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OneForce Holdings Limited
元力控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1933)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL HIGHLIGHTS

	For the year ended 31 March 2018 *RMB'000*	For the year ended 31 March 2017 *RMB'000*
Revenue	**85,799**	87,338
Sale of software systems	**51,746**	42,835
Provision of technical services	**20,495**	25,619
Sale of hardware	**13,558**	18,884
Gross profit	**40,168**	39,456
Profit attributable to shareholders before one-off items	**31,685**	30,225
Listing expenses	**11,157**	8,533
Profit attributable to shareholders	**16,722**	18,004
Earnings per share excluding one-off items (RMB cents) *(Note)*	**9.52**	9.31
Earnings per share – basic and diluted (RMB cents)	**5.71**	6.32

Revenue: The Group's revenue decreased by RMB1,539,000, which was due to stronger performance in software systems segment, but with less revenue generated from provision of technical services and sale of hardware businesses.

Gross profit: The Group's gross profit increased by RMB712,000, which was attributable to 1) consistent gross profit margin in our software systems business; and 2) change in revenue profile as provision of technical services and sale of hardware, which traditionally has lower gross profit margins, took a lower portion of total revenue.

Profit from operations: The Group's profit from operations (i.e. before Listing Expenses, as defined below) recorded a steady growth and amounted to RMB31,685,000 for the year ended 31 March 2018.

Listing Expenses: the increase in Listing Expenses (as defined below) by RMB2,624,000 was mainly due to the facts that the date of listing of the Company's shares on the Stock Exchange of the Hong Kong Limited (the "**Stock Exchange**") ("**Listing Date**") were close to the Lunar New Year, and more overtime charges and expenses were incurred by relevant professional parties.

Profit attributable to shareholders: profit attributable to shareholders decreased by RMB1,282,000, which was mainly due to higher listing expenses incurred and as explained above.

Earnings per share excluding one-off items *(note)*: Based on reasons set out above, the Group's earnings per share excluding one-off Listing Expenses (as defined below) increased from RMB9.31 cents per share to RMB9.52 cents per share.

Earnings per share – basic and diluted: Based on reasons set out above, the Group's earnings per share, basic and diluted, decreased from RMB6.32 cents per share to RMB5.71 cents per share.

Note: Earnings per share excluding one-off items was calculated based on profit attributable to ordinary shareholders before Listing Expenses (as defined below) and excluding tax effects, if any, divided by the weighted average number of ordinary shares issued.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of OneForce Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to present the consolidated results of the Group for the year ended 31 March 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As an information technology service provider, the Group is dedicated to technical innovation and its application in smart energy industry. The Group provides tailor-made software systems, technical services and hardware equipment to various types of energy companies.

With its continuous performance achieved in providing information technology services to China's electric power industry, the Group entered into another significant milestone in its history of development and was successfully listed (the "**Listing**") on the Main Board of The Stock Exchange on 2 March 2018 (Listing Date). This achievement is significant to the Group as it enables the Group to gain access to the international capital markets, enhance its corporate and brand image, and further strengthen its leading position in the market sector.

In 2017 calendar year, China's GDP amounted to approximately RMB82.7 trillion, representing a growth rate of approximately 6.9% per annum. Such steady growth in overall economy provides solid support for increase in demands for energy resources. Meanwhile, there were clear signs of improvement in demands for electricity in the market. In accordance with statistics published by National Energy Agency, the gross electricity consumption in China in 2017 amounted to approximately 6,307.7 billion kWh, representing a growth rate of approximately 6.6% per annum, which was the second consecutive year recording such growth.

In recent years, the problem of smog has caused a greater extent of attention, and government authorities have published a number of policies to reduce carbon emission and improve air quality. Electricity, in comparison with fossil fuels, is a cleaner energy type.

In the 13th Five Year Plan on Electric Power Development (《電力發展「十三五」規劃》), the state administration proposed to accelerate industry-wide reform and upgrading, and to achieve the transformation into a modern electric power industry featured with low carbon emission, safety and efficiency.

Under the circumstances of mild economic background, expanding market demands and favourable industrial policies, the Group maintained its business focus in China's electric power industry and achieved steady business operation and development in the past year.

