YUSEI HOLDINGS LIMITED
友成控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 96)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

The board of directors of Yusei Holdings Limited (the "Company") announces the audited results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018, together with the comparative figures for the corresponding period of last year, as follows:

Consolidated statement of profit or loss
For the year ended 31 December 2018

	NOTES	2018 RMB'000	2017 RMB'000 (Restated)
Revenue	3	1,274,993	1,247,392
Cost of sales		(1,091,608)	(1,045,450)
Gross profit		183,385	201,942
Other income and gain	4	35,515	20,938
Net foreign exchange gain (loss)		1,640	(1,331)
Distribution costs		(52,217)	(46,747)
Administrative expenses		(49,435)	(63,278)
Finance costs	5	(15,259)	(15,836)
Share of profits of associates		1,832	2,485
Profit before tax		105,461	98,173
Income tax expense	6	(14,040)	(14,678)
Profit for the year	7	91,421	83,495
Earnings per share			
Basic and diluted	9	RMB0.186	RMB0.172

* *For identification purpose only*

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2018

	2018 RMB'000	2017 RMB'000
Profit for the year	91,421	83,495
Other comprehensive income for the year:		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operation	602	322
Total comprehensive income for the year	92,023	83,817
Profit attributable to:		
Owners of the Company	91,303	83,495
Non-controlling interest	118	-
	91,421	83,495
Total comprehensive income attributable to:		
Owners of the Company	91,905	83,817
Non-controlling interest	118	-
	92,023	83,817

Consolidated statement of financial position
As at 31 December 2018

	NOTES	2018 RMB'000	2017 RMB'000
Non-current assets			
Property, plant and equipment		481,052	427,964
Intangible assets		4,342	1,372
Land use rights		41,200	27,286
Amount due from an associate		-	21,318
Goodwill		5,385	-
Deferred tax asset		2,265	-
Interests in associates		36,024	34,192
		570,268	512,132
Current assets			
Inventories		325,760	224,762
Trade and bills receivables, deposits and prepayments	10	473,639	439,465
Amount due from ultimate holding company		1,142	-
Amounts due from associates		-	3,096
Pledged bank deposits		9,459	831
Bank balances, deposits and cash		105,616	56,019
		915,616	724,173
Current liabilities			
Trade and other payables	11	478,804	406,330
Amount due to ultimate holding company		287	1,762
Amounts due to associates		4,795	-
Income tax liabilities		19,310	19,139
Obligations under finance leases			
- due within one year		50,653	26,335
Bank and other loans - due within one year		255,733	245,057
		809,582	698,623
Net current assets		106,034	25,550
Total assets less current liabilities		676,302	537,682
Non-current liabilities			
Amount due to ultimate holding company		4,101	20,572
Deferred income		6,904	7,128
		11,005	27,700
		665,297	509,982
Capital and reserves			
Share capital		4,853	3,755
Reserves		658,031	506,227
		662,884	509,982
Non-controlling interest		2,413	-
		665,297	509,982

<u>Consolidated statement of changes in equity</u>
For the year ended 31 December 2018

	Share capital	Share premium	Special reserve	Reserve for shares issued with vesting conditions	Translation Reserve	Capital reserve	Statutory surplus reserve	Retained profits	Sub-total	Non - controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
1 January 2017	3,755	53,462	49,663	18,065	4,581	71	18,367	286,196	434,160	-	434,160
Profit for the year	-	-	-	-	-	-	-	83,495	83,495	-	83,495
Other comprehensive income for the year	-	-	-	-	322	-	-	-	322	-	322
Total comprehensive income for the year	-	-	-	-	322	-	-	83,495	83,817	-	83,817
Dividend recognized as distribution (Note 8)	-	-	-	-	-	-	-	(7,995)	(7,995)	-	(7,995)
At 31 December 2017 and 1 January 2018	3,755	53,462	49,663	18,065	4,903	71	18,367	361,696	509,982	-	509,982
Effect of change in accounting policy (Note 2)	-	-	-	-	-	-	-	(2,946)	(2,946)	-	(2,946)
At 1 January 2018 (Restated)	3,755	53,462	49,663	18,065	4,903	71	18,367	358,750	507,036	-	507,036
Profit for the year	-	-	-	-	-	-	-	91,303	91,303	118	91,421
Other comprehensive income for the year	-	-	-	-	602	-	-	-	602	-	602
Total comprehensive income for the year	-	-	-	-	602	-	-	91,303	91,905	118	92,023
Issue of shares	1,098	70,861	-	-	-	-	-	-	71,959	-	71,959
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	2,295	2,295
Transfer to statutory reserve	-	-	-	-	-	-	777	(777)	-	-	-
Dividend recognised as distribution (Note 8)	-	-	-	-	-	-	-	(8,016)	(8,016)	-	(8,016)
At 31 December 2018	4,853	124,323	49,663	18,065	5,505	71	19,144	441,260	662,884	2,413	665,297

Notes:

1. CORPORATE INFORMATION

Yusei Holdings Limited (the "Company") is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability on 4 April 2005. Its ultimate holding company is Yusei Machinery Corporation ("Yusei Japan") (incorporated in Japan).

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") are moulding fabrication, manufacturing and trading of moulds and plastic components.

