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F8 ENTERPRISES (HOLDINGS) GROUP LIMITED
F8 企業（控股）集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8347)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**") of F8 Enterprises (Holdings) Group Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

HIGHLIGHTS

- The Group's revenue amounted to approximately HK$164.5 million for the year ended 31 March 2018, representing a decrease of approximately HK$16.1 million or 8.9% as compared to the year ended 31 March 2017.

- The Group recorded a profit attributable to the owners of the Company of approximately HK$1.2 million for the year ended 31 March 2018, representing a decrease of approximately HK$6.1 million as compared to the Group's net profit of approximately HK$7.3 million for the year ended 31 March 2017. The decrease was mainly due to drop in demand from customers after the completion of customers' projects during the year ended 31 March 2018. The recognition of the listing expenses of approximately HK$7.0 million in connection with the listing of the Company's shares on GEM (the "**Listing**") for the year ended 31 March 2018 as compared to approximately HK$7.1 million for the year ended 31 March 2017. Excluding the one-off Listing expenses, the profit attributable to the owners of the Company would have been approximately HK$8.2 million and approximately HK$14.4 million for the year ended 31 March 2018 and 2017 respectively, representing a decrease of approximately 43.1% as compared to the year ended 31 March 2017.

- The Board does not recommend the payment of any dividend for the year ended 31 March 2018.

ANNUAL RESULTS

The board of Directors (the "**Board**") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2018 together with the comparative audited figures for the year ended 31 March 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*5*	**164,491**	180,616
Cost of sales		**(139,670)**	(155,773)
Gross profit		**24,821**	24,843
Other gains or losses	*7*	**(644)**	115
Administrative expenses		**(17,643)**	(13,227)
Other operating expenses		**(2,851)**	(1,622)
Profit from operations		**3,683**	10,109
Finance costs	*8*	**(80)**	(151)
Profit before taxation	*10*	**3,603**	9,958
Income tax expenses	*9*	**(2,362)**	(2,676)
Profit and total comprehensive income for the year attributable to the owners of the Company		**1,241**	7,282
Earnings per share attributable to the owners of the Company			
Basic and diluted (HK cents)	*12*	**0.16**	1.21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2018

	Notes	**2018** **HK$'000**	2017 *HK$'000*
Non-current asset			
Property, plant and equipment		**12,385**	1,073
Current assets			
Inventories		**341**	200
Trade receivables	*13*	**66,650**	44,966
Deposits and prepayments		**2,959**	3,026
Financial assets at fair value through profit or loss		**1,105**	–
Pledged bank deposits		**4,000**	–
Cash and bank balances		**13,179**	1,633
		88,234	49,825
Current liabilities			
Trade and bills payables	*14*	**3,609**	7,557
Accruals, receipts in advance and deposits received		**3,040**	4,361
Bank overdrafts		**–**	1,073
Bank borrowings		**–**	4,000
Obligations under finance leases		**188**	738
Amount due to a shareholder		**–**	23
Tax payable		**4,825**	3,646
		11,662	21,398
Net current assets		**76,572**	28,427
Total assets less current liabilities		**88,957**	29,500
Non-current liabilities			
Obligations under finance leases		**–**	188
Deferred tax liabilities		**1,183**	–
		1,183	188
Net assets		**87,774**	29,312
Capital and reserves			
Share capital	*15*	**8,000**	–
Reserves		**79,774**	29,312
Total equity		**87,774**	29,312

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Share capital *HK$'000* *(Note i)*	Share premium *HK$'000* *(Note ii)*	Other reserve *HK$'000* *(Note iii)*	Capital contribution reserve *HK$'000* *(Note iv)*	Retained earnings *HK$'000*	Total *HK$'000*
At 1 April 2016	–	–	–	–	22,030	22,030
Effect of reorganization	–	–	–	–	–	–
Profit and total comprehensive income for the year	–	–	–	–	7,282	7,282
Effect of business transfer	–	–	–	24,652	(24,652)	–
At 31 March 2017 and 1 April 2017	**–**	**–**	**–**	**24,652**	**4,660**	**29,312**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**1,241**	**1,241**
Capitalization Issue	**6,000**	**(6,000)**	**–**	**–**	**–**	**–**
Issue of shares upon Share Offer	**2,000**	**62,000**	*	**–**	**–**	**64,000**
Expenses in connection with the issue of shares	**–**	**(6,779)**	**–**	**–**	**–**	**(6,779)**
At 31 March 2018	**8,000**	**49,221**	*	**24,652**	**5,901**	**87,774**

Note:

(i) On 12 April 2017, 200,000,000 shares of HK$0.01 each of the Company were allotted and issued at a price of HK$0.32 per Share by way of Share Offer.

(ii) Share premium represents the excess of shares issue over the par value.

(iii) Other reserve of the Group represents the difference between the total equity of the subsidiaries and the aggregated share capital of the subsidiaries pursuant to the Reorganisation where the transfer of the subsidiaries to the Company are satisfies by issue of new shares from the Company. The balance was approximately HK$8.

