

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

Condensed interim financial statements
For the six months ended 30 September 2022

A. Condensed interim consolidated statement of profit or loss and other comprehensive income for the six months period ended 30 September 2022

	Note	Group (First Half)		
		RMB'000		%
		6 months ended 30 Sep 2022 (1H FY2023)	6 months ended 30 Sep 2021 (1H FY2022)	Increase/ (Decrease)
Revenue	5	513,232	631,372	(18.7)
Cost of sales		(365,236)	(456,481)	(20.0)
Gross profit		147,996	174,891	(15.4)
Other income		6,524	4,426	47.4
Distribution costs		(56,962)	(65,945)	(13.6)
Administrative expenses		(41,725)	(38,573)	8.2
Other operating expenses		3,264	(7,003)	NM
Finance costs		(7,954)	(8,227)	(3.3)
Shares of profit of associate company		(616)	-	NM
Total operating expenses		(103,993)	(119,748)	(13.2)
Profit before taxation	6	50,527	59,569	(15.2)
Taxation	7	(8,667)	(11,646)	(25.6)
Net profit for the period		41,860	47,923	(12.7)
Other comprehensive income/(expense):				
Item that <u>may be</u> reclassified subsequently to profit or loss:				
Exchange translation difference		15,300	(2,527)	NM
Item that <u>cannot be</u> reclassified subsequently to profit or loss				
Fair value gain/(loss) on financial assets, FVOCI ²		2,609	(13,606)	NM
Exchange translation difference		7,931	(865)	NM
Other comprehensive income/(expense)		25,840	(16,998)	NM
Total comprehensive income for the period		67,700	30,925	118.9
Profit attributable to:				
Equity holders of the Company		38,335	44,503	(13.9)
Non-controlling interests		3,525	3,420	3.1
Net profit for the period		41,860	47,923	(12.7)
Total comprehensive income attributable to:				
Equity holders of the Company		56,244	28,370	98.3
Non-controlling interests		11,456	2,555	348.4
Total comprehensive income for the period		67,700	30,925	118.9
Earnings per share for profit for the period attributable to the equity holders of the Company:				
Basic (RMB in cent)	8	43.19	50.14	(13.9)
Diluted (RMB in cent)	8	43.19	50.14	(13.9)

NM: Not Meaningful

B. Condensed interim statements of financial position as at 30 September 2022

	Note	Group		Company	
		30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current					
Property, plant and equipment	10	558,571	526,733	-	-
Subsidiaries		-	-	344,363	344,363
Associated company	11	218	834	-	-
Financial assets, at FVOCI	12	88,702	86,093	88,702	86,093
Deferred tax assets		29,681	28,188	-	-
		<u>677,172</u>	<u>641,848</u>	<u>433,065</u>	<u>430,456</u>
Current					
Inventories		409,629	376,139	-	-
Trade and other receivables		572,438	613,527	173	205
Amounts owing by subsidiaries		-	-	27,475	33,691
Amounts owing by related parties		40,163	27,576	-	-
Cash and cash equivalents	13	294,268	198,490	5,340	1,812
		<u>1,316,498</u>	<u>1,215,732</u>	<u>32,988</u>	<u>35,708</u>
TOTAL ASSETS		<u>1,993,670</u>	<u>1,857,580</u>	<u>466,053</u>	<u>466,164</u>
EQUITY					
Capital and Reserves					
Share capital	14	312,484	312,484	312,484	312,484
Reserves		565,412	513,485	151,122	148,638
Equity attributable to equity holders of the Company		<u>877,896</u>	<u>825,969</u>	<u>463,606</u>	<u>461,122</u>
Non-controlling interests		75,628	64,172	-	-
TOTAL EQUITY		<u>953,524</u>	<u>890,141</u>	<u>463,606</u>	<u>461,122</u>
LIABILITIES					
Non-current					
Borrowings	15	6,615	10,519	-	-
Deferred capital grants		8,970	9,084	-	-
Deferred tax liabilities		39,656	36,683	-	9
Trade and other payables		11,398	12,468	-	-
		<u>66,639</u>	<u>68,754</u>	<u>-</u>	<u>9</u>
Current					
Trade and other payables		615,574	582,261	2,427	5,008
Borrowings	15	336,568	298,531	-	-
Deferred capital grants		229	229	-	-
Amounts owing to/advances from related parties		7,012	7,594	-	-
Amounts owing to shareholders of subsidiaries		1,767	1,579	-	-
Current tax payable		12,357	8,491	20	25
		<u>973,507</u>	<u>898,685</u>	<u>2,447</u>	<u>5,033</u>
TOTAL LIABILITIES		<u>1,040,146</u>	<u>967,439</u>	<u>2,447</u>	<u>5,042</u>
TOTAL EQUITY AND LIABILITIES		<u>1,993,670</u>	<u>1,857,580</u>	<u>466,053</u>	<u>466,164</u>

