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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 FIRST QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 JUNE 2020

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 three months ended 30 June 2020. This announcement, containing the full text of the 2020/2021 first quarterly 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 third quarterly results. Printed version of the Company’s 2020/2021 first quarterly 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 August 2020.

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

Hong Kong, 12 August 2020

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 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 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，沒有誤導或欺詐成分，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。

Highlight 摘要

The Group recorded a revenue of approximately HK\$96.7 million for the three months ended 30 June 2020, representing an increase of approximately HK\$8.7 million or 9.9% as compared to the three months ended 30 June 2019.

The Group recorded a net profit of approximately HK\$5.0 million for the three months ended 30 June 2020, representing a decrease of approximately HK\$1.3 million as compared to the Group's net profit of approximately HK\$6.3 million for the three months ended 30 June 2019.

The decrease of the Group's profit for the three months ended 30 June 2020 was mainly due to the increase in the Group's sale of diesel oil and related products for the three months ended 30 June 2020 as compared to the three months ended 30 June 2019; which was offset by the recognition of the fair value change on contingent consideration payables of approximately HK\$3.6 million for the three months ended 30 June 2019. Excluding the one-off fair value change on contingent consideration payables, the net profit would have been HK\$5.0 million and HK\$2.7 million for the three months ended 30 June 2020 and 2019, respectively, representing an increase of approximately HK\$2.3 million or 84.8% as compared to the three months ended 30 June 2019.

The Board does not recommend the payment of any dividend for the three months period ended 30 June 2020.

截至2020年6月30日止三個月，本集團錄得收益約96.7百萬港元，較截至2019年6月30日止三個月增加約8.7百萬港元或9.9%。

截至2020年6月30日止三個月，本集團錄得純利約5.0百萬港元，較截至2019年6月30日止三個月本集團純利約6.3百萬港元減少約1.3百萬港元。

本集團截至2020年6月30日止三個月的溢利減少主要由於本集團於截至2020年6月30日止三個月的柴油及相關產品銷售較截至2019年6月30日止三個月增加，被截至2019年6月30日止三個月確認應付或然代價的公平值變動約3.6百萬港元所抵銷。截至2020年及2019年6月30日止三個月，撇除應付或然代價的一次性公平值變動，純利分別為5.0百萬港元及2.7百萬港元，較截至2019年6月30日止三個月增加約2.3百萬港元或84.8%。

董事會不建議派付截至2020年6月30日止三個月期間的任何股息。

Unaudited Condensed Consolidated First Quarterly Results for the three months ended 30 June 2020

截至2020年6月30日止三個月的未經審核簡明綜合第一季度業績

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated first quarterly results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months ended 30 June 2020 (the “Reporting Period”), together with the unaudited comparative figures for the corresponding period in 2019, as follows:

本公司董事會(「董事會」)欣然宣佈本公司及其附屬公司(統稱「本集團」)截至2020年6月30日止三個月(「報告期間」)的未經審核簡明綜合第一季度業績，連同2019年同期的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 three months ended 30 June 2020 截至2020年6月30日止三個月

			Three months ended 30 June 截至6月30日止三個月	
			2020	2019
			2020年	2019年
			HK\$'000	HK\$'000
			千港元	千港元
			(unaudited)	(unaudited)
			(未經審核)	(未經審核)
		Notes 附註		
Revenue	收益	3	96,740	88,060
Cost of sales	銷售成本		(85,987)	(81,695)
Gross profit	毛利		10,753	6,365
Other gains and losses	其他收益及虧損	5	950	618
Administrative expenses	行政開支		(4,758)	(3,032)
Other operating expenses	其他營運開支		(842)	(779)
Fair value change on contingent consideration payables	應付或然代價的公平值變動		–	3,598
Profit from operations	經營溢利		6,103	6,770
Finance costs	融資成本	7	(353)	(42)
Profit before taxation	除稅前溢利	6	5,750	6,728
Income tax expenses	所得稅開支	8	(761)	(430)
Profit for the period	期內溢利		4,989	6,298

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 three months ended 30 June 2020 截至2020年6月30日止三個月