The consolidated financial statements are presented in Renminbi ("RMB"). Other than those subsidiaries established in the People's Republic of China (the "PRC") whose functional currency is RMB, the functional currency of the Company is Hong Kong dollars ("HK$"). The Group adopted RMB as its presentation currency as the directors of the Company consider that the major operations are in the PRC and it is appropriate to present the consolidated financial statements in RMB.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvement to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property
HK(IFRIC) –Interpretation 22	Foreign Currency Transactions and Advance Consideration

The impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with customers have been summarised below. The application of other new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/ or on the disclosures set out in these consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

HKFFRS 15 superseded HKAS 11 Construction Contracts, HKAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard established a five-step model for determining whether, how much and when revenue is recognised.

The Group has elected to adopt the modified retrospective approach for contracts with customers that are not completed as at the date of initial application (i.e. 1 January 2018) with the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings and comparative information is not restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 Revenue.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Summary of effects arising from initial application of HKFRS 15

The following table summaries the impact of transition to HKFRS 15 on the retained earnings at 1 January 2018:

	Retained earnings RMB'000
Closing balance as 31 December 2017	361,696
Revenue recognised a point of time for sale of moulds	(940)
Related deferred tax impact	145
Total change as a result of adoption of HKFRS 15 on 1 January 2018	360,901

The amount of adjustment for each financial statement line item of the consolidated statement of financial position at 1 January 2018 affected by the application of HKFRS 15 is illustrated below. Line items that were not affected by the changes have not been included.

	Carrying amount previously reported as 31 December 2017 RMB'000	Impact on adoption of HKFRS 15 - Reclassification RMB'000	Impact on adoption of HKFRS 15 - Remeasurement RMB'000	Carrying amount as restated at 1 January 2018 RMB'000
Deposit received	3,903	(3,903)	-	-
Contract liabilities	-	3,903	11,658	15,561
Inventories	224,762	-	(10,719)	214,043
Deferred tax assets	-	-	145	145
Retained earnings	361,696	-	(795)	360,901*

*The amounts in this column are before the adjustments from the application of HKFRS 9.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

The following tables summarise the estimated impact of applying HKFRS 15 on the consolidated statements of financial position at 31 December 2018, by comparing the amounts reported under HKAS 11, HKAS 18 and related interpretations that were in effect before the change. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of profit or loss and financial position for the year ended 31 December 2018 and at 31 December 2018.

	As reported RMB'000	Impact on adoption of HKFRS 15 RMB'000	Amounts excluding impacts of adopting HKFRS 15 RMB'000
Contract liabilities	(58,316)	46,658	(11,658)
Inventories	325,760	(41,927)	283,833
Deferred tax assets	2,265	(712)	1,553
Retained earnings	(441,260)	(4,019)	(445,279)
Revenue	1,274,993	46,658	1,321,651
Cost of sales	(1,091,608)	(41,927)	(1,133,535)
Income tax expenses	(14,040)	(712)	(14,752)

HKFRS 9 Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment loss of financial assets and hedge accounting. The Group has applied HKFRS 9 retrospectively to financial instruments that have not been derecognised at the date of initial application (i.e. 1 January 2018) in accordance with the transition provisions under HKFRS 9, and chosen not to restate comparative information. Differences in the carrying amounts of financial assets and financial liabilities on initial application are recognised in retained earnings and other components of equity as at 1 January 2018.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (Continued)

HKFRS 9 Financial instruments (Continued)

(i) Classification and measurement of financial instruments

At the initial application of HKFRS 9 and the reporting date, the directors of the Company reviewed and assessed the Group's existing financial assets and liabilities as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that all recognised financial assets and financial liabilities that are within the scope of HKFRS 9 are continued to measure at amortised cost as were previously measured under HKAS 39.

(ii) Loss allowance for ECL

The adoption of HKFRS 9 has changed the Group's accounting for loss allowance for financial assets by replacing HKAS 39's incurred loss model with a forward-looking ECL model. As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment loss using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement HKFRS 9.

(iii) Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	Financial assets at amortised cost (previously classified as loans and receivables) RMB'000	Deferred tax assets RMB'000	Retained earnings RMB'000
Closing balance as 31 December 2017	439,465	-	361,696
Remeasurement:			
Loss allowance under ECL model	(2,868)	-	(2,868)
Related deferred tax impact	-	717	717
Total change as a result of adoption of HKFRS 9 on 1 January 2018	436,597	717	359,545*

*The amounts in this column are before the adjustments from application of HKFRS15.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold, less discount and value-added tax during the year.

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") (i.e. the chief executive) in order to allocate resources to segments and to assess their performance.

The Group's operating activities are attributable to a single operating segment focusing on the moulding fabrication, manufacturing and trading of moulds and plastic components. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM. The CODM monitors the revenue from moulding fabrication, manufacturing and trading of moulds and plastic components for the purpose of making decisions about resources allocation and performance assessment. However, no revenue analysis, operating results and other discrete financial information are available for the resource allocation and performance assessment. The CODM reviews the profit for the year of the Group as a whole for performance assessment. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

The Group derives and recognises all of its revenue from the transfer of goods at a point of time in the following major product types.

	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Plastic components	1,139,093	1,147,601
Moulds	135,900	99,791
	1,274,993	1,247,392

Geographical information

During the years ended 31 December 2018 and 2017, the Group's operations were located in the PRC.