(iv) Capital contribution reserve represents the amount of the financial impact arisen from the transfer of business from Great Wall (International) Oil Company (Sole Proprietorship Business) to Great Wall (International) Oil Limited.

* The balance was approximately HK$8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 30 March 2016. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business in Hong Kong is Units 3304, 33/F, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong. The Company's immediate and ultimate holding company is Grand Tycoon Limited, a company incorporated in the British Virgin Islands ("BVI"). Grand Tycoon Limited is controlled by Mr. Fong Chun Man ("Mr. Fong"), a Director of the Company.

The Company is an investment holding company and its subsidiaries principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the functional currency of the Company and its principal subsidiaries and all values are rounded to the nearest thousands (HK$'000), except when otherwise stated.

2. REORGANISATION

In connection with the listing of the Shares on GEM of the Stock Exchange, the Company underwent a reorganisation (the "Reorganisation").

Pursuant to the Reorganisation as fully explained in the paragraph headed "Reorganisation" in the section headed "History and Development, Reorganisation and Group Structure" of the prospectus of the Company dated 29 March 2017 (the "Prospectus"), the Company became the holding company of the companies now comprising the Group on 22 March 2017. The companies now comprising the Group were under the common control of Mr. Fong before and after the Reorganisation. Accordingly, the consolidated financial statements have been prepared on the basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the reporting period.

The consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity include the results of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the reporting period or since their respective date of incorporation, where there is a shorter period. The consolidated statements of financial position of the Group as at 31 March 2017 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganisation had been in existence as at those dates, taking into account the respective dates of incorporation.

All intra-group transactions and balances have been eliminated.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, a number of the new and revised standards, amendments and interpretations ("new and revised HKFRSs") (which included all HKFRSs, Hong Kong Accounting Standards ("HKASs") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017. A summary of the new and revised HKFRSs are set out below:

Amendment to HKAS 7	Disclosure Initiative
Amendment to HKAS 12	Recognition of Deferred Tax Assets for Unrealised losses
HKFRSs (Amendment)	Annual Improvements to HKFRSs, 2014-2016 Cycle

Except as described below, the application of the above amendments to HKFRSs and HKAS in the current year has had no material impact on the Group's financial performance and financial positions for the current and prior years and/or on the disclosures set out in the Group's consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
HKFRS 9	Financial Instruments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 19	Plan Amendments, Curtailment or settlement[2]
Amendments to HKAS 28	Long-term Interest in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRS Standards 2014–2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle[2]
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2021

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and related interpretations issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosure requirements by the GEM Listing Rules and by the disclosure requirements of the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

5. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue for the reporting period is as follows:

	2018	2017
	HK$'000	*HK$'000*
Diesel oil	**159,722**	165,720
Marine diesel oil	**3,288**	13,618
Lubricant oil	**1,481**	1,278
	164,491	180,616

6. SEGMENT INFORMATION

A single management team reports to the Directors (being the chief operating decision-maker) who comprehensively manage the entire business. Accordingly, the Group does not present segment information separately.

Geographical information

During the years ended 31 March 2018 and 2017, the Group operated in Hong Kong and all of the Group's revenue are derived from Hong Kong and all of non-current assets of the Group are located in Hong Kong as at 31 March 2018 and 2017. No analysis of the Group's result and assets by geographical area is disclosed.

Information about major customers

Revenues from customers contributing over 10% of the total revenue of the Group during the reporting period are as follows:

	2018	2017
	HK$'000	*HK$'000*
Customer A	**–***	25,091
Customer B	**–***	20,318
Customer C	**17,829**	–*

* The customers contributed less than 10% of the total revenue of the Group.

7. OTHER GAINS OR LOSSES

	2018	2017
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**511**	–
Realised loss on financial assets at fair value through profit or loss	**(212)**	–
Unrealised loss on financial assets at fair value through profit or loss	**(1,458)**	–
Bank interest income *(Note i)*	**279**	–
Sundry income	**236**	115
	(644)	115

Note: (i) Bank interest income mainly represents interest generated from the share offer fund deposited in bank.

8. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Interest expenses on bank borrowings wholly repayable within five years	**53**	81
Interest expenses on bank overdrafts	**5**	14
Interest expenses on obligations under finance leases	**22**	56
	80	151

9. INCOME TAX EXPENSES

(a) Income tax in the consolidated statements of profit and loss and other comprehensive income represent:

	2018	2017
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profit Tax	**1,179**	2,676
Deferred tax	**1,183**	–
	2,362	2,676

Hong Kong Profits Tax has been provided at the rate of 16.5% to the estimated assessable profit for the years ended 31 March 2018 and 2017.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

10. PROFIT BEFORE TAXATION

	2018	2017
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging/(crediting):		
Directors' emoluments	**2,273**	1,059
Other staff costs:		
— Salaries and other benefits	**3,903**	3,386
— Bonuses	**–**	205
— Retirement benefits scheme contributions	**180**	170
	4,083	3,761

	2018	2017
	HK$'000	*HK$'000*
Auditors' remuneration *(Note i)*	**600**	600
Cost of inventories recognised as expenses	**135,584**	152,228
Depreciation of property, plant and equipment		
— Cost of sales	**1,337**	1,024
— Administrative expenses	**305**	125
	1,642	1,149
Gain on disposal of property, plant and equipment	**(511)**	–
Operating lease rental expenses in respect of office premises	**1,887**	1,300
Listing expenses *(Note ii)*	**6,972**	7,148

Note:

(i) Exclude services for the listing of the Group.