		Three months ended 30 June 截至6月30日止三個月	
		2020 2020年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
Other comprehensive income for the period	期內其他全面收益		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：		
Exchange differences on translating foreign operations	換算海外業務的匯兌差額		
		(983)	3
Other comprehensive income for the period, net of tax	除稅後期內其他全面收益		
		(983)	3
Total comprehensive income for the period	期內全面收益總額		
		4,006	6,295
Profit for the period attributable to:	期內應佔溢利：		
Owners of the Company	本公司擁有人	4,502	6,298
Non-controlling interests	非控股權益	487	-
		4,989	6,298
Total comprehensive income for the period attributable to:	期內應佔全面收益總額：		
Owners of the Company	本公司擁有人	3,961	6,298
Non-controlling interests	非控股權益	45	-
		4,006	6,298
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)	10	
		0.52	0.79

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the three months ended 30 June 2020 截至2020年6月30日止三個月

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Other reserve	Capital contribution reserve	Fair value through other comprehensive income reserve	Exchange reserve	Amounts relating to disposal group held for sale	Retained earnings	Sub-total	Non-controlling interest	Total
		股本	股份溢價	其他儲備	資本實繳儲備	其他全面收益儲備	匯兌儲備	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	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	千港元
		(Note i)	(Note ii)	(Note iii)	(Note iv)	(Note v)	(Note vi)					
		(附註i)	(附註ii)	(附註iii)	(附註iv)	(附註v)	(附註vi)					
At 1 April 2019	於2019年4月1日	8,000	49,221	-*	24,652	-	-	(27)	6,705	88,551	-	88,551
Profit for the period	期內溢利	-	-	-	-	-	-	-	6,298	6,298	-	6,298
Other comprehensive loss for the period	期內其他全面虧損	-	-	-	-	-	-	-	-	-	-	-
Reclassification relating to disposal group as held for sale	有關持作待售出售集團的重新分類	-	-	-	-	-	-	3	-	3	-	3
At 30 June 2019	於2019年6月30日	8,000	49,221	-*	24,652	-	-	(24)	13,003	94,852	-	94,852
At 1 April 2020	於2020年4月1日	8,000	49,221	-*	24,652	(905)	(565)	-	11,369	91,772	14,762	106,534
Profit for the period	期內溢利	-	-	-	-	-	-	-	4,502	4,502	487	4,989
Other comprehensive loss for the period	期內其他全面虧損	-	-	-	-	-	(541)	-	-	(541)	(442)	(983)
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	(905)	(541)	-	4,502	3,961	45	4,006
Issue of shares	發行股份	780	15,600	-	-	-	-	-	-	16,380	-	16,380
Recognition of non-controlling interest	確認非控股權益	-	-	-	-	-	-	-	-	-	20,543	20,543
At 30 June 2020	於2020年6月30日	8,780	64,821	-*	24,652	(905)	(1,106)	-	15,871	112,113	35,350	147,463

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.

On 21 April 2020, 78,000,000 new shares of HK\$0.01 each of the Company were allotted and increased as fully paid for the Vendor at the issue price of HK\$0.21 each under the general mandate.

(ii) Share premium represents the excess of shares issued 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 were satisfied 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) Fair value reserve comprises the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income under HKFRS 9 that are held at the end of the reporting period.

(vi) 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，200,000,000股每股面值0.01港元的本公司股份以每股0.32港元的價格透過股份發售予以配發及發行。

於2020年4月21日，78,000,000股本公司每股面值0.01港元的新股份根據一般授權按發行價每股0.21港元向賣方配發及增加為繳足股份。

(ii) 股份溢價指已發行股份超過面值的金額。

(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(轉讓附屬公司予本公司透過本公司發行新股份支付)。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的金額。

(v) 公平值儲備包括於報告期末持有根據香港財務報告準則第9號指定為按公平值計入其他全面收益的權益投資公平值累計變動淨額。

(vi) 匯兌儲備包括換算香港境外業務的財務報表所產生的所有外匯差額。

* 餘額約為8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 three months ended 30 June 2020 截至2020年6月30日止三個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands 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 in the People's Republic of China (the "PRC"), and the manufacturing and sale of steel products in 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

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Hong Kong Companies Ordinance"). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules. The principal accounting policies used in the unaudited consolidated first quarterly results of the Group for the three months ended 30 June 2020 (the "First Quarterly Results") are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2020.

In the current period, the Group has applied all new amendments to HKFRSs that are mandatorily effective for the accounting period beginning on or after 1 April 2020.