During the year ended 31 December 2018, 99.72% (2017: 99.99%) of the Group's revenue from external customers was generated in the PRC while as at 31 December 2018, 100% (2017: 100%) of the Group's non-current assets was located in the PRC. Hence, no geographical information is presented.

4. OTHER INCOME AND GAIN

	2018 RMB'000	2017 RMB'000
Sale of raw and scrap materials	112,145	10,724
Cost of raw and scrap materials	(101,202)	(5,024)
Gain on sales of raw and scrap materials	10,943	5,700
Quality inspection income	676	120
Interest income	3,434	203
Rental income received	38	630
Management services income	1,666	1,700
Government subsidies (Note)	9,134	7,904
Release of government grants for land use rights	224	224
Release of deferred gain from sale and leaseback of property, plant and equipment	-	27
Processing fee income	722	469
Technical supporting fee	-	3,437
Gain on deemed disposal of associate	7,130	-
Others	1,548	524
	35,515	20,938

Note: Government subsidies of approximately RMB9,134,000 (2017: RMB7,904,000) have been recognised during the year ended 31 December 2018 which were designated for the encouragement of business development and high technology development incentive. All conditions in respect of these grants had been fulfilled and such government grants were recognised in other income for the year.

5. FINANCE COSTS

	2018 RMB'000	2017 RMB'000
Interest on:		
bank and other loans	12,992	12,866
finance leases	1,447	1,873
amount due to ultimate holding company	820	1,097
	15,259	15,836

6. INCOME TAX EXPENSE

	2018 RMB'000	2017 RMB'000
Current income tax:		
PRC Enterprise Income Tax (the "EIT")	15,618	17,116
Over provision in prior years	(311)	(2,438)
Deferred tax asset:		
Credit to current year	(1,267)	-
	14,040	14,678

(i) Overseas income tax

The Company is incorporated in the Cayman Islands and is exempted from taxation in the Cayman Islands.

(ii) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax had been made as the Company did not have any assessable profits subject to Hong Kong Profits Tax for both years and the Company's subsidiaries' income neither arises in, nor is derived from, Hong Kong during both years.

6. INCOME TAX EXPENSE (Continued)

(iii) PRC EIT

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

The applicable tax rate of the Company's subsidiaries, 杭州友成機工有限公司 Hangzhou Yusei Machinery Co., Ltd.* ("Hangzhou Yusei"), 廣州友成機工有限公司 Guangzhou Yusei Machinery Co., Ltd.* ("Guangzhou Yusei") and 蘇州友成機工有限公司 Suzhou Yusei Machinery Co., Ltd.* ("Suzhou Yusei") for the years ended 31 December 2018 and 2017 was 15%.

On 9 December 2016, Guangzhou Yusei was approved by Science and Technology Department of Guangdong Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 9 December 2016.

On 30 November 2018, Hangzhou Yusei was approved by Science and Technology Department of Zhejiang Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 30 November 2018.

On 5 August 2014, Suzhou Yusei was approved by Science and Technology Department of Suzhou Province as high technology enterprise and therefore is subject to EIT at a concession rate of 15% for three years, with effective from 1 January 2014. Suzhou Yusei has further obtained the renewal of its high technology qualification on 7 December 2017 and is entitied to the concession rate of 15% from 2017 to 2020.

The applicable PRC EIT rate of 浙江友成塑料模具有限公司 Zhejiang Yusei Plastics & Mould Co., Ltd.* ("Zhejiang Yusei"), 友成(中國)模具有限公司 Yusei (China) Mould Co., Ltd.* ("Yusei China"), 杭州友成模具技術研究有限公司 Hangzhou Yusei Mould Technology Research Co., Ltd.* ("Hangzhou Yusei Moulding"), 蕪湖友成塑料模具有限公司 Wuhu Yusei Plastic Moulding Co., Ltd.* ("Wuhu Yusei"), 湖北友成塑料模具有限公司 Hubei Yusei Plastic Moulding Co., Ltd.* ("Hubei Yusei"), 友成機工(天津)有限公司 Yusei Machinery (Tianjin) Co., Ltd* ("Tianjin Yusei") and 杭州友成科技有限公司 Hangzhou Yusei Technology Limited* ("Yusei Technology") is 25% for the years ended 31 December 2018 and 2017.

* The English names are for identification purposes only.

7. PROFIT FOR THE YEAR

	2018 RMB'000	2017 RMB'000
Profit for the year has been arrived at after charging (crediting):		
Directors' and the chief executive's remuneration	3,025	3,012
Salaries, wages and other benefits	209,118	187,118
Retirement benefits scheme contributions	18,222	10,599
Other staff costs	227,340	197,717
Total staff costs	230,365	200,729
Auditor's remuneration	950	920
Loss allowance on trade receivables (included in administrative expenses)	2,448	-
Allowance for inventories (included in cost of sales)	2,277	3,420
Reversal of allowance for inventories (included in cost of sales)	(3,151)	(3,639)
Research and development costs recognised as an expense	50,333	44,176
Operating lease charges on leased premises	9,345	9,073
Cost of inventories recognised as an expense	1,092,482	1,045,669
Release of deferred loss from sale and leaseback of property, plant and equipment	-	739

8. DIVIDENDS

	2018 RMB'000	2017 RMB'000
Dividends recognised as distribution during the year:		
2017 Final – RMB1.98 cents (2016 final dividend RMB1.98 cents) per share	8,016	7,995

Subsequent to the end of the reporting period, a final dividend of RMB1.60 cents in respect of the year ended 31 December 2018 per share has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2018 RMB'000	2017 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share	91,303	83,495

Number of shares

	2018 '000	2017 '000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	491,599	485,760

Diluted earnings per share is same as basic earnings per share for the years ended 31 December 2018 and 2017 as there is no potential ordinary shares outstanding.

