26,769) | 60,326 | 9,452 | 266,111 | (836) | 620,768 | 56,617 | 677,385 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2018 | - | - | - | - | 11,613 | - | 11,613 | - | 11,613 |
| As Restated at 1 Apr 2018 | 312,484 | (26,769) | 60,326 | 9,452 | 277,724 | (836) | 632,381 | 56,617 | 688,998 |
| Total comprehensive income for the period | - | - | - | - | 31,034 | 7,580 | 38,614 | 2,645 | 41,259 |
| Transfer to statutory common reserve | - | - | 7,601 | - | (7,601) | - | - | - | - |
| Dividends | - | - | - | - | (4,333) | - | (4,333) | - | (4,333) |
| Balance as at 31 Dec 2018 | 312,484 | (26,769) | 67,927 | 9,452 | 296,824 | 6,744 | 666,662 | 59,262 | 725,924 |
| Total comprehensive income/(expense) for the period | - | - | - | 30,718 | 30,419 | (2,257) | 58,880 | (2,261) | 56,619 |
| Transfer to statutory common reserve | - | - | (2,357) | - | 2,357 | - | - | - | - |
| Balance as at 31 Mar 2019 | 312,484 | (26,769) | 65,570 | 40,170 | 329,600 | 4,487 | 725,542 | 57,001 | 782,543 |

| Group | Share capital | Merger reserve | Statutory common reserve | Fair value reserve | Retained earnings | Exchange fluctuation reserve | Total attributable to equity holders of the Company | Non-controlling interests | Total equity |
|--|---------------|----------------|--------------------------|--------------------|-------------------|------------------------------|---|---------------------------|--------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Current year: | | | | | | | | | |
| Balance as at 1 Apr 2017 | 312,484 | (26,769) | 59,251 | 14,392 | 250,948 | 6,740 | 617,046 | 60,499 | 677,545 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2017 | - | - | - | - | 4,593 | - | 4,593 | - | 4,593 |
| As Restated at 1 Apr 2017 | 312,484 | (26,769) | 59,251 | 14,392 | 255,541 | 6,740 | 621,639 | 60,499 | 682,138 |
| Total comprehensive income/(expense) for the period | - | - | - | - | 22,858 | (4,638) | 18,220 | (963) | 17,257 |
| Transfer to statutory common reserve | - | - | 2,187 | - | (2,187) | - | - | - | - |
| Dividends | - | - | - | - | (4,370) | - | (4,370) | - | (4,370) |
| Balance as at 31 Dec 2017 | 312,484 | (26,769) | 61,438 | 14,392 | 267,249 | 2,102 | 630,896 | 59,536 | 690,432 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 31 Dec 2017 | - | - | - | - | 8,449 | - | 8,449 | - | 8,449 |
| As Restated at 31 Dec 2017 | 312,484 | (26,769) | 61,438 | 14,392 | 275,698 | 2,102 | 639,345 | 59,536 | 698,881 |
| Total comprehensive income/(expense) for the period | - | - | - | (4,940) | (2,250) | (2,938) | (10,128) | (2,919) | (13,047) |
| Transfer to statutory common reserve | - | - | (1,112) | - | 1,112 | - | - | - | - |
| Balance as at 31 Mar 2018 | 312,484 | (26,769) | 60,326 | 9,452 | 266,111 | (836) | 620,768 | 56,617 | 677,385 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 31 Mar 2018 | - | - | - | - | 11,613 | - | 11,613 | - | 11,613 |
| As Restated at 31 Mar 2018 | 312,484 | (26,769) | 60,326 | 9,452 | 277,724 | (836) | 632,381 | 56,617 | 688,998 |

| 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 2018 | 312,484 | 9,452 | 133,732 | 455,668 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2018 | - | - | (611) | (611) |
| As restated at 1 April 2018 | 312,484 | 9,452 | 133,121 | 455,057 |
| Total comprehensive expense for the period | - | - | 8,323 | 8,323 |
| Dividends | - | - | (4,333) | (4,333) |
| Balance as at 31 Dec 2018 | 312,484 | 9,452 | 137,111 | 459,047 |
| Total comprehensive income for the period | - | 30,718 | (4,665) | 26,053 |
| Balance as at 31 Mar 2019 | 312,484 | 40,170 | 132,446 | 485,100 |

