

**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 2018**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), 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 2018. These figures have not been audited.

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2018 (Q4 FY2018)	3 months ended 31 Mar 2017 (Q4 FY2017)	Increase/ (Decrease)	12 months ended 31 Mar 2018 (FY2018)	12 months ended 31 Mar 2017 (FY2017)	Increase/ (Decrease)
<b>Revenue</b>	161,434	118,954	35.7	626,532	574,494	9.1
Cost of sales	(121,715)	(78,977)	54.1	(445,732)	(378,228)	17.8
<b>Gross profit</b>	<b>39,719</b>	<b>39,977</b>	<b>(0.6)</b>	<b>180,800</b>	<b>196,266</b>	<b>(7.9)</b>
Other income	972	670	45.1	3,341	4,599	(27.4)
Distribution costs	(16,648)	(12,926)	28.8	(54,198)	(55,160)	(1.7)
Administrative expenses	(24,068)	(20,966)	14.8	(84,202)	(84,779)	(0.7)
Other operating expenses	1,268	1,964	(35.4)	(1,757)	(4,248)	(58.6)
Finance costs	(3,650)	(3,133)	16.5	(16,107)	(16,641)	(3.2)
<b>Total operating expenses</b>	<b>(43,098)</b>	<b>(35,061)</b>	<b>22.9</b>	<b>(156,264)</b>	<b>(160,828)</b>	<b>(2.8)</b>
<b>(Loss)/Profit before taxation</b>	<b>(2,407)</b>	<b>5,586</b>	<b>NM</b>	<b>27,877</b>	<b>40,037</b>	<b>(30.4)</b>
Taxation	(1,021)	(1,814)	(43.7)	(6,490)	(7,910)	(18.0)
<b>Net (loss)/profit for the period/year</b>	<b>(3,428)</b>	<b>3,772</b>	<b>NM</b>	<b>21,387</b>	<b>32,127</b>	<b>(33.4)</b>
<b>Attributable to:</b>						
Equity holders of the Company	(2,250)	5,662	NM	20,608	28,123	(26.7)
Non-controlling interests	(1,178)	(1,890)	(37.7)	779	4,004	(80.5)
<b>Net (loss)/profit for the period/year</b>	<b>(3,428)</b>	<b>3,772</b>	<b>NM</b>	<b>21,387</b>	<b>32,127</b>	<b>(33.4)</b>

NM: Not Meaningful

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2018 (Q4 FY2018)	3 months ended 31 Mar 2017 (Q4 FY2017)	Increase/ (Decrease)	12 months ended 31 Mar 2018 (FY2018)	12 months ended 31 Mar 2017 (FY2017)	Increase/ (Decrease)
<b>Net (loss)/profit for the period/year</b>	(3,428)	3,772	NM	21,387	32,127	(33.4)
<b>Other comprehensive (expense)/income:</b>						
Item that may be reclassified subsequently to profit of loss:						
Fair value (loss)/gain on available-for-sale financial assets	(4,940)	11,221	NM	(4,940)	11,221	NM
Exchange translation difference <sup>1</sup>	(4,679)	(769)	508.5	(12,237)	6,367	NM
Other comprehensive (expense)/income of the period/year, net of tax	(9,619)	10,452	NM	(17,177)	17,588	NM
<b>Total comprehensive (expense)/income for the period/year</b>	(13,047)	14,224	NM	4,210	49,715	(91.5)
<b>Total comprehensive (expense)/income attributable to:</b>						
Equity holders of the Company	(10,128)	16,586	NM	8,092	43,299	(81.3)
Non-controlling interests	(2,919)	(2,362)	23.6	(3,882)	6,416	NM
<b>Total comprehensive (expense)/income for the period/year</b>	(13,047)	14,224	NM	4,210	49,715	(91.5)

**Notes to Group statement of profit or loss:**

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2018 (Q4 FY2018)	3 months ended 31 Mar 2017 (Q4 FY2017)	Increase/ (Decrease)	12 months ended 31 Mar 2018 (FY2018)	12 months ended 31 Mar 2017 (FY2017)	Increase/ (Decrease)
<b>Other income</b>						
Amortisation of deferred capital grants	57	57	-	228	229	(0.4)
Gain on disposal of property, plant and equipment	-	1	(100.0)	175	441	(60.3)
Government grants	121	-	NM	356	79	350.6
Interest income <sup>2</sup>	143	192	(25.5)	1,026	772	32.9
Compensation income <sup>3</sup>	-	-	-	-	1,902	(100.0)
Others	651	420	55.0	1,556	1,176	32.3
	972	670	45.1	3,341	4,599	(27.4)
<b>Other operating expenses</b>						
(Reversal of)/Allowance for impairment of trade receivables <sup>4</sup>	(4,418)	(2,427)	82.0	(4,761)	1,537	NM
Exchange loss <sup>5</sup>	2,126	86	2,372.1	4,313	946	355.9
Bank charges	321	315	1.9	1,431	1,391	2.9
Property, plant and equipment written off	97	-	NM	98	5	1,860.0
Provision for loss on disposal of property, plant and equipment <sup>6</sup>	568	-	NM	568	-	NM
Donations	-	-	-	-	100	(100.0)
Others	38	62	(38.7)	108	269	(59.9)
	(1,268)	(1,964)	(35.4)	1,757	4,248	(58.6)