The weighted average number of ordinary shares for the year ended 31 December 2018 and 2017 have been adjusted for the new bonus shares issued on 9 July 2018 as if such bonus issue had occurred at the beginning of the earliest period presented.

10. TRADE AND BILLS RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2018 RMB'000	2017 RMB'000
Trade receivables and bills receivables	430,856	405,797
Less: impairment loss recognised	(8,440)	(3,124)
	422,416	402,673
Advance to suppliers	17,116	11,116
Other receivables, deposits and prepayments	34,107	25,676
	473,639	439,465

Note:

The Group allows a general credit period of 30 to 90 days to its customers. For customers who purchased moulds from the Group and have established good relationships with the Group, the credit period may be extended to the range from 90 days to 270 days. The Group does not hold any collateral over these balances.

10. TRADE AND BILLS RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The aged analysis of trade receivables, net of provision of impairment loss recognised presented based on the invoice dates, which approximated the respective revenue recognition dates, are as follows:

	2018 RMB'000	2017 RMB'000
Within 30 days	213,198	228,467
31 to 60 days	85,748	80,885
62 to 90 days	62,981	53,308
91 to 180 days	52,417	34,240
181 to 365 days	6,055	3,153
Over 365 days	2,017	2,620
Total	422,416	402,673

11. TRADE AND OTHER PAYABLES

	2018 RMB'000	2017 RMB'000
Trade payables and bills payables	302,213	283,791
Value added tax payables	9,079	21,345
Deposits received	-	3,903
Contract liabilities	58,316	-
Other payables and accrued charges	109,196	97,291
	478,804	406,330

The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	2018 RMB'000	2017 RMB'000
Within 30 days	194,550	128,065
31 to 60 days	53,166	81,008
61 to 90 days	32,198	38,372
91 to 180 days	16,029	25,726
181 to 365 days	3,543	2,218
Over 365 days	2,727	8,402
	302,213	283,791

The average credit period on purchase of goods is 30 to 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

During the year ended 31 December 2018, the Group is principally engaged in the design, development and fabrication of precision plastic injection moulds, and the manufacture of plastic components in the Peoples' Republic of China (the "PRC"). The Group also provides services for certain assembling and further processing of plastic components for its customers. The Group's customers are mainly the manufacturers of branded auto parts and components, office equipment and plastic components in the PRC.

The Group is facing challenges from the global economy which was affected by the unstable factors in relation to the international political unrest, in particular the trade friction between China and US, and economic instability most of the time during 2018. With the transformation and upgrading of business model of the Chinese enterprises, some of the Group's customers in manufacturing office equipment industry have transferred their production lines to Southeast Asian countries where the labour costs are lower. Having perceived this trend in prior year, the Group had focused its main business on the automotive industry. With the steady development of PRC's auto industry in recent years, the Group has maintained a sustainable business development by virtue of its competitive advantages in moulding and production of auto parts and components.

During 2018, the Group continues to carry out research and development of moulding as the core, actively consolidate the technological advantages, and continue to strengthen the automated production, and improve the production processes so as to improve production efficiency. In addition, to enhance the cost advantage, the Group consider constructing production plants near to the main customers for providing fast and efficient services to the main customers. Meanwhile, in order to maintain the competitive advantage in the market segment, the Group continues to invest in purchasing more advanced equipment. In addition, we continue to put effort to develop the existing business and to explore new business.

Financial review

Revenue

The Group's revenue for the year ended 31 December 2018 increased by 2.2% to approximately RMB1,274,993,000 as compared to that of approximately RMB1,247,392,000 for the year ended 31 December 2017 which was mainly benefited from the steady growth in the demand on the Group's products during the year.

Gross profit

The Group achieved a gross profit of approximately RMB183,385,000 for the year ended 31 December 2018, representing a decrease of approximately 9.2% as compared to that of approximately RMB201,942,000 for the year ended 31 December 2017.

Decrease in gross profit was mainly due to (i) increase in costs of materials for production; (ii) increase in direct labour costs and (iii) increase in the research and development cost (which were accounted for as cost of sales) as the Group increased effort to carry out research and development of moulding technology during the year.

Distribution costs

Distribution costs for the year ended 31 December 2018 increased by approximately 11.7% to approximately RMB52,217,000 as compared to that of approximately RMB46,747,000 for the year ended 31 December 2017. Such increase was mainly due to (i) increase in sales and (ii) increase in costs of packing materials consumed.

Net foreign exchange gain/loss

Net foreign exchange gain/loss mainly represented the loss arising from foreign currency translation of sales and purchases denominated in Japanese Yen, Euro Dollars and United State dollars ("US$") into RMB.

Administrative expenses

Administrative expenses for the year ended 31 December 2018 decreased approximately by 21.9% to RMB49,435,000 as compared to that of approximately RMB63,278,000 for the year ended 31 December 2017. Such decrease was mainly attributable to the Group's strengthened the controls over the expenses so as to enhance operating efficiency during the year.

