

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

F8 ENTERPRISES (HOLDINGS) GROUP LIMITED

F 8 企 業 (控 股) 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8347)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The board (the “**Board**”) of directors (the “**Directors**”) of F8 Enterprises (Holdings) Group Limited (the “**Company**”) is pleased to announce the unaudited results of the Company for the six months ended 30 September 2019. This announcement, containing the full text of the 2019/2020 interim report of the Company, complies with the relevant requirements of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcement of interim results. Printed version of the Company’s 2019/2020 interim report will be delivered to the shareholders of the Company and available for viewing on the GEM website at www.hkgem.com and of the Company at www.f8.com.hk on or before 14 November 2019.

By Order of the Board
F8 Enterprises (Holdings) Group Limited
Fong Chun Man
Chairman and Executive Director

Hong Kong, 8 November 2019

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, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.f8.com.hk

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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

香港聯合交易所有限公司(「聯交所」) GEM (「GEM」) 之特色

GEM 的定位乃為相比起聯交所上市的其他公司帶有更高投資風險的中小型公司提供上市的市場。有意投資者應了解投資於此類公司的潛在風險，並應經審慎周詳考慮後方作出投資決定。

由於在 GEM 上市的公司一般為中小型公司，在 GEM 買賣的證券可能會承受較於聯交所主板買賣的證券為高的市場波動風險，同時亦無法保證在 GEM 買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照聯交所 GEM 證券上市規則(「GEM 上市規則」)的規定而提供有關 F8 企業(控股)集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之資料。本公司之董事(「董事」)願就本報告所載資料共同及個別承擔全部責任。董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成份，本報告無遺漏任何其他事項，足以令致本報告或其所載任何陳述產生誤導。

Contents

目錄

	Page 頁次
CORPORATE INFORMATION 公司資料	2
HIGHLIGHT 摘要	4
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 未經審核簡明綜合損益及其他全面收益表	5
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 未經審核簡明綜合財務狀況表	7
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 未經審核簡明綜合權益變動表	9
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 未經審核簡明綜合現金流量表	10
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註	11
MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析	39

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Fong Chun Man (*Chairman*)
Ms. Lo Pui Yee (*Vice Chairlady*)
Mr. Chan Chi Fai (*Chief Executive Officer*)
Mr. Li Hok Yin

Independent non-executive Directors

Mr. Chui Chi Yun, Robert
Mr. Kwong Yuk Lap
Mr. Wang Anyuan

AUDIT COMMITTEE

Mr. Chui Chi Yun, Robert (*Chairman*)
Mr. Kwong Yuk Lap
Mr. Wang Anyuan

REMUNERATION COMMITTEE

Mr. Wang Anyuan (*Chairman*)
Mr. Chui Chi Yun, Robert
Mr. Fong Chun Man

NOMINATION COMMITTEE

Mr. Kwong Yuk Lap (*Chairman*)
Mr. Chui Chi Yun, Robert
Mr. Fong Chun Man

AUTHORISED REPRESENTATIVES

Mr. Fong Chun Man
Ms. Lo Pui Yee

COMPLIANCE OFFICER

Mr. Fong Chun Man

COMPANY SECRETARY

Ms. Leung Yin Fai (*HKICPA, ACCA, CPA Australia*)

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3304, 33/F, Tower 1, Enterprise Square Five,
38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong

董事會

執行董事

方俊文先生 (*主席*)
勞佩儀女士 (*副主席*)
陳志輝先生 (*行政總裁*)
李學賢先生

獨立非執行董事

崔志仁先生
鄭旭立先生
王安元先生

審核委員會

崔志仁先生 (*主席*)
鄭旭立先生
王安元先生

薪酬委員會

王安元先生 (*主席*)
崔志仁先生
方俊文先生

提名委員會

鄭旭立先生 (*主席*)
崔志仁先生
方俊文先生

授權代表

方俊文先生
勞佩儀女士

合規主任

方俊文先生

公司秘書

梁燕輝女士 (*香港會計師公會、英國特許註冊會計師公會、澳大利亞註冊會計師協會*)

註冊辦事處

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

香港總部及主要營業地點

香港九龍九龍灣宏照道38號
企業廣場五期一座33樓3304室

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

COMPLIANCE ADVISER

Guotai Junan Capital Limited

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

LEGAL ADVISER

D. S. Cheung & Co.

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE

www.f8.com.hk

香港股份過戶登記分處

寶德隆證券登記有限公司
香港北角電氣道148號21樓2103B室

開曼群島股份過戶登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

合規顧問

國泰君安融資有限公司

核數師

國衛會計師事務所有限公司
執業會計師

法律顧問

張岱樞律師事務所

主要往來銀行

香港上海滙豐銀行有限公司

公司網站

www.f8.com.hk

Highlight 摘要

The Group recorded a revenue of approximately HK\$206.7 million for the six months ended 30 September 2019, representing an increase of approximately HK\$80.5 million or 63.7% as compared to the six months ended 30 September 2018.

The Group recorded a profit attributable to the owner of the Company of approximately HK\$7.7 million for the six months ended 30 September 2019, representing an increase of approximately HK\$3.2 million as compared to the Group's net profit of approximately HK\$4.6 million for the six months ended 30 September 2018.

The increase of the Group's profit for the six months ended 30 September 2019 was mainly due to the increase in the Group's sale of diesel oil and marine diesel oil for the six months ended 30 September 2019 as compared for the six months ended 30 September 2018; and the recognition of the fair value change on contingent consideration payable of approximately HK\$3.6 million for the six months ended 30 September 2019. Excluding the one-off fair value change on contingent consideration payable, the profit attributable to the owner of the Company would have been HK\$4.1 million and HK\$4.6 million for the six months ended 30 September 2019 and 2018 respectively, representing a decrease of approximately 9.2% as compared to the six months ended 30 September 2018.

The Board does not recommend the payment of any dividend for the six months period ended 30 September 2019.

截至2019年9月30日止六個月，本集團錄得收益約206.7百萬港元，較截至2018年9月30日止六個月增加約80.5百萬港元或63.7%。

截至2019年9月30日止六個月，本集團錄得本公司擁有人應佔溢利約7.7百萬港元，較截至2018年9月30日止六個月本集團純利約4.6百萬港元增加約3.2百萬港元。

本集團截至2019年9月30日止六個月的溢利增加主要由於本集團於截至2019年9月30日止六個月的柴油及船用柴油銷售較截至2018年9月30日止六個月增加；及於截至2019年9月30日止六個月，確認應付或然代價的公平值變動約3.6百萬港元。截至2019年及2018年9月30日止六個月，撇除應付或然代價的一次性公平值變動，本公司擁有人應佔溢利分別為4.1百萬港元及4.6百萬港元，較截至2018年9月30日止六個月減少約9.2%。

董事會不建議派付截至2019年9月30日止六個月期間的任何股息。

The board of Directors (the “Board”) of the Company is pleased to report the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 September 2019 (the “Reporting Period”), together with the respective unaudited comparative figures for the corresponding periods in 2018, as follows:

本公司董事會(「董事會」)欣然報告本公司及其附屬公司(統稱「本集團」)截至2019年9月30日止三個月及六個月(「報告期間」)的未經審核簡明綜合中期業績，連同2018年同期的相關未經審核比較數字如下：

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

未經審核簡明綜合損益及其他全面收益表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Notes 附註	Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
			2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)
Revenue	收益	3	118,662	76,183	206,722	126,248
Cost of sales	銷售成本		(112,298)	(69,779)	(193,993)	(114,090)
Gross profit	毛利		6,364	6,404	12,729	12,158
Other gains and losses	其他收益及虧損	5	239	73	857	1,396
Administrative expenses	行政開支		(3,514)	(3,625)	(6,546)	(6,338)
Other operating expenses	其他營運開支		(663)	(1,040)	(1,442)	(1,681)
Fair value change on contingent consideration payable	應付或然代價的公平值變動		-	-	3,598	-
Profit from operations	經營溢利		2,426	1,812	9,196	5,535
Finance costs	融資成本	6	(311)	-	(353)	(2)
Profit before taxation	除稅前溢利		2,115	1,812	8,843	5,533
Income tax expenses	所得稅開支	8	(482)	(406)	(912)	(966)
Profit for the period	期內溢利		1,633	1,406	7,931	4,567
Other comprehensive income for the period	期內其他全面收益					
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：					
Reclassification to profit or loss for the period relating to disposal group held for sale	與持作待售出售集團相關重新分類至期內溢利		27	-	27	-
Exchange differences on translating of foreign operations	換算海外業務的匯兌差額		382	18	382	18
Other comprehensive income for the period, net of tax	除稅後期內其他全面收益		409	18	409	18

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

未經審核簡明綜合損益及其他全面收益表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)
	Notes 附註				
Total comprehensive income for the period	期內全面收益總額	2,042	1,424	8,340	4,585
Profit for the period attributable to:	以下人士應佔 期內溢利：				
Owners of the Company	本公司擁有人	1,446	1,406	7,744	4,567
Non-controlling interests	非控股權益	187	–	187	–
Total equity	權益總額	1,633	1,406	7,931	4,567
Total comprehensive income for the period attributable to:	以下人士應佔 期內全面收益總額：				
Owners of the Company	本公司擁有人	1,683	1,424	7,981	4,585
Non-controlling interests	非控股權益	359	–	359	–
		2,042	1,424	8,340	4,585
Earnings per share attributable to the owners of the Company	本公司擁有人應佔 每股盈利				
Basic and diluted (HK cents)	基本及攤薄(港仙)	0.18	0.18	0.97	0.57

Unaudited Condensed Consolidated Statement of Financial Position

未經審核簡明綜合財務狀況表

As at 30 September 2019 於2019年9月30日

		Notes 附註	As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	8,862	9,960
Right-of-use assets	使用權資產		857	–
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益 的金融資產		905	–
Deferred tax assets	遞延稅項資產		224	206
			10,848	10,166
Current assets	流動資產			
Inventories	存貨		3,444	277
Trade receivables	貿易應收款項	12	79,508	71,386
Prepayments, deposits and other receivables	預付款項、按金及其他 應收款項		53,905	4,913
Financial assets at fair value through profit or loss	按公平值計入損益的 金融資產	13	1,891	1,495
Pledged bank deposits	已抵押銀行存款		14,000	4,000
Cash and bank balances	現金及銀行結餘		5,626	6,034
			158,374	88,105
Assets of disposal group classified as held for sale	分類為持作待售出售集團資產		–	20,887
			158,374	108,992
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	14	6,906	6,937
Accruals, deposits received and other payables	應計費用、已收按金及 其他應付款項		21,254	2,588
Bank borrowings	銀行借款	15	15,856	3,000
Lease liabilities	租賃負債		865	–
Tax payables	應付稅項		2,344	1,726
			47,225	14,251
Liabilities of disposal group classified as held for sale	分類為持作待售出售集團負債		–	11,834
			47,225	26,085
Net current assets	流動資產淨值		111,149	82,907
Total assets less current liabilities	資產總值減流動負債		121,997	93,073

Unaudited Condensed Consolidated Statement of Financial Position

未經審核簡明綜合財務狀況表

As at 30 September 2019 於2019年9月30日

		Notes 附註	As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Non-current liabilities	非流動負債			
Contingent consideration payables	應付或然代價		–	3,598
Bonds payable	應付債券		8,800	–
Deferred tax liabilities	遞延稅項負債		924	924
			9,724	4,522
Net assets	資產淨值		112,273	88,551
Capital and reserves	資本及儲備			
Share capital	股本	16	8,000	8,000
Reserves	儲備		88,532	80,551
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		96,532	88,551
Non-controlling interests	非控股權益		15,741	–
Total equity	權益總額		112,273	88,551