(ii) The listing expenses are included in "Administrative expenses".

11. DIVIDENDS

The Directors of the Company do not recommend the payment of any dividend for the year ended 31 March 2018 (2017: Nil).

12. EARNINGS PER SHARE

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

	2018	2017
	HK$'000	*HK$'000*
Earnings		
Profit attributable to owners of the Company	**1,241**	7,282
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of calculation basic earning per share	**793,973**	600,000

The weighted average number of shares in issue during the year ended 31 March 2018 is based on the assumption that 600,000,000 shares of the Company were comprising 100 shares in issue, 599,999,900 shares issued pursuant to the Group Reorganisation and Capitalisation Issue, as if these shares were outstanding throughout the period from 1 April 2017 to 12 April 2017 (the "Listing Date"), and 200,000,000 shares issued under the Share Offer.

The weighted average number of shares in issue during the year ended 31 March 2017 is based on the assumption that 600,000,000 shares of the Company were in issue, comprising 100 shares in issue 599,999,900 shares issued pursuant to the Group Reorganisation and Capitalisation Issue, and as if these shares were outstanding throughout that year.

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary share in issue during the years ended 31 March 2017 and 2018.

13. TRADE RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**66,650**	44,966

(a) Ageing analysis

The following is an analysis of trade receivables by age, presented based on the invoice date and net of allowance for doubtful debts, at the end of the reporting periods:

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**16,942**	12,954
31 to 60 days	**8,300**	11,101
61 to 90 days	**12,266**	9,428
91 to 120 days	**7,086**	6,389
Over 120 days	**22,056**	5,094
	66,650	44,966

The Group's average credit term with its customers is, in general, 3 days to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

(b) Impaired trade receivables

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Accordingly, the Directors believe that there is no further credit provision required in excess of the impairment of trade receivables during the reporting period.

The Group's policy for impairment loss on trade receivables is based on an evaluation of collectability and ageing analysis of the receivables which requires the use of judgment and estimates. Provisions are applied to the receivables when there are events or changes in circumstances indicate that the balances may not be collectible. The management closely reviews the trade receivables balances and any overdue balances on an ongoing basis and assessments are made by the management on the collectability of outstanding balances.

(c) Ageing analysis of trade receivables which are past due but not impaired

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

	2018 *HK$'000*	2017 *HK$'000*
Within 30 days	**5,686**	8,642
31 to 60 days	**8,191**	4,406
61 to 90 days	**3,792**	2,004
91 to 120 days	**2,880**	12
Over 120 days	**8,586**	5
	29,135	15,069

Trade receivables that were neither past due nor impaired relate to customers and debtors for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers 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.

14. TRADE AND BILLS PAYABLES

	2018 *HK$'000*	2017 *HK$'000*
Trade payables	**3,609**	4,983
Bills payable	**–**	2,574
	3,609	7,557

The average credit term from suppliers is up to 3 to 60 days. The following is an ageing analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2018 *HK$'000*	2017 *HK$'000*
Within 30 days	**2,808**	3,386
31 to 60 days	**801**	4,044
61 to 90 days	**–**	54
91 to 120 days	**–**	1
Over 120 days	**–**	72
	3,609	7,557

Note:

The bills payable are secured by:

(a) unlimited personal guarantee provided by an executive Director of the Company, Mr. Fong; and

(b) pledge of the property which owned by an executive Director of the Company, Mr. Fong.

15. SHARE CAPITAL

	Number of Share	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each upon incorporation *(Note (a))*	38,000,000	380
Increase in authorised Share capital *(Note (c))*	1,962,000,000	19,620
As at 31 March 2017, 1 April 2017 and 31 March 2018	**2,000,000,000**	**20,000**

	Number of Share	*HK$'000*
Issued and fully paid:		
Ordinary share of HK$0.01 upon incorporation *(Note (a), (b))*	1	–
Issue of shares upon reorganisation *(Note (b))*	99	–
As at 31 March 2017 and 1 April 2017	100	–
Issue of new shares under the Share Offer *(Note (d))*	200,000,000	2,000
Capitalisation Issue *(Note (d))*	599,999,900	6,000
As at 31 March 2018	**800,000,000**	**8,000**

Notes:

(a) The Company was incorporated on 30 March 2016 with authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each and has not carried on any business since the date of incorporation except for the Reorganisation. On the date of incorporation, one nil-paid share was allotted and issued.