In its software systems and technical services businesses, the Group further strengthened its trusted relationship with major customers such as State Grid Corporation of China ("**SGCC**"), Inner Mongolia Power (Group) Co., Ltd. ("**IMPG**") and Tianjin TEDA Jinlian Electric Power Co., Ltd. ("**Tianjin TEDA**"). In addition to meeting their existing demands and requirements, the Group, by providing more comprehensive range of products and services, has successfully facilitated its customers to further reform its electric power business, improve operation efficiency, and extend its customer reach to a broad range of industrial and domestic end users for convenient and efficient electricity services.

In response to and in order to leverage the opportunities brought by the New Reform in China's electric power industry, the Group, based on its dedicated investments and reserves in "cloud computing", "big data" and "mobile internet" and other new and advanced technologies, successfully launched OneForce Cloud Smart Energy Service Platform ("**OneForce Cloud**", previously known as "**Huidianyun**") in December 2017. OneForce Cloud is another showcase of the Group's commitment in technological innovation and its commercial application and is a significant milestone of its efforts to switch its existing products and service offerings to Software as a Service ("**SaaS**"). OneForce Cloud is its core development platform in the coming new technological era.

As a cloud-based service platform, OneForce Platform will fundamentally change the way the Group delivers its products to its customers from traditional products and service offerings to SaaS and cloud-based technical services. Via OneForce Cloud, the Group is capable of applying the latest development in relation to "cloud computing", "big data" and "mobile internet" and other new and advanced technologies to its customers, which in turn, would further enhance them business operations. In addition, OneForce Cloud is also capable of providing smart energy related information technology services to various energy companies (including electric power, water, gas and heat) in public utility sectors. For the small and medium size energy companies, they no longer need to invest heavily in developing a software system for the management of their smart energy related business operation. Rather, they can now achieve the same purpose by subscribing for the Group's cloud-based services, which not only equip them with the latest product functions and services, but also save the costs of procurement, development and maintenance of related software and hardware.

As of 31 March 2018, the Group has completed the first phase development and commercialisation of OneForce Cloud, which is specifically designed for and provides necessary functions and features for the operation of electric power selling and management business of newly established electric retailing companies arising. As of the date of this announcement, the Group has entered into annual service subscription agreements with 11 electric power retailing companies to subscribe for its annual OneForce Cloud services, which, in turn, has brought economic benefits to the Group. Going forward, the Group will further enhance and strengthen its OneForce Cloud platform to improve more advanced features and functions, such as electric power load forecasting and bidding support system, as a result of industrial and technological development.

OUTLOOK AND PROSPECT

The Group operates in China's energy industry, which has experienced rapid development with reform goes deep into structure. Electric power industry, in particular, has made breakthroughs in certain key areas: pilots in incremental distribution grids, kick-off of verification in transmission and distribution price, and development in electric power exchange market, etc.. In this respect, electric power grid companies are experimenting new ways, exploring new business and markets.

The above changes requested the Group to work closely with its customers, such as SGCC, IMPG and Tianjin TEDA, to promote innovation and embrace challenges. Meanwhile, it also brings new business opportunities. With continuing technological innovation as well as transformation and upgrading in economic structure, the Group will commit to its investments in research and development in "cloud computing, big data and mobile internet" and other new technologies and applications, and leverage the opportunities brought by economic and industrial development.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The following table sets out the breakdown of the Group's revenue by business segments for the year ended 31 March 2018:

	For the year ended 31 March 2018 *RMB'000*	For the year ended 31 March 2017 *RMB'000*
Sale of software systems	**51,746**	42,835
Provision of technical services	**20,495**	25,619
Sale of hardware	**13,558**	18,884
	85,799	87,338

For the year ended 31 March 2018, the Group's revenue slightly decreased by approximately RMB1,539,000, which is mainly due to the combination of the following:

(i) Sale of software systems recorded a growth of approximately RMB8,911,000, which in turn, was attributable to the fact that the Group substantially completed the Rural Access to Selling and Management Information System Project (《農電接入營銷信息系統項目》) with IMPG;

(ii) The decrease in revenue arising from the provision of technical services by approximately RMB5,124,000 was primarily due to lower revenue generated from outsourcing services provided to SGCC. The Group has been providing IT coding and technician outsourcing services in relation to electric power exchange to SGCC since December 2014, and has assisted SGCC principally to complete the development of Nationwide Unified Electric Power Market Technology Supporting Platform (《全國統一電力市場技術支撐平台項目》) in prior years. During the year ended 31 March 2018, the Group mainly focused on local integration and installation of such platform in more rural provinces that have lower volume of electricity consumption. As such, demands from SGCC for the number of the Group's technicians are lower than prior years.