NM: Not Meaningful

**Notes to other profit or loss items**

The Group (loss)/profit before taxation is arrived at after charging/(crediting):

	Group (Fourth Quarter)			Group (Full Year)		
	RMB'000		%	RMB'000		%
	3 months ended 31 Mar 2018 (Q4 FY2018)	3 months ended 31 Mar 2017 (Q4 FY2017)	Increase/ (Decrease)	12 months ended 31 Mar 2018 (FY2018)	12 months ended 31 Mar 2017 (FY2017)	Increase/ (Decrease)
Amortisation of intangibles assets	-	25	(100.0)	50	100	(50.0)
Depreciation of property, plant and equipment	13,971	14,643	(4.6)	54,131	56,435	(4.1)
Gain on disposal of property, plant and equipment, net	-	(1)	(100.0)	(175)	(441)	(60.3)
Interest expense	3,650	3,133	16.5	16,107	16,641	(3.2)
Operating lease rentals	3,128	2,327	34.4	9,258	8,673	6.7
Inventory write-down <sup>7</sup>	-	2,982	(100.0)	-	3,982	(100.0)

**Note:**

- Loss on exchange translation arose mainly from translation of the net assets of our Singapore subsidiaries and Hong Kong subsidiaries. SGD and HKD depreciated 3.0% and 9.6% respectively against RMB as at 31 March 2018 as compared to last financial year end.
- Mainly interest income from bank security deposit
- Mainly from customer's compensation income received by court orders resulted from breach of contract.
- See Paragraph 8 – Operating expense.
- 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 that decline in value arising from technological changes. 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 2018 RMB'000	31 Mar 2017 RMB'000	31 Mar 2018 RMB'000	31 Mar 2017 RMB'000
<b>ASSETS</b>				
<b>Non-current</b>				
Property, plant and equipment	424,921	467,201	-	-
Intangible assets	-	50	-	-
Subsidiaries	-	-	344,363	344,363
Available-for-sale financial assets	88,127	93,067	88,127	93,067
Trade and other receivables	498	743	-	-
Deferred costs	16,354	4,090	-	-
Deferred tax assets	15,877	15,518	-	-
	<u>545,777</u>	<u>580,669</u>	<u>432,490</u>	<u>437,430</u>
<b>Current</b>				
Inventories	322,349	317,649	-	-
Trade and other receivables	392,740	292,136	183	189
Deferred costs	14,382	8,335	-	-
Amounts owing by subsidiaries	-	-	32,078	42,157
Amounts owing by related parties	71,236	83,081	-	-
Amount owing by a corporate shareholder of a subsidiary	699	434	-	-
Cash and cash equivalents	131,967	148,453	858	643
	<u>933,373</u>	<u>850,088</u>	<u>33,119</u>	<u>42,989</u>
<b>TOTAL ASSETS</b>	<u>1,479,150</u>	<u>1,430,757</u>	<u>465,609</u>	<u>480,419</u>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	312,484	312,484	312,484	312,484
Reserves	308,284	304,562	143,184	158,594
<b>Equity attributable to equity holders of the Company</b>	<u>620,768</u>	<u>617,046</u>	<u>455,668</u>	<u>471,078</u>
Non-controlling interests	56,617	60,499	-	-
<b>TOTAL EQUITY</b>	<u>677,385</u>	<u>677,545</u>	<u>455,668</u>	<u>471,078</u>
<b>LIABILITIES</b>				
<b>Non-current</b>				
Borrowings	961	1,570	-	-
Deferred income	23,934	6,284	-	-
Deferred capital grants	10,000	10,228	-	-
Deferred tax liabilities	20,821	19,883	7,067	6,559
Trade and other payables	20,201	23,098	-	-
	<u>75,917</u>	<u>61,063</u>	<u>7,067</u>	<u>6,559</u>
<b>Current</b>				
Trade and other payables	376,238	365,246	2,874	2,680
Borrowings	270,514	256,029	-	-
Deferred income	21,183	11,829	-	-
Deferred capital grants	229	229	-	-
Amounts owing to/advances from related parties	25,732	31,345	-	80
Amounts owing to a corporate shareholder of a subsidiary	29,832	25,489	-	-
Current tax payable	2,120	1,982	-	22
	<u>725,848</u>	<u>692,149</u>	<u>2,874</u>	<u>2,782</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,479,150</u>	<u>1,430,757</u>	<u>465,609</u>	<u>480,419</u>