(b) On 22 March 2017, Mr. Fong (as warrantor), Grand Tycoon Limited (the "Grand Tycoon") (as vendor) and the Company entered into a sale and purchase agreement, pursuant to which Grand Tycoon transferred its entire shareholding interest in Ruiqin Investments Limited to the Company, in consideration of (i) the crediting as fully paid of the initial share held by Ruiqin Investments, and (ii) issuance of 99 shares credited as fully paid to Grand Tycoon for the Reorganisation as set out in the paragraph headed "Reorganisation" in the section headed "History and Development, Reorganisation and Group Structure" to the Prospectus.

(c) Pursuant to the written resolution of the shareholder passed on 23 March 2017, the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 by creation of an additional of 1,962,000,000 shares of HK$0.01 each, each ranking pari passu with the shares then in issue in all respects.

(d) On 11 April 2017, 200,000,000 shares of HK$0.01 each of the Company were allotted and issued at a price of HK$0.32 per share by way of Share Offer.

Pursuant to the written resolutions of the shareholder passed on 23 March 2017, subject to the share premium account of the Company being credited as a result of the Share Offer, the Directors were authorised to allot and issue a total of 599,999,900 shares credited as fully paid at par to Grand Tycoon by way of capitalization of the sum of HK$5,999,999 standing to the credit of the share premium account of the Company ("Capitalisation Issue"). The Capitalisation Issue was completed on 12 April 2017. The shares allotted and issued rank pari passu in all respects with the then existing issued shares.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally carries on the business of the sale and transportation of diesel oil and related products in Hong Kong. The Group also supplies marine diesel oil used for construction vessels and lubricant oil used for construction machinery and vehicles. Most of the Group's customers are construction companies which require diesel oil to operate their construction machinery and vehicles.

The Group's business is built on a customer-oriented culture and focuses on providing quality diesel oil with reasonable prices and timely delivery services. The Group provides consulting services to customers and customises the Group's services to suit their needs for the Group's products by recommending the specifications and optimal order quantity of diesel oil and other guidance on safety precautions and environmental protection during delivery. In order to satisfy the Group's customers' immediate or unplanned purchase demands by supplying diesel oil to customers within a short time frame and responding to customers' delivery schedule in a more flexible manner, the Group had a fleet of eleven diesel tank wagons of various capacity as at 31 March 2018.

The shares of the Company (the "Shares") have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of placing and public offer (collectively, the "Share Offer") on 12 April 2017 (the "Listing Date"). The proceeds received from the Share Offer have strengthened the Group's cash flow and the Group had implemented its future plans and business strategies as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The Group has recorded a revenue of approximately HK$164.5 million for the year ended 31 March 2018, representing a decrease of approximately HK$16.1 million or 8.9% as compared to the year ended 31 March 2017. The decrease was mainly due to drop in demand from customers after the completion of customers' project during the year ended 31 March 2018.

Meanwhile, the Group has executed strict control on costs and expenses. The Group recorded a profit attributable to the owners of the Company of approximately HK$1.2 million for the year ended 31 March 2018. The decrease was mainly due to drop in demand of diesel oil and marine oil from customers after the completion of customers' projects in May 2017 and April 2017 respectively, and the demand of marine oil was compensated by the increase in demand upon the commencement of customer's project in November 2017, as compared to the year ended 31 March 2017. The recognition of the Listing expenses of approximately HK$7.0 million in connection with the Listing for the year ended 31 March 2018 as compared to approximately HK$7.1 million for the year ended 31 March 2017. Excluding the one-off Listing expenses, the profit attributable to the owners of the Company would have been approximately HK$8.2 million for year ended 31 March 2018, representing a decrease of approximately 43.1% as compared to the year ended 31 March 2017.

Principal Risks and Uncertainties

The Board believes major risk factors relevant to the Group have been disclosed in the section headed "Risk Factors" in the Prospectus.

Comparison of business objectives with actual business progress

Details of the business objectives and strategies and future development of the business of the Group are set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As disclosed in the 2017 Annual Report of the Company, the actual net proceeds (the "**Net Proceeds**") from the Share Offer (after deduction of the underwriting commission and Listing related expenses) were approximately HK$45.1 million, which was less than the estimated Net Proceeds of approximately HK$50.9 million as set out in the Prospectus and the allotment results announcement of the Company dated 11 April 2017.

Set out below is the actual use of the Net Proceeds up to 31 March 2018:

	Planned use of total Net Proceeds *HK$ million*	**Approximate percentage of total Net Proceeds**	**Actual use of Net Proceeds up to 31 March 2018** *HK$ million*	**Unused total Net Proceeds up to 31 March 2018** *HK$ million*
• Purchase of diesel tank wagons	7.8	17.3%	3.7	4.1
• Purchase of marine diesel oil barge	14.0	31.0%	8.5	5.5
• Further strengthen our manpower	6.1	13.6%	1.5	4.6
• Upgrade of our information technology systems	3.6	7.9%	–	3.6
• Working capital necessary for the operation of the new diesel tank wagons and marine bunkering business	9.1	20.2%	1.2	7.9
• Working capital	4.5	10.0%	4.5	–
	45.1	100.0%	19.4	25.7

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK$16.1 million or approximately 8.9% from approximately HK$180.6 million for the year ended 31 March 2017 to approximately HK$164.5 million for the year ended 31 March 2018.