1. 一般資料

本公司於2016年3月30日根據開曼群島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及中華人民共和國(「中國」)從事銷售及運送柴油及相關產品，以及在中國從事鋼產品的製造及銷售。

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

未經審核簡明綜合財務報表乃根據所有由香港會計師公會(「香港會計師公會」)頒佈的適用香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(下文統稱為「香港財務報告準則」)以及香港法例第622章公司條例(「香港公司條例」)之披露規定編製。此外，未經審核簡明綜合財務報表包括GEM上市規則的適用披露規定。編製本集團截至2020年6月30日止三個月的未經審核綜合第一季度業績(「第一季度業績」)所用的主要會計政策與編製本集團截至2020年3月31日止年度的年度財務報表所用者貫徹一致。

於本期間，本集團已應用於2020年4月1日或之後開始的會計期間內強制生效的所有香港財務報告準則的新修訂。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the three months ended 30 June 2020 截至2020年6月30日止三個月

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The application of the new amendments to HKFRSs in the current period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The First Quarterly Results have not been audited by the Company's auditor but have been reviewed by the audit committee of the Company ("Audit Committee").

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

		For the three months ended 30 June 截至6月30日止三個月	
		2020 2020年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)
Type of goods or services	商品或服務種類		
Goods transferred at a point of time	於某時點轉讓商品		
Sale of diesel oil and related products	銷售柴油及相關產品		
Diesel oil	柴油	62,653	71,783
Marine diesel oil	船用柴油	21,698	16,081
Lubricant oil	潤滑油	3,994	196
		88,345	88,060
Sales of steel products	銷售鋼產品	8,395	–
Total revenue from contracts with customers	來自客戶合約的總收益	96,740	88,060

The Group operates in two segments for the sale of diesel oil and related products sale of steel products in Hong Kong and in the PRC.

2. 編製基準及主要會計政策(續)

於本期間應用香港財務報告準則的新修訂對該等簡明綜合財務報表所呈報的金額及/或該等簡明綜合財務報表所載披露並無造成任何重大影響。

第一季度業績並未經本公司核數師審核，但已經由本公司審核委員會(「審核委員會」)審閱。

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：

來自客戶合約的收益分拆

本集團經營兩個分部，以於香港及中國銷售柴油及相關產品以及銷售鋼產品。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

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4. SEGMENT INFORMATION

Segment information reported to the Board, 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 steel products		Unallocated		Total	
		Three months ended 30 June		Three months ended 30 June		Three months ended 30 June		Three months ended 30 June	
		柴油銷售及運輸		鋼產品銷售		尚未分類		總計	
		截至6月30日止三個月		截至6月30日止三個月		截至6月30日止三個月		截至6月30日止三個月	
		2020	2019	2020	2019	2020	2019	2020	2019
		2020年	2019年	2020年	2019年	2020年	2019年	2020年	2019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	88,345	88,060	8,395	-	-	-	96,740	88,060
Segment result	分部業績	5,794	3,308	(120)	-	(521)	2,844	5,153	6,152
Other segment information: 其他分部資料:									
Other gain or losses	其他收益或虧損							950	618
Finance costs	融資成本							(353)	(42)
Profit before taxation	除稅前溢利							5,750	6,728

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未經審核簡明綜合財務報表附註

For the three months ended 30 June 2020 截至2020年6月30日止三個月

4. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operation is located in Hong Kong and the People's Republic of China (the "PRC") during the three months ended 30 June 2020 and three months ended 30 June 2019. The Group's revenue from external customers based on the location of customers are detailed below:

4. 分部資料(續)

地理資料

截至2020年6月30日止三個月及截至2019年6月30日止三個月，本集團的業務位於香港及中華人民共和國(「中國」)。本集團來自外部客戶的收益按客戶的位置詳述如下：

		Three months ended 30 June	
		截至6月30日止三個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Hong Kong	香港	84,562	88,060
PRC	中國	12,178	–
		96,740	88,060