The Group has proactively initiated discussion with SGCC to expand its service scope from the current electric power exchange to a more broader areas, subject to Along Grid's undertaking, such as electric power despatch management and system integration.

(iii) Sale of hardware revenue was approximately RMB5,326,000 lower, which was mainly due to the fact that the Group completed respective hardware sales contracts with Xinjiang Guoneng Zhiye Electric Power Technology Co., Ltd. (新疆國能智業電力科技有限公司) and Tianjin TEDA in prior years; and the Group invested more time, people and other resources in expanding customer base and developing new product lines to boost long-term growth potential.

Cost of sales and gross profit margin

The following table sets out the breakdown of the Group's costs of sales and gross profit margin by business segments for the year ended 31 March 2018:

	For the year ended 31 March 2018 *RMB'000*	For the year ended 31 March 2017 *RMB'000*
Cost of sales		
Sale of software systems	**24,087**	17,806
Provision of technical services	**10,961**	14,243
Sale of hardware	**10,583**	15,833
	45,631	47,882
Gross profit margin		
Sale of software systems	**53.5%**	58.4%
Provision of technical services	**46.5%**	44.4%
Sale of hardware	**21.9%**	16.2%
	46.8%	45.2%

For the year ended 31 March 2018, cost of sales slightly decreased by approximately RMB2,251,000, which was in line with revenue pattern. Meanwhile, the Group's overall gross profit margin increased from approximately 45.2% to approximately 46.8%, which was mainly attributable to:

(i) revenue arising from provision of technical services to IMPG and Tianjin TEDA, which traditionally has higher gross profit margin than that to SGCC, took a larger proportion of total revenue; and

(ii) the Group extended its hardware product catalogue and added the new Macro Rear-Projector ("**MR Projector**") and related software systems. MR Projector is featured with big screen, ultra-thinness, high contrast and soft brightness, and has broad applications in energy and various sectors, including but not limited to dynamic monitoring and management of business operation. The underlying technology of MR Projector is unique in the market and the Group has developed a software system to integrate with the MR Projector and form a syndicate solution specifically for electric power companies. As such, the Group expects to realise higher profit margin from the MR Project business going forward.

Administrative and other operating expenses

The following table sets out the breakdown of the Group's administrative and other operating expenses incurred for the year ended 31 March 2018:

	For the year ended 31 March 2018 *RMB'000*	For the year ended 31 March 2017 *RMB'000*
Labour costs	**5,598**	3,771
Research and development expenses	**1,145**	822
Others	**4,134**	4,987
	10,877	9,580

For the year ended 31 March 2018, administrative and other operating expenses amounted to approximately RMB10,877,000, which was approximately RMB1,297,000 higher than that of the previous year. The increase was mainly attributable to annual upward salary adjustment to our employees, and the Group incurred more in research and development ("**R&D**") expenses in the current financial year.

Listing expenses

For the year ended 31 March 2018, the Group incurred one-off expenses in relation to the Listing ("**Listing Expenses**") of approximately RMB11,157,000, which was approximately RMB2,624,000 higher than that in the previous year. The higher Listing Expenses charge was mainly due to the fact that the global offering of the shares of the Company and the Listing Date were close to the Lunar New Year, and more overtime charges and expenses were incurred by relevant professional parties.

Intangible assets

As an innovation driven company, the Group placed more efforts and resources in its R&D activities and invested approximately RMB15,725,000 in total (including capitalised and those charged in profit and loss accounts, please refer to the paragraph headed "Research and development expenditures" as further explained below) for the current financial year (year ended 31 March 2017: RMB4,350,000). As such, the carrying amount of intangible assets was approximately RMB18,153,000 as of 31 March 2018 (31 March 2017: RMB5,962,000). In particular:

(i) In response to and leverage the opportunities brought by the New Reform in China's electric power industry, the Group, based on its dedicated investments and reserves in "cloud computing", "big data" and "mobile internet" and other new and advanced technologies, successfully launched OneForce Cloud in November 2017. The Group's total capitalised investment in developing OneForce Cloud amounted to approximately RMB7,726,000 for the year ended 31 March 2018 (please refer to the paragraph headed "Business review" for further details); and

(ii) The Group was accredited a total of 37 computer software copyrights as of the date of this announcement (31 March 2017: 27 computer software copyrights).