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

	As at 31 Mar 2018		As at 31 Mar 2017	
	Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>	Secured <sup>(1)</sup>	Unsecured <sup>(2)</sup>
	RMB'000	RMB'000	RMB'000	RMB'000
Amount repayable in one year or less, or on demand	270,514	33,405	256,029	33,505
Amount repayable after one year	961	-	1,570	-
	271,475	33,405	257,599	33,505

**Details of any collaterals**

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

	31 Mar 2018	31 Mar 2017	Description
	RMB'000	RMB'000	
<b>Bank borrowings</b>			
a)	96,000	20,000	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)	50,000	50,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao.
c)	10,000	10,000	Granted to Fushun Yongmao, guaranteed by the Company.
d)	-	55,194	Granted to Fushun Yongmao, guaranteed by the Company and the irrevocable letter of guarantees issued by another bank. The letter of guarantees are guaranteed by Beijing Yongmao and certain directors of the Company and secured by bank deposits.
e)	10,000	10,000	Granted to Fushun Yongmao, guaranteed by Beijing Yongmao and certain directors of the Company and secured by bank deposits.
f)	30,000	30,000	Granted to Fushun Yongmao, guaranteed by the Company, Beijing Yongmao and a director of the Company and secured by fixed deposit.
g)	20,000	12,000	Granted to Fushun Yongmao, guaranteed by certain directors of the Company and secured by bank deposits.
	216,000	187,194	
<b>Short-term trade financing</b>			
a)	32,900	25,000	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").
	38,921	25,000	
<b>Finance lease obligations</b>			
a)	2,379	2,933	In respect of motor vehicles and office equipment acquired under finance leases.
b)	14,175	42,472	In respect of towercranes acquired under finance leases granted to Yongmao Machinery (H.K.) Company Limited.
	16,554	45,405	
	271,475	257,599	

The above borrowings are for working capital purposes.

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

- RMB18.4 million (31 March 2017 – 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.
- RMB10.3 million (31 March 2017 – RMB12.0 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.
- RMB4.7 million (31 March 2017 – RMB3.1 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 31 Mar 2018 (Q4 FY2018)	3 months ended 31 Mar 2017 (Q4 FY2017)	12 months ended 31 Mar 2018 (FY2018)	12 months ended 31 Mar 2017 (FY2017)
<b>Cash flows from operating activities</b>				
(Loss)/Profit before taxation	(2,407)	5,586	27,877	40,037
Adjustments for:				
Amortisation of deferred capital grants	(57)	(57)	(228)	(229)
Amortisation of intangible assets	-	25	50	100
Depreciation of property, plant and equipment	13,971	14,643	54,131	56,435
Gain on disposal of property, plant and equipment	-	(1)	(175)	(441)
Provision for loss on disposal of property, plant and equipment	568	-	568	-
Property, plant and equipment written off	97	-	98	5
Inventory write-down	-	2,982	-	3,982
Interest expense	3,650	3,133	16,107	16,641
Interest income	(143)	(192)	(1,026)	(772)
Exchange translation difference	(554)	(87)	(2,558)	5,097
<b>Operating profit before working capital changes</b>	15,125	26,032	94,844	120,855
Increase in inventories <sup>1</sup>	(22,575)	(27,575)	(24,707)	(93,768)
(Increase)/Decrease in deferred costs	(8,418)	2,446	(18,311)	8,415
(Increase)/Decrease in operating receivables	(27,527)	5,867	(91,429)	40,235
Increase/(Decrease) in operating payables	25,057	(29,438)	13,507	63,256
Increase/(Decrease) in deferred income	12,335	(3,437)	27,004	(12,210)
<b>Cash (used in)/generated from operations</b>	(6,003)	(26,105)	908	126,783
Interest paid	(6,767)	(2,791)	(19,440)	(15,951)
Tax paid	(3,591)	(405)	(5,873)	(4,070)
<b>Net cash (used in)/generated from operating activities</b>	(16,361)	(29,301)	(24,405)	106,762
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(1,412)	(1,486)	(5,908)	(6,579)
Proceeds from disposal of property, plant and equipment	-	1	202	441
(Payment to)/Receipt from corporate shareholder of a subsidiary	-	(5)	10	(5)
Interest received	143	94	1,514	284
<b>Net cash used in investing activities</b>	(1,269)	(1,396)	(4,182)	(5,859)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	142,012	121,911	375,500	237,834
Repayment of borrowings	(86,675)	(83,289)	(329,934)	(321,974)
Repayment of finance lease liabilities	(8,062)	(11,551)	(26,483)	(33,103)
Restricted bank balances	(14,000)	(26,990)	27,855	(9,737)
Repayment to related parties	(170)	(1,025)	(1,780)	(4,974)
(Repayment to)/Advances from a director	(1,900)	3,100	1,600	3,100
Dividends paid to non-controlling interests	-	-	-	(694)
Dividends paid to equity holders of the Company	-	-	(4,370)	-
<b>Net cash generated from/(used in) financing activities</b>	31,205	2,156	42,388	(129,548)
Net increase/(decrease) in cash and cash equivalents	13,575	(28,541)	13,801	(28,645)
Cash and cash equivalents at beginning of period	52,682	82,163	53,938	81,258
Exchange adjustments	(950)	316	(2,432)	1,325
<b>Cash and cash equivalents at end of period</b>	65,307	53,938	65,307	53,938