| Company | Share capital RMB'000 | Fair value reserve RMB'000 | Retained earnings RMB'000 | Total equity RMB'000 |
|--|--------------------------|-------------------------------|------------------------------|-------------------------|
| Previous year: | | | | |
| Balance as at 1 Apr 2017 | 312,484 | 14,392 | 144,202 | 471,078 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 1 Apr 2017 | - | - | (242) | (242) |
| As restated at 1 April 2017 | 312,484 | 14,392 | 143,960 | 470,836 |
| Total comprehensive expense for the period | - | - | (4,608) | (4,608) |
| Dividends | - | - | (4,370) | (4,370) |
| Balance as at 31 Dec 2017 | 312,484 | 14,392 | 136,507 | 463,383 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 31 Dec 2017 | - | - | (445) | (445) |
| As restated at 31 Dec 2017 | 312,484 | 14,392 | 134,779 | 461,655 |
| Total comprehensive expense for the period | - | (4,940) | (1,492) | (6,432) |
| Balance as at 31 Mar 2018 | 312,484 | 9,452 | 133,732 | 455,668 |
| Impact of adoption of SFRS(I) 15 on previously reported reserves as at 31 Mar 2018 | - | - | (611) | (611) |
| As restated at 31 Mar 2018 | 312,484 | 9,452 | 133,121 | 455,057 |

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose in Q4 FY2019 or Q4 FY2018.

There was no outstanding convertible, treasury share or subsidiary holdings as at 31 March 2019 (31 March 2018 – Nil).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Total number of issued shares (excluding treasury shares) | 88,749,997 | 88,749,997 |

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There was no sale, transfer, cancellation and/or use of treasury shares as at 31 March 2019 (31 March 2018 – Nil).

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There was no sale, transfer, cancellation and/or use of subsidiary holdings as at 31 March 2019 (31 March 2018 – Nil).

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

The figures have not been audited or reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have adopted the same accounting policies and method of computation as the audited financial statements for the financial year ended 31 March 2018.

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

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Adoption of SFRS(I) 15

SFRS(I) 15 Revenue Contracts with Customers

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

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

The standard clarify how to:

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

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

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

Summary of financial impact

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

Group statement of profit or loss and other comprehensive income for the financial period fourth quarter FY2018 and full year FY2018.

| | Group (Fourth Quarter FY2018) | | | Group (Full Year FY2018) | | |
|--|--------------------------------------|---------------------------|--------------------|------------------------------------|---------------------------|--------------------|
| | 3 months ended 31 Mar 2018 | | | full year ended 31 Mar 2018 | | |
| | As previously reported | Adoption of FRS115 | As restated | As previously reported | Adoption of FRS115 | As restated |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Revenue | 161,434 | 12,335 | 173,769 | 626,532 | 27,003 | 653,535 |
| Cost of sales | (121,715) | (8,418) | (130,133) | (445,732) | (18,310) | (464,042) |
| Taxation | (1,021) | (753) | (1,774) | (6,490) | (1,673) | (8,163) |
| Impact to net profit for the period/year | | 3,164 | | 7,020 | | |

Statement of financial position as at 31 March 2018.

The Group and the Company

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

Statement of cash flows for the Group for the financial period third quarter FY2018 and 9-months FY2018.

| | Group (Fourth Quarter FY2018) | | | Group (Full Year FY2018) | | |
|---|-------------------------------|------------------------|-------------|-----------------------------|------------------------|-------------|
| | 3 months ended 31 Mar 2018 | | | 12 months ended 31 Mar 2018 | | |
| | As previously reported | Adoption of SFRS(I) 15 | As restated | As previously reported | Adoption of SFRS(I) 15 | As restated |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Cash flows from operating activities | | | | | | |
| Profit before taxation | (2,407) | 3,917 | 1,510 | 27,877 | 8,693 | 36,570 |
| Increase in deferred costs | (8,418) | 8,418 | - | (18,311) | 18,311 | - |
| Increase in deferred income | 12,335 | (12,335) | - | 27,004 | (27,004) | - |

Adoption of SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group's existing hedges that are designated in effective hedging relationship continue to qualify for hedge accounting under SFRS(I) 9. The Group's trade receivables are subjected to the expected credit loss impairment model under SFRS(I) 9.