Trade and bill receivables

As of 31 March 2018, the carrying amount of trade and bill receivables amounted to approximately RMB91,132,000 (31 March 2017: RMB69,656,000). The increase was mainly due to the timing of invoicing to customers and the Group's credit policy and the creditability of its customers were stable as compared with prior years. As of the date of this announcement, the Group has collected approximately RMB22,999,000, representing approximately 25.2% of the balance as at 31 March 2018.

Inventories

As of 31 March 2018, the carrying amount of inventories was approximately RMB8,036,000 (31 March 2017: RMB6,577,000). The increase was in line with the development of the Group's business and the number of its pipeline projects.

Research and development expenditure

The following table sets out the breakdown of the Group's capitalised/R&D expenditure incurred for the year ended 31 March 2018:

	For the year ended 31 March 2018 *RMB'000*	For the year ended 31 March 2017 *RMB'000*
R&D expenditure		
Capitalised	**14,580**	3,528
Charged to profit and loss accounts	**1,145**	822
	15,725	4,350

As an technology and innovation driven company, the Group has been consistently investing in R&D activities. For the year ended 31 March 2018, the Group's continued to place even more efforts in R&D, which were exhibited as the following:

(i) the successful development and commercial launch of OneForce Cloud in December 2017; and

(ii) the accreditation of 10 more computer software copyrights as of the date of this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2018
(Expressed in Renminbi ("RMB"))

	Note	**2018** *RMB'000*	2017 *RMB'000*
Revenue	*3*	**85,799**	87,338
Cost of sales		**(45,631)**	(47,882)
Gross profit		**40,168**	39,456
Other income	*4*	**7,094**	4,806
Selling expenses		**(4,700)**	(4,457)
Administrative and other operating expenses		**(10,877)**	(9,580)
Profit from operations		**31,685**	30,225
Costs incurred in connection with the initial listing of the Company's shares		**(11,157)**	(8,533)
Profit before taxation	*5*	**20,528**	21,692
Income tax	*6*	**(3,806)**	(3,688)
Profit for the year attributable to equity shareholders of the Company		**16,722**	18,004
Earnings per share			
Basic and diluted *(RMB cents)*	*7*	**5.71**	6.32

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2018
(Expressed in RMB)

	2018	2017
	RMB'000	*RMB'000*
Profit for the year	**16,722**	18,004
Other comprehensive income for the year (after tax)		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency	**(2,958)**	(1,035)
Total comprehensive income for the year attributable to equity shareholders of the Company	**13,764**	16,969

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 March 2018
(Expressed in RMB)

	Note	**2018** **RMB'000**	2017 *RMB'000*
Non-current assets			
Property, plant and equipment		**785**	599
Intangible assets	*8*	**18,153**	5,962
		18,938	6,561
Current assets			
Inventories	*9*	**8,036**	6,577
Trade and bill receivables	*10*	**91,132**	69,656
Prepayments, deposits and other receivables	*11*	**10,650**	10,706
Cash and cash equivalents		**87,409**	35,411
		197,227	122,350
Current liabilities			
Trade payables	*12*	**5,606**	2,917
Other payables and accruals	*13*	**12,579**	8,188
Income tax payable		**6,807**	7,699
		24,992	18,804
Net current assets		**172,235**	103,546
Total assets less current liabilities		**191,173**	110,107
Non-current liabilities			
Deferred tax liabilities		**2,853**	418
Net assets		**188,320**	109,689
Capital and reserves			
Share capital	*14*	**3,083**	–
Reserves		**185,237**	109,689
Total equity		**188,320**	109,689

NOTES

(Expressed in Renminbi unless otherwise indicated)

1 STATEMENT OF COMPLIANCE

The Group's financial statements to be included in this announcement have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting year of the Group. Any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting years reflected in these financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 March 2018 comprise the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

3 REVENUE

(a) Revenue

The Group is principally engaged in the design, implementation, enhancement and upgrades of software systems and the provision of technical services for power grid and distribution companies in the PRC and the sale of hardware.

