

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

Condensed interim financial statements
For the six months ended 30 September 2023

A. Condensed interim consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 September 2023

	Note	Group (First Half)		
		RMB'000		%
		6 months ended 30 Sep 2023 (1H FY2024)	6 months ended 30 Sep 2022 (1H FY2023)	Increase/ (Decrease)
Revenue	5	479,453	513,232	(6.6)
Cost of sales		(332,388)	(365,236)	(9.0)
Gross profit		147,065	147,996	(0.6)
Other income		5,850	6,524	(10.3)
Distribution costs		(41,278)	(56,962)	(27.5)
Administrative expenses		(42,724)	(41,725)	2.4
Other operating expenses		(3,276)	3,264	NM
Finance costs		(8,211)	(7,954)	3.2
Shares of results of an associate	11	(23)	(616)	(96.3)
Total operating expenses		(95,512)	(103,993)	(8.2)
Profit before taxation	6	57,403	50,527	13.6
Taxation	7	(9,780)	(8,667)	12.8
Net profit for the period		47,623	41,860	13.8
Other comprehensive income/(expense):				
Item that <u>may</u> be reclassified subsequently to profit or loss:				
Exchange translation difference		11,809	15,300	(22.8)
Item that <u>cannot</u> be reclassified subsequently to profit or loss				
Fair value (loss)/gain on financial assets, FVOCI	12	(12,357)	2,609	NM
Exchange translation difference		5,526	7,931	(30.3)
Other comprehensive income of the period, net of tax		4,978	25,840	(80.7)
Total comprehensive income for the period		52,601	67,700	(22.3)
Profit attributable to:				
Equity holders of the Company		40,146	38,335	4.7
Non-controlling interests		7,477	3,525	112.1
Net profit for the period		47,623	41,860	13.8
Total comprehensive income attributable to:				
Equity holders of the Company		39,598	53,244	(25.6)
Non-controlling interests		13,003	11,456	13.5
Total comprehensive income for the period		52,601	67,700	(22.3)
Earnings per share for profit for the period attributable to the equity holders of the Company:				
Basic (RMB in cent)	8	45.23	43.19	4.7
Diluted (RMB in cent)	8	45.23	43.19	4.7

B. Condensed interim statements of financial position as at 30 September 2023

	Note	Group		Company	
		30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Non-current					
Property, plant and equipment	10	619,263	574,277	-	-
Subsidiaries		-	-	344,368	344,363
Investment in an associate	11	173	196	-	-
Financial assets, at FVOCI	12	98,085	110,442	98,085	110,442
Deferred tax assets		32,409	32,668	-	-
		<u>749,930</u>	<u>717,583</u>	<u>442,453</u>	<u>454,805</u>
Current					
Inventories		403,096	416,330	-	-
Trade and other receivables	13	641,745	603,727	186	276
Amounts owing by subsidiaries		-	-	17,600	27,276
Amounts owing by related parties		42,195	46,765	-	-
Cash and cash equivalents	14	176,375	249,795	1,930	6,071
		<u>1,263,411</u>	<u>1,316,617</u>	<u>19,716</u>	<u>33,623</u>
TOTAL ASSETS		<u>2,013,341</u>	<u>2,034,200</u>	<u>462,169</u>	<u>488,428</u>
EQUITY					
Capital and Reserves					
Share capital	15	312,484	312,484	312,484	312,484
Reserves		628,883	598,701	146,737	170,865
Equity attributable to equity holders of the Company		<u>941,367</u>	<u>911,185</u>	<u>459,221</u>	<u>483,349</u>
Non-controlling interests		89,982	76,979	-	-
TOTAL EQUITY		<u>1,031,349</u>	<u>988,164</u>	<u>459,221</u>	<u>483,349</u>
LIABILITIES					
Non-current					
Borrowings	16	4,703	3,256	-	-
Deferred capital grants		8,741	8,855	-	-
Deferred tax liabilities		48,823	46,950	-	-
Trade and other payables	17	10,817	11,123	-	-
		<u>73,084</u>	<u>70,184</u>	<u>-</u>	<u>-</u>
Current					
Trade and other payables	17	606,782	620,002	2,944	5,072
Borrowings	16	281,302	338,138	-	-
Deferred capital grants		229	229	-	-
Amounts owing to/advances from related parties		11,204	12,651	-	-
Amounts owing to a corporate shareholder of a subsidiary		1,821	1,703	-	-
Current tax payable		7,570	3,129	4	7
		<u>908,908</u>	<u>975,852</u>	<u>2,948</u>	<u>5,079</u>
TOTAL LIABILITIES		<u>981,992</u>	<u>1,046,036</u>	<u>2,948</u>	<u>5,079</u>
TOTAL EQUITY AND LIABILITIES		<u>2,013,341</u>	<u>2,034,200</u>	<u>462,169</u>	<u>488,428</u>