C. Condensed interim statement of changes in equity for the six months period ended 30 September 2022

Group	Share capital	Merger reserve	Statutory common reserve	Fair value reserve	Retained earnings	Exchange fluctuation reserve	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year:									
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
Current year:									
Balance as at 1 Apr 2021	312,484	(26,769)	78,632	29,396	406,961	1,830	802,534	57,209	859,743
Profit for the period	-	-	-	-	44,503	-	44,503	3,420	47,923
Other comprehensive expenses for the period	-	-	-	(13,606)	-	(2,527)	(16,133)	(865)	(16,998)
Total comprehensive income/(expenses) 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

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Current year:				
Balance as at 1 Apr 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

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
Current year:				
Balance as at 1 Apr 2021	312,484	29,396	141,804	483,684
Profit for the period	-	-	5,479	5,479
Other comprehensive expense for the period	-	(13,606)	-	(13,606)
Total comprehensive expense/(income) for the period	-	(13,606)	5,479	8,127
Dividends	-	-	(4,263)	(4,263)
Balance as at 30 Sep 2021	312,484	15,790	143,020	471,294

D. Condensed interim consolidated statement of cash flows for the six months period ended 30 September 2022

	Group (First Half)	
	RMB'000	
	6 months ended 30 Sep 2022 (1H FY2023)	6 months ended 30 Sep 2021 (1H FY2022)
Note		
Cash flows from operating activities		
Profit before taxation	50,527	59,569
Adjustments for :		
Share of results of associate company	616	-
Amortisation of deferred capital grants	(114)	(114)
Depreciation of property, plant and equipment	40,672	32,905
Gain on disposal of property, plant and equipment, net	-	(144)
Provision for impairment of property, plant and equipment	1,750	-
Property, plant and equipment written off	7	7
Allowance/(Reversal of allowance) for obsolete and slow moving inventory, net	1,962	(2,681)
Allowance for expected credit loss, net	7,027	4,594
Interest expense	7,954	8,227
Interest income	(539)	(147)
Exchange translation difference	822	(166)
Operating profit before working capital changes	110,684	102,050
Increase in inventories ¹	(74,606)	(15,543)
Decrease/(Increase) in operating receivables	36,096	(65,414)
Increase in operating payables	7,193	49,945
Cash generated from operations	79,367	71,038
Interest paid	(7,396)	(7,296)
Tax paid	(6,148)	(8,217)
Net cash generated from operating activities	65,823	55,525
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,389)	(18,047)
Proceeds from disposal of property, plant and equipment	2	1,576
Interest received	539	147
Net cash used in investing activities	(2,848)	(16,324)
Cash flows from financing activities		
Proceeds from borrowings	208,000	190,687
Repayment of borrowings	(189,335)	(129,357)
Repayment of hire purchase with financial institutions	(3,087)	(2,984)
Proceeds from finance lease	21,118	-
Repayment of principal portion of lease liabilities	(9,194)	(2,236)
Restricted bank balances	7,770	(10,822)
Repayment to a director	-	(10,000)
Dividends paid to equity holders of the company	(4,317)	(4,263)
Net cash generated from financing activities	30,955	31,025
Net increase in cash and cash equivalents	93,930	70,226
Cash and cash equivalents at beginning of period	153,472	66,285
Exchange adjustments	9,618	(837)
Cash and cash equivalents at end of period	13 257,020	135,674

Note:

- Included in increase in inventories for 1H FY2023 of RMB59.1 million (1H FY2022: RMB98.4 million) respectively, were tower cranes and tower crane components and accessories that were self-constructed which were held for rental purposes and have been presented under operating activities in accordance with SFRS(I) 1-7 Statement of Cash Flows.