The Group has elected, at initial adoption, to present in other comprehensive income changes in the fair value of all its equity investments previously classified as Available-for-sale financial assets and Financial assets at fair value through profit or loss as these equity investments are held as long-term investment. These equity investments are now classified as financial assets at fair value through other comprehensive income ("FVOCI").

The impact on the Group's financial statements arising from the adoption of SFRS(I) 9 is as follows:

| | As at 1 Apr 2018 reported under SFRS (I) RMB'000 | As at 31 Mar 2018 reported under SFRS RMB'000 |
|-------------------------------------|--|---|
| Financial assets, at FVOCI | 88,127 | - |
| Available-for-sale financial assets | - | 88,127 |

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

| | Group (Fourth Quarter) | | Group (Full Year) | |
|---|------------------------|-----------------|-------------------|-----------------|
| | RMB'000 | | RMB'000 | |
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | 31 Mar 2019 | 31 Mar 2018 | 31 Mar 2019 | 31 Mar 2018 |
| | (Q4 FY2019) | (Q4 FY2018) | (FY2019) | (FY2018) |
| | | <i>Restated</i> | | <i>Restated</i> |
| Earnings of the Group, after deducting any provision for preference dividends (in RMB'000): | 30,419 | 914 | 61,453 | 27,628 |
| 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 | 34.27 | 1.03 | 69.24 | 31.13 |
| (b) On a fully diluted basis | 34.27 | 1.03 | 69.24 | 31.13 |

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

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

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

| | Group | | Company | |
|--|-------------|-----------------|-------------|-----------------|
| | 31 Mar 2019 | 31 Mar 2018 | 31 Mar 2019 | 31 Mar 2018 |
| | | <i>Restated</i> | | <i>Restated</i> |
| Net asset value per ordinary share (RMB cents) | 817.51 | 712.54 | 546.59 | 512.74 |

Net asset value per share for the Group and the Company for 31 March 2019 and 31 March 2018 has been computed based on shareholders' equity as at the respective dates and the number of shares of 88,749,997 ordinary shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF INCOME STATEMENT OF THE GROUP

Fourth Quarter FY2019 ("Q4 FY2019") vs Fourth Quarter FY2018 ("Q4 FY2018")

Revenue

Group revenue increased by 51.9% to RMB263.9 million in Q4 FY2019 as compared to RMB173.8 million in Q4 FY2018. The increase in revenue was mainly from higher sales of towercranes by RM105.7 million from RMB116.2 million in Q4 FY2018 to RMB221.9 million in Q4 FY2019. It was mainly driven by the demand for large and mega size towercranes in Singapore and the demand for medium size towercranes in the PRC amidst adoption of the Prefabricated Prefinished Volumetric Construction "PPVC" method and the prefabricated construction method respectively. A unit of our latest mega size model, the STT3930 was sold in Q4 FY2019 in the PRC. It is one of the largest Topless towercranes in the world.

Sales of components slightly increased by RMB5.8 million. The increase in revenue was partly offset by lower rental and service income by RMB21.5 million mainly. Decrease in rental & service income was mainly due to decrease in Hong Kong and Macau operations as a result of weaker demand. Rental in the PRC was also lower due to sales of certain leased towercranes to customers.

All sales region except for the USA & Europe reported a higher revenue in Q4 FY2019 as compared to Q4 FY2018. Revenue in the PRC also increased 71.6% from RMB74.2 million in Q4 FY2018 to RMB127.3 million in Q4 FY2019 resulted mainly from higher demands in medium size towercranes and sales of leased towercranes in Q4 FY2018. Asia (outside the PRC) has increased by 55.9% to RMB107.3 million mainly due to increase demand for higher lifting capacity towercranes in adoption of Prefabricated Pre-finished Volumetric Construction (PPVC) method. Revenue in Middle East & Others has also slightly up by RMB2.0 million. The increase was slightly offset by the decrease in the USA & Europe which was down by RMB3.5 million.