Revenue represents contract revenue from the sales of software systems and the provision of technical services to customers and the sales of hardware. The amounts of each significant category of revenue recognised for the years ended 31 March 2018 and 2017 are as follows:

	2018	2017
	RMB'000	*RMB'000*
Sale of software systems	**51,746**	42,835
Provision of technical services	**20,495**	25,619
Sale of hardware	**13,558**	18,884
	85,799	87,338

Revenue from customers with whom transactions have exceeded 10% of the Group's revenue are set out below:

	2018	2017
	RMB'000	*RMB'000*
Customer A	**13,041**	20,843
Customer B	**63,906**	48,982

(b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments:

– Software systems: this segment engages in the design, implementation, enhancement and upgrades of software systems for power grid and distribution companies.

– Technical services: this segment engages in the provision of maintenance services on the software systems sold.

– Hardware: this segment sells software systems related hardware and spare parts.

(i) Segment results, assets and liabilities

– For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following basis:

– Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred for the years ended 31 March 2018 and 2017. The Group's other income and expense items, such as other income, selling expenses, administrative and other operating expenses, and assets and liabilities, including the sharing of technical know-how, are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

– Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2018 and 2017 is set out below.

	2018			
	Application solutions	**Supporting services**	**Hardware**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	**51,746**	**20,495**	**13,558**	**85,799**
Reportable segment gross profit	**27,659**	**9,534**	**2,975**	**40,168**

	2017			
	Application solutions	Supporting services	Hardware	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers and reportable segment revenue	42,835	25,619	18,884	87,338
Reportable segment gross profit	25,029	11,376	3,051	39,456

(ii) Geographic information

– All of the Group's operations are carried out and the Group's customers are located in the PRC. The Group's non-current assets, including property, plant and equipment and intangible assets are all located or allocated to operations located in the PRC.

4 OTHER INCOME

	2018	2017
	RMB'000	*RMB'000*
Refund of value-added-tax ("VAT") *(Note (i))*	**6,901**	4,725
Others	**193**	81
	7,094	4,806

Note:

(i) Pursuant to the tax rules and regulations in the PRC, entities engage in the sale of self-developed software in the PRC and pay VAT at a rate of 17% are entitled to a VAT refund to the extent of the VAT payable in excess of 3% of the self-developed software sold.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Staff costs#

	2018	2017
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**23,493**	22,406
Contributions to defined contribution retirement scheme	**1,874**	1,663
	25,367	24,069

The employees of the subsidiary of the Group established in the PRC (other than Hong Kong) participate in a defined contribution retirement benefit scheme managed by the local government authority, whereby this subsidiary is required to contribute to the scheme at a rate of 19% of the employees' basic salaries. Employees of this subsidiary are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above mentioned retirement scheme at their normal retirement age.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(b) Other items

	2018	2017
	RMB'000	*RMB'000*
Depreciation and amortisation	**2,695**	1,617
Operating lease charges in respect of office premises	**2,646**	2,531
Auditors' remuneration:		
– statutory audit services	**64**	110
– services in connection with the initial listing of the Company's shares	**2,567**	1,746
Research and development costs (other than amortisation)	**1,145**	822
Cost of inventories sold# *(Note 9)*	**44,599**	47,121

\# Cost of inventories sold include RMB20,850,000 (2017: RMB20,759,000) relating to staff costs, and depreciation and amortisation, respectively, which amounts are also included in the respective total amounts disclosed separately above or in Note 5(a) for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represent:

	2018	2017
	RMB'000	*RMB'000*
Current tax – PRC Corporate		
Income Tax		
– Provision for the year	**1,371**	3,843
Deferred Tax		
– Origination and reversal of temporary differences	**2,435**	(155)
	3,806	3,688

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2018	2017
	RMB'000	*RMB'000*
Profit before taxation	**20,528**	21,692
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i), (ii) and (iii))*	**5,363**	5,507
Tax effect of non-deductible expenses	**981**	640
Tax concessions *(Note (iv))*	**(2,538)**	(2,459)
Actual tax expense	**3,806**	3,688

Notes:

(i) The subsidiary of the Group incorporated in Hong Kong is subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 March 2018 (2017: 16.5%).