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim consolidated financial statements as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the Group).

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

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 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
1H FY2023				
Sales				
Total segment sales	543,537	91,979	168,202	803,718
Inter-segment sales	(288,707)	91	(1,870)	(290,486)
Sales to external parties	<u>254,830</u>	<u>92,070</u>	<u>166,332</u>	<u>513,232</u>
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	230,728	3,658	144,739	379,125
Rental and service income	24,102	88,412	21,593	134,107
Total revenue	<u>254,830</u>	<u>92,070</u>	<u>166,332</u>	<u>513,232</u>
Results				
Interest income	455	-	84	539
Depreciation expense	14,965	22,191	3,516	40,672
Interest expense	5,932	1,613	409	7,954
Allowance for expected credit loss, net	7,027	-	-	7,027
Reportable segment profit before taxation	<u>2,177</u>	<u>14,349</u>	<u>34,001</u>	<u>50,527</u>
Additions to property, plant and equipment	<u>316</u>	<u>3,153</u>	<u>19</u>	<u>3,488</u>

4. Segment and revenue information (cont'd)

Segment results (cont'd)

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

Segment Assets and Liabilities

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
As at 30 September 2022				
Reportable segment assets	1,303,296	294,723	363,854	1,961,873
Reportable segment liabilities	721,038	100,152	166,943	988,133
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 (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2022 (1H FY2023)	6 months ended 30 Sep 2021 (1H FY2022)	Increase/ (Decrease)
Types of goods or services:			
Sale of manufactured tower cranes	330,125	477,993	(30.9)
Sale of tower cranes components and accessories	49,000	48,348	1.3
Service income	43,148	37,582	14.8
Revenue from contracts within customers - At a point in time	422,273	563,923	(25.1)
Rental income - over time	90,959	67,449	34.9
Total revenue	513,232	631,372	(18.7)
Geographical information:			
The PRC	210,077	364,527	(42.4)
Asia (outside of the PRC)	238,771	183,251	30.3
USA & Europe	678	45,065	(98.5)
Middle East & others	63,706	38,529	65.3
Total revenue	513,232	631,372	(18.7)

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

	Group (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2022 (1H FY2023)	6 months ended 30 Sep 2021 (1H FY2022)	Increase/ (Decrease)
Allowance for expected credit loss, net	7,027	4,594	53.0
Amortisation of deferred capital grants	(114)	(114)	-
Depreciation of property, plant and equipment	40,672	32,905	23.6
Exchange gain	(13,929)	(97)	14,259.8
Gain on disposal of property, plant and equipment, net	-	(144)	(100.0)
Government grant	(3,455)	(1,954)	76.8
Interest expense	7,954	8,227	(3.3)
Operating lease rentals	3,644	3,762	(3.1)
Provision for impairment of property, plant and equipment	1,750	-	NM
Provision/(Reversal of provision) for obsolete and slow-moving inventories, net	1,962	(2,681)	NM
Sub-contractor costs and costs of rental of tower cranes of tower cranes	70,366	61,483	14.4

7. Taxation

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

	Group (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2022 (1H FY2023)	6 months ended 30 Sep 2021 (1H FY2022)	Increase/ (Decrease)
Current income tax	7,187	14,467	(50.3)
Deferred income tax	1,480	(2,821)	NM
	8,667	11,646	(25.6)

8. Earnings per share

Basic earnings per share is calculated based on:

	Group (First Half)	
	RMB'000	
	6 months ended 30 Sep 2022 (1H FY2023)	6 months ended 30 Sep 2021 (1H FY2022)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	38,335	44,503
Weighted average no. of shares used in computation of basic earning per shares	88,749,997	88,749,997
Earnings per share (in cents RMB)		
(a) Based on weighted average number of ordinary shares on issue	43.19	50.14
(b) On a fully diluted basis	43.19	50.14

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

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

9. Net Asset Value

	Group		Company	
	30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
Net asset value per ordinary share (RMB cents)	989.18	930.67	522.37	519.57

Net asset value per share for the Group and the Company for 30 September 2022 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 six months ended 30 September 2022, the Group acquired assets amounting to RMB3.5 million (30 September 2021: RMB18.6 million) from third parties and self-constructed tower cranes and tower crane components and accessories held for rental purposes of RMB59.1 million (30 September 2021: RMB98.4 million).