Overall, the PRC and Asia (outside the PRC) sales contributed to 48.3% and 40.7% respectively of the Group revenue in Q4 FY2019.

Gross profit and gross profit margin

In line with increase in revenue, gross profit increased by 76.2% to RMB76.9 million in Q4 FY2019 from RMB43.6 million in Q4 FY2018.

Average gross profit margin increased to 29.1% in Q4 FY2019 from 25.1% in Q4 FY2018 which also explained the higher gross margin. The increase was attributable to sales of more large and mega sized towercranes of higher lifting capacity which generates higher margin.

Other income

Other income increased by RMB2.8 million to RMB3.7 million in Q4 FY2019 as compared to RMB0.9 million in Q4 FY2018 was mainly due to interest income of RMB1.0 million, sub-rental of premises income from Hong Kong of RMB0.7 million, government grant of RMB1.2 million and compensation income from customers by court orders. Interest income mainly derived from deposit placed to secure trade facility.

Operating expenses

Total operating expenses slightly decreased by 2.7% to RMB41.9 million in Q4 FY2019 as compared to RMB43.1 million in Q4 FY2018.

Distribution costs decreased slightly by 2.9% to RMB16.2 million in Q4 FY2019 as compared to RMB16.6 million in Q4 FY2018 mainly due to lower freight and transportation, offset by higher staff cost and higher premises rental in Hong Kong. Transportation and freight cost decreased despite higher sales, which is explained by a reversal of over accruals in previous quarter and lower transportation cost on rental fleets. Higher staff cost as higher staff commission which is in line with higher sales. Bigger space area with higher rental expenses incurred for the new Hong Kong yard, which the Company is subletting partially. The corresponding rental income is recorded under "Other income".

Administrative expenses decreased 5.7% to RMB22.7 million in Q4 FY2019 as compared to RMB24.1 million in Q4 FY2018 mainly due to lower transportation cost and lower depreciation, partly offset by higher staff cost and bonus provision. Higher transportation cost was incurred in Q4 FY2018 for the shifting of Hong Kong office and warehouse. Higher staff costs mainly due to increase in average salary whilst higher bonus is in line with higher profit.

Other operating expenses reported a credit balance of RMB2.0 million in Q4 FY2019 from a credit balance of RMB1.3 million in Q4 FY2018. The credit balance for both period was due mainly from a reversal of impairment for trade receivables of RMB3.7 million and RMB4.4 million respectively as a result of debts recovery. The reversal for impairment of trade receivables of RMB3.7 million mainly pertains to:

- a) RMB1.5 million recovered by recalling two units of towercranes;
- b) RMB3.0 million collections from customers previously provided for in FY2018; offset by
- c) RMB0.8 million provision for the year in Hong Kong Group.

The decrease was also due to lower exchange loss of RMB1.1 million and one off provision made for loss on disposal of property, plant and equipment in conjunction with the shifting of the Group's Hong Kong office and warehouse in Q4 FY2018 of RMB0.6 million, offset by higher bank charges of RMB0.4 million.

The exchange loss arose mainly from:

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

Finance costs increased 37.9% to RMB5.0 million in Q4 FY2019 as compared to RMB3.7 million in Q4 FY2018 due mainly to higher average borrowings, higher effective interest rate and discounting charges on early realization of letter of credit from customers.

Taxation

Income tax expense increased to RMB9.3 million in Q4 FY2019 as compared to RMB1.8 million in Q4 FY2018 is in line with higher profit for the financial period.

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

The Group recorded a profit before taxation of RMB38.7 million in Q4 FY2019 as compared to RMB1.5 million in Q4 FY2018 was mainly due to higher gross profit from higher revenue.