Revenue from the sales of diesel oil, marine oil and lubricant oil accounted for approximately HK$159.7 million, HK$3.3 million and HK$1.5 million, representing approximately 97.1%, 2.0% and 0.9%, respectively, of the Group's total revenue for the year ended 31 March 2018. For the year ended 31 March 2017, the revenue from the sales of diesel oil, marine oil and lubricant oil accounted for approximately HK$165.7 million, HK$13.6 million and HK$1.3 million, representing approximately 91.8%, 7.5% and 0.7%, respectively, of the Group's total revenue. Sales of diesel oil remained the largest contributor to the Group's revenue. The decrease of sales of diesel oil was mainly due to drop in demand of diesel oil and marine oil from customers after the completion of customers' projects in May 2017 and April 2017 respectively, and the demand of marine oil was compensated by the increase in demand upon the commencement of customer's project in November 2017, as compared to the year ended 31 March 2017.

The decrease in the Group's revenue was primarily due to the decrease in the Group's sales of diesel oil and marine diesel oil. Further analysis on the Group's financial performance are set out below.

Sales quantity

The sales quantity of diesel oil decreased by approximately 16.7% from approximately 43.9 million litres for the year ended 31 March 2017 to approximately 36.5 million litres for the year ended 31 March 2018, primarily due to the drop in demand from customers after the completion of customers' project in May 2017 and therefore less diesel oil was required from the construction and logistics customers during the year ended 31 March 2018. The sales quantity of marine oil decreased by approximately 77.7% from approximately 3.6 million litres for the year ended 31 March 2017 to approximately 0.8 million litres for the year ended 31 March 2018. The drop in demand from customers after the completion of projects in April 2017 was compensated by the increase in demand upon the commencement of customer's project in November 2017, as compared to year ended 31 March 2017. The sales quantity of lubricant oil remained stable at approximately 0.1 million litres and approximately 0.1 million litres for the year ended 31 March 2018 and 2017, respectively.

Selling price

The average selling price of the Group's diesel oil increased by approximately 15.6% from approximately HK$3.78 per litre for the year ended 31 March 2017 to approximately HK$4.37 per litre for the year ended 31 March 2018 whereas the average selling price of the Group's marine diesel oil increased by approximately 8.3% from approximately HK$3.75 per litre for the year ended 31 March 2017 to approximately HK$4.06 per litre for the year ended 31 March 2018. The increase of the average selling prices of the diesel oil and marine diesel oil were adjusted upwards as a result of the increasing trend in the prevailing market prices.

Cost of sales

Cost of sales primarily consists of diesel oil costs, marine diesel oil costs, lubricant oil costs, direct labour costs and depreciation. The purchase cost for the diesel oil, marine diesel oil costs and lubricant oil costs depends on the domestic purchase price offered by the Group's oil suppliers, with reference to the price indices such as Europe Brent spot crude price.

For the year ended 31 March 2018, the Group's cost of sales was approximately HK$139.7 million, representing a decrease of approximately 10.3% from approximately HK$155.8 million for the year ended 31 March 2017. Such decrease was in line with the overall drop in revenue.

The largest component of the cost of sales was diesel oil cost, which amounted to approximately HK$132.2 million and HK$140.2 million, representing approximately 94.7% and 89.9% of the cost of sales for the year ended 31 March 2018 and 2017, respectively. The unit purchase cost of diesel oil increased by approximately 15.8% from approximately HK$3.23 per litre for the year ended 31 March 2017 to approximately HK$3.74 per litre for the year ended 31 March 2018 and the unit purchase costs of marine diesel oil increased by approximately 11.6% from approximately HK$3.03 per litre for the year ended 31 March 2017 to approximately HK$3.38 per litre for the year ended 31 March 2018. The increase in unit purchase cost of diesel oil was in line with the market trend for the year ended 31 March 2018.

Marine diesel oil costs represent the purchase cost of marine diesel oil from the Group's suppliers on a back-to-back basis after the customers' orders are confirmed. For the year ended 31 March 2018 and 2017, the marine diesel oil costs were approximately HK$2.8 million and HK$11.0 million, respectively, representing approximately 2.0% and 7.1 % of the cost of sales, respectively.

Lubricant oil cost represents the purchase cost of lubricant oil from the Group's suppliers. For the year ended 31 March 2018 and 2017, the lubricant oil costs were approximately HK$1.2 million and HK$1.1 million, respectively, representing approximately 0.9% and 0.7% of the cost of sales, respectively.