C. Condensed interim statement of changes in equity for the six months period ended 30 September 2023

Group	Share capital	Merger reserve	Statutory common reserve	Fair value reserve	Retained earnings	Exchange fluctuation reserve	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current year:									
Balance as at 1 Apr 2023	312,484	(26,769)	88,907	31,767	494,709	10,087	911,185	76,979	988,164
Profit for the period	-	-	-	-	40,416	-	40,416	7,477	47,623
Other comprehensive (expenses)/income for the period	-	-	-	(12,357)	-	11,809	(548)	5,526	4,978
Total comprehensive (expense)/income for the period	-	-	-	(12,357)	40,146	11,809	39,598	13,003	52,601
Dividends	-	-	-	-	(9,416)	-	(9,416)	-	(9,416)
Transfer to statutory common reserve	-	-	2,476	-	(2,476)	-	-	-	-
Balance as at 30 Sep 2023	312,484	(26,769)	91,383	19,410	522,963	21,896	941,367	89,982	1,031,349

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

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 2023	312,484	31,767	139,098	483,349
Profit for the period	-	-	(2,355)	(2,355)
Other comprehensive expense for the period	-	(12,357)	-	(12,357)
Total comprehensive expense for the period	-	(12,357)	(2,355)	(14,712)
Dividends			(9,416)	(9,416)
Balance as at 30 Sep 2023	312,484	19,410	127,327	459,221

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 income 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

D. Condensed interim consolidated statement of cash flows for the six month period ended 30 September 2023

	Group (First Half)	
	RMB'000	
	6 months ended 30 Sep 2023 (1H FY2024)	6 months ended 30 Sep 2022 (1H FY2023)
Note		
Cash flows from operating activities		
Profit before taxation	57,403	50,527
Adjustments for :		
Share of results of associate company	23	616
Amortisation of deferred capital grants	(114)	(114)
Depreciation of property, plant and equipment	43,089	40,672
Gain on disposal of property, plant and equipment, net	(108)	-
Provision for impairment of property, plant and equipment	-	1,750
Property, plant and equipment written off	-	7
Allowance for obsolete and slow moving inventory, net	2,252	1,962
Allowance for expected credit loss, net	7,461	7,027
Interest expense	8,211	7,954
Interest income	(4,567)	(539)
Operating profit before working capital changes	113,650	109,862
Increase in inventories ¹	(37,415)	(74,541)
(Increase)/Decrease in operating receivables	(36,770)	36,354
(Decrease)/Increase in operating payables	(27,666)	7,692
Cash generated from operations	11,799	79,367
Interest paid	(7,376)	(7,396)
Tax paid	(2,923)	(6,148)
Net cash generated from operating activities	1,500	65,823
Cash flows from investing activities		
Acquisition of property, plant and equipment	(19,546)	(3,389)
Proceeds from disposal of property, plant and equipment	446	2
Interest received	4,638	539
Net cash used in investing activities	(14,462)	(2,848)
Cash flows from financing activities		
Proceeds from borrowings	176,857	208,000
Repayment of borrowings	(223,781)	(189,335)
Proceeds from hire purchase with financial institutions	5,684	21,118
Repayment of hire purchase with financial institutions	(3,426)	(3,087)
Repayment of principal portion of lease liabilities	(14,385)	(9,194)
Restricted bank balances	24,318	7,770
Dividends paid to equity holders of the company	(9,416)	(4,317)
Net cash (used in)/generated from financing activities	(44,149)	30,955
Net (decrease)/increase in cash and cash equivalents	(57,111)	93,930
Cash and cash equivalents at beginning of period	215,567	153,472
Exchange adjustments	8,009	9,618
Cash and cash equivalents at end of period	166,465	257,020
	14	

Note:

- Included in increase in inventories for 1H FY2024 of RMB81.4 million (1H FY2023: RMB59.1 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 2023 comprise the Company and its subsidiaries (collectively, the Group).