Finance costs

Finance costs for the year ended 31 December 2018 decreased approximately by 3.6% to RMB15,259,000 as compared to that of approximately RMB15,836,000 for the year ended 31 December 2017.

Profit attributable to owners of the Company

The profit attributable to owners of the Company increased by approximately 9.5% from approximately RMB83,495,000 for the year ended 31 December 2017 to approximately RMB91,421,000 for the year ended 31 December 2018.

Financial resources and liquidity

As at 31 December 2018, the equity amounted to approximately RMB665,297,000. Current assets amounted to approximately RMB915,616,000, of which bank balances, deposits and cash and pledged bank deposits totaling approximately RMB115,075,000. The Group had non-current assets of approximately RMB570,268,000 and its current liabilities amounted to approximately RMB809,582,000, comprising mainly its creditors and accrued charges and bank borrowings. The net asset value per share was RMB1.35. The Group expresses its gearing ratio as a percentage of finance leases, amount due to ultimate holding company and borrowings over total assets. As at 31 December 2018, the Group had a gearing ratio of 20.9% (2017: 23.6%).

Bonus shares issue

As set out in the Company's circular dated 24 May 2018, the Directors proposes a bonus issue of shares on the basis of one bonus share for every five existing shares held by Shareholders whose names appear on the register of members of the Company on 29 June 2018. The relevant resolution was approved by the shareholders in the annual general meeting of the Company held on 23 June 2018. The share certificates for the bonus shares were dispatched to Shareholders on 9 July 2018.

Subscription of new shares under general mandate

On 8 August 2018, the Company entered into the Subscription Agreements with the Subscribers. Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for a total of 14,698,000 Subscription Shares. The Subscription Shares would be issued at the Subscription Price of HK$1.435 per Subscription Share. Such issue of shares was completed on 12 October 2018.

The aggregate gross proceeds of the Subscriptions were approximately HK$21,091,630 and the aggregate net proceeds of the Subscriptions, after deduction of expenses, were approximately HK$20,891,630, representing a net issue price of approximately HK$1.421 per Subscription Share. Out of the net proceeds from the Subscriptions, it was expected that HK$19,000,000 would be used for Construction of a new factory in Hubei Province,the People’s Republic of China and purchase of factory machineries (including CNC Gantry 5 axes high speed machinery centre and injection moulding machines) and the remaining HK$1,891,630 would be used for general working capital of the Group. Up to 31 December 2018, out of the net proceeds of the Subscriptions, approximately RMB7 million (equivalent to HK$8.2 million approximately) was applied for construction of new factory in Hubei and HK$1,891,630 was used for general working capital of the Group.

On 19 November 2018, the Company entered into seven Subscription Agreements with the Subscribers. Pursuant to the Subscription Agreements, the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, a total of 30,000,000 Subscription Shares. The Subscription Shares would be issued at the Subscription Price of HK$2.005 per Subscription Share. Such issue of shares was completed on 31 December 2018.

The aggregate gross proceeds of the Subscriptions were HK$60,150,000 and the aggregate net proceeds of the Subscriptions, after deduction of expenses, were approximately HK$59,950,000, representing a net issue price of approximately HK$1.998 per Subscription Share. Out of the net proceeds from the Subscriptions, it was expected that HK$30,000,000 would be used for construction of a new factory in Tianjin, the PRC and the remaining HK$29,950,000 would be used for repayment of bank borrowings of the Group. As at 31 December 2018, the net proceeds have not yet been used and are deposited into the banks.

On 24 January 2018, approximately 15.18% of the then total issued share capital of the Company were held by the public based on the then DI form, which was below the minimum prescribed level of 25% of the then total issued share capital of the Company as required under Rule 8.08(1)(a) of the Listing Rules. However, the public float of the Company has been restored on 31 December 2018 upon completion of the above subscription.

Segment information

The sole principal activity of the Group is moulding fabrication, manufacturing and trading of moulds and plastic components. All the Group’s operations are located and carried out in the PRC. As the Group operated in a single operating segment, no segmental analysis has been presented accordingly.

Employment and remuneration policy

As at 31 December 2018, the total number of the Group's staff was approximately 2,500 (2017: 2,980). The total staff costs (including directors' remuneration) amounted to approximately RMB227,340,000 for the year. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group provides retirement benefit for its employees in Hong Kong in form of mandatory provident fund and provides similar schemes for its employees in the PRC.

Charge on group assets

As at 31 December 2018, the Group's bank loans are secured by land use rights and property, plant and equipment of the Group with an aggregate net carrying values of approximately RMB16,168,000 (2017: RMB16,576,000) and RMB121,548,000 (2017: RMB112,794,000), respectively.

As at 31 December 2018, bank deposits amounting to approximately RMB9,459,000 (2017: RMB831,000) have been pledged for short-term bills payables and custom of import and export of trading requested by the local government, respectively. The pledged deposits were classified as current assets as the deposits will be released upon the settlement of relevant bills payables or upon the end of contract.

Foreign currency risk

The Group carries on business in RMB, US$ and Japanese Yen ("JPY") and therefore the Group is exposed to foreign currency risk as the values of these currencies fluctuate in the international market.