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Share capital	Share premium	Other reserve	Capital contribution reserve	Exchange reserve	Amounts relating to disposal group held for sale	Retained earnings	Sub-total	Non-controlling interests	Total
		股本	股份溢價	其他儲備	資本實繳儲備	匯兌儲備	持作待售出售集團相關金額	保留盈利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note i)	(Note ii)	(Note iii)	(Note iv)	(Note v)					
		(附註i)	(附註ii)	(附註iii)	(附註iv)	(附註v)					
At 1 April 2018 (Audited)	於2018年4月1日 (經審核)	8,000	49,221	-*	24,652	-	-	5,901	87,774	-	87,774
Profit for the period	期內溢利	-	-	-	-	-	-	4,567	4,567	-	4,567
Exchange differences on translating of foreign operations	換算海外業務的匯兌差額	-	-	-	-	18	-	-	18	-	18
At 30 September 2018 (Unaudited)	於2018年9月30日 (未經審核)	8,000	49,221	-*	24,652	18	-	10,468	92,359	-	92,359
At 1 April 2019 (Audited)	於2019年4月1日 (經審核)	8,000	49,221	-*	24,652	-	(27)	6,705	88,551	-	88,551
Profit for the period	期內溢利	-	-	-	-	-	-	7,744	7,744	187	7,931
Reclassification to profit for the period relating to disposal group held for sale	與持作待售出售集團相關重新分類至期內溢利	-	-	-	-	-	27	-	27	-	27
Exchange differences on translating foreign operation	換算海外業務的匯兌差額	-	-	-	-	210	-	-	210	172	382
Incorporation of a subsidiary	註冊成立一間附屬公司	-	-	-	-	-	-	-	-	15,382	15,382
At 30 September 2019 (Unaudited)	於2019年9月30日 (未經審核)	8,000	49,221	-*	24,652	210	-	14,449	96,532	15,741	112,273

Notes:

- (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 Shares 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 satisfied 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.
- (v) Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.
- * The balance was approximately HK\$8.

附註：

- (i) 於2017年4月12日，本公司以股份發售方式，按每股股份0.32港元的價格配發及發行200,000,000股每股面值0.01港元的股份。
- (ii) 股份溢價指股份發行超過面值的金額。
- (iii) 本集團的其他儲備指該等附屬公司的權益總額與附屬公司根據重組應佔的股本總額之間的差額（將附屬公司轉撥至本公司通過本公司發行新股撥付）。結餘約為8港元。
- (iv) 資本實繳儲備指長城（國際）石油公司（獨資經營業務）向長城（國際）石油有限公司轉讓業務產生的財務影響涉及的金額。
- (v) 匯兌儲備包括因換算香港境外業務財務報表而產生的所有匯兌差額。
- * 結餘約為8港元。

Unaudited Condensed Consolidated Statement of Cash Flows

未經審核簡明綜合現金流量表

For the six months ended 30 September 2019 截至2019年9月30日止六個月

		Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash used in operating activities	經營活動所用現金淨額	(31,447)	(2,191)
Net cash generated from/(used in) investing activities	投資活動所得/(所用)現金淨額	8,308	(10,014)
Net cash generated from financing activities	融資活動所得現金淨額	22,521	3,892
Net decrease in cash and cash equivalents	現金及現金等價物的減少淨額	(618)	(8,313)
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	6,034	13,179
Effect of foreign exchange rate changes to foreign operations	海外業務匯率變動影響	210	–
Cash and cash equivalents at the end of the period	期末現金及現金等價物	5,626	4,866

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

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 Unit 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 are principally engaged in the business of the sale and transportation of diesel oil and related products in Hong Kong and steel products distribution in the People's Republic of China (the "PRC").

The unaudited condensed 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 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of GEM Listing Rules.

1 一般資料

本公司於2016年3月30日根據公司法在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands及香港的主要營業地點為香港九龍九龍灣宏照道38號企業廣場五期一座33樓3304室。本公司的直接及最終控股公司為宏亨有限公司，該公司於英屬處女群島（「英屬處女群島」）註冊成立。宏亨有限公司由本公司董事方俊文先生（「方先生」）控制。

本公司為投資控股公司，其附屬公司主要在香港從事銷售及運送柴油燃料及相關產品業務以及在中華人民共和國（「中國」）從事分銷鋼產品業務。

除另有所指外，未經審核簡明綜合財務報表以本公司及其主要附屬公司的功能貨幣港元（「港元」）呈列，而所有價值湊整至最接近千位（千港元）。

2 編製基準及主要會計政策

(a) 編製基準

未經審核簡明綜合中期財務報表（「中期財務報表」）已根據上市規則附錄16之適用披露規定及香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」以及GEM上市規則之適用披露規定編製。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The unaudited condensed consolidated interim financial information should be read in conjunction with the audited annual financial statements included in the annual report of the Company dated 21 June 2019 (the “**2019 Annual Report**”). The accounting policies adopted are consistent with those applied in the Group’s audited annual financial statements for the year ended 31 March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA, except the new and revised HKFRSs which are effective for the financial year beginning from 1 April 2019. The adoption of these new and revised HKFRSs has not had material impact on the unaudited condensed consolidated interim financial information. The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective. Details of accounting policies are set out in note 2(b).

The unaudited condensed consolidated financial statements has been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

2 編製基準及主要會計政策(續)

(a) 編製基準(續)

未經審核簡明綜合中期財務資料應與本公司日期為2019年6月21日的年報(「**2019年年報**」)所載經審核年度財務報表一併閱讀。所採納會計政策與本集團截至2019年3月31日止年度經審核年度財務報表所用者一致，按照香港會計師公會頒佈的香港財務報告準則(「**香港財務報告準則**」)編製，惟自2019年4月1日開始的財政年度生效的新訂及經修訂香港財務報告準則除外。採納該等新訂及經修訂香港財務報告準則對未經審核簡明綜合中期財務資料並無重大影響。本集團並無提前應用新訂及經修訂香港財務報告準則，有關準則由香港會計師公會頒佈，惟尚未生效。有關會計政策詳情載於附註2(b)。

未經審核簡明綜合財務報表乃按歷史成本基準編製，惟不包括按公平值計量的若干金融工具。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs

The HKICPA has issued the following new and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company.

HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
HKAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the unaudited condensed consolidated financial statements in the foreseeable future.

2 編製基準及主要會計政策 (續)

(b) 應用新訂及經修訂香港財務報告準則

香港會計師公會已頒布下列新訂香港財務報告準則及修訂本，該等新訂準則及修訂本於本集團及本公司當前會計期間首次生效。

香港財務報告準則第9號 (修訂本)	具有負補償的提前 付款特性
香港財務報告準則第16號	租賃
香港會計準則第19號 (修訂本)	計劃修訂、縮減或 結算
香港會計準則第28號 (修訂本)	於聯營公司及合營 企業的長期權益
香港(國際財務報告詮釋 委員會)–詮釋第23號	所得稅處理的不確 定性
香港財務報告準則 (修訂本)	香港財務報告準則 二零一五年至 二零一七年週期 的年度改進

除下文所述新訂香港財務報告準則及修訂本外，本公司董事預期應用所有其他新訂香港財務報告準則及修訂本於可見將來不會對未經審核簡明綜合財務報表構成重大影響。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 "Leases" ("HKAS 17"), and the related interpretations.

(a) Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of premises that have a lease term of 12 months or less from the date of initial application of HKFRS 16. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2 編製基準及主要會計政策(續)

(b) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃 應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動

本集團已於本中期間首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號「租賃」(「香港會計準則第17號」)及相關詮釋。

(a) 應用香港財務報告準則第16號所產生的會計政策主要變動

本集團根據香港財務報告準則第16號的過渡條文應用以下會計政策。

租賃定義

倘合約附帶於一段時間內控制所識別資產的用途以交換代價的權利，則合約為或包含租賃。

就於首次應用日期或之後訂立或修訂的合約而言，本集團根據香港財務報告準則第16號項下的定義於初始或修改日期評估該合約是否為或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

作為承租人

分配代價至合約組成部分

就包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對單獨價格及非租賃組成部分的單獨價格總和將合約代價分配至各個租賃組成部分。

短期租賃

本集團將短期租賃確認豁免應用於租期為自首次應用香港財務報告準則第16號當日起計12個月或以下的物業租賃。短期租賃的租賃付款於租期內按直線法確認為開支。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16") (Continued)

(a) Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee (continued)

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets including in property, plant and equipment on the condensed consolidated statement of financial position.

2 編製基準及主要會計政策 (續)

(b) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動 (續)

(a) 應用香港財務報告準則第16號所產生的會計政策主要變動 (續)

作為承租人 (續)

使用權資產

除短期租賃外，本集團於租賃開始日期(即相關資產可供使用的日期)確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

使用權資產的成本包括：

- 租賃負債的初步計量金額；
- 於開始日期或之前作出的任何租賃付款減任何已收租賃優惠；
- 本集團產生的任何初步直接成本；及
- 本集團於拆解及移除相關資產、復原相關資產所在場地或復原相關資產至租賃的條款及條件所規定的狀況而產生的成本估計。

就本集團於租期結束時合理確定獲取相關租賃資產擁有權的使用權資產而言，有關使用權資產自開始日期起至可使用年期結束期間計提折舊。否則，使用權資產按直線基準於其估計可使用年期及租期(以較短者為準)計提折舊。

本集團於簡明綜合財務狀況表將使用權資產列入物業、廠房及設備。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

(Continued)

(a) Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee (continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2 編製基準及主要會計政策 (續)

(b) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動 (續)

(a) 應用香港財務報告準則第16號所產生的會計政策主要變動 (續)

作為承租人 (續)

租賃負債

於租賃開始日期，本集團按於該日的未支付租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用於租賃開始日期的增量借款利率計算。

租賃付款包括：

- 固定付款(包括實質固定付款)減任何應收租賃優惠；
- 視乎指數或比率而定的可變租賃付款；
- 根據剩餘價值擔保預期將支付的金額；
- 本集團合理確定行使購買選擇權的行使價；及
- 倘租期反映本集團行使選擇權終止租賃，則計入終止租賃的罰款。

反映市場租金變動的可變租賃付款初步使用於開始日期的市場租金計量。不會視乎指數或比率而定的可變租賃付款並無計入租賃負債及使用權資產計量，並在觸發付款的事件或情況出現的期間確認為開支。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

(Continued)

(a) Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee (continued)

Lease liabilities (continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

2 編製基準及主要會計政策 (續)

(b) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動 (續)

(a) 應用香港財務報告準則第16號所產生的會計政策主要變動 (續)

作為承租人 (續)

租賃負債 (續)

於開始日期後，租賃負債透過利息增加及租賃付款作出調整。

於以下情況下，本集團重新計量租賃負債(並對相關使用權資產作出相應調整)：

- 租期已出現變動或行使購買選擇權的評估有變，在此情況下，相關租賃負債透過使用於重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金檢討後的市場租金變化而出現變動，在此情況下，相關租賃負債透過使用初步貼現率貼現經修訂租賃付款而重新計量。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

(Continued)

(a) Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

2 編製基準及主要會計政策 (續)

(b) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動 (續)

(a) 應用香港財務報告準則第16號所產生的會計政策主要變動 (續)

作為承租人 (續)

租賃修改

於以下情況下，本集團將租賃修改作為一項單獨租賃入賬：

- 修改透過增加使用一項或多項相關資產的權利而擴大租賃範圍；及
- 上調租賃代價，增加金額相當於範圍擴大對應的單獨價格及對單獨價格作出的任何適當調整以反映特定合約的情況。

就並無作為一項單獨租賃入賬的租賃修改而言，本集團根據透過使用於修改生效日期的經修訂貼現率貼現經修訂租賃付款的經修改租賃的租期而重新計量租賃負債。

稅項

為計量本集團確認使用權資產及相關租賃負債的租賃交易的遞延稅項，本集團首先釐定使用權資產或租賃負債是否產生稅項減免。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

(Continued)

(b) Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

2 編製基準及主要會計政策(續)

(b) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

(b) 首次應用香港財務報告準則第16號所產生的過渡及影響概要

租賃定義

本集團已選擇可行權宜方法，就先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包含租賃識別為租賃的合約應用香港財務報告準則第16號，而先前並無識別為包含租賃的合約則不會應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於2019年4月1日或之後訂立或修訂的合約而言，本集團根據香港財務報告準則第16號所載規定於評估合約是否包含租賃時應用租賃定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，並於首次應用日期(即2019年4月1日)確認累計影響。於首次應用日期的任何差額於期初保留溢利確認，而並無重列比較資料。

於過渡時應用香港財務報告準則第16號項下的經修訂追溯方法時，本集團按各項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

(Continued)

(b) Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee (continued)

- (i) relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;
- (ii) elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- (iii) excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- (iv) applied a single discount rate to a portfolio of leases with similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of premises in Hong Kong was determined on a portfolio basis; and
- (v) used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

The Group recognised lease liabilities of approximately HK\$1,469,000 and right-of-use assets of approximately HK\$1,469,000 at 1 April 2019.