The Group have disposed of assets including leased tower cranes amounting to RMB17.0 million (30 September 2021: RMB8.2 million).

A provision for impairment in property, plant and equipment of RMB1.8 million was provided for the six months ended 30 September 2022. The provision relates to the tower crane incident in Hong Kong. Please refer to para 4 on page 19 for more information.

11. Investment in associate company

	Group	
	30 Sep 2022	31 Mar 2022
Balance as at beginning of period/year	834	-
Investment in an associated during the financial year	-	1,240
Share of results of associated company for the period/year	(616)	(406)
Carrying value of interest in associates	218	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	
	30 Sep 2022	31 Mar 2022
The Company and The Group	RMB'000	RMB'000
Unquoted equity of investments		
Balance as at beginning of period/year	86,093	108,071
Fair value loss recognised in other comprehensive income, net of nil tax	2,609	(21,978)
Balance as at end of period/year	88,702	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	
	30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	117	112	-	-
Bank balances	290,802	196,878	5,340	1,812
Fixed deposit	3,349	1,500	-	-
	<u>294,268</u>	<u>198,490</u>	<u>5,340</u>	<u>1,812</u>
Restricted bank balances	(37,248)	(45,018)	-	-
Cash and cash equivalents per consolidated of cash flows	<u>257,020</u>	<u>153,472</u>	<u>5,340</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

	30 September 2022	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 half year ended 30 September 2022.

There was no outstanding convertible, treasury share or subsidiary holdings as at 30 September 2022

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the first half ended 30 September 2022.

15. Borrowings

	Group	
	30 Sep 2022	31 Mar 2022
	RMB'000	RMB'000
<u>Amount repayable after one year</u>		
Secured leased liabilities	3,403	4,729
Unsecured leased liabilities	3,212	5,790
	<u>6,615</u>	<u>10,519</u>
<u>Amount payable in one year or less, or on demand</u>		
Secured bank loans	73,000	96,155
Unsecured bank loans	198,000	156,169
	<u>271,000</u>	<u>252,324</u>
Secured leased liabilities	59,303	40,675
Unsecured leased liabilities	6,265	5,532
	<u>65,568</u>	<u>46,207</u>
	<u>336,568</u>	<u>298,531</u>

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

Bank loans of the Group are secured by way of certain bank deposits of RMB37.2 million and property, plant and equipment of RMB81.2 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 30 September 2022				
Assets				
Financial assets - FVOCI	-	-	88,702	88,702
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	
	30 Sep 2022	31 Mar 2022	30 Sep 2022	31 Mar 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI	88,702	86,093	88,702	86,093
Financial assets, at fair value	88,702	86,093	88,702	86,093
Trade and other receivables ¹	500,042	531,236	71	67
Amount owing by subsidiaries	-	-	27,475	33,691
Amount owing by related parties	40,163	27,576	-	-
Cash and cash equivalents	294,268	198,490	5,340	1,812
Financial assets, at amortised costs	834,473	757,302	32,886	35,570
Trade and other payables ²	457,613	425,278	2,427	5,008
Borrowings	343,183	309,050	-	-
Amounts owing to a subsidiary	-	-	-	-
Amount owing to related parties	7,012	7,594	-	-
Amount owing to individual shareholders of a subsidiary	1,767	1,579	-	-
Financial liabilities, at amortised costs	809,575	743,501	2,427	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 30 September 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF INCOME STATEMENT OF THE GROUP

First Half FY2023 ("1H FY2023") vs First Half FY2022 ("1H FY2022")

Revenue

Group revenue decreased by 18.7% to RMB513.2 million in 1H FY2023 as compared to RMB631.4 million in 1H 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 1H 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 42.4% from RMB364.5 million in 1H FY2022 to RMB210.1 million in 1H FY2023. The decrease in revenue were partly offset by the increase in sales to Asia (outside of the PRC) of RMB55.5 million, from RMB183.3 million in 1H FY2022 to RMB238.8 million in 1H FY2023.

Overall, sales in Asia (outside the PRC) and the PRC contributed to 46.5% and 40.9% respectively of the Group revenue in 1H FY2023.