Net profit attributable to equity holders of the Company increased to RMB30.4 million in Q4 FY2019 from RMB0.9 million in Q4 FY2018. This was mainly due to higher profit before taxation, offset by tax expense.

FY2019 vs FY2018

Revenue

Group revenue increased by 35.5% to RMB885.4 million in FY2019 as compared to RMB653.5 million in FY2018. The increase in revenue was mainly from higher sales of towercranes by RM254.5 million from RMB444.0 million in FY2018 to RMB698.5 million in FY2019. It was mainly driven by the demand for large and mega size towercranes in Singapore and the demand for medium size towercranes in the PRC amidst adoption of the Prefabricated Prefinished Volumetric Construction "PPVC" method and the prefabricated construction method respectively. Sales to Middle East had also increased with more units being delivered. A unit of our latest mega size model, the STT3930 was sold in Q4 FY2019 in the PRC. It is one of the largest Topless towercranes in the world.

The increase in revenue from sales of towercranes was partially offset by lower rental & service income and sales of components of RM22.0 million and RMB0.7 million respectively in FY2019 as compared to FY2018. Decrease in rental & service income was mainly due to a slow down in Hong Kong and Macau operations. Rental income in the PRC was also lower due to sales of certain leased towercranes to customers.

All sales region except for the USA & Europe reported a higher revenue in FY2019 as compared to FY2018. Revenue in the PRC increased 45.1% from RMB303.6 million in FY2018 to RMB440.6 million in FY2019 resulted mainly from higher demands in medium size towercranes. Revenue in Asia (outside the PRC) also increased by 33.3% to RMB333.2 million mainly due to increase demand for higher lifting capacity towercranes in adoption of Prefabricated Pre-finished Volumetric Construction (PPVC) method. Revenue in Middle East & Others has also up by RMB26.8 million. The increase was offset by the decrease in the USA & Europe which was down by RMB15.1 million.

Overall, the PRC and Asia (outside the PRC) sales contributed to 49.8% and 37.6% respectively of the Group revenue in FY2019.

Gross profit and gross profit margin

Gross profit increased 26.0% to RMB238.7 million in FY2019 from RMB189.5 million in FY2018. The increase was due to higher revenue.

However, average gross profit margin decreased to 27.0% in FY2019 from 29.0% in FY2018 amidst keen price competition from sales of towercranes, coupled with higher steel material cost. Despite higher proportion of big and mega size towercranes which generate higher margin were being sold during the year, average margin remains lower.

Margin of service and rental income from Hong Kong operations was also lower resulted from keen price competition as a result of low market demand.

A provision for inventory obsolescence for certain components and accessories of RMB4.4 million was made in FY2019 as part of the Group's products rationalization exercise to discontinue certain towercranes model with low market demand which had also lower the average gross margin.

Other income

Other income increased by RMB5.8 million to RMB9.1 million in FY2019 as compared to RMB3.3 million in FY2018 was mainly due to higher rental income of RMB3.3 million, government grant of RMB1.9 million and higher compensation income of RMB1.0 million. The rental income in FY2019 pertains to sub-rental of Hong Kong. Compensation income for the year refer to compensation from sub-contractors resulted from non-conformance in quality for goods delivered of RMB0.6 million and compensation income from customers by court orders of RMB0.4 million. Interest income mainly derived from deposit placed to secure trade facility.

Operating expenses

Total operating expenses increased 9.9% to RMB171.7 million in FY2019 as compared to RMB156.3 million in FY2018.

Distribution costs increased 28.9% to RMB69.9 million in FY2019 as compared to RMB54.2 million in FY2018 mainly due to higher freight and transportation, higher staff cost and higher premises rental in Hong Kong. Transportation and freight cost increased is in line with higher sales. Higher staff cost as higher staff commission which is in line with higher sales. Higher premises rental in Hong Kong incurred arising from the double rental cost both for new and old warehouse and office during the transitional period of relocation in first quarter of the financial year. It is also due to bigger space area for the new Hong Kong yard, which the Company is subletting partially. The corresponding rental income is recorded under "Other income".

