



DESIGNATED DEPOSITS

All deposits of the Company were placed in the PRC State-owned banks and the Company's subsidiary FTGF. The Company has granted loans of RMB40,000,000 and RMB2,000,000 to its subsidiaries, namely, Yituo (Luoyang) Building Machinery Co., Ltd. and Guizhou Zhenning Biological Industrial Co., Ltd., respectively. However, in accordance with the requirement of prohibition of inter-company loans in the PRC, certain financial institutions such as banks have been appointed to handle the loan matter. Such amount has been eliminated upon the preparation of the Group's condensed consolidated balance sheet. Save as aforesaid, all deposits of the Company were not in the form of designated deposits with the banks and FTGF and there were no unrecovered fixed deposits upon maturity.