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未經審核簡明綜合財務報表附註

For the three months ended 30 June 2020 截至2020年6月30日止三個月

5. OTHER GAINS AND LOSSES

5. 其他收益及虧損

		For the three months ended 30 June 截至6月30日止三個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(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
Unrealised gain on financial assets at fair value through profit or loss	按公平值計入損益的金融資產 未變現收益	108	147
Unrealised exchange gain on financial assets at fair value through profit or loss	按公平值計入損益的金融資產 未變現匯兌收益	9	122
Loss on disposals of subsidiaries	出售附屬公司虧損	–	(2)
Bank interest income (Note 1)	銀行利息收入(附註1)	–	–
Rental income from diesel vehicle	來自柴油車的租金收入	133	–
Government grant (Note 2)	政府補助(附註2)	700	–
Sundry income	雜項收入	–	191
		950	618

Notes:

- Bank interest income mainly represents interest generated from the share offer fund deposited in bank.
- Government grant represents subsidies under the Anti-epidemic Fund.

附註：

- 銀行利息收入主要指存入銀行的股份發行基金產生的利息。
- 政府補助指防疫抗疫基金項下的津貼。

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未經審核簡明綜合財務報表附註

For the three months ended 30 June 2020 截至2020年6月30日止三個月

6. PROFIT BEFORE TAXATION

6. 除稅前溢利

		For the three months ended 30 June 截至6月30日止三個月	
		2020 2020年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (unaudited) (未經審核)
Profit for the period has been arrived at after charging/(crediting):	期內溢利已扣除／(計入)下列各項：		
Directors' emoluments	董事薪酬	613	596
Other staff costs:	其他員工成本：		
— Salaries and other benefits	— 薪金及其他福利	1,237	1,166
— Retirement benefits scheme contributions	— 退休福利計劃供款	79	68
		1,316	1,234
Auditors' remuneration	核數師薪酬	175	175
Cost of inventories recognised as expense	確認為開支的存貨成本	86,297	80,503
Depreciation of property, plant and equipment	物業、廠房及設備折舊		
— Cost of sales	— 銷售成本	479	447
— Administrative expenses	— 行政開支	142	102
		621	549
Operating lease rental expenses in respect of office premises	辦公處的經營租賃租金開支	308	397

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For the three months ended 30 June 2020 截至2020年6月30日止三個月

7. FINANCE COSTS

7. 融資成本

		For the three months ended 30 June 截至6月30日止三個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest expenses on bank borrowings wholly repayable within five years	須於五年內全數償還銀行借款的利息開支	126	42
Interest expenses on bank overdrafts	銀行透支的利息開支	2	–
Interest expenses on bonds	債券的利息開支	220	–
Interest expenses on lease liabilities	租賃負債的利息開支	1	–
Interest expenses on obligations under finance leases	融資租賃承擔的利息開支	4	–
		353	42

8. INCOME TAX EXPENSES

8. 所得稅開支

		For the three months ended 30 June 截至6月30日止三個月	
		2020	2019
		2020年	2019年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Current tax	即期稅項		
Hong Kong Profits Tax	香港利得稅	760	430
The PRC Enterprise income tax	中國企業所得稅	1	–
		761	430

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未經審核簡明綜合財務報表附註

For the three months ended 30 June 2020 截至2020年6月30日止三個月

8. INCOME TAX EXPENSES (Continued)

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 three months ended 30 June 2020 and 2019.

Accordingly, starting from the current period, 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 BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

Under the Law of the PRC 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 three months ended 30 June 2020 and 2019.

9. DIVIDENDS

The Board does not recommend a payment of any dividend for the three months ended 30 June 2020 (three months ended 30 June 2019: Nil).

8. 所得稅開支(續)

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」)，其引入兩級制利得稅率制度。條例草案於2018年3月28日簽署成為法律並於翌日刊憲。根據兩級制利得稅率制度，合資格公司的首2百萬港元應課稅溢利將按8.25%的稅率徵稅，而2百萬港元以上的應課稅溢利將按16.5%的稅率徵稅。不符合該兩級制利得稅率制度資格的公司的應課稅溢利將繼續統一按16.5%的稅率納稅。於截至2020年及2019年6月30日止三個月，兩級制利得稅率制度適用於本集團。

因此，自本期間開始，香港利得稅就首2百萬港元的估計應課稅溢利按8.25%的稅率計算，而就2百萬港元以上的估計應課稅溢利則按16.5%的稅率計算。

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，於截至2020年及2019年6月30日止三個月中國附屬公司的稅率均為25%。

9. 股息

董事會不建議派付截至2020年6月30日止三個月的任何股息(截至2019年6月30日止三個月：無)。

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未經審核簡明綜合財務報表附註

For the three months ended 30 June 2020 截至2020年6月30日止三個月

10. EARNINGS PER SHARE

The calculation of the 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 June 截至6月30日止三個月	
		2020 2020年 HK\$'000 千港元 (unaudited) (未經審核)	2019 2019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	4,502	6,298
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of calculation basic earnings per share	計算每股基本盈利的普通股加權平均數	860,857,143	800,000,000

The calculation of basic earnings per share for the three months ended 30 June 2020 and 2019 is based on profit attributable to owners of the Company and the weighted average number of shares.