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

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2023. 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 2023. 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 2023.

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 FY2024				
Sales				
Total segment sales	441,301	107,301	96,586	645,188
Inter-segment sales	(164,789)	-	(946)	(165,735)
Sales to external parties	276,512	107,301	95,640	479,453
Comprises:				
Sale of manufactured tower cranes and tower crane components and accessories	248,881	12,534	77,682	339,097
Rental and service income	27,631	94,767	17,958	140,356
Total revenue	276,512	107,301	95,640	479,453
Results				
Interest income	609	208	3,750	4,567
Depreciation expense	14,021	24,697	4,371	43,089
Interest expense	6,503	1,564	144	8,211
Allowance for expected credit loss, net	6,278	1,183	-	7,461
Reportable segment profit before taxation	13,389	23,596	20,418	57,403
Additions to property, plant and equipment	2,256	17,436	-	19,692

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 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	254,830	92,070	166,332	513,232
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	254,830	92,070	166,332	513,232
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	2,177	14,349	34,001	50,527
Additions to property, plant and equipment	316	3,153	19	3,488

Segment Assets and Liabilities

	The PRC RMB'000	HongKong & Macau RMB'000	All other segments RMB'000	Total RMB'000
As at 30 September 2023				
Reportable segment assets	1,365,236	300,765	313,074	1,979,075
Reportable segment liabilities	698,607	74,937	152,055	925,599
As at 31 March 2023				
Reportable segment assets	1,351,078	292,668	353,640	1,997,386
Reportable segment liabilities	743,417	88,270	164,270	995,957

5. Revenue

	Group (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2023 (1H FY2024)	6 months ended 30 Sep 2022 (1H FY2023)	Increase/ (Decrease)
Types of goods or services:			
Sale of manufactured tower cranes	287,470	330,125	(12.9)
Sale of tower cranes components and accessories	51,627	49,000	5.4
Service income	35,985	43,148	(16.6)
Revenue from contracts within customers - At a point in time	375,082	422,273	(11.2)
Rental income - over time	104,371	90,959	14.7
Total revenue	479,453	513,232	(6.6)
Geographical information:			
The PRC	190,423	210,077	(9.4)
Asia (outside of the PRC)	175,294	238,771	(26.6)
USA & Europe	39,126	678	5,670.8
Middle East & others	74,610	63,706	17.1
Total revenue	479,453	513,232	(6.6)

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

	Group (First Half)		
	RMB'000		%
	6 months ended 30 Sep 2023 (1H FY2024)	6 months ended 30 Sep 2022 (1H FY2023)	Increase/ (Decrease)
Allowance for expected credit loss, net	7,461	7,027	6.2
Amortisation of deferred capital grants	(114)	(114)	-
Depreciation of property, plant and equipment	43,089	40,672	5.9
Exchange gain	(5,098)	(13,929)	(63.4)
Gain on disposal of property, plant and equipment, net	(108)	-	NM
Government grant	(451)	(3,455)	(86.9)
Interest expense	8,211	7,954	3.2
Operating lease rentals	3,732	3,644	2.4
Provision for impairment of property, plant and equipment	-	1,750	(100.0)
Provision for obsolete and slow-moving inventories, net	2,252	1,962	14.8
Sub-contractor costs and costs of rental equipment	73,999	70,366	5.2

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 2023 (1H FY2024)	6 months ended 30 Sep 2022 (1H FY2023)	Increase/ (Decrease)
Current income tax	7,648	7,187	6.4
Deferred income tax	2,132	1,480	44.1
	9,780	8,667	12.8

8. Earnings per share

	Group (First Half)	
	RMB'000	
	6 months ended 30 Sep 2023 (1H FY2024)	6 months ended 30 Sep 2022 (1H FY2023)
Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	40,146	38,335
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	45.23	43.19
(b) On a fully diluted basis	45.23	43.19

Basic earnings per share is calculated based on:

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 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
Net asset value per ordinary share (RMB)	10.61	10.27	5.17	5.45

Net asset value per share for the Group and the Company for 30 September 2023 and 31 March 2023 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 2023, the Group acquired assets amounting to RMB19.7 million (30 September 2022: RMB3.5 million) from third parties and self-constructed tower cranes and tower crane components and accessories held for rental purposes of RMB22.8 million (30 September 2022: RMB59.1 million).