2 編製基準及主要會計政策 (續)

(b) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動 (續)

(b) 首次應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

作為承租人 (續)

- (i) 依賴應用香港會計準則第37號撥備、或然負債及或然資產評估租賃是否繁重作為另一減值審閱方法；
- (ii) 選擇不就租期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；
- (iii) 於首次應用日期計量使用權資產時撇除初步直接成本；
- (iv) 就類似經濟環境內相似相關資產類別對類似剩餘租期的租賃組合應用單一貼現率。具體而言，香港物業若干租賃的貼現率乃按組合基準釐定；及
- (v) 根據於首次應用日期的事實及情況於事後釐定本集團帶有續租及終止選擇權的租賃的租期。

於過渡時，本集團已於應用香港財務報告準則第16號後作出以下調整：

本集團於2019年4月1日確認租賃負債約1,469,000港元及使用權資產約1,469,000港元。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

(Continued)

(b) Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee (continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The lessee's incremental borrowing rate applied is 3.67%.

2 編製基準及主要會計政策(續)

(b) 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動(續)

(b) 首次應用香港財務報告準則第16號所產生的過渡及影響概要(續)

作為承租人(續)

於確認先前分類為經營租賃的租賃的租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所用承租人的增量借款利率為3.67%。

		1 April 2019 2019年4月1日 HK\$'000 千港元
Operating lease commitment as at 31 March 2019	於2019年3月31日的經營租賃承擔	1,499
Less: Future interest expenses	減：未來利息開支	(30)
Lease liabilities as at 1 April 2019	於2019年4月1日的租賃負債	1,469
Analysed as:	分析為：	
— Current	— 即期	1,115
— Non-current	— 非即期	354
		1,469

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

使用權資產於2019年4月1日的賬面值包括以下各項：

		1 April 2019 2019年4月1日 HK\$'000 千港元
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	應用香港財務報告準則第16號時確認與經營租賃有關的使用權資產	1,469
Less: Accrued lease liabilities relating to rent free period at 1 April 2019 (Note)	減：於2019年4月1日與免租期有關的應計租賃負債(附註)	—
Right-of-use assets as at 1 April 2019	於2019年4月1日的使用權資產	1,469

Note:

These relate to accrued lease liabilities for leases of properties in which the lessors provided rent-free period. The carrying amount of the lease incentive liabilities as at 1 April 2019 was adjusted to right-of-use assets at transition.

附註：

有關款項與獲出租人提供免租期的物業租賃的應計租賃負債有關。於2019年4月1日的租賃優惠負債的賬面值於過渡時調整為使用權資產。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs (Continued)

HKFRS 16 LEASES (Continued)

Impacts and changes in accounting policies of application on HKFRS 16 "Leases" ("HKFRS 16")

(Continued)

(b) Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee (continued)

Significant changes in significant judgements and key sources of estimation uncertainty

The Group applies judgement to determine the lease term for lease contracts in which it is a lessee that include renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

2 編製基準及主要會計政策 (續)

(b) 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號租賃 (續)

應用香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)的影響及會計政策變動 (續)

(b) 首次應用香港財務報告準則第16號所產生的過渡及影響概要 (續)

作為承租人 (續)

重大判斷及估計不明朗因素的主要來源的重大變動

本集團應用判斷釐定其為承租人且包含續租選擇權的租賃合約的租期。評估本集團是否合理確定行使該等選擇權可影響租期，並對已確認租賃負債及使用權資產金額有重大影響。

本集團就於2019年4月1日簡明綜合財務狀況表確認的金額作出以下調整。不受變動影響的項目並無包括在內。

		Carrying amounts previously reported at 31 March 2019	Adjustments	Carrying amounts under HKFRS 16 at 1 April 2019
		先前於2019年3月31日呈報的賬面值 HK\$'000 千港元	調整 HK\$'000 千港元	於2019年4月1日根據香港財務報告準則第16號的賬面值 HK\$'000 千港元
Assets	資產			
Right-of-use assets	使用權資產	-	1,469	1,469
Liabilities	負債			
Lease liabilities	租賃負債			
— Current portion	— 即期部分	-	1,115	1,115
— Non-current portion	— 非即期部分	-	354	354
		-	1,469	1,469

Note:

For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 September 2019, movements in working capital have been computed based on opening condensed consolidated statement of financial position as at 1 April 2019 as disclosed above.

附註：

就截至2019年9月30日止六個月根據間接方法呈報經營活動所得現金流量而言，營運資金變動已根據上文所披露於2019年4月1日的期初簡明綜合財務狀況表計算得出。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

3 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:

Disaggregation of revenue from contracts with customers

3 收益

收益指已售貨品的發票淨值(扣除退貨撥備及交易折扣)。

本集團於報告期間的收益分析如下：

來自客戶合約收益的分類

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)
Goods transferred at a point of time	在某一時間點轉移的貨品				
Sales of diesel oil and related products	柴油及相關產品銷售				
Diesel oil	柴油	66,642	60,336	138,425	108,164
Marine diesel oil	船用柴油	16,257	1,443	32,338	3,511
Lubricant oil	潤滑油	178	675	374	844
		83,077	62,454	171,137	112,519
Sales of health food	健康食品銷售	–	13,729	–	13,729
Sales of steel products	鋼產品銷售	35,585	–	35,585	–
Total revenue from contracts with customers	來自客戶合約收益總額	118,662	76,183	206,722	126,248

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

4 SEGMENT INFORMATION

Segment information reported to the board of directors of the company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. This is also the basis upon which the Group is organised and managed.

Segment revenues and results

The following is an analysis of the Group's turnover and results by reportable and operating segment:

4 分部資料

分部資料向本公司董事會(即主要營運決策者)匯報,以分配資源並評核側重於所交付或提供貨品或服務的類型的分部表現。此亦為本集團組織及管理的基準。

分部收益及業績

以下為按可呈報及經營分部對本集團營業額及業績的分析:

		Sale and transportation of diesel oil		Sale of health food		Sale of steel products		Total	
		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
		柴油銷售及運輸		健康食品銷售		鋼產品銷售		總計	
		截至9月30日止六個月		截至9月30日止六個月		截至9月30日止六個月		截至9月30日止六個月	
		2019	2018	2019	2018	2019	2018	2019	2018
		2019年	2018年	2019年	2018年	2019年	2018年	2019年	2018年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue	收益	171,137	112,519	-	13,729	35,585	-	206,722	126,248
Segment results	分部業績	12,135	12,484	-	(326)	513	-	12,648	12,158
Other gains and losses	其他收益及虧損							857	1,396
Fair value change on contingent consideration payable	應付或然代價的公平值變動							3,598	-
Finance costs	融資成本							(353)	(2)
Unallocated corporate expenses	未分配公司開支							(7,907)	(8,019)
Profit before taxation	除稅前溢利							8,843	5,533
Income tax expenses	所得稅開支							(912)	(966)
Profit for the period	期內溢利							7,931	4,567

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

4 SEGMENT INFORMATION (Continued)

Geographical information

The Group's operation is located in Hong Kong and PRC during the six months ended 30 September 2019 and six months ended 30 September 2018. The Group's revenue from external customers based on the location of customers are detailed below:

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)
Hong Kong	香港	83,077	62,454	171,137	112,519
PRC	中國	35,585	13,729	35,585	13,729
		118,662	76,183	206,722	126,248

Information about major customers

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

有關主要客戶的資料

於報告期間，客戶貢獻佔本集團總收益超過10%的收益如下：

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)
Customer A	客戶A	20,363	—*	37,814	—*
Customer B	客戶B	—*	9,270	34,671	16,518
Customer C	客戶C	—*	16,457	—*	23,830

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

* 客戶貢獻佔本集團總收益少於10%。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

5 OTHER GAINS AND LOSSES

5 其他收益及虧損

	Three months ended 30 September		Six months ended 30 September	
	截至9月30日止三個月 2019	2018	截至9月30日止六個月 2019	2018
	2019年	2018年	2019年	2018年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	-	160	-
Exchange gain/(loss)	匯兌收益/(虧損)	(18)	104	12
Loss on disposal of subsidiaries	出售附屬公司的虧損	(27)	(27)	-
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益的金融資產公平值變動	145	292	1,263
Sundry income	雜項收入	139	328	121
		239	857	1,396

6 FINANCE COSTS

6 融資成本

	Three months ended 30 September		Six months ended 30 September	
	截至9月30日止三個月 2019	2018	截至9月30日止六個月 2019	2018
	2019年	2018年	2019年	2018年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Interest expenses on bank borrowings wholly repayable within five years	須於五年內悉數償還的銀行借款的利息開支	37	79	-
Interest expenses on bank overdrafts	銀行透支的利息開支	1	1	-
Interest expenses on bonds payable	應付債券的利息開支	254	254	-
Interest expenses on obligations under finance leases	融資租賃承擔的利息開支	-	-	2
Interest expenses on lease liabilities	租賃負債的利息開支	19	19	-
		311	353	2

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

7 PROFIT BEFORE TAXATION

7 除稅前溢利

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)
Profit before taxation for the period has been arrived at after charging:	期內除稅前溢利已扣除下列各項：				
Directors' emoluments	董事薪酬	596	580	1,192	1,133
Other staff costs:	其他員工成本：				
— Salaries and other benefits	— 薪金及其他福利	1,319	1,706	2,485	2,694
— Retirement benefits scheme contributions	— 退休福利計劃供款	78	125	146	185
		1,397	1,831	2,631	2,879
Auditors' remuneration	核數師薪酬	175	150	350	300
Cost of inventories recognised as expenses	確認為開支的存貨成本	95,567	68,062	191,813	111,058
Depreciation of property, plant and equipment	物業、廠房及設備折舊				
— Cost of sales	— 銷售成本	448	506	895	1,125
— Administrative expenses	— 行政開支	103	104	205	205
		551	610	1,100	1,330
Depreciation of right-of-use assets	使用權資產折舊	—	—	612	—
Operating lease rental expenses in respect of office premises	辦公處的經營租賃租金開支	—	527	—	942

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

8 INCOME TAX EXPENSES

8 所得稅開支

		Three months ended 30 September 截至9月30日止三個月 2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)		Six months ended 30 September 截至9月30日止六個月 2019 2018 2019年 2018年 HK\$'000 千港元 (unaudited) (未經審核)	
Current tax	即期稅項				
— Hong Kong profits tax	— 香港利得稅	500	457	930	1,017
Deferred tax	遞延稅項				
— Current period credit	— 當期信貸	(18)	(51)	(18)	(51)
		482	406	912	966

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

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 millions of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 millions will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the period ended 30 September 2019.