Administrative expenses increased 5.6% to RMB89.0 million in FY2019 as compared to RMB84.2 million in FY2018 largely due to higher staff cost and bonus provision and higher office expenses. The increase was partly offset by lower depreciation. Higher staff costs mainly due to increase in average salary whilst higher bonus is in line with higher profit.

Other operating expenses reported a credit balance of RMB5.6 million in FY2019 from a debit balance of RMB1.8 million in FY2018. The credit balance in FY2019 was mainly from reversal of impairment for trade receivables of RMB3.7 million and exchange gain of RMB3.3 million offset by bank charges of RMB1.2 million. The difference was mainly due to exchange gain of RMB3.3 million in FY2019 whilst it reported an exchange loss of RMB4.3 million in FY2018.

The reversal for impairment of trade receivables of RMB3.7 mainly pertains to:

- a) RMB1.5 million recovered by recalling two units of towercranes;
- b) RMB3.0 million collections from customers previously provided for in FY2018; offset by
- c) RMB0.8 million provision for the year in Hong Kong Group.

The exchange gain arose mainly from:

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

Finance costs increased 15.0% to RMB18.5 million in FY2019 as compared to RMB16.1 million in FY2018 due mainly to higher effective interest rate and discounting charges on early realization of letter of credit from customers.

Taxation

Income tax expense increased to RMB17.2 million in FY2019 as compared to RMB8.2 million in FY2018 is in line with higher profit for the financial year.

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

The Group recorded a profit before taxation of RMB76.0 million in FY2019 as compared to RMB36.6 million in FY2018 was mainly due to higher gross profit from higher revenue, partly offset by higher operating expenses.

Net profit attributable to equity holders of the Company increased to RMB61.5 million in FY2019 from RMB27.6 million in FY2018. This was mainly due to profit before taxation, offset by tax expense.

REVIEW OF FINANCIAL POSITION OF THE GROUP

Non-current Assets

Non-current assets increased by RMB36.0 million to RMB563.3 million as at 31 March 2019 arises from net additions in property, plant and equipment mainly due to higher financial assets, FVOCI and higher deferred tax assets. Fair value gains of RMB30.7 million on the financial assets, FVOCI was recognised as at 31 March 2019.

Deferred tax assets also increased by RMB4.3 million. Deferred tax assets arose mainly from provisions and elimination of unrealised profits in intragroup sales.

Current Assets

Current assets increased by RMB180.9 million to RMB1,099.9 million as at 31 March 2019 mainly due to higher inventory, higher trade and other receivables, higher cash and cash equivalent and higher amount owing by related parties.

Trade and other receivables increased by RMB62.3 million to RMB455.0 million as at 31 March 2019. The increase is in line with increase in sales.

Inventories increased by RMB36.3 million to RMB358.6 million as at 31 March 2019 as compared to RMB322.3 million as at 31 March 2018 for delivery due in the first quarter FY2020. Increase in inventory level is in line with increase in sales.

Amount owing by related parties increased by RMB18.0 million to RMB89.2 million as at 31 March 2019 due to higher sales over repayments from related parties.

Non-current Liabilities

Non-current liabilities decreased by RMB1.3 million to RMB51.3 million as at 31 March 2019 as compared to RMB52.6 million as at 31 March 2018. The decrease is mainly from lower trade and other payables of RMB1.8 million, offset by higher deferred tax liabilities increased by RMB1.0 million.

Current Liabilities

Current liabilities increased by RMB124.6 million to RMB829.3 million as at 31 March 2019 as compared to RMB704.7 million as at 31 March 2018 mainly due to increase in trade and other payables, amount owing to a corporate shareholder of a subsidiary and higher tax payable. The increase was partly offset by lower borrowings and lower amount owing to related parties.

Trade and other payables increased by RMB130.4 million mainly due to higher bills payables of RMB59.9 million and higher advances from customers of RMB59.1 million. Increase in bills payables is in line with increase in purchases made during the financial period.

Amount owing to a corporate shareholder of a subsidiary increased by RMB4.5 million due to higher transactions over repayments during the period.