The direct labour costs comprise wages and benefits, including wages, bonuses, retirement benefit costs and other allowances and benefits payable to all the Group's diesel tank wagons (drivers and logistics assistants) involved in the transportation of the products from the oil depot to the customers. The direct labour costs amounted to approximately HK$2.2 million and HK$2.0 million for the year ended 31 March 2018 and 2017, respectively. The Group had ten and ten full-time employees (drivers and logistics assistants) responsible for the logistics support for the Group's diesel tank wagons as at 31 March 2018 and 31 March 2017, respectively.

Depreciation represented depreciation charges for the Group's equipment which mainly comprise diesel tank wagons and a marine oil barge. The depreciation amounted to approximately HK$1.3 million and HK$1.1 million for the year ended 31 March 2018 and 31 March 2017, respectively.

Gross profit and gross profit margin

The gross profit represented the Group's revenue less cost of sales. The Group's gross profit remained stable at approximately HK$24.8 million and HK$24.8 million for the year ended 31 March 2018 and 2017, respectively. The Group's gross profit margin increased slightly from 13.8% for the year ended 31 March 2017 to 15.1% for the year ended 31 March 2018.

Other gains or losses

The Group's other gains or losses decreased from the gains of approximately HK$0.1 million for the year ended 31 March 2017 to the losses of approximately HK$0.6 million for the year ended 31 March 2018 mainly due to unrealised loss on financial assets at fair value through profit or loss approximately HK$1.5 million for the year ended 31 March 2018 but no such loss occurred for the year ended 31 March 2017.

Administrative expenses

The administrative expenses mainly include administrative staff costs, rent and rate, listing expenses and others. The Group's administrative expenses increased by approximately 33.4% from approximately HK$13.2 million for the year ended 31 March 2017 to approximately HK$17.6 million for the year ended 31 March 2018, primarily due to the increase in legal and professional fee of approximately HK$2.1 million for the year ended 31 March 2018 but no such expenses happened for the year ended 31 March 2017, and the increase in staff costs of approximately HK$1.3 million for the year ended 31 March 2018.

Other operating expenses

The other operating expenses mainly include motor vehicle expenses, repair and maintenance insurance and license fee. The Group's other operating expenses increased by approximately 75.8% from approximately HK$1.6 million for the year ended 31 March 2017 to approximately HK$2.9 million for the year ended 31 March 2018 primarily due to the increase in motor vehicles and marine barge running expenses of approximately HK$2.6 million for the year ended 31 March 2018.

Finance costs

The finance costs mainly consist of interests on bank borrowings which were wholly repayable within five years, interest expenses on bank overdrafts and interest expenses on obligations under finance leases. The Group's finance costs decreased by approximately 47.0% from approximately HK$0.2 million for the year ended 31 March 2017 to approximately HK$0.1 million for the year ended 31 March 2018 which was in line with the decrease of average borrowings of the Group during the year ended 31 March 2018.

Income tax expenses

As all of the Group's profit are derived from Hong Kong, the Group is subject to income tax in Hong Kong and has no tax payable in other jurisdictions. The Group's income tax decreased by approximately 11.7% from approximately HK$2.7 million for the year ended 31 March 2017 to approximately HK$2.4 million for the year ended 31 March 2018 primarily due to the decrease in assessable profits for the year ended 31 March 2018. The Group's effective tax rate increased from approximately 15.6% for the year ended 31 March 2017 to approximately 22.3% for the year ended 31 March 2018 as a result of temporary difference arising from accelerated depreciation for the year ended 31 March 2018.

Profit for the year

As a result of the foregoing, the Group's net profit decreased by approximately HK$6.1 million from a profit of approximately HK$7.3 million to a profit of approximately HK$1.2 million for the year ended 31 March 2018, and the Group's net profit margin decreased from approximately 4.0% to net profit margin of 0.8% during the same periods. The decrease in the net profit and net profit margin for the year ended 31 March 2018 was mainly due to drop in demand of diesel oil and marine oil from customers after the completion of customers' projects in May 2017 and April 2017 respectively, and the demand of marine oil was compensated by the increase in demand upon the commencement of customer's project in November 2017, as compared to the year ended 31 March 2017.

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources and Liquidity

The Group finance its operations through cash generated from operating activities and interest-bearing bank borrowing, overdrafts and finance leases. The Group recorded net current assets of approximately HK$76.6 million as at 31 March 2018.

As at 31 March 2018, the Group's current assets amounted to approximately HK$88.2 million and the Group's current liabilities amounted to approximately HK$11.7 million. Current ratio was approximately 7.5 as at 31 March 2018. Current ratio is calculated based on total current assets at the end of the year divided by total equity at the end of the year. Gearing ratio was approximately 0.2% as at 31 March 2018 which was calculated based on the total debt at the end of the year divided by total equity at the end of the year.

As at 31 March 2018, the maximum limit of the banking facilities available to the Group was amounted to approximately HK$20.0 million and none of the banking facilities was utilized.

CAPITAL STRUCTURE

For the year ended 31 March 2018, the capital structure of the Group consisted of equity attributable to the owners of the Company of approximately HK$87.8 million. The share capital of the Group only comprises of ordinary shares.