The Group have disposed of assets including leased tower cranes amounting to RMB32.3 million (30 September 2022: RMB17.0 million)

11. Investment in associate company

	Group	
	30 Sep 2023	31 Mar 2023
Balance as at beginning of period/year	196	834
Investment in an associated during the financial period/year	-	-
Share of results and reserve for the period/year	(23)	(638)
Carrying value of interest in associates	<u>173</u>	<u>196</u>

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

12. Financial assets, at FVOCI

	Group & Company	
	30 Sep 2023	31 Mar 2023
The Company and The Group	RMB'000	RMB'000
Unquoted equity of investments		
Balance as at beginning of period/year	110,442	86,093
Fair value gain recognised in other comprehensive income, net of nil tax	(12,357)	24,349
Balance as at end of period/year	<u>98,085</u>	<u>110,442</u>

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. Trade and other receivables

	Group		Company	
	30 Sep 2023 RMB'000	31 Mar 2023 RMB'000	30 Sep 2023 RMB'000	31 Mar 2023 RMB'000
Current				
Trade receivables	585,981	528,301	-	-
Credit loss allowance for trade receivables				
Balance at beginning of period/year	(41,553)	(29,321)	-	-
Allowance for the period	(7,461)	(21,349)	-	-
Allowance no longer required for the period/year	-	9,278	-	-
Exchange translation	(303)	(161)	-	-
Balance at end of the period/year	(49,317)	(41,553)	-	-
Net trade receivables	536,664	486,748	-	-
Bills receivables	13,830	23,005	-	-
GST or VAT receivables	903	1,053	-	-
Staff advances	3,999	3,961	-	-
Advances made to suppliers of raw materials	66,887	71,518	-	-
Accrued interest income	-	71	-	-
Down-payment for property, plant and equipment	3	149	-	-
Refundable deposits	2,361	2,211	76	74
Prepayment	9,830	7,198	109	202
Tax recoverable	-	2,174	-	-
Other tax receivables	781	723	-	-
Other receivables	6,487	4,916	1	-
	<u>641,745</u>	<u>603,727</u>	<u>186</u>	<u>276</u>

Trade receivables are non-interest bearing and generally have credit terms of 30 to 180 days (2022 - 30 to 180 days), excluding the retention money withheld.

As at the end of the reporting period, ageing analysis of trade and other receivables that are categorised as follows:

	Group		Company	
	30 Sep 2023 RMB'000	31 Mar 2023 RMB'000	30 Sep 2023 RMB'000	31 Mar 2023 RMB'000
Current	143,910	172,829	76	74
Past due 0 to 3 months	127,108	138,304	-	-
Past due 3 to 6 months	50,286	55,204	-	-
Past due over 6 months	242,036	154,572	-	-
	<u>563,340</u>	<u>520,909</u>	<u>76</u>	<u>74</u>

Trade receivables include retention money of RMB30,587,000 (2023 – RMB36,596,000) that are considered current and not past due.

The bills receivable from third parties which are interest-free mature as follows:

	30 September 2023	31 March 2023
The Group		
The earliest date	6 November 2023	3 May 2023
The latest date	10 September 2024	17 December 2024

14. Cash and cash equivalents

	Group		Company	
	30 Sep 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	48	122	-	-
Bank balances	88,760	132,237	1,930	6,071
Fixed deposit	87,567	117,436	-	-
	<u>176,375</u>	<u>249,795</u>	<u>1,930</u>	<u>6,071</u>
Restricted bank balances	(9,910)	(34,228)	-	-
Cash and cash equivalents per consolidated statement of cash flows	<u>166,465</u>	<u>215,567</u>	<u>1,930</u>	<u>6,071</u>

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

15. Share capitalThe Company and the Group

	30 September 2023	31 March 2023
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 2023.

There was no outstanding convertible, treasury share or subsidiary holdings as at 30 September 2023

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the first half ended 30 September 2023.