Accordingly, starting from the current year, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 millions of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 millions.

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.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

香港利得稅已就截至2018年3月31日止年度之估計應課稅溢利按16.5%稅率計提撥備。

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，引入利得稅兩級制。條例草案於2018年3月28日經簽署成為法律並於次日刊憲。根據利得稅兩級制，合資格企業首2百萬港元的應課稅溢利的稅率為8.25%，而超過2百萬港元應課稅溢利的稅率為16.5%。不符合利得稅兩級制的企業的應課稅溢利將繼續按16.5%劃一稅率繳稅。利得稅兩級制於截至2019年9月30日止期間適用於本集團。

因此，自本年度開始，首2百萬港元估計應課稅溢利之香港利得稅按8.25%稅率計算，而超過2百萬港元的估計應課稅溢利則按16.5%稅率計算。

根據開曼群島及英屬處女群島的規則及法規，本集團毋須繳納任何開曼群島及英屬處女群島的所得稅。

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施細則，於兩個期間中國附屬公司的稅率均為25%。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

9 DIVIDENDS

The Board does not recommend a payment of any dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: Nil).

9 股息

董事會不建議派付截至2019年9月30日止六個月(截至2018年9月30日止六個月：無)的任何股息。

10 EARNINGS PER SHARE

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

10 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (unaudited) (未經審核)
Earnings	盈利				
Profit for the period attributable to owners of the Company	本公司擁有人應佔期內溢利	1,446	1,406	7,744	4,567
		'000 千股	'000 千股	'000 千股	'000 千股
Number of shares	股份數目				
Weighted average number of ordinary shares for the purpose of calculation basic earnings per share	計算每股基本盈利的普通股加權平均數	800,000	800,000	800,000	800,000

For the six months ended 30 September 2019 and 2018, the calculation of basic earnings per share attributable to the owners of the Company was based on (i) the profit for the period attributable to the owners of the Company and (ii) the weighted average number of ordinary shares issued during the period.

截至2019年及2018年9月30日止六個月，本公司擁有人應佔每股基本盈利乃按(i)本公司擁有人應佔期內溢利及(ii)期內已發行普通股加權平均數計算。

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 six months ended 30 September 2019 and 2018.

由於截至2019年及2018年9月30日止六個月不存在攤薄潛在已發行普通股，故每股攤薄盈利與每股基本盈利相同。

11 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group has disposed of property, plant and equipment of approximately HK\$0.2 million (for the six months ended 30 September 2018: Nil).

11 物業、廠房及設備的變動

於報告期間，本集團已出售物業、廠房及設備約0.2百萬港元(截至2018年9月30日止六個月：無)。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

12 TRADE RECEIVABLES

12 貿易應收款項

		As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables	貿易應收款項	80,866	72,635
Less: Accumulated allowance for impairment losses on trade receivables	減：貿易應收款項減值虧損累計撥備	(1,358)	(1,249)
		79,508	71,386

(a) Ageing analysis

The following is an analysis of trade receivables by age, presented based on the invoice date, at the end of the reporting periods:

(a) 賬齡分析

以下為於報告期末按發票日期呈列的貿易應收款項賬齡分析：

		As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	20,199	18,911
31 to 60 days	31至60日	22,053	14,581
61 to 90 days	61至90日	17,612	13,951
91 to 120 days	91至120日	3,716	6,501
Over 120 days	120日以上	17,286	18,691
		80,866	72,635

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.

本集團與其客戶之間的平均信貸期一般為3日至120日。本集團致力對尚未收回的應收款項維持嚴格控制。逾期結餘由高級管理層定期審閱。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

12 TRADE RECEIVABLES (Continued)

(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 approximately HK\$109,000 credit provision required in excess of the impairment of trade receivables during the reporting period. Losses allowance for expected credit losses on trade receivables of approximately HK\$1,249,000 have been recognised to the consolidated profit or loss and other comprehensive income for the year ended 31 March 2019.

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 overdue balances.

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

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.

12 貿易應收款項(續)

(b) 減值貿易應收款項

於釐定貿易應收款項的可收回性時，本集團考慮貿易應收款項自信貸初始授出日期起直至報告期末信貸質素的任何變動。因此，董事相信，須於報告期間計提出貿易應收款項減值之信貸撥備約109,000港元。於截至2019年3月31日止年度，貿易應收款項預期信貸虧損撥備約1,249,000港元已於綜合損益及其他全面收益中確認。

本集團對貿易應收款項減值虧損所採取的政策乃基於對應收款項的可收回性的評估及賬齡分析(當中須使用判斷及估計)。當發生事件或環境發生變動，顯示餘款可能無法收回時，即對應收款項作出撥備。管理層持續密切審閱貿易應收款項結餘及任何逾期結餘，並對收回逾期結餘的可能性作出評估。

(c) 逾期未減值貿易應收款項賬齡分析

已逾期但未減值的貿易應收款項涉及多名與本集團有良好往績記錄的獨立客戶。基於過往經驗，管理層相信，毋須就該等結餘作出減值撥備，原因是信貸質素並無重大變動，且結餘仍被視為可全數收回。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

13 按公平值計入損益的金融資產

		As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Listed securities	上市證券		
— Equity securities listed in Malaysia	— 於馬來西亞上市的股本證券	1,891	1,495

Financial assets at fair value through profit or loss are stated at fair value which are determined by reference to quoted market bid prices.

按公平值計入損益的金融資產以公平值計量，並經參考市場所報的買入價後釐定。

14 TRADE AND BILLS PAYABLES

14 貿易應付款項及應付票據

		As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Trade payables	貿易應付款項	6,906	5,796
Bills payables	應付票據	—	1,141
		6,906	6,937

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

14 TRADE AND BILLS PAYABLES (Continued)

The average credit term from suppliers is up to 3 to 30 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:

		As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	6,906	5,796

14 貿易應付款項及應付票據(續)

供應商給予的平均信貸期為3至30日。以下為於報告期末按發票日期呈列的貿易應付款項及應付票據賬齡分析：

15 BANK BORROWINGS

		As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Secured bank borrowings (Notes (i) and (ii))	已抵押銀行借款 (附註(i)及(ii))	15,856	3,000
Carrying amount repayable: On demand or within one year and shown under current liabilities	應償還的賬面值： 按要求或按流動負債所示 須於一年內償還	15,856	3,000

15 銀行借款

Notes:

- (i) The bank borrowings of the Group as at 30 September 2019 was secured by corporate guarantee and a fixed deposits of the Group and was secured by personal guarantee as at 30 September 2018.
- (ii) The bank borrowings of the Group with financial institutions amounted to approximately HK\$15,856,000, carried at floating interest rate ranging from 3.79% to 4.88% per annum for the six months ended 30 September 2019.

附註：

- (i) 本集團於2019年9月30日的銀行借款由本集團的公司擔保及定期存款作抵押，而於2018年9月30日則由個人擔保作抵押。
- (ii) 本集團向金融機構的銀行借款金額約15,856,000港元。截至2019年9月30日止六個月，按介乎每年3.79%至4.88%的浮動利率計息。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

16 SHARE CAPITAL

16 股本

		Number of shares	HK'000
		股份數目	千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each	每股0.01港元的普通股		
At 1 April 2018, 31 March 2019,	於2018年4月1日、2019年3月31日、		
1 April 2019 and	2019年4月1日及		
30 September 2019	2019年9月30日	2,000,000,000	20,000

		Number of shares	HK'000
		股份數目	千港元
Issued and fully paid:	已發行及繳足：		
At 1 April 2018, 31 March 2019,	於2018年4月1日、2019年3月31日、		
1 April 2019 and	2019年4月1日及		
30 September 2019	2019年9月30日	800,000,000	8,000

17 DISPOSAL OF SUBSIDIARY

Pursuant to the sale and purchase agreement dated 28 March 2019 (as supplemented by a letter dated 1 August 2019), the Company agreed to sell and China ECO Tourism Investment Limited agreed to purchase 90% of the equity interest in China Forest Food Limited ("**China Forest Food**"), at a consideration of HK\$8,148,232 (collectively referred to as the "**Disposal**"). For details of the Disposal, please refer to the circular dated 20 September 2019 published by the Company. The Disposal was completed on 9 April 2019. Following completion of the Disposal, China Forest Food has ceased to be a subsidiary of the Company and the Company has held 10% of the equity interest in China Forest Food. As the Company considers the PRC health food industry to be generally positive, the Company would like to retain the 10% as passive investment and adopt a wait-and-see approach in deciding whether to dispose of its remaining equity interest in China Forest Food.

17 出售附屬公司

根據日期為2019年3月28日的買賣協議（經日期為2019年8月1日的函件補充），本公司同意出售而中國生態旅遊投資有限公司同意購買中國森林食品有限公司（「**中國森林食品**」）的90%股權，代價為8,148,232港元（統稱「**出售事項**」）。出售事項的詳情請參閱本公司所刊發日期為2019年9月20日的通函。出售事項於2019年4月9日完成。出售事項完成後，中國森林食品不再為本公司的附屬公司，而本公司持有中國森林食品的10%股權。由於本公司認為中國健康食品行業整體看好，故本公司打算保留10%作為被動投資，並採取觀望態度以決定是否出售其於中國森林食品的餘下股權。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of financial assets are determined as follows:

- (i) The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid prices and ask prices respectively, and
- (ii) The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models (e.g. discounted cash flow analysis using observable and/or unobservable inputs).

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities.
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

18 金融工具的公平值計量

金融資產的公平值按以下方式釐定：

- (i) 具有標準條款及條件並於活躍市場買賣的金融資產及金融負債的公平值乃分別參考市場所報的買入價及賣出價釐定；及
- (ii) 其他金融資產及金融負債的公平值乃根據公認定價模式(如使用可觀察及/或不可觀察輸入數據進行的貼現現金流量分析)釐定。

本集團使用以下層級制度釐定及披露金融工具公平值：

- (i) 第1級公平值計量乃按於活躍市場就相同資產及負債的報價(未經調整)計算得出。
- (ii) 第2級公平值計量乃按第1級報價以外，從資產或負債可直接(即價格)或間接(即由價格得出)觀察到的輸入數據計算得出。
- (iii) 第3級公平值計量乃以包含並非根據可觀察市場數據的資產或負債的輸入數據(不可觀察輸入數據)的估值方法計算得出。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial assets are measured at fair value on a recurring basis.

18 金融工具的公平值計量(續)

本集團的金融資產公平值乃按經常性基準以公平值計量。

Financial assets	Fair value as at 公平值		Fair value hierarchy	Valuation Techniques and key inputs	Significant unobservable inputs
	As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)			
Financial assets at FVTPL: 按公平值計入損益的 金融資產：					
— Equity securities listed in Malaysia — 於馬來西亞上市的 股本證券	1,891	1,495	Level 1 第1級	Quoted bid prices in an active market 於活躍市場所報的買入價	N/A 不適用
Financial assets at FVTOCI: 按公平值計入其他全面 收益的金融資產：					
— Unlisted securities in the PRC — 於中國的非上市證券	905	—	Level 3 第3級	Discounted cash flow 貼現現金流量	Discount rate of 21% determined usage of cost capital model 使用資本模型成本釐定 的貼現率21%

Except as disclosed as above, the Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the unaudited condensed consolidated financial statements approximate to their fair values.