Amount owing to related parties was for the purpose of increasing the working capital of the Group.

Total Equity

As at 31 March 2019, the Group's total equity amounted to RMB783.0 million, increased from RMB689.0 as at 31 March 2018. The increase was mainly due to total comprehensive income of RMB98.3 million for FY2019, partly offset by dividend paid during the year.

REVIEW OF CASH FLOW STATEMENT

Q4 FY2019 vs Q4 FY2018

The Group reported a net increase in cash and cash equivalents amounting to RMB41.9 million in Q4 FY2019 mainly due to:

- a) Net cash generated from operating activities in Q4 FY2019 of RMB64.1 million resulted mainly from operating profit before working capital changes, decrease in inventories and increase in operating payables, partly offset by increase in receivables and interest and taxes paid;
- b) Net cash used in investing activities of RMB6.9 million mainly from purchase of properties, machineries and office equipment during the period and repayment to corporate shareholder of a subsidiary, partly offset by interest received; and
- c) Net cash used in financing activities of RMB15.2 million mainly from net repayment of bank borrowings and finance lease creditors and repayment to related parties, partly offset by lower restricted bank balances.

FY2019 vs FY2018

The Group reported a net increase in cash and cash equivalents amounting to RMB57.6 million in FY2019 mainly due to:

- a) Net cash generated from operating activities FY2019 of RMB108.5 million resulted mainly from operating profit before working capital changes, increase in operating payables, partly offset by increase in operating receivables, increase in inventories, interest and taxes paid;
- b) Net cash used in investing activities of RMB13.9 million mainly from acquisition of properties, machineries and office equipment and repayment to corporate shareholder of a subsidiary. It was partly offset by interest received and the proceeds from disposal of property, plant and equipment in conjunction with the shifting of the Group's Hong Kong office and warehouse as well as proceeds from disposal of motor vehicle in other entities; and
- c) Net cash used in financing activities of RMB37.0 million mainly from net repayment of bank borrowings and finance lease creditors, higher restricted bank balances, repayment to related parties and a director and dividend paid to shareholders of the Company.

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

The Group's results was in line with the announcement released on SGX-ST on 17 May 2019.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

China GDP expanded 6.4% in annual terms in Q1 2019, matching Q4 2018 performance and surpassing the 6.3% expansion market analysts had penciled in. However, China's growth is projected to decelerate to 6.2 per cent in the year 2019, slightly below previous projections as a result of weaker exports amidst the country's trade war with the U.S. which puts pressure on growth. Trade tensions between the U.S. and China may also stall a global recovery and are continuing to endanger investment and growth.

China government also pumps up spending on infrastructure to boost economic growth to stave off the slowdown in the domestic economy and effect of trade war.

Apart from this, the construction sector in China is seeing an increase in the adoption of prefabricated construction method that will likely drive the demand of bigger size towercranes. Demand for towercranes in other overseas markets is mixed with markets such as Singapore, Taiwan and Middle East likely to see a better demand in the replacement market whereas market like Hong Kong remains challenging. However, the Group remains cautious in view of the keen price competition as well as the rising material and business cost.

The Group is consolidating its Beijing's manufacturing plant to Fushun as part of the Group's effort to streamline its operations and to improve overall management and cost efficiency. The relocation shall commence during July to September 2019. This is unlikely to have a significant impact to the financial statements.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Board of Directors is proposing a first and final dividend of Three (3) Singapore cent per ordinary share, for approval by shareholders at the forthcoming Annual General Meeting to be convened.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

The Board of Directors have proposed a first and final dividend of One (1) Singapore cent per ordinary share which was subsequently approved at the Annual General Meeting held on 23 July 2018.

(c) Date payable

To be advised at a later date.

(d) Books closure date

To be advised at a later date.

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

Not applicable.