Note:

- Included in increase in inventories for Q4 FY2018 of RMB20.3 million (Q4 FY2017 : RMB18.2 million) and FY2018 of RMB57.4 million (FY2017 : 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 FRS 7.

	Group	
	RMB'000	RMB'000
	31 Mar 2018	31 Mar 2017
<b><u>Analysis of cash and cash equivalents</u></b>		
Cash on hand	103	141
Bank balances	131,864	148,312
	131,967	148,453
Restricted bank balances	(66,660)	(94,515)
	65,307	53,938

**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
<b>Current year:</b>									
<b>Balance as at 1 Apr 2017</b>	312,484	(26,769)	59,251	14,392	250,948	6,740	617,046	60,499	677,545
Total comprehensive income/(expense) for the period	-	-	-	-	22,858	(4,638)	18,220	(963)	17,257
Transfer from statutory common reserve	-	-	2,187	-	(2,187)	-	-	-	-
Dividends	-	-	-	-	(4,370)	-	(4,370)	-	(4,370)
<b>Balance as at 31 Dec 2017</b>	312,484	(26,769)	61,438	14,392	267,249	2,102	630,896	59,536	690,432
Total comprehensive expense for the period	-	-	-	(4,940)	(2,250)	(2,938)	(10,128)	(2,919)	(13,047)
Transfer from statutory common reserve	-	-	(1,112)	-	1,112	-	-	-	-
<b>Balance as at 31 Mar 2018</b>	312,484	(26,769)	60,326	9,452	266,111	(836)	620,768	56,617	677,385

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
<b>Current year:</b>									
<b>Balance as at 1 Apr 2016</b>	312,484	(26,769)	58,070	3,171	224,006	2,785	573,747	54,083	627,830
Total comprehensive income for the period	-	-	-	-	22,461	4,252	26,713	8,778	35,491
Transfer to statutory common reserve	-	-	1,766	-	(1,766)	-	-	-	-
<b>Balance as at 31 Dec 2016</b>	312,484	(26,769)	59,836	3,171	244,701	7,037	600,460	62,861	663,321
Total comprehensive income/(expense) for the period	-	-	-	11,221	5,662	(297)	16,586	(2,362)	14,224
Transfer from statutory common reserve	-	-	(585)	-	585	-	-	-	-
<b>Balance as at 31 Mar 2017</b>	312,484	(26,769)	59,251	14,392	250,948	6,740	617,046	60,499	677,545

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Current year:</b>				
<b>Balance as at 1 Apr 2017</b>	312,484	14,392	144,202	471,078
Total comprehensive expense for the period	-	-	(4,608)	(4,608)
Dividends	-	-	(4,370)	(4,370)
<b>Balance as at 31 Dec 2017</b>	312,484	14,392	135,224	462,100
Total comprehensive expense for the period	-	(4,940)	(1,492)	(6,432)
<b>Balance as at 31 Mar 2018</b>	312,484	9,452	133,732	455,668

Company	Share capital	Fair value reserve	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Previous year:</b>				
<b>Balance as at 1 Apr 2016</b>	312,484	3,171	146,550	462,205
Total comprehensive expense for the period	-	-	(1,780)	(1,780)
<b>Balance as at 31 Dec 2016</b>	312,484	3,171	144,770	460,425
Total comprehensive income/(expense) for the period	-	11,221	(568)	10,653
<b>Balance as at 31 Mar 2017</b>	312,484	14,392	144,202	471,078



- 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 FY2018 or Q4 FY2017.