The Shares were listed on the GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group since then.

FOREIGN CURRENCY EXPOSURE RISKS

The Group operates mainly in Hong Kong and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the financial assets with Malaysian ringgit. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Group however did not engage in any derivatives agreements and did not commit to any financial instrument to hedge its foreign exchange exposure during the year ended 31 March 2018.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2018. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the year ended 31 March 2018, the Group did not have any significant investment, material acquisitions nor disposals of subsidiaries and affiliated companies save for those reorganisation activities done for the purpose of Listing as set out in the paragraph headed "Reorganisation" under the section headed "History and Development, Reorganisation and Group Structure" in the Prospectus.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Apart from the reorganisation in relation to the Listing as disclosed in the Prospectus, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 March 2018.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2018, save as disclosed below in the section head "Use of Proceeds from the Share Offer", the Group did not have any other material capital commitments or any material contingent liabilities.

DIVIDENDS

The Board did not recommend a payment of any dividend for the year ended 31 March 2018 and 2017.

PLEDGE OF ASSETS

As at 31 March 2018, the motor vehicles with carrying amount of approximately HK$0.2 million have been pledged to secure finance leases granted to the Group respectively.

As at 31 March 2018, the Group's pledged short-term bank deposits in the amount of HK$4.0 million was pledged as security for the Group's banking facilities.

USE OF PROCEEDS FROM THE SHARE OFFER

On the Listing Date, the Company's shares were listed on the GEM of the Stock Exchange. A total of 200,000,000 new shares with nominal value of HK$0.01 each of the Company were issued at HK$0.32 per share for a total of approximately HK$64.0 million. The Net Proceeds received by the Company from the Share Offer, after deduction of the underwriting commission and related expenses in connection with the Share Offer, were approximately HK$45.1 million. The Net Proceeds, upon receipt by the Company after Listing, have been deposited at a bank and such Net Proceeds will be applied in the manners consistent with the proposed applications set out in the section headed "Future plans and use of proceeds" in the Prospectus.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group engaged a total of 22 employees (31 March 2017: 22) including the Directors. For the year ended 31 March 2018, total staff costs amounted to approximately HK$6.4 million (year ended 31 March 2017: approximately HK$3.8 million). Remuneration (including employees' benefits) is maintained within the market level and reviewed on a periodic basis. Employees' salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group's business performance.

ENVIRONMENT POLICIES AND PERFORMANCE

The principal activity of the Group is governed by Hong Kong environmental laws and regulations including the Air Pollution Control Ordinance and the Water Pollution Control Ordinance. These laws and regulations cover a broad range of environmental matters, including air pollution, noise and gas emissions, leakage of oil products or other hazardous substances. The Group recognises the importance of environmental protection and has implemented various environmental protection measures in order to minimise the operation impact on the environment and natural resources.

The Group will continue to monitor the business operations in order to ensure that it does not have only significant adverse effect on the environment and that the Group's environment protection measures are adequate to ensure compliance with all applicable current Hong Kong laws or regulations.

As at the date of this announcement, no prosecution, penalty or punishment has been imposed upon the Group for the violation of any environmental laws or regulations.

EVENTS AFTER THE REPORTING PERIOD

On 17 May 2018, the Company and Virtue Ever Limited entered into the acquisition agreement (the "Acquisition Agreement"), pursuant to which the Company has conditionally agreed to purchase and Virtue Ever Limited has conditionally agreed to sell a 10% equity interest in the China Forest Food Limited at an aggregate consideration of RMB1.5 million (including the earnest money of RMB1.0 million which has been paid in cash) (the "Acquisition"). The completion of the Acquisition under the Acquisition Agreement is subject to certain customary conditions precedent to be fulfilled. Please refer to the announcement of the Company dated 17 May 2018 for details.

As from 31 March 2018 to the date of this announcement, save as disclosed in this announcement, the Board is not aware of any significant events requiring disclosure that have occurred.

COMPETING INTERESTS

The Directors confirm that none of the Controlling Shareholders or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group's business during the reporting period and up to the date of this announcement.

COMPETING BUSINESS

On 23 March 2017, Mr. Fong and Grand Tycoon (being controlling shareholders of the Group) entered into a deed of non-competition ("Deed of Non-Competition") in favour of the Company (for itself and each of its subsidiaries), pursuant to which each of Mr. Fong and Grand Tycoon has irrevocably and unconditionally, jointly and severally, warrants and undertakes with the Company that, immediately upon the Share Offer becoming unconditional, each of them shall not, and shall procure each of his/its close associates and any company directly or indirectly controlled by Mr. Fong and Grand Tycoon (except for the members the Group) shall not, except through any member of our Group, directly or indirectly (whether on its own account or with each other or in conjunction with or on behalf of any person or company, or as principal or agent, through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise), carry on, engage in, invest or acquire or hold any rights or be interested or otherwise involved in any business that is similar to or in competition directly or indirectly with or is likely to be in competition with any business currently and from time to time engaged by our Group in Hong Kong and any other country or jurisdiction to which our Group carries on business or grants franchise from time to time ("Restricted Business").