Revenue from sales of tower cranes and components decreased by RMB147.2 million from RMB526.3 million in 1H FY2022 to RMB379.1 million in 1H FY2023. The decrease was partly offset by increase in rental and service income of RMB29.1 million during the period under review with more government projects for both infrastructure and residential in Hong Kong.

Gross profit and gross profit margin

In line with lower revenue, gross profit decreased by 15.4% to RMB148.0 million in 1H FY2023 from RMB174.9 million in 1H FY2022.

Despite lower revenue, average gross profit margin increased to 28.8% in 1H FY2023 from 27.7% in 1H FY2022.

The higher gross profit margin in 1H FY2023 is due to product mixed as higher sales proportion for large and mega size tower cranes were sold and higher rental income which generate higher sales margin during the period under review.

Other income

Other income increased by RMB2.1 million to RMB6.5 million in 1H FY2023 as compared to RMB4.4 million in 1H FY2022. Other income mainly includes government subsidies and rebates/grants of RMB3.5 million. 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.

Other income also includes rental income and ancillary charges of RMB0.7 million which pertains to sub-rental income from Hong Kong yard, insurance compensation of RMB0.3 million and debts no longer required to pay of RMB0.8 million respectively.

Operating expenses

Total operating expenses decreased 13.2% to RMB104.0 million in 1H FY2023 as compared to RMB119.7 million in 1H FY2022.

Distribution costs decreased 13.6% to RMB57.0 million in 1H FY2023 as compared to RMB65.9 million in 1H FY2022 in line with lower revenue during the period under review. The decline is mainly from lower freight and transportation expenses.

Administrative expenses increased 8.2% to RMB41.7 million in 1H FY2023 as compared to RMB38.6 million in 1H FY2022 mainly due to higher employee costs.

Other operating expenses reported a credit balance of RMB3.3 million in 1H FY2023 as compared to a debit balance of RMB7.0 million in 1H FY2022. The difference was mainly due to an exchange gain of RMB13.9 million in 1H FY2023 as compared to RMB0.1 million in 1H FY2022. The increase is partly offset by higher impairment provision for expected credit loss ("ECL") of RMB1.9 million and provision for impairment in property, plant and equipment of RMB1.8 million. The impairment provision for ECL increased to RMB6.5 million in 1H FY2022 as compared to RMB4.6 million in 1H FY2022 due mainly to the slower repayment in the PRC. Provision for impairment in property, plant and equipment of RMB1.8 million relates to the tower crane incident in Hong Kong. Please refer to para 4 on page 19 for more information.

The exchange gain for 1H FY2023 arose mainly from:

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

Finance costs marginally decreased 3.3% to RMB8.0 million in 1H FY2023 due mainly to lower letter of credit discounting charges in 1H FY2023 despite higher interest cost due to higher average borrowings.

Taxation

Income tax expense lowered to RMB8.7 million in 1H FY2023 as compared to RMB11.6 million in 1H FY2022 in line with lower operating profits. The lower effective tax rate was due to unrealised of unabsorbed tax losses previously not recognized.

Other comprehensive income/(expenses)

The Group reported other comprehensive income of RMB25.8 million in 1H FY2023 as compared to other comprehensive expense of RMB17.0 million in 1H FY2022. Other comprehensive income pertains to gain on exchange translation of RMB23.2 million arose from translation of the net assets of our Hong Kong and Singapore subsidiaries and RMB2.6 million fair value gain of financial assets, FVOCI.

HKD and SGD appreciated 11.9% and 5.9% respectively against RMB as at 30 September 2022 as compared to last financial year end.

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

The Group recorded a profit before taxation of RMB50.5 million in 1H FY2023 as compared to RMB59.6 million in 1H FY2022 mainly due to lower gross profit from lower revenue, partly offset by lower operating expenses.

Net profit attributable to equity holders of the Company decreased to RMB38.3 million in 1H FY2023 from RMB44.5 million in 1H FY2022. This was mainly due to lower profit before taxation, offset by tax expense.

REVIEW OF FINANCIAL POSITION OF THE GROUP**Non-current Assets**

Non-current assets increased by RMB35.3 million to RMB677.2 million as at 30 September 2022 mainly due to higher property, plant and equipment, higher financial assets, at FVOCI and higher deferred tax asset.