There was no outstanding convertible, treasury share or subsidiary holdings as at 31 March 2018 (31 March 2017 – 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.**

	<b>31 March 2018</b>	<b>31 March 2017</b>
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 2018 (31 March 2017 – 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 2018 (31 March 2017 – 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 has adopted the same accounting policies and method of computation as the audited financial statements for the financial year ended 31 March 2017 except that the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for annual periods beginning on 1 April 2017.

The adoption of these new or revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

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.**

Please refer to Paragraph 4 above.

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 31 Mar 2018 (Q4 FY2018)	3 months ended 31 Mar 2017 (Q4 FY2017)	12 months ended 31 Mar 2018 (FY2018)	12 months ended 31 Mar 2017 (FY2017)
(Loss)/Earnings of the Group, after deducting any provision for preference dividends (in RMB'000):	(2,250)	5,662	20,608	28,123
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
(Loss)/Earnings per share (in cents RMB)				
(a) Based on weighted average number of ordinary shares on issue	(2.54)	6.38	23.22	31.69
(b) On a fully diluted basis	(2.54)	6.38	23.22	31.69

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 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Net asset value per ordinary share (RMB cents)	699.46	695.26	513.43	530.79

Net asset value per share for the Group and the Company for 31 March 2018 and 31 March 2017 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 FY2018 ("Q4 FY2018") vs Fourth Quarter FY2017 ("Q4 FY2017")**

#### **Revenue**

Group revenue increased by 35.7% to RMB161.4 million in Q4 FY2018 as compared to RMB119.0 million in Q4 FY2017. The increase in revenue was mainly from higher sales of towercranes of RMB34.4 million. Rental income as well as service income also increased by RMB15.4 million. The increase partly offset by lower sales of components and parts of RMB7.4 million.

All sales region except for the USA & Europe has reported a higher revenue in Q4 FY2018 as compared to Q4 FY2017. Asia (outside the PRC) has increased by 46.5% to RMB68.9 million mainly due to increase demand for higher lifting capacity towercranes in adoption of Prefabricated Pre-finished Volumetric Construction (PPVC) method. Revenue in the PRC also increased 30.0% from RMB47.6 million in Q4 FY2017 to RMB61.9 million in Q4 FY2018 resulted mainly from higher demands in medium size towercranes and higher rental income in Q4 FY2018. Revenue in Middle East & Others has also up by RMB10.1 million. The increase was offset by the decrease in the USA & Europe which was down by RMB3.8 million.

Overall, Asia (outside the PRC) and PRC sales contributed 42.7% and 38.3% respectively of the Group revenue.

#### **Gross profit and gross profit margin**

Despite the increase in revenue, gross profit decreased marginally 0.6% to RMB39.7 million in Q4 FY2018 from RMB40.0 million in Q4 FY2017 amidst keen price competition resulting in lower margins from sales of towercranes, coupled with higher steel material cost.

Accordingly, average gross profit margin decreased to 24.6% in Q4 FY2018 from 33.6% in Q4 FY2017.

#### **Other income**

Other income increased to RMB1.0 million in Q4 FY2018 as compared to RMB0.7 million in Q4 FY2017 was mainly due to higher government grants obtained and higher sales of scrap material.

#### **Operating expenses**

Total operating expenses increased 22.9% to RMB43.1 million in Q4 FY2018 as compared to RMB35.1 million in Q4 FY2017.

Distribution costs increased 28.8% to RMB16.6 million in Q4 FY2018 as compared to RMB12.9 million in Q4 FY2017 mainly due to higher freight and transportation charges in line with higher sales of towercranes partly offset by lower sales service expenses.

Administrative expenses increased 14.8% to RMB24.1 million in Q4 FY2018 as compared to RMB21.0 million in Q4 FY2017 mainly due to higher staff benefit costs and higher transportation cost incurred for the shifting of Hong Kong office and warehouse. The increase was partly offset by property and land holding tax of RMB1.4 million charged by the tax authority Q4 FY2017. There was no such charges in Q4 FY2018.

Other operating expenses reported a credit balance of RMB1.3 million in Q4 FY2018 from a credit balance of RMB2.0 million in Q4 FY2017. The decrease is due to higher exchange loss of RMB2.1 million in Q4 FY2018 as compared to RMB0.1 million in Q4 FY2017. The decrease was offset by higher reversal for impairment of trade receivables of RMB4.4 million and compared to RMB2.4 million in Q4 FY2017. The reversal for impairment of trade receivables of RMB4.4 million mainly pertains to:

- a) RMB0.7 million recovered by recalling two units of towercranes;
- b) RMB1.5 million collections from customers previously provided for in FY2017; and
- c) RMB2.2 million reversal for provision no longer required.