除上述所披露者外，董事認為按攤銷成本於未經審核簡明綜合財務報表入賬的金融資產及金融負債賬面值與其公平值相若。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

19 PLEDGE OF ASSETS

At the end of the reporting period, the following assets with the carrying amounts have been pledged to secure bank borrowings of the Group:

	As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Pledged bank deposits 已抵押銀行存款	14,000	4,000

19 資產抵押

於報告期末，已將以下賬面值資產作抵押，以取得本集團銀行借款：

20 CAPITAL COMMITMENTS

During the six months ended 30 September 2019 and 2018, the Group had no capital expenditure contracted but not provided for in respect of acquisition of property, plant and equipment.

20 資本承擔

於截至2019年及2018年9月30日止六個月，本集團並無就收購物業、廠房及設備已訂約但未撥備的資本開支。

21 MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere in the unaudited condensed consolidated financial statements, the Group had also entered into the following material related party transaction during the reporting period:

21 重大關聯方交易

除未經審核簡明綜合財務報表其他地方所披露者外，於報告期間，本集團亦已訂立以下重大關聯方交易：

(a) Transactions with related parties

(a) 與關聯方的交易

Name of the related parties 關聯方名稱	Nature of transaction 交易性質	Six months ended 30 September 截至9月30日止六個月	
		2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2018 2018年 HK\$'000 千港元 (Unaudited) (未經審核)
Yuk Shing Engineering Co., Limited (Note (i)) 鈺成工程有限公司(附註(i))	Sales of products 產品銷售	-	1,399
Kit Ho Engineering Limited (Note (ii)) 傑浩工程有限公司(附註(ii))	Sales of products 產品銷售	-	7
Kit Ho Earth Works Limited (Note (iii)) 傑浩土力營造有限公司(附註(iii))	Sales of products 產品銷售	-	1,076

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2019 截至2019年9月30日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) Balances with related parties

Name of the related parties 關聯方名稱	Nature of transaction 交易性質	As at 30 September 2019 於2019年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2019 於2019年 3月31日 HK\$'000 千港元 (Audited) (經審核)
		Yuk Shing Engineering Co., Limited (Note (i)) 鈺成工程有限公司(附註(i))	Trade receivables 貿易應收款項
Kit Ho Earth Works Limited (Note (iii)) 傑浩土力營造有限公司(附註(iii))	Trade receivables 貿易應收款項	–	427

Notes:

- (i) A close family member of an executive Director of the Company has beneficial interest in Yuk Shing Engineering Co., Limited.
- (ii) A close family member of an executive Director of the Company is the director of Kit Ho Engineering Limited.
- (iii) A close family member of an executive Director of the Company has beneficial interests in Kit Ho Earth Works Limited (formerly known as Yuk Shing Asia Construction Limited).

附註：

- (i) 本公司一名執行董事的一名緊密家庭成員於鈺成工程有限公司擁有實益權益。
- (ii) 本公司一名執行董事的一名緊密家庭成員為傑浩工程有限公司的董事。
- (iii) 本公司一名執行董事的一名緊密家庭成員於傑浩土力營造有限公司(前稱為鈺成亞洲建設有限公司)擁有實益權益。

(c) Compensation of key management personnel

The Directors of the Company are identified as key management members of the Group and the compensation of Directors during the reporting period is set out in Note 7.

(c) 主要管理人員的薪酬

本公司董事獲確定為本集團的主要管理人員，於報告期間的董事薪酬載於附註7。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group principally carries on the business of sales 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 had a fleet of ten diesel tank wagons of various capacity and a marine oil barge as at 30 September 2019.

During the six months ended 30 September 2018, the Company and Virtue Ever Limited has entered into acquisition agreement for the acquisition of 100% equity interest in the China Forest Food. China Forest Food has become a wholly owned subsidiary of the Company and the financial statements of China Forest Food had consolidated into the consolidated financial statements of the Group. During the six months ended 30 September 2019, the Company disposed of 90% of the equity interest in China Forest Food. Following completion of the Disposal, the financial results of China Forest Food were no longer consolidated into the consolidated financial statements of the Group.

Sale and transportation of diesel oil and related products business

The Group has recorded a revenue of approximately HK\$171.1 million from the sale and transportation of diesel oil and related products for the six months ended 30 September 2019, representing approximately 82.8% of the Group's total revenue and an increase of approximately HK\$58.6 million or 52.1% as compared to the six months ended 30 September 2018. The increase was mainly due to increase in demand from customers upon the commencement of an existing, customer's project in October 2018 and the demand of marine diesel oil from three new customers.

Sale of steel product business

During the six months ended 30 September 2019, the Group, together with Xinyu Iron and Steel Group Co., Ltd. (新余鋼鐵集團有限公司) and Xinyu Investment Holding Group Co., Ltd. (新余市投資控股有限公司), established a joint venture company in the PRC to principally carry out the business of steel products processing, motor parts and finished products manufacturing and machining. The registered capital of the joint venture company is RMB30.0 million, which is owned as to 55% by the Group.

The Group has recorded a revenue of approximately HK\$35.6 million from the sale of steel products for the six months ended 30 September 2019, representing approximately 17.2% of the Group's total revenue.

業務回顧

本集團主要在香港進行柴油及相關產品的銷售及運輸業務。本集團亦提供工程船舶的船用柴油以及工程機器及汽車的潤滑油。本集團的客戶大多數為需要柴油以操作其工程機械及汽車的工程公司。本集團於2019年9月30日擁有十架不同容量的柴油貯槽車及一艘船用柴油駁船。

於截至2018年9月30日止六個月，本公司與永德有限公司就收購中國森林食品100%股權訂立收購協議。中國森林食品已成為本公司全資附屬公司，且中國森林食品的財務報表已綜合計入本集團的綜合財務報表。於截至2019年9月30日止六個月，本公司出售中國森林食品90%的股權。出售事項完成後，中國森林食品的財務業績不再綜合至本集團的綜合財務報表。

柴油及相關產品的銷售及運輸業務

截至2019年9月30日止六個月，本集團錄得來自柴油及相關產品銷售及運輸的收益約171.1百萬港元，佔本集團總收益約82.8%，較截至2018年9月30日止六個月增加約58.6百萬港元或52.1%。有關增加乃主要由於客戶需求在一名現有客戶項目於2018年10月展開後增加及三名新客戶對船用柴油的需求增加所致。

鋼產品的銷售業務

截至2019年9月30日止六個月，本集團與新余鋼鐵集團有限公司及新余市投資控股有限公司在中國成立合資公司，主要從事鋼鐵產品加工、電機配件以及成品製造及加工業務。合營公司的註冊資本為人民幣30.0百萬元，由本集團擁有55%權益。

截至2019年9月30日止六個月，本集團錄得來自鋼產品銷售的收益約35.6百萬港元，佔本集團總收益約17.2%。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

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\$7.7 million for the six months ended 30 September 2019, representing an increase of approximately HK\$3.2 million or 69.5% as compared to the six months ended 30 September 2018. The increase was mainly due to the increase in the Group's sale of diesel oil and marine diesel oil for the six months ended 30 September 2019 as compared for the six months ended 30 September 2018; and the recognition of the fair value change on contingent consideration payable of approximately HK\$3.6 million for the six months ended 30 September 2019. Excluding the one-off fair value change on contingent consideration payable, the profit attributable to the owner of the Company would have been HK\$4.1 million and HK\$4.6 million for the six months ended 30 September 2019 and 2018 respectively, representing a decrease of approximately 9.2% as compared to the six months ended 30 September 2018.

FUTURE PROSPECTS

The Board believes that market trend of sales of diesel oil and marine diesel oil 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 the Hong Kong International Airport's third runway project together with the recovery of logistics industry in Hong Kong.

In view of the challenging business environment and keen competition in the diesel oil sales market in Hong Kong, our Group will continue to deploy more resources on talent recruitment and strengthen our business development and marketing strategy on diesel oil and will also proactively seek potential business opportunities that will broaden our sources of income and enhance value to the shareholders.

業務回顧(續)

同時，本集團對各項成本及費用進行嚴格監控。截至2019年9月30日止六個月，本集團錄得本公司擁有人應佔溢利約7.7百萬港元，較截至2018年9月30日止六個月增加約3.2百萬港元或69.5%。有關增幅主要由於本集團於截至2019年9月30日止六個月的柴油及船用柴油銷售較截至2018年9月30日止六個月增加；及於截至2019年9月30日止六個月，確認應付或然代價的公平值變動約3.6百萬港元。截至2019年及2018年9月30日止六個月，撇除應付或然代價的一次性公平值變動，本公司擁有人應佔溢利分別為4.1百萬港元及4.6百萬港元，較截至2018年9月30日止六個月減少約9.2%。

未來前景

董事會認為香港柴油及船用柴油市場的銷售的市場趨勢仍樂觀，主要由於公共基建(包括鐵路網絡)的投資穩定維持於較高水平、海事工程項目(包括香港國際機場第三跑道項目)的開發以及香港物流業的復甦所致。

鑒於香港柴油銷售市場營商環境挑戰重重且競爭激烈，本集團將繼續投放更多資源於招募人才以及加強於柴油方面的業務發展及市場營銷策略，並將積極尋找可擴大本集團收入來源及增加股東價值的潛在商機。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately HK\$80.5 million or approximately 63.7% from approximately HK\$126.2 million for the six months ended 30 September 2018 to approximately HK\$206.7 million for the six months ended 30 September 2019.

Revenue from the sales of diesel oil, marine oil and lubricant oil accounted for approximately HK\$138.4 million, HK\$32.3 million and HK\$0.4 million, representing approximately 67.0%, 15.6% and 0.2%, respectively, of the Group's total revenue for the six months ended 30 September 2019. For the six months ended 30 September 2018, the revenue from the sales of diesel oil, marine oil and lubricant oil accounted for approximately HK\$108.2 million, HK\$3.5 million and HK\$0.8 million, representing approximately 85.7%, 2.7% and 0.6%, respectively, of the Group's total revenue. Sales of diesel oil remained the largest contributor to the Group's revenue.

The increase in the Group's revenue was primarily due to the increase in the Group's sales of diesel oil and marine diesel oil. The increase in demand of diesel oil was mainly due to the increase in demand upon the commencement of an existing customer's project in October 2018. Increase in demand of marine diesel oil was attributable to the demand of three new customers during the six months ended 30 September 2019.

Revenue from the sales of steel products accounted for approximately HK\$35.6 million, representing approximately 17.2% of the Group's total revenue for the six months ended 30 September 2019.

Cost of sales

Cost of the sale and transportation of diesel oil and related products business 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 six months ended 30 September 2019, the Group's cost of sales in relation to the sale and transportation of diesel oil and related products was approximately HK\$159.0 million, representing an increase of approximately 59.0% from approximately HK\$100.0 million for the six months ended 30 September 2018. Such increase was in line with the overall increase in revenue.