The Group's exposure to foreign currency risk is attributable to the trade and bills receivables, deposits and other receivables; bank balances, deposits and cash; trade and other payables of the Group which are denominated in foreign currencies of US$ and JPY. The functional currencies of the relevant group entities are RMB and HK$. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the directors monitor the related foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Outlook

Management will actively adopted the Group's strategy to leverage on the experience of its management team in the plastic component manufacturing industry and its expertise in mould development to enhance the quality of its products, expand its customer base and strengthen the leading position in the high-end mould industry and its overall core competitiveness in relation to the one-stop services ranging from products development, plastic injection, aluminium-plating and assembling.

As a service provider to the well-known international branded manufacturers, the management believes that the Group possesses the managerial characteristics which our major customers may appreciate, including: (i) high-level demand on the quality of the products, particularly in the automotive parts and components, office automation machines like assembling parts of photocopies and printers must meet a high standard of precision in order to ensure the machine work effectively; (ii) emphasis on production efficiency to shorten the production cycle; (iii) active participation in production process of the suppliers to ensure the product quality and the mutual communication to improve the suppliers' production efficiency; and (iv) From 2018, the Group constructs the factories of automation with automation machineries based on our own needs. It enhances the production efficiency and reduces the labour costs. In addition, to deliver the parts and components of high precision to the customers, the Group put much efforts in acquisition of advanced production machineries which were made by the international well-known branded manufacturers.

For keeping abreast of the current development in the market and the customers' needs, the Group strengthens the communication with customers in USA and Japan. Apart from seconding technicians to Japan for training, the Group employed experienced salesmen and technicians from United Kingdom and Japan to improve the capability of marketing and technical ability.

As regards the quality of the products, the Group had adopted ERP system to facilitate the production flow and monitor the product quality. To response the changing technology in the industry, the Company will continue to acquire and install advanced machinery and equipment and to increase the ability to design and develop precision plastic injection moulds. The Company will rely on the one-stop solution from precision mould, plastic injection, aluminium plating to assembling to improve the sales network to capture opportunities in order to increase market share and to enlarge the customer bases. Nevertheless, the Group is cautious in accepting the new customers and we take into account of all factors in the process, including product pricing and the reputation of the potential customers and so on. For market exploring, the Group will continue to promote its business internationally.

In order to keep up with the development of auto industry and to further meet customer demand, the Group is expected to increase the investment in the next 3 to 5 years, which are closely related to the development pace of its customers and will acquire land for construction of factories when appropriate.

PROPOSED DIVIDENDS

The Directors recommended the payment of a final dividend of RMB1.60 cents per share in respect of the year ended 31 December 2018.

Upon approval from the forthcoming annual general meeting to be held on 31 May 2019 (the "AGM"), the final dividends, which are payable to shareholders whose names appear on the register of members of the Company on 11 June 2019, will be paid on or about 12 July 2019.

PROPOSED BONUS SHARES ISSUE

The Directors proposes a bonus issue of shares on the basis of one bonus share for every five existing shares held by shareholders whose names appear on the register of members of the Company on 11 June 2019. The relevant resolution will be proposed in the forthcoming annual general meeting of the Company, and if passed and upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in such new shares, share certificates for the bonus shares will be dispatched to Shareholders on or around 12 July 2019.

The bonus shares will rank pari passu in all respects with the existing shares in issue from the date of issue except that they will not rank for the final dividend in respect of the year ended 31 December 2018.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' right to attend and vote at the AGM of the Company, the registers of members of the Company will be closed from 28 May 2019 to 31 May 2019 (both days inclusive) during which period no transfer of shares will be effected. In order for a shareholder to be eligible to attend and vote at the AGM, all instrument of transfer must be lodged with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 27 May 2019.

For the purpose of ascertaining shareholders' entitlement to the proposed final dividends and the proposed bonus issue of shares, the register of members of the Company will be closed from 6 June 2019 to 11 June 2019, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividends and the proposed bonus issue of shares (subject to shareholders' approval at the AGM), all instrument of transfer must be lodged with Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on 5 June 2019.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

The Shares of the Company were listed on GEM of the Stock Exchange on 13 October 2005 and were withdrawn from the GEM on 14 December 2010. On 15 December 2010, the Company's shares were listed on the Main Board of the Stock Exchange. The interests and/or short position of the Directors and chief executives of the Company in the Shares, underlying shares in respect of equity derivatives and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which was notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO); or which was required pursuant to section 352 of the SFO to be entered in the register referred to therein; or which was required pursuant to the Listing Rules relating to securities transactions by the directors to be notified to the Company and the Stock Exchange are as follows:

		Capacity			Number of shares		
Name of Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Long Position	Short Position	Approximate Percentage of interests
Company	Katsutoshi Masuda ("Mr. Masuda") (Note 1)	-	-	194,304,000 shares	194,304,000 shares	-	36.63%
Company	Toshimitsu Masuda (Note 2)	-	-	194,304,000 shares	194,304,000 shares	-	36.63%
Company	Xu Yong	75,072,000 shares	-	-	75,072,000 shares	-	14.15%
Company	Manabu Shimabayashi	1,320,000 shares	264,480 shares	-	1,584,480 shares	-	0.30%
Company	Fan Xiaoping	47,520 shares	-	-	47,520 shares	-	0.01%
Yusei Japan	Mr. Masuda (Note 3)	21,960 shares	2,100 shares	25,760 shares	49,820 shares	-	49.80%
Yusei Japan	Toshimitsu Masuda (Note 4)	1,700 shares	-	25,760 shares	27,460 shares	-	27.50%

Notes:

1. Mr. Masuda is deemed to be interested in 49.8% of the issued share capital in Yusei Japan pursuant to the SFO. Yusei Japan is interested in 36.63% in the issued share capital of the Company and that Yusei Japan or its directors are accustomed or obliged to act in accordance with the directions or instructions of Mr. Masuda. By virtue of SFO, Mr. Masuda is deemed to be interested in 194,304,000 Shares held by Yusei Japan.