(ii) The Company and subsidiaries of the Group incorporated in countries other than the PRC (including Hong Kong) are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

(iii) The subsidiary of the Group established in the PRC (excluding Hong Kong) is subject to PRC Corporate Income Tax rate of 25% for the year ended 31 March 2018 (2017: 25%).

(iv) The subsidiary of the Group established in the PRC, namely Along Grid, has obtained an approval from the tax bureau to be taxed as an enterprise with advanced and new technologies, and therefore enjoys a preferential PRC Corporate Income Tax rate of 15% for the calendar years from 2016 to 2019.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based the profit attributable to the equity shareholders of the Company of RMB16,722,000 (2017: RMB18,004,000) and the weighted average of 292,962,411 ordinary shares in issue during the year ended 31 March 2018 (2017: RMB285,071,182).

The weighted average number of ordinary shares is calculated as follows:

	2018	2017
Issuance of shares upon incorporation	**10,000**	10,000
Issuance of shares on 7 September 2016	**1,878**	1,060
Capitalisation issue on 2 March 2018	**285,060,122**	285,060,122
Shares issued under the public offering on 2 March 2018	**7,890,411**	–
Weighted average number of shares in issue	**292,962,411**	285,071,182

The Company was incorporated on 5 July 2016, and issued and allotted 10,000 shares in July 2016. In order to present a meaningful earnings per share, the above 10,000 shares are regarded as if they have been in issue since 1 April 2016. The capitalisation issue took place on 2 March 2018 is deemed to be completed on 1 April 2016 and the weighted average number of shares in 2018 and 2017 have been adjusted retrospectively.

(b) Diluted earnings per share

There was no difference between the basic and diluted earnings per share as the Company did not have any dilutive potential shares outstanding during the years ended 31 March 2018 and 2017.

8 INTANGIBLE ASSETS

	Software and patents *RMB'000*
Cost:	
At 1 April 2016	5,170
Additions	3,528
At 31 March 2017	8,698
Accumulated amortisation:	
At 1 April 2016	1,349
Charge for the year	1,387
At 31 March 2017	2,736
Net book value:	
At 31 March 2017	5,962
Cost:	
At 1 April 2017	8,698
Additions	14,580
At 31 March 2018	23,278
Accumulated amortisation:	
At 1 April 2017	2,736
Charge for the year	2,389
At 31 March 2018	5,125
Net book value:	
At 31 March 2018	18,153

The amortisation charges are included in "cost of sales" in the consolidated statements of profit or loss.

9 INVENTORIES

	2018	2017
	RMB'000	*RMB'000*
Software systems under development	**8,036**	6,577

The analysis of the amounts of inventories recognised as expenses as follows:

	2018	2017
	RMB'000	*RMB'000*
Cost of inventories sold	**44,599**	47,121

10 TRADE AND BILL RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Trade receivables	**49,041**	35,484
Bill receivables	**2,203**	900
	51,244	36,384
Gross amount due from customers for contract work	**39,888**	33,272
	91,132	69,656

All of the trade and bill receivables are expected to be recovered within one year, except for retention receivables of RMB1,998,000 at 31 March 2018 (2017: RMB2,343,000), which are expected to be recovered in more than one year.

(a) Ageing analysis

The ageing analysis of trade and bill receivables (excluding the gross amount due from customers for contract work), based on the invoice date and net of allowance for doubtful debts (if any), of the Group is as follows:

	2018	2017
	RMB'000	*RMB'000*
Less than 1 year	**34,086**	28,263
1 to 2 years	**11,350**	6,955
2 to 3 years	**4,747**	230
Over 3 years	**1,061**	936
	51,244	36,384

(b) Impairment of trade and bill receivables

Impairment losses in respect of trade and bill receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bill receivables directly. The management considers the balance of trade and bill receivables at the end of each reporting year is fully recoverable.

(c) Trade and bill receivables that are not impaired

The ageing analysis of trade and bill receivables that are neither individually nor collectively considered to be impaired are as follows:

	2018	2017
	RMB'000	*RMB'000*
Neither past due nor impaired	**60,753**	47,143
Less than 1 year past due	**16,297**	17,626
1 to 2 years past due	**9,871**	3,831
2 to 3 years past due	**3,235**	908
Over 3 years past due	**976**	148
	30,379	22,513
	91,132	69,656

Receivables that were neither past due nor impaired relate to power grid and distribution companies for whom there was no recent history of default.