財務回顧 收益

本集團的收益由截至2018年9月30日止六個月約126.2百萬港元增加約80.5百萬港元或約63.7%至截至2019年9月30日止六個月約206.7百萬港元。

來自柴油、船用柴油及潤滑油銷售的收益分別約為138.4百萬港元、32.3百萬港元及0.4百萬港元，分別佔截至2019年9月30日止六個月本集團總收益約67.0%、15.6%及0.2%。截至2018年9月30日止六個月，來自柴油、船用柴油及潤滑油銷售的收益分別約為108.2百萬港元、3.5百萬港元及0.8百萬港元，分別佔本集團總收益約85.7%、2.7%及0.6%。柴油銷售仍是本集團收益的最大貢獻者。

本集團收益增加乃主要由於本集團柴油及船用柴油銷售增加所致。柴油需求增加主要由於需求在一名現有客戶項目於2018年10月展開後增加所致。船用柴油需求增加乃由於截至2019年9月30日止六個月三名新客戶的需求所致。

來自鋼產品銷售的收益約為35.6百萬港元，佔截至2019年9月30日止六個月本集團總收益約17.2%。

銷售成本

柴油及相關產品銷售及運輸業務的成本主要包括柴油成本、船用柴油成本、潤滑油成本、直接勞工成本及折舊。柴油採購成本、船用柴油成本及潤滑油成本取決於本集團燃油供應商提供的當地採購價，並經參考歐洲布倫特原油現貨價格等價格指標。截至2019年9月30日止六個月，本集團有關柴油及相關產品銷售及運輸的銷售成本約為159.0百萬港元，較截至2018年9月30日止六個月約100.0百萬港元增加約59.0%。銷售成本增加與收益整體增加情況一致。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Gross profit and gross profit margin

The gross profit represented the Group's revenue less cost of sales. The Group's gross profit slightly increased by approximately HK\$0.6 million from approximately HK\$12.2 million for the six months ended 30 September 2018 to HK\$12.7 million for the six months ended 30 September 2019. The Group's gross profit margin decreased from 9.6% for the six months ended 30 September 2018 to 6.2% for the six months ended 30 September 2019. The decrease in gross profit was mainly due to the bulk purchase discount offered to a major customer during the Reporting Period.

Profit for the period

As a result of the foregoing, the Group's net profit increased by approximately HK\$3.4 million from a profit of approximately HK\$4.6 million to a profit of approximately HK\$7.9 million for the six months ended 30 September 2019, and the Group's net profit margin increased from net profit margin approximately 3.6% to net profit margin of 3.8% during the same periods. The increase in the net profit and net profit margin for the six months ended 30 September 2019 was mainly due to the increase in the one-off fair value change on contingent consideration payable during the Reporting Period.

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources and Liquidity

The Group finances its operations through interest-bearing borrowing and of bonds placing. The Group recorded net current assets of approximately HK\$111.1 million as at 30 September 2019.

As at 30 September 2019, the Group's current assets amounted to approximately HK\$158.4 million and the Group's current liabilities amounted to approximately HK\$47.2 million. Current ratio was approximately 3.4 as at 30 September 2019. Current ratio is calculated based on total current assets at the end of the period divided by total equity at the end of the period. Gearing ratio was approximately 14.1% as at 30 September 2019 which was calculated based on the total debt at the end of the period divided by total equity at the end of the period.

As at 30 September 2019, the maximum limit of the banking facilities available to the Group was amounted to approximately HK\$41.0 million and HK\$15.9 million of the banking facilities was utilized.

財務回顧(續)

毛利及毛利率

毛利指本集團的收益減銷售成本。本集團的毛利由截至2018年9月30日止六個月約12.2百萬港元輕微增加約0.6百萬港元至截至2019年9月30日止六個月的12.7百萬港元。本集團的毛利率由截至2018年9月30日止六個月的9.6%減少至截至2019年9月30日止六個月的6.2%。毛利減少主要由於報告期間給予一名主要客戶批量購買折扣所致。

期內溢利

由於上述原因，本集團的純利由溢利約4.6百萬港元增加約3.4百萬港元至截至2019年9月30日止六個月的溢利約7.9百萬港元，而本集團的純利率於同期由純利率約3.6%增加至純利率3.8%。截至2019年9月30日止六個月純利及純利率增加主要由於在報告期間應付或然代價的一次性公平值變動增加所致。

流動資金及資本資源

財務資源及流動資金

本集團以計息借款及債券配售撥付經營業務的資金。於2019年9月30日，本集團錄得流動資產淨值約111.1百萬港元。

於2019年9月30日，本集團的流動資產約為158.4百萬港元，而本集團的流動負債則約為47.2百萬港元。於2019年9月30日，流動比率約為3.4倍。流動比率乃根據期末的總流動資產除以期末的總權益計算。於2019年9月30日，資產負債比率約為14.1%，乃按期末總債務除以期末總權益計算。

於2019年9月30日，本集團可用的銀行融資上限約為41.0百萬港元，而15.9百萬港元的銀行融資已獲動用。

Management Discussion and Analysis

管理層討論及分析

CAPITAL STRUCTURE

For the six months ended 30 September 2019, the capital structure of the Group consisted of equity attributable to the owners of the Company of approximately HK\$96.5 million. The share capital of the Group only comprises of ordinary shares.

The Shares were listed on the GEM of the Stock Exchange on 12 April 2017 (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 distribution of steel products transactions settled in Renminbi and 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 six months ended 30 September 2019.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 September 2019. 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.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Save as disclosed above, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 September 2019.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2019, save as disclosed below in “Use of Proceeds” the Group did not have any other material capital commitments or any material contingent liabilities.

資本架構

截至2019年9月30日止六個月，本集團的資本架構包括本公司擁有人應佔權益約96.5百萬港元。本集團的股本僅包括普通股。

股份於2017年4月12日（「上市日期」）於聯交所GEM上市。自此，本集團資本架構並無發生變動。

外匯風險

本集團主要於香港經營業務，並面臨各種貨幣風險所產生之外匯風險，風險主要涉及以人民幣結算的分銷鋼產品交易及馬來西亞令吉之金融資產。外匯風險於未來商業交易、已確認資產及負債以並非集團實體功能貨幣的貨幣計值時產生。然而，於截至2019年9月30日止六個月期間，本集團概無訂立任何衍生工具協議，且並無承諾使用任何金融工具對沖外匯風險。

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故於截至2019年9月30日止六個月整段期間內均得以維持穩健的流動資金狀況。本集團致力透過持續進行的信貸評估以及評估其客戶的財務狀況降低信貸風險。為管理流動資金風險，董事會密切監視本集團的流動資金狀況，以確保本集團資產、負債及其他承擔的流動資金架構可滿足其不時的資金要求。

附屬公司、聯營公司或合營企業的重大收購及出售

除上文所披露者外，於截至2019年9月30日止六個月，本集團並無持有其他重大投資、附屬公司、聯營公司或合營企業的重大收購或出售。

資本承擔及或然負債

於2019年9月30日，除下文「所得款項用途」所披露者外，本集團並無任何其他重大資本承擔或任何重大或然負債。

Management Discussion and Analysis

管理層討論及分析

DIVIDENDS

The Board did not recommend a payment of any dividend for the six months ended 30 September 2019 and 2018.

PLEDGE OF ASSETS

As at 30 September 2019, the Group's pledged short-term bank deposits in the amount of HK\$14.0 million was pledged as security for the Group's banking facilities.

COMPARISON OF IMPLEMENTATION PLANS FOR BUSINESS STRATEGIES WITH ACTUAL IMPLEMENTATION PROGRESS

The following is a comparison of the Group's implementation plans for its business strategies up to 30 September 2019 as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus with the Group's actual implementation progress:

股息

董事會不建議就截至2019年及2018年9月30日止六個月派付任何股息。

資產抵押

於2019年9月30日，本集團的已抵押短期銀行存款14.0百萬港元已抵押，作為本集團銀行融資的抵押品。

業務策略推行計劃與實際推行進度的比較

以下為本集團如招股章程「未來計劃及所得款項用途」一節所載直至2019年9月30日的業務策略推行計劃與本集團實際推行進度的比較：

Business strategy 業務策略	Implementation plan from 1 April 2017 to 31 March 2019 2017年4月1日至2019年3月31日的推行計劃	Actual implementation progress up to 30 September 2019 直至2019年9月30日的實際推行進度
Expansion and enhancement of our fleet of diesel tank wagons 擴充及改善柴油貯槽車車隊	<ul style="list-style-type: none"> Purchase three new diesel tank wagons Replace three existing diesel tank wagons Continue to evaluate the effectiveness and operating efficiency of new diesel tank wagons and assess our need for additional diesel tank wagons in view of our business development 	<ul style="list-style-type: none"> Two new diesel tank wagons had been purchased and one existing diesel tank wagon had been replaced. The delivery of the rest of new diesel tank wagons will be completed on the end of December 2020. The effectiveness and operating efficiency of new diesel tank wagons has been closely evaluated. 已購買兩部新柴油貯槽車及已取代一部現有的柴油貯槽車。餘下的新柴油貯槽車將於2020年12月底完成交付。 已密切評估新柴油貯槽車的有效性與運行效率。
	<ul style="list-style-type: none"> 購買三部新柴油貯槽車 取代三部現有的柴油貯槽車 繼續評估新柴油貯槽車的有效性與運行效率，並評估我們因應業務發展對更多柴油貯槽車的需要 	

Management Discussion and Analysis

管理層討論及分析

COMPARISON OF IMPLEMENTATION PLANS FOR BUSINESS STRATEGIES WITH ACTUAL IMPLEMENTATION PROGRESS (Continued)

業務策略推行計劃與實際推行進度的比較(續)

Business strategy 業務策略	Implementation plan from 1 April 2017 to 31 March 2019 2017年4月1日至2019年3月31日的推行計劃	Actual implementation progress up to 30 September 2019 直至2019年9月30日的實際推行進度
Development and expansion of our marine bunkering business	<ul style="list-style-type: none"> Commence trial and full operation of the marine diesel oil barge Carry out marketing and promotional activities and negotiate with potential customers to secure purchase orders for marine diesel oil Evaluate the effectiveness and operating efficiency of the marine diesel oil barge 	<ul style="list-style-type: none"> The Group had obtained all the licences and permits and commenced trial operation of the marine diesel oil barge in April 2018 and commenced full operation in July 2018. The Group had carried out marketing and promotional activities and negotiate with potential customers to secure purchase orders for marine diesel oil. The effectiveness and operating efficiency of the marine diesel oil barge had been evaluated from time to time.
發展及擴充海上供油業務	<ul style="list-style-type: none"> 開展船用柴油駁船的全面試運行 進行市場推廣及宣傳活動，並與潛在客戶進行磋商以獲得船用柴油的採購訂單 評估船用柴油駁船的有效性及運行效率 	<ul style="list-style-type: none"> 本集團已取得所有牌照及許可證，並於2018年4月開展船用柴油駁船的試運行並於2018年7月開始全面運行。 本集團已進行市場推廣及宣傳活動，並與潛在客戶進行磋商以獲得船用柴油的採購訂單。 已不時評估船用柴油駁船的有效性及運行效率。
Upgrading our information technology and systems	<ul style="list-style-type: none"> Purchase and upgrade new office administrative information technology systems Continue to review and maintain the performance of the information technology systems 	<ul style="list-style-type: none"> Minor upgrade of information technology systems had been done. The Group was still in negotiation with the potential suppliers on the requirements and specification of the new office administrative information technology system. The Group closely monitors and maintains the performance of the information technology systems.
提升資訊科技及系統	<ul style="list-style-type: none"> 購買及更新新辦公室行政資訊科技系統 繼續審閱及維持資訊科技系統的表現 	<ul style="list-style-type: none"> 已完成資訊科技系統的次要升級。本集團仍就新辦公室行政資訊科技系統的要求及規格與潛在供應商進行磋商。 本集團密切監控及維持資訊科技系統的表現。

Management Discussion and Analysis

管理層討論及分析

COMPARISON OF IMPLEMENTATION PLANS FOR BUSINESS STRATEGIES WITH ACTUAL IMPLEMENTATION PROGRESS (Continued)