16. Borrowings

	Group	
	30 Sep 2023	31 Mar 2023
	RMB'000	RMB'000
<u>Amount repayable after one year</u>		
Hire purchase with financial institution - secured	3,447	1,677
Lease liabilities - secured	123	168
Lease liabilities - unsecured	1,133	1,411
	<u>1,256</u>	<u>1,579</u>
	<u>4,703</u>	<u>3,256</u>
<u>Amount payable in one year or less, or on demand</u>		
Bank loans - secured	64,000	73,000
Bank loans - unsecured	173,020	210,731
	<u>237,020</u>	<u>283,731</u>
Hire purchase with financial institution - secured	41,594	48,958
Lease liabilities - secured	556	692
Lease liabilities - unsecured	2,132	4,757
	<u>2,688</u>	<u>5,449</u>
	<u>281,302</u>	<u>338,138</u>

Bank loans of the Group are secured by way of certain bank deposits of RMB9.9 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.

17. Trade and other payables

	Group		Company	
	30 Sep	31 Mar	30 Sep	31 Mar
	2023	2023	2023	2023
Note	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	216,175	271,210	-	-
Bills payables	11,284	23,860	-	-
Accruals for purchases	95,611	94,061	-	-
Advances from customers	143,545	120,952	-	-
Amount owing to suppliers of property, plant and equipment	96	96	-	-
Provision for assurance warranty	4,167	4,167	-	-
Accrued directors' fee	648	1,251	-	-
Deposit received	13,416	11,054	-	-
Interest received	2,165	1,965	-	-
Rental payable to directors of the Company	2,256	1,785	-	-
Liability assumed for payments made on behalf for subsistence allowance	12,385	12,691	-	-
Accrued interest expenses	1,056	420	-	-
Other accruals expenses	93,283	70,428	2,841	4,821
Other payables	21,512	17,185	2,944	251
	<u>617,599</u>	<u>631,125</u>	<u>2,944</u>	<u>5,072</u>
Less: Trade and other payables				
- Non current	(10,817)	(11,123)	-	-
	<u>606,782</u>	<u>620,002</u>	<u>2,944</u>	<u>5,072</u>

Bills payable mature within 1 month from period/year-end. As at 30 September 2023, bills payable are secured by bank deposits of RMB Nil (31 Mar 2023 – RMB7,920,000).

The accrual for purchases relates to purchase orders placed and goods were received but suppliers' invoices not yet been received.

The advances from customers represent deposits for sales orders made for the delivery of equipment when ready.

Liability assumed for payments made on behalf for subsistence allowances relates to ex-employees of 北京市建筑工程机械厂, a wholly-owned subsidiary of Beijing Construction which is not related to the Group. This liability is regarded as payment on behalf. Pursuant to a restructuring exercise signed between Fushun Yongmao Industry Group Co., Ltd. ("FYIG") and Beijing Construction in 2006, this was transferred to Beijing Yongmao, whereby Beijing Yongmao is to administer the liability by virtue of the liability from FYIG, the payment of subsistence allowances/staff welfare benefits is to be made out of the assets acquired from Beijing Construction. Beijing Yongmao is incorporated in the PRC in 2006 pursuant to the restructuring exercise and whose shareholders were then FYIG (66%) and Beijing Construction (34%). In 2008, the Group through its wholly-owned subsidiary, Fushun Yongmao acquired 66% of the equity interests in Beijing Yongmao from FYIG (the "Acquisition"). This liability is assumed when Fushun Yongmao took over from FYIG pursuant to the sale and purchase agreement dated 18 August 2008 ("S&P Agreement") entered into between FYIG and Fushun Yongmao. As the liability assumed for the subsistence allowances had crystallised at the time the Group took over Beijing Yongmao, the liability to Beijing Yongmao is deemed fixed at the point of acquisition. The liability provided was based on agreed figures ("the fair value at inception") in the S&P Agreement with FYIG at the time the Group took over Beijing Yongmao from FYIG. By virtue of the warranty from FYIG to the Group pursuant to the Acquisition, the Group is only responsible for this payment to be made on behalf for subsistence allowances as stated therein.