2. Mr. Toshimitsu Masuda, (son of Mr. Masuda) holds 50% of the issued share capital of Conpri. Conpri is interested in 25.8% in the issued share capital of Yusei Japan which in turn is interested in 36.63% in the issued share capital of the Company. By virtue of SFO, Mr. Toshimitsu Masuda is deemed to be interested in 194,304,000 Shares through his shareholding in Conpri.

3. Mr. Masuda holds 30% of the issued share capital of Conpri. Conpri or its directors are accustomed or obliged to act in accordance with the directions or instructions of Mr. Masuda. By virtue of SFO, Mr. Masuda is deemed to be interested in 25,760 shares in Yusei Japan held by Conpri.

4. Mr. Toshimitsu Masuda, (son of Mr. Masuda) holds 50% of the issued share capital of Conpri. Conpri is interested in 25.8% of the issued share capital of Yusei Japan. By virtue of SFO, Mr. Toshimitsu Masuda is deemed to be interested in 25,760 shares in Yusei Japan held by Conpri.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The Shares of the Company were listed on GEM of the Stock Exchange on 13 October 2005 and were withdrawn from the GEM on 14 December 2010. On 15 December 2010, the Company's shares were listed on the Main Board of the Stock Exchange. So far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had an interest and/or a short position in the shares or underlying shares in respect of equity derivatives of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or be recorded in the register of the Company or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying right to vote in all circumstances at general meetings of any other member of the Group are as follows:

			Number of shares		
Name of Company	Number of shareholder	Capacity	Long Position	Short Position	Approximate percentage of interests
Company	Yusei Japan	Beneficial Owner	194,304,000 shares	-	36.63%
Company	Conpri (Note 1)	Corporate Interest	194,304,000 shares	-	36.63%
Company	Superview International Investment Limited (Note 2)	Beneficial Owner	92,400,000 shares	-	17.42%
Company	Xu Yong	Beneficial Owner	75,072,000 shares		14.15%
Company	Ding Hong Guang	Beneficial Owner	50,087,200 shares	-	9.44%

Notes:

1. Conpri is interested in 25.8% in the issued share capital of Yusei Japan. By virtue of SFO, Conpri is deemed to be interested in 194,304,000 shares held by Yusei Japan.

2. Superview International Investment Limited is wholly owned by Mr. Xu Yue, an elder brother of Mr. Xu Yong who is an executive director of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

None of the Directors or their respective associates was granted by the Company or its subsidiary any right to acquire shares or debentures of the Company or any other body corporate, or had exercised any such right as at 31 December 2018.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2018, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Appendix 10 to the Listing Rules. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with he required standard of dealings and its code of conduct regarding securities transactions by directors.

AUDIT COMMITTEE

The Company has established an audit committee comprising of the three independent non-executive directors, namely Mr. Hisaki Takabayashi, Mr. Fan Xiaoping and Mr. Lo Ka Wai, with written terms of reference in compliance with Rules 3.21 to 3.22 of the Listing Rules. The primary duties of the audit committee are (i) to review, in draft form, the Company's annual report and accounts, half-yearly report and quarterly reports (if prepared) and providing advice and comments thereon to the Board; and (ii) to review and supervise the Company's financial reporting and internal control procedures. Mr. Lo Ka Wai is the chairman of the audit committee.

The audit committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2018, which was of an opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

Yusei Japan is beneficially owned as to 40.0% equity interest of the Company. With its production and business operations based in Japan, Yusei Japan is principally engaged in the design, fabrication and sales of plastic injection moulds, and, to a lesser extent, the manufacture and sales of plastic component products. The plastic injection moulds fabricated by Yusei Japan are mainly applicable for the manufacture of headlight components including glass lens and reflector, automobile gauge board and other interior components for automobiles. Furthermore, Yusei Japan also fabricates plastic injection moulds for the manufacturing of peripheral plastic components for air conditioners and component parts for fishing tools.

Yusei Japan is owned as to approximately 25.8% by Conpri, as to approximately 21.9% by Mr. Masuda, as to approximately 12.1% by Mr. Akio Suzuki, as to approximately 2.1% by Mrs. Echiko Masuda and as to approximately 1.7% by Mr. Toshimitsu Masuda, as to 30% by Tokyo Small and Medium Business Investment & Consultation Co., Ltd., respectively and as to approximately 6.4% held by Yusei Japan itself as a result of share repurchase, which according to the confirmation of a practicing Japanese law firm, need not be extinguished from the issued share capital of Yusei Japan under Japanese laws. Conpri is a company incorporated in Japan with limited liability and is owned as to 50% by Mr. Toshimitsu Masuda, as to 30% by Mr. Masuda, and as to 20% by Mrs. Echiko Masuda. Mrs. Echiko Masuda and Mr. Toshimitsu Masuda are the spouse and son of Mr. Masuda, respectively. Mr. Katsutoshi Masuda and Mr. Toshimitsu Masuda are the Company's non-executive directors. Mr. Akio Suzuki was the Company's non-executive directors.