The exchange loss arose mainly from:

- a) the weakening 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 weakening of HKD against RMB and SGD due to net HKD assets in the Company’s book and the Singapore subsidiary’s book; and
- c) the weakening of USD against SGD due to net USD assets in the Singapore subsidiary’s book.

Finance costs increased 16.5% to RMB3.7 million in Q4 FY2018 as compared to RMB3.1 million in Q4 FY2017 due to higher average borrowing.

### **Taxation**

Income tax expense decreased 43.7% to RMB1.0 million in Q4 FY2018 as compared to RMB1.8 million in Q4 FY2017. Despite loss before taxation in Q4 FY2018, the tax expense is mainly due to under-provision of deferred tax expense for prior year in Hong Kong subsidiary.

### **(Loss)/Profit before taxation and Net (loss)/profit attributable to equity holders of the Company**

The Group recorded a loss before taxation RMB2.4 million in Q4 FY2018 as compare to a profit before taxation of RMB5.6 million in Q4 FY2017. Despite achieving higher sales, gross profit margin was lower due to keen price competition and higher steel material price, as well as higher operating expenses.

In line with loss before taxation, net loss for the period recorded at RMB3.4 million.

Net loss attributable to equity holders of the Company was RMB2.3 million in Q4 FY2018 mainly due to loss before taxation as mentioned above and, partly offset by losses attributable to non-controlling interest.

### **FY2018 vs FY2017**

#### **Revenue**

Group revenue increased 9.1% to RMB626.5 million in FY2018, as compared to RMB574.5 million in FY2017. The increase resulted mainly from higher towercranes sales of RMB56.3 million and higher rental income of RMB5.8 million, partly offset by lower sales in components and accessories of RMB10.3 million and lower services income of RMB0.3 million.

Middle East & others increased 109.8% from RMB34.8 million in FY2017 to RMB73.0 million in FY2018 with higher quantity of towercranes delivered.

Asia (outside the PRC) also increased RMB28.3 million to RMB250.0 million in FY2018 from RMB221.7 million in FY2017 mainly contributed by sales of higher lifting capacity towercranes in adoption of Prefabricated Pre-finished Volumetric Construction (PPVC) method. The increase was offset by lower rental income and service income in Hong Kong and Macau operations as a result of weaker demand.

Revenue in the PRC and USA & Europe decreased by RMB6.7 million and RMB7.7 million respectively in FY2018 as compared to FY2017. Towercranes revenue in the PRC has seen a decrease partly mitigated by the Company engaging into more leasing activities for mega-sized towercranes in lieu of outright sales. This explained the higher rental income reported in FY2018. The decline in PRC sales was also partly due to deferred sales of RMB27.0 million in FY2018 (see Note on deferred income under “Current Liabilities”). Nevertheless, PRC sales still made the largest turnover contribution to the Group, amounting to 44.1% of revenue in FY2018.

#### **Gross profit and gross profit margin**

Gross profit decreased 7.9% to RMB180.8 million in FY2018 from RMB196.3 million in FY2017 amidst keen price competition resulting in lower margins from sales of towercranes, coupled with higher steel material cost. The decrease was also attributable to higher percentage sales in small and medium sized towercranes which generally generates lower gross margin.

Margin of service income from Hong Kong operations was also lower resulted from higher repairs and maintenance expenses. Accordingly, average gross profit margin decreased to 28.9% in FY2018 from 34.2% in FY2017.

#### **Other income**

Other income decreased to RMB3.3 million in FY2018 as compared to RMB4.6 million in FY2017 was mainly due to compensation income from customers of RMB1.9 million in FY2017.

#### **Operating expenses**

Total operating expenses slightly decreased by 2.8% to RMB156.3 million in FY2018 as compared to RMB160.8 million in FY2017.

Distribution costs marginally decreased 1.7% to RMB54.2 million in FY2018 as compared to RMB55.2 million in FY2017 mainly due to lower sale service expenses and lower bonus, offset by higher freight and transportation charges in line with higher sales.

Administrative expenses slightly decreased 0.7% to RMB84.2 million in FY2018 as compared to RMB84.8 million in largely due to lower depreciation cost and the non-recurring property and land holding tax of RMB1.4 million was charged in FY2017 by the tax authority in respect to prior years, partly offset by higher bonus and higher transportation cost incurred for the shifting of Hong Kong office and warehouse.

Other operating expenses decreased to RMB1.8 million in FY2018 from RMB4.2 million in FY2017. A net reversal of doubtful debts of RMB4.8 million was made in FY2018 as compared to a provision of RMB1.5 million made in FY2017. The decrease was offset by higher exchange losses of RMB4.3 million in FY2018 as compared to RMB0.9 million in FY2017.