Receivables that were past due but not impaired relate to power grid and distribution companies that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(d) Retention receivables

At 31 March 2018, included in trade receivables are retention receivables in respect of project contracts of RMB15,871,000 (2017: RMB8,738,000).

(e) Project contracts in progress

At 31 March 2018, the aggregate amount of costs incurred plus recognised profits less recognised losses to date, included in the gross amount due from customers for contract work, is RMB159,994,000 (2017: RMB107,852,000).

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Prepayments for costs incurred in connection with the proposed initial listing of the Company's shares	**–**	4,964
Prepayment for technical service fee	**6,505**	–
Prepayment for miscellaneous expenses	**828**	1,269
Staff advances and other deposits	**1,834**	1,108
VAT refundable	**954**	2,861
Others	**529**	504
	10,650	10,706

12 TRADE PAYABLES

	2018	2017
	RMB'000	*RMB'000*
Trade payables to third parties	**5,606**	2,917

All of the trade payables are expected to be settled within one year or are repayable on demand.

The ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	2018	2017
	RMB'000	*RMB'000*
Less than 1 year	**5,193**	2,503
1 to 2 years	**–**	259
2 to 3 years	**259**	54
Over 3 years	**154**	101
	5,606	2,917

13 OTHER PAYABLES AND ACCRUALS

	2018	2017
	RMB'000	*RMB'000*
Amounts due to related parties	**–**	947
Payables for staff related costs	**1,819**	2,206
Payables for costs incurred in connection with the initial listing of the company's shares	**6,293**	–
Other taxes payables	**3,855**	4,556
Others	**612**	479
	12,579	8,188

14 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

The directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2018.

(b) Share capital

Movements in the Company's issued share capital are as follows:

	Number of shares	Nominal value of ordinary shares *RMB'000*
Ordinary shares, issued and fully paid:		
At 5 July 2016 (date of incorporation)	**2,500**	–
Issuance of shares	**9,378**	–
At 31 March 2017 *(Note (i) and (ii))*	**11,878**	–
Capitalisation issue on 5 February 2018 *(Note (iii))*	**285,060,122**	2,306
Shares issued under the public offering *(Note (iv))*	**96,000,000**	777
At 31 March 2018	**381,072,000**	3,083

(i) The Company was incorporated as an exempted company under the laws of the Cayman Islands with limited liability on 5 July 2016 with authorised share capital of HK$10,000,000 divided into 1,000,000,000 shares of HK$0.01 each. On 5 February 2018, the equity shareholders of the Company resolved to increase the authorised share capital of the Company to HK$20,000,000 divided into 2,000,000,000 shares of HK$0.01 each.

(ii) On 5 July 2016 and 15 July 2016, the Company issued and allotted/transferred 2,500 shares and 7,500 shares, respectively, at par value for cash to Smart East Limited, Union Sino Holdings Limited, Main Wealth Development Limited and Long Eagle International Limited, which are companies owned by Mr. Wang Dongbin, Mr. Wu Zhanjiang, Mr. Cao Wei and Mr. Li Kangying (collectively referred to as the "Founding Shareholders").

On 7 September 2016, an additional 1,878 of the Company's shares were issued and allotted to Chance Talent Management Limited at a consideration of HK$30,000,000 (equivalent to approximately RMB25,747,000). Of the proceeds received, HK$19 (equivalent to approximately RMB16) was credited to the Company's share capital account, and the remaining HK$29,999,981 (equivalent to approximately RMB25,746,984) were credited to the Company's share premium account.

(iii) On 2 March 2018, 285,060,122 ordinary shares of HK$0.01 each were allotted and issued at par value to the equity shareholders of the Company whose names appeared on the register of members of the Company at the close of business on 5 February 2017 by way of capitalisation of the sum of HK$40,937,000 standing to the credit of the share premium account of the Company, and these allotted and issued shares rank pari passu in all respects with the then existing issued shares. The calculation of earnings per share is adjusted retrospectively based on the new number of shares after the above capitalisation issue (Note 7(a)).