截至2020年及2019年6月30日止三個月的每股基本盈利乃基於本公司擁有人應佔溢利及股份的加權平均數計算。

The weighted average number of ordinary shares is based on 878,000,000 (2019: 800,000,000) shares in issue during the three months ended 30 June 2020.

普通股加權平均數乃基於截至2020年6月30日止三個月的878,000,000(2019年：800,000,000)股已發行股份計算。

Diluted earnings per share were same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the three months ended 30 June 2020 and 2019.

由於截至2020年及2019年6月30日止三個月概無存在潛在攤薄普通股，故每股攤薄盈利相當於每股基本盈利。

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 nine diesel tank wagons of various capacity and a marine oil barge as at 30 June 2020. The Group is also engaged in the business of manufacturing and sale of steel products in the PRC.

On 23 March 2020, the Group entered into a sale and purchase agreement to conditionally acquire 51% equity interest in Meijia Shell (Global) Lubricant Technology Limited which was principally engaged in sale and distribution of lubricant oil in the PRC. The acquisition was completed on 21 April 2020. Hence, the financial statements of Meijia Shell (Global) Lubricant Technology Limited had been included in the consolidated financial statements of the Group for the three months ended 30 June 2020.

Sale and transportation of diesel oil and related products business

The Group has recorded a revenue of approximately HK\$88.3 million from the sale and transportation of diesel oil and related products for the three months ended 30 June 2020, representing approximately 91.3% of the Group's total revenue and an increase of approximately HK\$0.3 million or 0.3% as compared to the three months ended 30 June 2019. The increase was mainly due to acquisition of the business in Meijia Shell (Global) Lubricant Technology Limited in the PRC in relation to sales of lubricant oil and the demand of marine diesel oil from new customers in Hong Kong.

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。本集團亦提供用於工程船舶的船用柴油以及用於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器及汽車的工程公司。本集團於2020年6月30日擁有九架不同容量的柴油貯槽車及一艘船用柴油駁船。本集團亦於中國從事鋼產品的製造及銷售。

於2020年3月23日，本公司訂立買賣協議，以有條件收購美嘉殼（環球）潤滑科技有限公司51%股權，該公司主要於中國從事銷售及分銷潤滑油。收購事項於2020年4月21日完成。因此，美嘉殼（環球）潤滑科技有限公司的財務報表已計入本集團截至2020年6月30日止三個月的綜合財務報表。

柴油及相關產品的銷售及運輸業務

截至2020年6月30日止三個月，本集團錄得來自柴油及相關產品銷售及運輸的收益約88.3百萬港元，佔本集團總收益約91.3%，較截至2019年6月30日止三個月增加約0.3百萬港元或0.3%。有關增加乃主要由於在中國收購美嘉殼（環球）潤滑科技有限公司有關銷售潤滑油的業務及香港新客戶對船用柴油的需求所致。

* The English translation of names for identification purpose only. The official names of these entities are in Chinese.

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Sale of steel product business

The Group recorded a revenue of approximately HK\$8.4 million from the sale of steel products for the three months ended 30 June 2020, representing approximately 8.7% of the Group's total revenue.

Meanwhile, the Group has executed strict control on costs and expenses. The Group recorded a net profit of approximately HK\$5.0 million for the three months ended 30 June 2020. The decrease in profit was mainly attributable to the fair value change on contingent consideration payables arising from the disposal of a subsidiary of approximately HK\$3.6 million for the three months ended 30 June 2019.

Excluding the one-off fair value charge on contingent consideration payables, the net profit would have been approximately HK\$5.0 million and approximately HK\$2.7 million for the three months ended 30 June 2020 and 2019, respectively, representing an increase of approximately HK\$2.3 million or 84.8% as compared to the three months ended 30 June 2019.