業務策略推行計劃與實際推行進度的比較(續)

Business strategy 業務策略	Implementation plan from 1 April 2017 to 31 March 2019 2017年4月1日至2019年3月31日的推行計劃	Actual implementation progress up to 30 September 2019 直至2019年9月30日的實際推行進度
Strengthening our manpower	<ul style="list-style-type: none"> Recruit three drivers and three logistics assistants to strengthen our workforce required for our fleet of diesel tank wagons Recruit one safety supervisor to enhance our occupational safety management Recruit (i) seafarers including two coxswains, two technical operators, four sailors, (ii) one administration staff, (iii) one operation manager and (iv) one independent consultant to cope with our marine bunkering business Evaluate the performance of the newly recruited staff and assess our need to recruit additional staff in view of our business development Provide training to our existing and newly recruited staff and/or sponsor our staff to attend training courses on occupational health and safety 	<ul style="list-style-type: none"> Two logistics assistants were hired. Safety supervisor was hired through job reallocation. The Group contracted with a service company to operate the marine bunkering business. The Group evaluates and assesses the performance of our manpower continuously so as to facilitate the group's business development. Training courses and on-the-job training have been provided to staff.
加強我們的人手	<ul style="list-style-type: none"> 聘請三名司機及三名物流助理，以加強我們柴油貯槽車車隊所需的人手 聘請一名安全監工，以加強職業安全管理 為配合海上供油業務而聘請(i)海員，包括兩名舵手、兩名技術操作員、四名水手；(ii)一名行政人員；(iii)一名操作經理；及(iv)一名獨立顧問 評估新入職員工的表現，並評估我們因應業務發展對招聘更多員工的需要 為現有及新入職員工提供培訓及／或資助員工參加職業健康與安全的培訓課程 	<ul style="list-style-type: none"> 已聘請兩名物流助理。 安全監工已透過職位重新分配聘請。 本集團與服務公司訂立合約以經營海上供油業務。 本集團持續評估及評價人手的表現，以促進集團業務發展。 已向員工提供培訓課程及在職培訓。

Management Discussion and Analysis

管理層討論及分析

USE OF PROCEEDS

As disclosed in the 2019 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 30 September 2019:

所得款項用途

誠如本公司2019年年報所披露，股份發售實際所得款項淨額（「**所得款項淨額**」）（經扣除包銷佣金及上市相關開支後）約為45.1百萬港元，低於招股章程及本公司日期為2017年4月11日的配發結果公佈所載估計所得款項淨額約50.9百萬港元。

以下載列直至2019年9月30日的所得款項淨額的實際用途：

		Planned use of total Net Proceeds	Approximate percentage of total Net Proceeds	Actual use of Net Proceeds up to 30 September 2019	Unused total Net Proceeds up to 30 September 2019
		總所得款項淨額計劃用途	佔總所得款項淨額概約百分比	直至2019年9月30日的所得款項淨額實際用途	直至2019年9月30日的尚未使用總所得款項淨額
		HK\$ million 百萬港元	%	HK\$ million 百萬港元	HK\$ million 百萬港元
Purchase of diesel tank wagons (Note 1)	購買柴油貯槽車(附註1)	7.8	17.3%	3.9	3.9
Purchase of marine diesel oil barge (Note 2)	購買船用柴油駁船(附註2)	14.0	31.0%	8.5	5.5
Further strengthen our manpower (Note 3)	進一步加強人手(附註3)	6.1	13.6%	1.7	4.4
Upgrade of our information technology systems (Note 4)	提升資訊科技系統(附註4)	3.6	7.9%	0.1	3.5
Working capital necessary for the operation of the new diesel tank wagons and marine bunkering business (Note 5)	營運新柴油貯槽車及海上供油業務所需的營運資金(附註5)	9.1	20.2%	5.1	4.0
Working capital	營運資金	4.5	10.0%	4.5	-
		45.1	100.0%	23.8	21.3

Management Discussion and Analysis

管理層討論及分析

USE OF PROCEEDS (Continued)

Notes:

- 1 Two new diesel tank wagons had been purchased and one existing diesel tank wagon had been replaced up to 30 September 2019.
- 2 Marine diesel oil barge has commenced operation in July 2018.
- 3 The Group has been actively involved in the recruitment and selection of suitable candidates through various means including job advertisements in major newspapers.
- 4 The Group was still in negotiation with the potential suppliers on the requirements and specification of the new office administrative information technology system.
- 5 The Group contracted with a service company to operate the marine bunkering business.

Save as disclosed above, the Group will apply the net proceeds received from the Share Offer in the manners consistent with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The implantation plans for business strategies and use of Net Proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus. The Group implemented its business strategies and applied the Net Proceeds based on the actual development of the Group's business and industry, as well as market conditions.

FINANCIAL ASSETS

As at 30 September 2019, the Group had invested a total amount of approximately HK\$2.6 million in a company listed in Bursa Malaysia Berhad. As at 30 September 2019, this investment was reflected at fair value, and a net unrealised gain of approximately HK\$0.1 million was recorded.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2019, the Group employed a total of 27 employees (53 as at 30 September 2018) including the Directors. For the six months ended 30 September 2019, total staff costs amounted to approximately HK\$3.8 million (six months ended 30 September 2018: approximately HK\$4.0 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.

所得款項用途(續)

附註：

- 1 截至2019年9月30日，已購買兩部新柴油貯槽車及已取代一部現有的柴油貯槽車。
- 2 船用柴油駁船已於2018年7月開始運行。
- 3 本集團透過多種方式(包括在各大報章刊登招聘廣告)積極招聘及甄選合適人選。
- 4 本集團仍就新辦公室行政資訊科技系統的要求及規格與潛在供應商進行磋商。
- 5 本集團與服務公司訂立合約以經營海上供油業務。

除上文所披露者外，本集團將按照與招股章程「未來計劃及所得款項用途」一節所載的擬定用途一致的方式動用從股份發售所收取的所得款項淨額。招股章程所載的業務策略推行計劃及所得款項淨額用途乃基於本集團於編製招股章程時對未來市況作出的最佳估計及假設。本集團根據本集團業務及行業的實際發展狀況以及市況推行其業務策略及動用所得款項淨額。

金融資產

於2019年9月30日，本集團於一間馬來西亞交易所上市公司的投資總額約為2.6百萬港元。於2019年9月30日，此項投資已於公平值反映，並錄得未變現收益淨額約0.1百萬港元。

僱員及薪酬政策

於2019年9月30日，連董事在內，本集團共有27名僱員(2018年9月30日：53名僱員)。截至2019年9月30日止六個月，總員工成本約3.8百萬港元(截至2018年9月30日止六個月：約4.0百萬港元)。薪酬待遇(包括僱員福利)維持在市場水平，並會定期檢討。僱員薪酬及相關福利乃按其表現、資歷、經驗、職位以及本集團業務表現而釐定。

Management Discussion and Analysis

管理層討論及分析

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 in Hong Kong. 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 report, 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

As from 30 September 2019 to the date of this report, save as disclosed in this report, the Board is not aware of any significant events requiring disclosure that have occurred.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Save as disclosed above, during the six months ended 30 September 2019, the Group did not have any significant investment, material acquisitions nor disposals of subsidiaries and affiliated companies.

環境政策及表現

本集團的主要業務受香港環境法律及法規規管，包括香港空氣污染管制條例及水污染管制條例。該等法律及法規涵蓋範圍廣泛的環境事務，包括空氣污染、噪音及氣體排放、石油產品洩漏或其他危害物質。本集團認同環境保護的重要性，並已實施多項環境保護措施以將業務對環境及天然資源的影響降至最低。

本集團將持續監察業務營運，以確保其並無對環境造成重大不利影響，而本集團有充足的環境保護措施以確保遵守所有適用現行香港法律或法規。

於本報告日期，本集團概無因違反任何環境法律或法規而遭受檢控、罰款或處罰。

報告期間後事項

於2019年9月30日至本報告日期，除本報告所披露者外，據董事會所知，並無發生任何須予披露的重大事項。

附屬公司的重大投資、重大收購及出售

除上文所披露者外，於截至2019年9月30日止六個月，本集團並無任何附屬公司及聯屬公司的重大投資、重大收購或出售。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2019.

Interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations

As at 30 September 2019, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO, or (iii) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, were as follows:

其他資料

購買、出售或贖回本公司上市證券

截至2019年9月30日止六個月，本公司或其附屬公司概無購買、出售或贖回任何本公司上市證券。

董事及最高行政人員於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉

於2019年9月30日，董事及本公司最高行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視作擁有的權益及淡倉）或(ii)須列入根據證券及期貨條例第352條須存置的登記冊內的權益及淡倉，或(iii)根據GEM上市規則第5.46至5.67條有關須知會本公司及聯交所的董事進行證券交易而須知會本公司及聯交所的權益及淡倉如下：

Name of Directors 董事姓名	Capacity/nature of interest 身份／權益性質	Number of shares held 持有股份數量	Percentage of shareholding 持股百分比
Mr. Fong Chun Man 方俊文先生	Interest in a controlled corporation (Note 1) 受控制法團權益(附註1)	440,000,000 (Long position) 440,000,000 (好倉)	55%
Ms. Lo Pui Yee 勞佩儀女士	Interest of spouse (Note 2) 配偶權益(附註2)	440,000,000 (Long position) 440,000,000 (好倉)	55%
Mr. Li Hok Yin 李學賢先生	Beneficial owner 實益擁有人	49,456,000 (Long position) 49,456,000 (好倉)	6.18%

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (Continued)

Notes:

1. The shares are held by Grand Tycoon Limited, the equity interest of which is owned as to 100% by Mr. Fong Chun Man. Mr. Fong Chun Man is deemed to be interested in all the shares held by Grand Tycoon Limited for the purpose of Part XV of SFO.
2. Ms. Lo Pui Yee is the spouse of Mr. Fong Chun Man and is therefore deemed to be interested in all the shares which Mr. Fong Chun Man is interested for the purpose of Part XV of the SFO.

Save as disclosed above, as at 30 September 2019, none of the Directors and the chief executive of the Company has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO, or (iii) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

其他資料(續)

董事及最高行政人員於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉(續)

附註：

1. 該等股份由宏亨有限公司持有，其100%股權由方俊文先生擁有。就證券及期貨條例第XV部而言，方俊文先生被視為於宏亨有限公司持有之全部股份中擁有權益。
2. 勞佩儀女士為方俊文先生之配偶，並因此就證券及期貨條例第XV部而言，被視為於方俊文先生擁有權益之全部股份中擁有權益。

除上文所披露者外，於2019年9月30日，概無董事及本公司最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有(i)根據證券及期貨條例第V部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例有關條文被當作或視作擁有的權益及/或淡倉)，或(ii)須列入根據證券及期貨條例第352條須存置的登記冊內的任何權益或淡倉，或(iii)根據GEM上市規則第5.46至5.67條有關須知會本公司及聯交所的董事進行證券交易而須知會本公司及聯交所的任何權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Interests and short positions of the substantial shareholders and other persons in the shares, underlying shares and debentures of the Company and its associated corporations

As at 30 September 2019, so far as it is known to the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests in shares or underlying shares which (i) were recorded in the register required to be kept by the Company under Section 336 of the SFO, or (ii) which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules or, (iii) who will be, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

其他資料(續)

主要股東及其他人士於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉

於2019年9月30日，據董事所知，下列人士(董事或本公司最高行政人員除外)於股份或相關股份中擁有或被視作擁有權益，而(i)須列入於本公司根據證券及期貨條例第336條規定須存置的登記冊，或(ii)根據證券及期貨條例第XV部第2及3分部條文及GEM上市規則而將予以披露，或(iii)將直接或間接於附帶權利可於所有情況下在本集團任何成員公司的股東大會上表決的任何類別股本面值10%或以上中擁有權益。

Name of Shareholders 股東名稱／姓名	Capacity/nature of interest 身份／權益性質	Number of shares held 持有股份數量	Percentage of shareholding 持股百分比
Grand Tycoon Limited	Beneficial owner (Note 1)	440,000,000 (Long position)	55%
宏亨有限公司	實益擁有人(附註1)	440,000,000 (好倉)	55%
Ms. Cheung Yee Lok	Interest of spouse (Note 2)	49,456,000 (Long position)	6.182%
張依樂女士	配偶權益(附註2)	49,456,000 (好倉)	6.182%

Notes:

- The shares are held by Grand Tycoon Limited, the equity interest of which is owned as to 100% by Mr. Fong Chun Man. Mr. Fong Chun Man is deemed to be interested in all the shares held by Grand Tycoon Limited for the purpose of Part XV of SFO.
- Ms. Cheung Yee Lok is the spouse of Mr. Li Hok Yin and is therefore deemed to be interested in all the shares which Mr. Li Hok Yin is interested for the purpose of Part XV of the SFO.