(iv) On 2 March 2018, the Company issued 96,000,000 H shares with par value of HK$0.01 per share by way of global initial public offering of the Company's H shares to Hong Kong and overseas investors. The Company raised approximately HK$43,580,000 (equivalent to RMB35,261,000) in total. The excess of the net proceeds over the nominal value of the shares issued were credited to share premium.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at all times throughout the period from the Listing Date to 31 March 2018 as required under the Rules Governing the Listing of the Securities on the Stock Exchange (the "**Listing Rules**").

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company strives to attain and maintain high standards of corporate governance best suited the needs and interests of the Group as it believes that an effective corporate governance framework is fundamental to promoting and safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles and practices that emphasise a quality Board, effective risk management and internal controls systems, stringent disclosure practices, transparency and accountability. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

Throughout the year ended 31 March 2018, the Company has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules ("**Model Code**"). In response to specific enquiries made, all Directors confirmed that they have complied with the Model Code in their securities transactions throughout the period from the Listing Date to 31 March 2018.

ANNUAL GENERAL MEETING

The Annual General Meeting (the "**AGM**") of the Company will be held on Friday, 14 September 2018. Shareholders of the Company should refer to the details regarding the AGM in the circular to be despatched by the Company and the notice of meeting and form of proxy accompanying therewith.

FINAL DIVIDEND

The Directors do not recommend the payment of final dividend for the year ended 31 March 2018.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 11 September 2018 to Friday, 14 September 2018, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 10 September 2018 (Hong Kong time), being the last registration date.

HUMAN RESOURCES

As at 31 March 2018, the Group employed 190 (31 March 2017: 213) full-time employees. Staff costs during the year ended 31 March 2018, including directors' emoluments, totalled approximately RMB29.6 million (year ended 31 March 2017: RMB28.4 million). The increase in staff costs was due to annual upward salary adjustment to our employees.

The Group fully recognises the importance of high-quality human resources in sustaining market leadership. Salary and benefits are kept at competitive levels, while individual performance is rewarded within the general framework of the salary, bonus and incentive system of the Group which is reviewed annually. Employees are provided with a wide range of benefits that include medical coverage, provident funds and retirement plans. The Group stresses the importance of staff development and provides training programmes on an ongoing basis. Employees are also encouraged to play an active role in community care activities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. It delivers quality products and services to its customers by managing its businesses prudently, while executing management decisions with due care and attention. The Group demonstrates a strong sense of corporate social responsibility and believes such a commitment helps strengthen its relationship with the community. Operating as a sound corporate citizen through sponsorship and supporting socially-responsible projects at company level, the Group is committed to bringing positive impact to the general welfare of the community.

REVIEW OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 March 2018 have been reviewed by the Audit Committee of the Company and audited by the independent auditor of the Company, KPMG, Certified Public Accountants. The unqualified independent auditor's report will be included in the Annual Report to shareholders.

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 March 2018 have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The auditor of the Company, KPMG, has agreed that the figures in respect of the Group's preliminary annual results for the year ended 31 March 2018 contained in this announcement are consistent with the amounts set out in the Group's audited consolidated financial statements for the year prepared in accordance with its engagement under Hong Kong Standard on Related Services 4400 "Engagements to perform agreed upon procedures regarding financial information" and with reference to Practice Note 730 "Guidance for auditors regarding preliminary announcements of annual results" issued by the Hong Kong Institute of Certified Public Accountants. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditor for this announcement.

EVENTS AFTER REPORTING PERIOD

From 1 April 2018 to the date of this announcement, there are no significant events occurred after the reporting period that may affect the Group.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of the Company at http://www.oneforce.com.cn and the Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk. The 2018 annual report of the Company will be despatched to shareholders in due course and will also be available at the websites above at the same time.

APPRECIATION

The Board would like to present its great appreciation to the management team and employees of the Group who have contributed to the success of the Group and are working towards achieving the Group's visions. Heartfelt gratitude is also expressed to all of the business partners, customers, suppliers of the Group and the Shareholders. With their kind support and trust, the Board is confident that it will lead the Group to another milestone.

By order of the Board
OneForce Holdings Limited
WANG Dongbin
Chairman

Beijing, PRC, 22 June 2018

As at the date of this announcement, the Board comprises Mr. Wang Dongbin and Mr. Wu Hongyuan as the executive Directors; and Mr. Ng Kong Fat, Mr. Han Bin and Mr. Wang Peng as the independent non-executive Directors.