The increase of RMB31.8 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 11.9% against RMB for the period under review.

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 RMB2.6 million as at 30 September 2022.

Current Assets

Current assets increased by RMB100.8 million to RMB1,316.5 million as at 30 September 2022 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 RMB41.1 million to RMB572.4 million as at 30 September 2022. Lower trade receivables mainly due to faster repayment from customers.

Inventories increased by RMB33.5 million to RMB409.6 million as at 30 September 2022 as compared to RMB376.1 million as at 31 March 2022. The higher inventory mainly due to the deferral of delivery by customers.

Amount owing by related parties increased by RMB12.6 million to RMB40.2 million as at 30 September 2022 due to higher sales over repayments by related parties.

Non-current Liabilities

Non-current liabilities decreased to RMB66.6 million as at 30 September 2022 from RMB68.8 million as at 31 March 2022. Borrowings repaid of RMB3.9 million during the period under review, to report at RMB6.6 million as at 30 September 2022. The decrease was offset by higher deferred tax liabilities by RMB3.0 million to RMB39.7 million as at 30 September 2022.

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 RMB74.8 million to RMB973.5 million as at 30 September 2022 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 RMB33.3 million mainly due to higher purchases over payment.

Borrowings increased by RMB38.0 million mainly due to higher financing in YMHK for the new rental fleets.

Total Equity

As at 30 September 2022, the Group's total equity amounted to RMB953.5 million. The increase was mainly due to total comprehensive income of RMB67.7 million for 1H FY2023, partly offset by dividends paid in 1H FY2023.

REVIEW OF CASH FLOW STATEMENT

1H FY2023 vs 1H FY2022

The Group reported a net increase in cash and cash equivalents amounting to RMB93.9 million in 1H FY2023 mainly due to:

- a) Net cash generated from operating activities of RMB65.8 million resulted from operating profit before working capital changes, decrease in operating receivables and increase in operating payables, partly offset by increase in inventories, interest and taxes paid.
- b) Net cash used in investing activities of RMB2.8 million from acquisition of property, plant and equipment, partly offset by interested received; and
- c) Net cash generated from financing activities of RMB31.0 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 economic growth rate rebounded to 3.9% in the quarter ended September 2022. The result beat the 0.4% growth seen in the second quarter. However, the Chinese economy faces challenges, as the country contends with a sharp slowdown in activity due to Beijing's stringent zero-Covid policy, a prolonged property slump, geopolitical uncertainties and risks of global recession.

Besides, Asia's factory output weakened in October as global recession fears and China's zero-Covid-19 policy hurt demand and caused persistent supply disruptions. Manufacturing activity shrank in South Korea, Taiwan, Malaysia and Thailand in October, and expanded at the slowest pace in 21 months in Japan. Indonesia and Vietnam also reported more sluggish expansion in October.

Asia's economic growth is expected to be affected due to rising interest rates, rising inflation, the conflicts in Ukraine and China's economic slowdown.

The Group expects the operating environment to be challenging. The Group remains vigilant and committed in exercising cost discipline and will take necessary remedial actions, where possible.

As set out in the announcement dated 8 September 2022, The Group announced that an accident had occurred involving a tower crane owned by the Company's 60% owned subsidiary, Yongmao Machinery (Hong Kong) Co Ltd in a customer worksite in Sau Mau Ping, Hong Kong which collapsed during operations and hit workers in the worksite resulted in the death of three workers and six other workers injured. The Group is working with the local authorities on the on-going investigations arising out of the incidents.

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

No dividend has been declared or recommended for the 1H FY2023.

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

No dividend has been declared or recommended for the 1H FY2023.

(ii) Previously correspondence period (cents)

No dividend has been declared or recommended for the 1H FY2023.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

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

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 6 months ended 30 Sep 2022 (1H 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) 6 months ended 30 Sep 2022 (1H 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)	-	4,471
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	23,580
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	4,776
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	8,363	-
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	583	-
Rental charged by related party		
Fushun Yongmao Engineering Machinery Co., Ltd. (抚顺永茂工程机械有限公司)	2,752	-
Other expenses charged by related parties		
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	940	-

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

We, the Executive Directors of Yongmao Holdings Limited ("the Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim unaudited financial statements for the six months ended 30 September 2022 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
9 November 2022