The net reversal of impairment of trade receivables in FY2018 mainly refer to:

- a) RMB2.1 million recovered by recalling four units of tower cranes provided for in FY2016; and
- b) RMB0.5 million recovered by court order provided for in FY2016
- c) RMB1.7 million recovered by proceeding of legal action on debts which was long outstanding for two to four years.

The exchange loss arose mainly from:

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

Finance costs decreased 3.2% to RMB16.1 million in FY2018 as compared to RMB16.6 million in FY2017 due to lower average borrowing.

### **Taxation**

Income tax expense reported at RMB6.5 million in FY2018 as compared to RMB7.9 million in FY2017 in line with lower 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 RMB27.9 million in FY2018 as compare to RMB40.0 million in FY2017. Despite achieving higher revenue, gross profit was lower due to keen price competition and higher steel material price.

In line with profit before taxation, net profit for the year decreased to RMB21.4 million in FY2018 from RMB32.1 million in FY2017.

Net profit attributable to equity holders of the Company decreased to RMB20.6 million in FY2018 from RM28.1 million mainly due to lower profit before taxation as mentioned above, partly offset by profit attributable to non-controlling interest.

## **REVIEW OF FINANCIAL POSITION OF THE GROUP**

### **Non-current Assets**

Non-current assets decreased by RMB34.9 million to RMB545.8 million as at 31 March 2018 mainly due to lower property, plant and equipment and lower available-for-sale financial assets, partly offset by higher deferred cost. The decrease of RMB42.3 million in the Group's net carrying amount of property, plant and equipment was mainly attributable to the depreciation charges and disposals, partially offset by the additions mainly pertains to rental fleet. Fair value losses of RMB4.9 million on the available-for-sale financial assets was recognised as at 31 March 2018.

Deferred costs related to the corresponding non-current portion cost of sales relating to revenue deferred (See Note on deferred income below).

Deferred tax assets arose mainly from deferred income, provisions and elimination of unrealised profits in intragroup sales.

### **Current Assets**

Current assets increased by RMB83.3 million to RMB933.4 million as at 31 March 2018 mainly due to higher trade and other receivables, higher inventories and higher deferred cost, offset by lower amount owing by related parties, and lower cash and cash equivalents (see Note on Review on Cash Flow Statement below).

Trade and other receivables increased by RMB100.6 million to RMB392.7 million as at 31 March 2018 due to timing of sales and slower collections in the PRC. The increase is also due to higher advance paid to suppliers.

Amount owing by related parties are mainly trade in nature which decreased due to net collection over sales for the financial year.

Inventories increased by RMB4.7 million to RMB322.3 million as at 31 March 2018 as compared to RMB317.6 million as at 31 March 2017 for delivery due in Q1 FY2019.

Deferred costs related to the corresponding current portion cost of sales relating to revenue deferred (See Note on deferred income below).

### **Non-current Liabilities**

Non-current liabilities increased by RMB14.9 million to RMB75.9 million as at 31 March 2018 as compared to RMB61.1 million as at 31 March 2017 mainly due to higher deferred income (See Note on deferred income below).

### **Current Liabilities**

Current liabilities increased by RM33.7 million to RMB725.8 million as at 31 March 2018 as compared to RMB692.1 million as at 31 March 2017 mainly due to higher trade and other payables, higher borrowings, higher deferred income and higher amount owing to a corporate shareholders of a subsidiary, partly offset by lower amount owing to related parties.

Trade and other payables increased by RMB11.0 million mainly due to higher advances from customers, higher provision for bonus and accrued expenses offset by lower trade payables.

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

Deferred income included RMB45.1 million of revenue deferred due to uncertainty in the timing of the consideration for the delivery of goods made to the customer. Owing to the uncertainty, the amount of the unpaid sum owed by the customer to the financial institution is deferred and recognised as revenue when the uncertainty is removed. The deferred costs, as mentioned under non-current and current assets above, related to the amount carried in the statement of financial position to the extent that revenue has been deferred. The increase in deferred income, from RMB18.1 million as at 31 March 2017, was mainly due to the increase in such deferred sales partly offset by repayment by customers to financial institutions.

### **Total Equity**

As at 31 March 2018, the Group's total equity amounted to RMB677.4 million, marginally decreased from RMB677.5 as at 31 March 2017. The decrease was mainly due to dividend paid of RMB4.4 million, offset by total comprehensive income of RMB4.2 million for FY2018.