附註：

- 該等股份由宏亨有限公司持有，其100%股權由方俊文先生擁有。就證券及期貨條例第XV部而言，方俊文先生被視為於宏亨有限公司擁有之全部股份中擁有權益。
- 張依樂女士為李學賢先生的配偶，並因此就證券及期貨條例第XV部而言，被視為於李學賢先生擁有權益之全部股份中擁有權益。

Save as disclosed above, as at 30 September 2019, the Directors have not been notified by any person who had interests or short positions in the shares, underlying shares or debentures of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

除上文披露者外，於2019年9月30日，概無任何人士已知會董事於本公司股份、相關股份或債權證中擁有須列入根據證券及期貨條例第336條須存置的登記冊之權益或淡倉，或根據證券及期貨條例第XV部第2及3分部條文須予披露之權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Share Option Scheme

The Company has conditionally adopted the share option scheme in which certain eligible participants including, among others, the Directors and employees of the Group may be granted options to subscribe for Shares on 23 March 2017 (the “**Adoption Date**”). The share option scheme became unconditional upon the Listing Date. Under the terms of the share option scheme, the Board may, at its discretion, grant options to eligible participants to subscribe for Shares.

No share options were granted since the Adoption Date up to 30 September 2019, and there was no share option outstanding as at 31 March 2019. As at 30 September 2019, the Company had 80,000,000 shares available for issue under the share option scheme, representing 10% of the existing issued share capital of the Company as at the date of this report.

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 report.

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 close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules except for the participation of Guotai Junan as the sponsor in relation to the Listing and the compliance adviser agreement entered into between the Company and Guotai Junan on 8 September 2016.

其他資料(續)

購股權計劃

本公司已於2017年3月23日(「**採納日期**」)有條件採納購股權計劃，其中若干合資格參與者(其中包括董事及本集團僱員)可能獲授購股權以認購股份。購股權計劃於上市日期後成為無條件。根據購股權計劃的條款，董事會可酌情向合資格參與者授予購股權以認購股份。

自採納日期起直至2019年9月30日，概無授出任何購股權，而於2019年3月31日亦無任何購股權尚未行使。於2019年9月30日，本公司根據購股權計劃擁有80,000,000股股份可供發行，佔本公司於本報告日期的現有已發行股本10%。

競爭權益

董事確認，於報告期間及直至本報告日期，概無控股股東或董事及彼等各自之緊密聯繫人(定義見GEM上市規則)於與本集團業務直接或間接構成競爭或可能構成競爭之任何業務(本集團所營運之業務除外)中擁有權益。

合規顧問之權益

根據GEM上市規則第6A.19條，本公司已委聘國泰君安融資有限公司(「**國泰君安**」)為合規顧問。誠如國泰君安所告知，國泰君安及其任何董事或僱員或緊密聯繫人概無於本公司或本集團任何成員公司的股本中擁有任何權益(包括購股權或可認購有關證券的權利(如有))或擁有與本公司有關且根據GEM上市規則第6A.32條須知會本公司之其他權益(惟不包括國泰君安就上市作為保薦人所得參與權益及本公司與國泰君安於2016年9月8日訂立的合規顧問協議)。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) on 23 March 2017 in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and with written terms of reference amended and restated with effect from 1 January 2019 in compliance with the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chui Chi Yun, Robert, Mr. Wang Anyuan and Mr. Kwong Yuk Lap. Mr. Chui Chi Yun, Robert is the chairman of the Audit Committee and he holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the Company’s internal control and risk management system, overseeing the balance, transparency and integrity of the Company’s financial statements and the application of financial reporting principles, reviewing the relationship with the external auditor and its independence assessment and the adequacy of resources, qualifications and experience of the Company’s accounting staff, their training programs and budget. The full terms of reference setting out details of duties of the Audit Committee is available on both the GEM website and the Company’s website.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2019 had been reviewed by the Audit Committee, which was of the opinion that the unaudited condensed consolidated financial statements have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules.

Nomination Committee

The Company established a nomination committee (the “**Nomination Committee**”) on 23 March 2017 which comprised Mr. Fong Chun Man and two independent non-executive Directors, namely Mr. Kwong Yuk Lap and Mr. Chui Chi Yun, Robert. Mr. Kwong Yuk Lap is the Chairman of the Nomination Committee.

其他資料(續)

審核委員會

本公司已於2017年3月23日根據GEM上市規則第5.28至5.29條成立審核委員會(「**審核委員會**」)，並根據GEM上市規則附錄15所載的企業管治守則備有書面職權範圍，自2019年1月1日起經修訂及重列。審核委員會由三名獨立非執行董事崔志仁先生、王安元先生及鄭旭立先生組成。崔志仁先生為審核委員會主席並持有GEM上市規則第5.05(2)及5.28條所規定的合適專業資格。

審核委員會的主要職責為透過就以下事項向董事會提供獨立意見，為董事會提供協助：本公司內部監控及風險管理系統的成效，監督本公司財務報表的收支、透明度及完整性以及財務報告原則的應用、審閱與外部核數師的關係及其獨立性評估以及本公司會計人員的資源、資格和經驗的充足性、其培訓計劃及預算。載列審核委員會職責詳情的全部職權範圍可於GEM網站及本公司網站查閱。

本集團截至2019年9月30日止六個月的未經審核簡明綜合財務報表已由審核委員會審閱，其認為未經審核簡明綜合財務報表已按照適用會計準則及GEM上市規則編製。

提名委員會

本公司於2017年3月23日成立提名委員會(「**提名委員會**」)，由方俊文先生與兩名獨立非執行董事鄭旭立先生及崔志仁先生組成。鄭旭立先生為提名委員會主席。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Nomination Committee (Continued)

The primary function of the Nomination Committee is to review the policy concerning diversity of board members and the structure, size and composition of the Board on regular basis and disclose such policy, including any measurable objectives that the Committee has set for implementing the policy and progress on achieving those objectives, pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (including disclosure in the Company's corporate governance report as appropriate); identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors. The full terms of reference setting out details of duties of the Nomination Committee is available on both the GEM website and the Company's website.

Pursuant to the terms of reference of the Nomination Committee, meeting shall be held at least once a year and additional meetings should be held if the committee shall so request.

The Nomination Committee has reviewed the structure, size and composition of the Board and the Policy as well as discussing matters regarding the retirement and re-election of Directors.

Remuneration Committee

The Company established a remuneration committee (the "Remuneration Committee") on 23 March 2017 in compliance with Appendix 15 of the GEM Listing Rules, which comprised two independent non-executive Directors, namely Mr. Wang Anyuan and Mr. Chui Chi Yun, Robert together with Mr. Fong Chun Man. Mr. Wang Anyuan is the Chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review and approve the management's remuneration proposals, and ensure none of the Directors determine their own remuneration. The full terms of reference setting out details of duties of the Remuneration Committee is available on both the GEM website and the Company's website.

其他資料(續)

提名委員會(續)

提名委員會的主要職責為定期檢討有關董事會成員組合多元化以及董事會架構、規模及組成的政策，並根據香港聯合交易所有限公司GEM證券上市規則披露該政策(包括適時在本公司的企業管治報告內披露資料)，當中包括委員會為落實該政策而制定的任何可衡量目標及達致該等目標的進度；物色適合且合資格成為董事會成員人選；評核獨立非執行董事的獨立性；以及就有關董事委聘或續聘的相關事宜向董事會提供推薦意見。載列提名委員會職責詳情的全部職權範圍可於GEM網站及本公司網站查閱。

根據提名委員會的職權範圍，每年應至少舉行一次會議，並應按委員會的要求舉行額外會議。

提名委員會已檢討董事會架構、規模及組成以及政策，並討論有關董事退任及重選的事宜。

薪酬委員會

本公司於2017年3月23日根據GEM上市規則附錄15成立薪酬委員會(「薪酬委員會」)，由兩名獨立非執行董事王安元先生及崔志仁先生與方俊文先生組成。王安元先生為薪酬委員會主席。

薪酬委員會的主要職責為就本集團全體董事及高級管理層的整體薪酬政策及架構向董事會作出推薦意見；審閱及批准管理層薪酬建議；及確保董事概無自行釐定薪酬。載列薪酬委員會職責詳情的全部職權範圍可於GEM網站及本公司網站查閱。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Remuneration Committee (Continued)

The Remuneration Committee determines Directors' remuneration by reference to the benchmarking of the market. The Company also looks into individual Director's competence, duties, responsibilities, performance and the results of the Group in determining the exact level of remuneration for each Director.

Pursuant to the terms of reference of the Remuneration Committee, meeting shall be held at least once a year and additional meetings should be held if the committee shall so request.

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 as at the date of this report.

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. During the Six months ended 30 September 2019, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code Provisions") contained in Appendix 15 of the GEM Listing Rules.

On behalf of the Board
F8 Enterprises (Holdings) Group Limited
Mr. Fong Chun Man
Chairman and executive Director

Hong Kong, 8 November 2019

As at the date of this report, 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 report 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.

其他資料(續)

薪酬委員會(續)

薪酬委員會透過參考市場基準釐定董事薪酬。本公司亦考慮董事個人能力、職責、責任、表現及本集團之業績釐定各董事之確切薪酬水平。

根據薪酬委員會的職權範圍，每年應至少舉行一次會議，並應按委員會的要求舉行額外會議。

董事的證券交易

本公司採納了董事進行證券交易的行為守則，其條款嚴謹程度不遜於GEM上市規則第5.48至5.67條所載的規定交易標準。向全體董事作出具體查詢後，本公司確認，所有董事於本報告日期均已遵守規定交易標準及本公司有關董事進行證券交易的行為守則。

企業管治

本公司致力維持及確保高水平的企業管治標準，並會不斷檢討及改善企業管治常規及標準。本公司於截至2019年9月30日止六個月一直遵守GEM上市規則附錄15所載企業管治守則的守則條文(「守則條文」)。

承董事會命
F8企業(控股)集團有限公司
主席兼執行董事
方俊文先生

香港，2019年11月8日

於本報告日期，本公司主席兼執行董事為方俊文先生，本公司執行董事為勞佩儀女士、陳志輝先生及李學賢先生，以及本公司獨立非執行董事為崔志仁先生、鄭旭立先生及王安元先生。

本報告將由刊登日期起計最少一連7日於GEM網站www.hkgem.com的「最新公司公告」網頁及於本公司網站www.f8.com.hk刊登。