13. If the Group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

| Name of Interested Person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 12 months ended 31 Mar 2019 (FY2019) RMB'000 | Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) 12 months ended 31 Mar 2019 (FY2019) RMB'000 |
|---|--|---|
| Sales to related parties | | |
| China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械租赁有限公司) | - | 4,552 |
| Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司) | - | 41,832 |
| Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司) | - | 4,503 |
| Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司) | 2,867 | - |
| Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司) | 1,945 | - |
| Purchases from related parties | | |
| Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司) | - | 3,038 |
| Fushun Yongmao Industry and Trade Co., Ltd (抚顺市永茂工贸发展有限公司) | - | 823 |
| Rental charged by a director | 809 | - |

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q4, Q4 or Half Year Results)

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Operating segments

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 operating segments:

| | | |
|---------------------|---|--|
| The PRC | : | Engaged predominantly in the manufacture and sale, with some rental and servicing of towercranes and towercrane components and accessories |
| Hong Kong and Macau | : | Engaged predominantly in the rental and servicing, with some sale of towercranes and towercrane components and accessories |
| All other segments | : | Included corporate functions and the sale and servicing of towercranes and towercrane components and accessories in Singapore. |

| | The PRC RMB'000 | Hong Kong and Macau RMB'000 | All other segments RMB'000 | Total RMB'000 |
|--|--------------------|-----------------------------------|----------------------------------|------------------|
| 2019 | | | | |
| Sales | | | | |
| Total segment sales | 974,979 | 111,839 | 211,118 | 1,297,936 |
| Inter-segment sales | (422,392) | 9,869 | - | (412,523) |
| Sales to external parties | 552,587 | 121,708 | 211,118 | 885,413 |
| Reportable segment profit before income tax | 42,708 | 8,433 | 24,897 | 76,038 |

| | | | | |
|--|-----------|---------|---------|-----------|
| 2018 - Restated | | | | |
| Sales | | | | |
| Total segment sales | 675,176 | 113,902 | 136,316 | 925,394 |
| Inter-segment sales | (291,395) | 19,536 | - | (271,859) |
| Sales to external parties | 383,781 | 133,438 | 136,316 | 653,535 |
| Reportable segment profit before income tax | 23,142 | 9,320 | 4,108 | 36,570 |

Revenue information based on geographical location of customers is as follows:

| Revenue | PRC RMB'000 | Asia (outside the PRC) RMB'000 | USA & Europe RMB'000 | Middle East & Others RMB'000 | Consolidated RMB'000 |
|--------------------------|----------------|---|-------------------------|------------------------------------|-------------------------|
| FY2019 | | | | | |
| - Q4 | 127,319 | 107,318 | 3,066 | 26,167 | 263,870 |
| - Full Year | 440,599 | 333,180 | 11,862 | 99,772 | 885,413 |
| FY2018 - Restated | | | | | |
| - Q4 | 74,210 | 68,857 | 6,539 | 24,163 | 173,769 |
| - Full Year | 303,573 | 250,006 | 26,946 | 73,010 | 653,535 |

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

See Paragraph 8.

16. A breakdown of sales and profit after taxation

| | Group | | % |
|------------------------------|---------|-----------------|-------------------------|
| | RMB'000 | | |
| | FY2019 | FY2018 | Increase/ (Decrease) |
| Revenue | | <i>Restated</i> | |
| - First Half | 388,009 | 335,233 | 35.4 |
| - Second Half | 497,404 | 318,302 | 56.3 |
| Profit/(Loss) after taxation | | | |
| - First Half | 17,921 | 24,203 | (26.0) |
| - Second Half | 40,885 | 4,204 | 880.6 |

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

| | Latest Full Year (S\$) | Previous Full Year (S\$) |
|---------------------------|---------------------------|-----------------------------|
| Ordinary – proposed final | 2,662,500 | 887,500 |

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

| 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 | 63 | 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 | 63 | 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 | 37 | 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 ¹ | 61 | Brother-in-law of Sun Zhao Lin and brother of Tian Ruo Nan | Purchasing Manager, 2001 | N.A. |
| Tian Hao | 38 | 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. |

Note:

1. Mr Tian Cheng Tian retired on 8 May 2019 per announcement released on SGX-ST on 8 May 2019.

19. Confirmation of Undertakings of Directors and Executive Officers Pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
27 May 2019