## **REVIEW OF CASH FLOW STATEMENT**

### **Q4 FY2018 vs Q4 FY2017**

The Group reported a net increase in cash and cash equivalents amounting to RMB13.6 million in Q4 FY2018 mainly due to:

- a) Net cash used in operating activities in Q4 FY2018 of RMB16.4 million resulted mainly from increase in inventories, increase in operating receivables and increase in deferred cost, partly offset by operating profit before working capital changes, increase in operating payables and increased in deferred revenue; and
- b) Net cash used in investing activities of RMB1.3 million mainly from purchases of machinery and motor vehicles; and
- c) Net cash generated from financing activities of RMB31.2 million mainly from net proceeds of bank borrowings and finance lease creditors, as well as higher restricted bank balances, partly offset by repayment to director.

### **FY2018 vs FY2017**

The Group reported a net increase in cash and cash equivalents amounting to RMB13.8 million in FY2018 mainly due to:

- a) Net cash used in operating activities in FY2018 of RMB24.4 million resulted mainly from increase in inventories, increase in operating receivables and increase in deferred cost, partly offset by operating profit before working capital changes, increase in operating payables and increased in deferred revenue; and

- b) Net cash used in investing activities of RMB4.2 million mainly from purchases of machinery and motor vehicles; and
- c) Net cash generated from financing activities of RMB42.4 million mainly from net proceeds of bank borrowings and finance lease creditors and dividend paid, partly offset by repayment to director and lower restricted bank balances.

**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 result was in line with the announcement released on SGX-ST on 15 May 2018.

**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's economy expanded 6.8 percent year-on-year in the first quarter of 2018, the same pace as in the previous two quarters. Growth remained steady and positive as industrial output, retail sales and fixed-asset investment remained strong. The economic growth is also bolstered by global recovery where exports have been quite buoyant vis-a-vis last year. However, the economic growth may cool in coming months as government crack-down on financial risks thereby raising borrowing costs for businesses.

While resale residential property sector slowed, infrastructure investment is picking up on the back of regional development initiatives outlined by the 13<sup>th</sup> Five-Year Plan and the Xiongan economic zone. China pouring of funds into infrastructure has fueled demand for buildings material, from cements to steel and all others. Nevertheless, the Group remains cautious in view of the rising business cost.

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 markets like Macau remain challenging.

**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 One (1) 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 24 July 2017.

**(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.**

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) Full year ended 31 Mar 2018 (FY2018) 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) Full year ended 31 Mar 2018 (FY2018) RMB'000
<b>Sales to related parties</b>		
China Nuclear Huaxing Tat Hong Machinery Construction Co., Ltd. (中核华兴达丰机械租赁有限公司)	-	19,343
Jiangsu Hengxingmao Financial Leasing Co., Ltd. (江苏恒兴茂融资租赁有限公司)	-	30,888
Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (江苏中建达丰机械租赁有限公司)	-	827
Shanghai Tat Hong Equipment Rental Co., Ltd. Rental Co., Ltd. (上海达丰机械租赁有限公司)	-	922
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	3,057	-
Liaoning Yongmao Hydraulic Machinery Co., Ltd (辽宁永茂液压机械有限公司)	1,230	-
<b>Purchases from related parties</b>		
Beijing Weiteng Special Purpose Auto Co., Ltd. (北京威腾专用汽车有限责任公司)	-	3,018
Fushun Yongmao Industry and Trade Co., Ltd (抚顺市永茂工贸发展有限公司)	-	649
<b>Rental charged by a director</b>	810	-



**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 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
<b>2018</b>				
<b>Sales</b>				
Total segment sales	648,173	113,902	136,316	898,391
Inter-segment sales	(291,395)	19,536	-	(271,859)
Sales to external parties	356,778	133,438	136,316	626,532
Reportable segment (loss)/profit before income tax	14,449	9,320	4,108	27,877
<b>2017</b>				
<b>Sales</b>				
Total segment sales	583,255	133,713	89,227	806,195
Inter-segment sales	(234,111)	3,940	(1,530)	(231,701)
Sales to external parties	349,144	137,653	87,697	574,494
Reportable segment (loss)/profit before income tax	15,794	20,144	4,129	40,037

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
<b>FY2018</b>					
- Q4	61,875	68,857	6,539	24,163	161,434
- Full Year	276,570	250,006	26,946	73,010	626,532
<b>FY2017</b>					
- Q4	47,588	46,999	10,323	14,044	118,954
- Full Year	283,305	221,703	34,681	34,805	574,494

**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		%
	FY2018	FY2017	Increase/ (Decrease)
Revenue			
- First Half	326,313	339,160	(3.8)
- Second Half	300,219	235,334	27.6
Profit/(Loss) after taxation			
- First Half	22,241	26,009	(14.5)
- Second Half	(854)	6,118	NM

**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	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	62	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	62	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	36	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	60	Brother-in-law of Sun Zhao Lin and brother of Tian Ruo Nan	Purchasing Manager, 2001	N.A.
Tian Hao	37	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.

**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  
30 May 2018