Provision for assurance warranty relates to the estimated costs of after-sale services and warranty costs for sale of tower cranes and tower crane components and accessories to the Group's customers. The warranty sum is recognized at the end of the reporting period for expected warranty claims based on past experiences of the level of repairs and returns, and probability and amounts of claims.

Other accrued expenses mainly relate to accruals of salaries and related costs and freight and transportation charges.

Except from the rental payable to a director of the Company as disclosed in the table above, none of the counter parties are related parties.

18. Fair value of assets and liabilities

Fair value measurement of financial instruments

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

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

The Company and The Group	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 September 2023				
Assets				
Financial assets – FVOCI	-	-	98,085	98,085
At 31 March 2023				
Assets				
Financial assets – FVOCI	-	-	110,442	110,442

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 2023	31 Mar 2023	30 Sep 2023	31 Mar 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets, at FVOCI	98,085	110,442	98,085	110,442
Financial assets, at fair value	98,085	110,442	98,085	110,442
Trade and other receivables ¹	563,340	520,909	76	74
Amount owing by subsidiaries	-	-	17,600	27,276
Amount owing by related parties	42,195	46,765	-	-
Cash and cash equivalents	176,375	249,795	1,930	6,071
Financial assets, at amortised costs	781,910	817,469	19,606	33,421
Trade and other payables ²	469,076	505,196	2,944	5,072
Borrowings	286,005	341,394	-	-
Amount owing to/advances from related parties	11,204	12,651	-	-
Amount owing to a corporate shareholder of a subsidiary of a subsidiary	1,821	1,703	-	-
Financial liabilities, at amortised costs	768,106	860,944	2,944	5,072

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

² Excludes deposit from customers and provision for assurance warranty.

19. 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 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for 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 FY2024 ("1H FY2024") vs First Half FY2023 ("1H FY2023")

Revenue

Group revenue decreased by 6.6% to RMB479.5 million in 1H FY2024 as compared to RMB513.2 million in 1H FY2023.

The decrease is mainly due to lower revenue from sales of tower cranes and components of RMB40.0 million from RMB379.1 million in 1H FY2023 to RMB339.1 million in 1H FY2024. The decrease was offset by higher rental and service income by RMB6.2 million to RMB140.4 million in 1H FY2024.

Revenue from Asia (outside of the PRC) has dropped significantly by RMB63.5 million or equal to 26.6% from RMB238.8 in 1H FY2023 to RMB175.3 million in 1H FY2024 as delivery of tower cranes has slowed in Singapore. Revenue in the PRC also reduced by RMB19.7 million to RMB190.4 million in 1H FY2024. The decrease was offset by higher revenue in USA & Europe and the Middle East & others of RMB38.4 million and RMB10.9 million respectively.

Overall, sales in the PRC and Asia (outside the PRC) contributed to 39.7% (1H FY2023 : 40.9%) and 36.6% (1H FY2022 : 46.5%) respectively of the Group revenue in 1H FY2024.

Gross profit and gross profit margin

Despite the 6.6% decrease in revenue, gross profit decreased marginally by 0.6% to RMB147.1 million in 1H FY2024 from RMB148.0 million in 1H FY2023 due to higher average gross profit margin in 1H FY2024.

Average gross profit margin increased to 30.7% in 1H FY2024 from 28.8% in 1H FY2023.

The higher gross profit margin in 1H FY2024 is due to higher sales proportion of luffing tower cranes as well as higher proportion of rental income in 1H FY2024 which generate higher sales margin.

Other income

Other income decreased by RMB0.7 million to RMB5.9 million in 1H FY2024 as compared to RMB6.5 million in 1H FY2023. The decrease is mainly due to non-recurrence of certain government subsidies and rebates of RMB3.0 million, debts no longer required to pay of RMB0.8 million and insurance compensation of RMB0.3 million. Government subsidies and rebates received in 1H FY2023 pertains to grants from various authorities, as part of the financial assistance to help businesses tide through the pandemic. The decrease was partly offset by higher interest income of RMB4.0 million.