Notwithstanding that the Group and Yusei Japan are engaged in similar business activities to certain extent, there is a clear delineation and independence of the Group's business from that of Yusei Japan. In particular, the Group's target markets (being the PRC, Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC) are territorially different from that of Yusei Japan. The locations of the production facilities are different and separate between the Group and Yusei Japan. The management responsible for the day-to-day operations of the Group and Yusei Japan is also different. The Directors believe that Yusei Japan does not compete with the Group.

Notwithstanding that the Directors believe that Yusei Japan does not compete with the Group, to clearly delineate the business operations of the Group from that of Yusei Japan and to avoid any possible future competition with the Group, Yusei Japan and its shareholders (collectively ''the Covenantors'') have entered into a deed of non-competition dated 19 September 2005 (the ''Deed of Non-competition''), pursuant to which each of the Covenantors irrevocably and unconditionally undertakes and covenants with the Company that each of the Covenantors shall:

(1) not either on his/her/its own account or for any other person, firm or company, and (if applicable) shall procure that its subsidiaries (other than the Company and any member of the Group) or companies controlled by each of the Covenantors shall not either on its own behalf or as agent for any person, firm or company and either directly or indirectly (whether as a shareholder, partner, consultant or otherwise and whether for profit, reward or otherwise) at any time solicit, interfere with or endeavour to entice away from any member of the Group any person, firm, company or organisation who to its knowledge is from time to time or has at any time been a customer or supplier or a business partner of any member of the Group;

(2) not either alone or jointly with any other person, firm or company, carry on (including but not limited to making investments, setting up distribution channels and/or liaison offices and creating business alliances), participate, be engaged, concerned or interested in or in any way assist in or provide support (whether financial, technical or otherwise) to any business similar to or which competes (either directly or indirectly) or is likely to compete with the business of the design, development and fabrication of precision plastic injection moulds or the manufacturing of plastic components in the Group's Exclusive Markets or the provision of certain assembling and further processing of plastic components for customers (the ''Business'') from time to time carried out by any member of the Group (provision of assistance and support to the Group excepted) including the entering into of any contracts, agreements or other arrangements in relation to any of the above;

(3) not directly or indirectly sell, distribute, supply or otherwise provide products that are within the Group's Product Portfolio to any purchaser or potential purchaser of any products within the Group's Product Portfolio in the Group's Exclusive Markets (the ''Customers'') and upon receipt of any enquiry from Customers for products which are within the Group's Product Portfolio, to refer to the Company or any member of the Group all such business opportunities received by the Covenantors and provide sufficient information to enable the Company or any member of Group to reach an informed view and assessment on such business opportunities;

(4) not directly or indirectly sell, distribute, supply or otherwise provide any products that are within the Group's Product Portfolio where the relevant Covenantor(s) know(s), or is reasonably regarded as should have known, that such products are destined to be re-sold, re-distributed or re-supplied for the purpose of commercial exploitation in the Group's Exclusive Markets;

(5) upon receipt of any order or enquiry from customers outside the Group's Exclusive Markets for products which are within the Group's Product Portfolio and where the relevant Covenantor(s) know(s), or is reasonably regarded as should have known, that such products are destined to be re-sold, re-distributed or re-supplied for the purpose of commercial exploitation in the Group's Exclusive Markets, the relevant Covenantor shall inform the Group in writing of such order or enquiry and refer such customer to contract directly with the Group for the order of the relevant product;

(6) not do or say anything which may be harmful to the reputation of any member of the Group or which may lead any person to reduce their level of business with any member of the Group or seek to improve their terms of trade with any member of the Group; and

(7) not solicit or entice or endeavour to solicit or entice any of the employees of or consultants to the Group to terminate their employment or appointment with any member of the Group.

Saved as disclosed above, none of the directors of the Company had an interest in a business which competes or may compete with the business of the Group.

CORPORATE GOVERNANCE

The Directors confirmed that, throughout the year, the Company was in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, save for the deviation from the code provision A.1.8 of the Code. The Board and the senior management of the Group have earnestly appraised the requirements of the Code and reviewed the practices of the Group to ensure full compliance with the Code.

Under the code provision A.1.8, the Group should arrange appropriate insurance cover in respect of legal action against its directors. However, as the Group's business are relatively unitary, the Directors can easily comprehend these businesses. At the same time, the Directors are equipped with the adequate spirit and expertise in making corporate decisions. Furthermore, the Directors consider that the management has placed emphasis on control cover corporate risks from time to time, and has strictly complied with the Listing Rules and the relevant regulations. Therefore, it is not necessary to purchase insurance for the Directors and Chief Executive.

By order of the Board
Yusei Holdings Limited
Katsutoshi Masuda
Chairman

PRC, 29 March 2019

As at the date of this announcement, the executive directors are Mr. Manabu Shimabayashi and Mr. Xu Yong ; the non-executive directors are Mr. Katsutoshi Masuda and Mr. Toshimitsu Masuda, the independent non-executive directors are Mr. Lo Ka Wai, Mr. Fan Xiaoping and Mr. Hisaki Takabayashi.

* *For identification purpose only*