Mr. Fong and Grand Tycoon further undertakes that when he/it or his/its close associates other than any member of the Group is offered or becomes aware of any new project or business opportunity ("New Business Opportunity") directly or indirectly to engage or become interested in a Restricted Business, he/it (i) shall promptly notify our Company of such New Business Opportunity in writing, refer the same to our Company for consideration first and provide such information as may be reasonably required by our Company to make an informed assessment of such New Business Opportunity; and (ii) shall not, and shall procure that the Controlled Persons or Controlled Company not to, invest or participate in any such New Business Opportunity unless such New Business Opportunity is declined by our Company, or our Company does not proceed with such New Business Opportunity within 30 business days from the date of the written notice (of if requested by our Company in writing, such 30 business days period may be extended to a maximum of 60 business days), and the principal terms of which he/it and/or his/its close associates invest or participate in are no more favourable than those made available to our Company.

For further details of the Deed of Non-Competition, please refer to the paragraph headed "Relationship with Controlling Shareholders — Non-Competition Undertakings" in the Prospectus.

Mr. Fong and Grand Tycoon have all confirmed to the Company of his/its compliance with the Deed of Non- Competition from the Listing Date up to the date of this announcement. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied by each of Mr. Fong and Grand Tycoon and duly enforced since the Listing Date and up to the date of this announcement.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Guotai Junan Capital Limited ("Guotai Junan") to be the compliance adviser. As informed by Guotai Junan, neither Guotai Junan nor any of its directors or employees or associates, has or may have, any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules, except for the compliance adviser agreement entered into between the Company and Guotai Junan dated 8 September 2016.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the company complies with the minimum of public float of 25% as required under the GEM Listing Rules as at the date of this announcement.

AUDIT COMMITTEE

The Company has established an Audit Committee on 23 March 2017 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's draft annual, interim and quarterly financial reports and accounts and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chui Chi Yun, Robert, Mr. Kwong Yuk Lap and Mr. Wang Anyuan. Mr. Chui Chi Yun, Robert is the chairman of the Audit Committee.

The Audit Committee has reviewed this announcement and the audited consolidated results of the Group for the year ended 31 March 2018 and the effectiveness of internal control system.

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

The Directors confirm that as at the date of the Listing on 12 April 2017 and up to the date of this announcement, there has been no purchase, sale or redemption of the Company's listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that all of the Directors complied with such required standard of dealings and its code of conduct regarding directors' securities transactions from the date of Listing and up to the date of this announcement.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "Scheme") on 23 March 2017. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. No share option has been granted since the adoption of the Scheme and there was no share option outstanding as at 31 March 2018 and the date of this announcement.

CORPORATE GOVERNANCE

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules from the date of Listing up to the date of this announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting ("AGM") of the Company will be held on 8 August 2018, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from 3 August 2018 to 8 August 2018, both days inclusive, during which period no transfer of the Shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on 2 August 2018.

COMMUNICATION WITH SHAREHOLDERS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates the shareholders on its latest business developments and financial performance through its quarterly, interim and annual reports and communicates with the shareholders through annual general meetings and extraordinary general meetings. In compliance with the requirements of the GEM Listing Rules, the Company will issue regular reports, announcements, circulars and notice of general meetings. Always updated with latest information, the corporate website of the Company (www.f8.com.hk) has provided an effective communication platform to the public and the shareholders.

OUTLOOK

The Group always strives to improve its operation efficiency and profitability of its businesses. The Board believes that market trends of diesel sales market in Hong Kong remains optimistic mainly due to the stable and high level investment in public infrastructure including the railway network, development of marine construction projects including Central-Wanchai Bypass and Island Eastern Corridor Link and the Hong Kong International Airport's third runway project together with the recovery of logistics industry in Hong Kong, coupled with the opening of Hong Kong-Zhuhai-Macau Bridge in the future which is expected to drive up logistics companies' demand for diesel oil.

The Board will also proactively seek potential business opportunities that will broaden our sources of income and enhance value to the shareholders.

Looking forward, the Group will make steady progress in accordance with the plans formulated before its listing and its actual operational conditions, so as to facilitate effective implementation of the business objectives of the Company and bring benefits from it.

APPRECIATION

The Board would like to extend its sincere thanks to the Group's shareholders, business partners and customers for their utmost support to the Group. The Group would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year.

By order of the Board
F8 Enterprises (Holdings) Group Limited
CHAN Chi Fai
Chief Executive Officer and Executive Director

Hong Kong, 22 June 2018

As at the date of this announcement, the chairman and the executive Director of the Company is Mr. FONG Chun Man, the executive Directors of the Company are Ms. LO Pui Yee, Mr. CHAN Chi Fai and Mr. Li Hok Yin; and the independent non-executive Directors of the Company are Mr. CHUI Chi Yun, Robert, Mr. KWONG Yuk Lap and Mr. WANG Anyuan.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.f8.com.hk.