Operating expenses

Total operating expenses decreased 8.2% to RMB95.5 million in 1H FY2024 as compared to RMB104.0 million in 1H FY2023.

Distribution costs decreased 27.5% to RMB41.3 million in 1H FY2024 as compared to RMB57.0 million in 1H FY2023. The reduction primarily from reduced freight and transportation costs, as the supply has returned to its normalcy after the abrupt surge during the pandemic.

Administrative expenses increased 2.4% to RMB42.7 million in 1H FY2024 as compared to RMB41.7 million in 1H FY2023 mainly due to higher legal fee and transportation expenses, partly offset by lower employee cost.

Other operating expenses reported at RMB3.3 million in 1H FY2024 as compared to a credit balance of RMB3.3 million in 1H FY2023. The difference was mainly due to an exchange gain of RMB5.1 million in 1H FY2024 as compared to RMB13.9 million in 1H FY2023. The exchange gain was offset against impairment provision for expected credit loss ("ECL") of RMB7.5 million in 1H FY2024 and RMB7.0 million in 1H FY2023 respectively. The impairment provision for ECL due mainly to the slower collection from customer in the PRC.

The exchange gain for 1H FY2024 arose mainly from the strengthening of Singapore Dollars ("SGD") and Hong Kong Dollars ("HKD") against Renminbi ("RMB") due to net RMB liabilities in the Singapore subsidiary's book and Hong Kong subsidiary's book; and the strengthening of USD against RMB and SGD due to net USD assets in the PRC's and Singapore's subsidiary's book.

Finance costs increased 3.2% to RMB8.2 million in 1H FY2024 due mainly to higher interest rate in Yongmao Hongkong.

Taxation

Income tax expense increased to RMB9.8 million in 1H FY2024 as compared to RMB8.7 million in 1H FY2023 in line with higher profits for the financial period under review.

Other comprehensive income/(expenses)

The Group reported other comprehensive income of RMB5.0 million in 1H FY2024 as compared to RMB25.8 million in 1H FY2023. Other comprehensive income pertains to gain on exchange translation of RMB17.3 million arose from translation of the net assets of our Hong Kong and Singapore subsidiaries; partly offset by RMB12.4 million of fair value loss in financial assets, FVOCI.

HKD and SGD appreciated 7.4% and 4.0% respectively against RMB as at 30 September 2023 as compared to last financial year end.

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

As a result of the above, the Group recorded a profit before taxation of RMB57.4 million in 1H FY2024 as compared to RMB50.5 million in 1H FY2023.

Net profit attributable to equity holders of the Company increased to RMB40.1 million in 1H FY2024 from RMB38.3 million in 1H FY2023.

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

Non-current assets increased by RMB32.3 million to RMB750.0 million as at 30 September 2023 mainly due to higher property, plant and equipment, partly offset by lower financial assets, at FVOCI.

The increase of RMB45.0 million in the Group's net carrying amount of property, plant and equipment was mainly attributable to the exchange translation differences from Yongmao Hong Kong as HKD appreciated significantly by 7.4% against RMB as compared to last financial year end and the increase in rental fleet. The increase is partly offset by net depreciation charges and disposals.

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

Financial assets, at FVOCI recorded fair value loss of RMB12.4 million as at 30 September 2023.

Current Assets

Current assets decreased by RMB53.2 million to RMB1,263.4 million as at 30 September 2023 mainly due to by lower cash and cash equivalents (see Note on Review on Cash Flow Statement below) and lower inventory and amount owing by related parties, partly offset by higher trade and other receivables.

Amount owing by related parties decreased by RMB4.6 million to RMB42.2 million as at 30 September 2023 due to higher repayment over sales to related parties.

Trade and other receivables increased by RMB38.0 million to RMB641.7 million as at 30 September 2023. Higher trade receivables is due to slower repayment in the PRC.

Inventories decreased by RMB13.2 million to RMB403.1 million as at 30 September 2023 as compared to RMB416.3 million as at 31 March 2023. This lower inventory mainly due to the sales delivery in the 1H FY2024 and transfer of inventory to property, plant and equipment for additional rental fleet of tower cranes.

Non-current Liabilities

Non-current liabilities increased to RMB73.1 million as at 30 September 2023 from RMB70.2 million as at 31 March 2023. The increase was due to higher deferred tax liabilities by RMB1.9 million to RMB48.8 million and higher borrowings of RMB1.4 million to RMB4.7 million as at 30 September 2023.

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

Current Liabilities

Current liabilities decreased by RMB66.9 million to RMB908.9 million as at 30 September 2023 as compared to RMB975.9 million as at 31 March 2023 mainly due to lower borrowings, lower trade and other payable and lower amount owing to related parties, partly offset by higher tax payable.

Borrowings decreased by RMB56.8 million mainly due to net loan repayment.

Trade and other payables decreased by RMB13.2 million mainly due to faster payment.

Total Equity

As at 30 September 2023, the Group's total equity amounted to RMB1,031.3 million. The increase was mainly due to total comprehensive income of RMB52.6 million for 1H FY2024, partly offset by dividends paid in 1H FY2024.

REVIEW OF CASH FLOW STATEMENT**1H FY2024 vs 1H FY2023**

The Group reported a net decrease in cash and cash equivalents amounting to RMB57.1 million in 1H FY2024 mainly due to:

- a) Net cash generated from operating activities of RMB1.5 million resulted from operating profit before working capital changes, offset by increase in operating receivables and inventories, decrease in operating payables, and interest and taxes paid.
- b) Net cash used in investing activities of RMB14.5 million from acquisition of property, plant and equipment, partly offset by interested received; and
- c) Net cash used in financing activities of RMB44.1 million mainly from net repayment of bank borrowings, net repayment of principal portion of lease liabilities, interest paid and dividend paid, partly offset by lower restricted bank balances.

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.

The International Monetary Fund (IMF) has revised down its economic growth projections for China in 2023 and 2024. The IMF's latest report, released on early October 2023 estimates China's 2023 economic growth at 5.0 percent, down from the previous forecast of 5.2 percent. Additionally, the 2024 estimate has been lowered to 4.2 percent from the previous projection of 4.5 percent. The IMF states that China's economic momentum is waning, primarily due to the ongoing property crisis and reduced household confidence, despite a surge in economic activity following the COVID-19 reopening in early 2023.

Hong Kong property's market is bracing for a downturn amid rising interest rates and a weak economic outlook. Hong Kong's index of existing home prices fell 7.8% year-on-year in September 2023, according to the government's rating and valuation department. Conversely, the Hong Kong government is making significant efforts to achieve its public housing supply goals for the coming decade, with a primary focus on accelerating the development of the Northern Metropolis.

In Singapore, construction output is expected to continue to grow, driven mainly by investments in infrastructure, transport, housing and industrial projects. The industry still faces challenges such as labour shortages and high raw material prices.

The global business landscape remains marked by challenges and uncertainties, primarily driven by elevated inflation rates, increasing interest rates, mounting geopolitical tensions, and volatility in foreign exchange rates. Nevertheless, the Group will continue to pursue business opportunities in both the public and private sector. The Group expects to face challenges for the rest of the financial year and will continue to remain focused on operational efficiency, cost control, and exercise prudence and vigilance in inventory and credit management.

Further to the announcement on 10 October 2023 in relation to the tower crane accident in Hong Kong, Yongmao Machinery (H.K.) Company Limited ("YMHK") and YMHK's 100% wholly-owned subsidiary, Eastime Engineering Limited ("EEL"), pending the appearances to be made by YMHK and EEL before the magistrate on 30 January 2024 and on the basis of the information available to us at the moment, there have been no material developments in relation to the tower cranes accident in Hong Kong. The Company will provide further updates as and when there are any material developments.

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 1H FY2024.

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

No dividend has been declared or recommended for 1H FY2024.

(ii) Previously correspondence period (cents)

No dividend has been declared or recommended for 1H FY2024.

(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 2023 (1H FY2024) 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 2023 (1H FY2024) 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)	-	4,516
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	3,777
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	2,558
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	508	-
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	673	-
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	-
Purchase of property, plant and equipment from a related party		
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	1,733	-
Loan from related party		
Fushun Yongmao Engineering Machinery Co., Ltd. (抚顺永茂工程机械有限公司)	10,000	-

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 2023 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
14 November 2023