INDUSTRY REVIEW

In 2020, international oil prices fluctuated with a wide range and dropped. The outbreak of the COVID-19 pandemic brings uncertainties of international oil prices in short-term. Notwithstanding the government has introduced massive emergency fiscal plans to support workers and businesses, there is clearly a long way to go before we can put the COVID-19 pandemic crisis behind us. We believe we could work together to meet this historic challenge.

FUTURE PROSPECTS

The outbreak of the COVID-19 pandemic has brought adverse impact on the economic condition in an international and domestic context. The Directors will continue to observe closely and manage risks associated.

In view of the challenging business environment and keen competition in the diesel oil sales market in Hong Kong, the Group will deploy more resources on talent recruitment and strengthen the business development and marketing strategy on diesel oil guardedly 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)

鋼產品的銷售業務

截至2020年6月30日止三個月，本集團錄得來自鋼產品銷售的收益約8.4百萬港元，佔本集團總收益約8.7%。

同時，本集團對各項成本及開支進行嚴格監控。截至2020年6月30日止三個月，本集團錄得純利約5.0百萬港元。該溢利減少乃主要由於截至2019年6月30日止三個月出售一間附屬公司所產生的應付或然代價公平值變動約3.6百萬港元所致。

撇除應付或然代價的一次性公平值變動，截至2020年及2019年6月30日止三個月純利將分別為約5.0百萬港元及約2.7百萬港元，較2019年6月30日止三個月增加約2.3百萬港元或84.8%。

行業回顧

於2020年，國際油價大幅波動並回落。新型冠狀病毒疫情爆發於短期內為國際油價帶來不確定性。儘管政府已推行大量緊急財政計劃以支援勞工及企業，惟對於我們遠離新型冠狀病毒疫情的危機顯然尚有漫漫長路。我們深信我們可共同努力應對此歷史性挑戰。

未來前景

新型冠狀病毒疫情的爆發給國際及國內經濟狀況帶來了不利影響。董事將繼續密切觀察並管理相關風險。

鑒於香港柴油銷售市場營商環境挑戰重重且競爭激烈，本集團將謹慎地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，並將主動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\$8.7 million or approximately 9.9% from approximately HK\$88.1 million for the three months ended 30 June 2019 to approximately HK\$96.7 million for the three months ended 30 June 2020.

Revenue from the sale of diesel oil, marine diesel oil and lubricant oil accounted for approximately HK\$62.7 million, HK\$21.7 million and HK\$4.0 million, representing approximately 64.8%, 22.4% and 4.1%, respectively, of the Group's total revenue for the three months ended 30 June 2020. For the three months ended 30 June 2019, the revenue from the sale of diesel oil, marine diesel oil and lubricant oil accounted for approximately HK\$71.8 million, HK\$16.1 million and HK\$0.2 million, representing approximately 81.5%, 18.3% and 0.2%, respectively, of the Group's total revenue. Sale of diesel oil remained the largest contributor to the Group's revenue. The increase was mainly due to more demand from construction customers and logistic customers.

Revenue from sale of steel products business accounted for approximately HK\$8.4 million, representing 8.7% of the Group's total revenue (2019: Nil).

The increase in the Group's revenue was primarily due to the increase in the Group's sale of lubricant oil and steel products. Increase in demand of marine diesel oil was attributable to the demand of new customers during the three months ended 30 June 2020.

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. Cost of the sale of steel product business mainly consists of raw material costs, direct labour costs and transportation costs. For the three months ended 30 June 2020, the Group's cost of the sales was approximately HK\$86.0 million, representing an increase of approximately 5.3% from approximately HK\$81.7 million for the three months ended 30 June 2019.

財務回顧

收益

本集團的收益由截至2019年6月30日止三個月約88.1百萬港元增加約8.7百萬港元或約9.9%至截至2020年6月30日止三個月約96.7百萬港元。

來自柴油、船用柴油及潤滑油銷售的收益分別約為62.7百萬港元、21.7百萬港元及4.0百萬港元，分別佔截至2020年6月30日止三個月本集團的總收益約64.8%、22.4%及4.1%。截至2019年6月30日止三個月，來自柴油、船用柴油及潤滑油銷售的收益分別約為71.8百萬港元、16.1百萬港元及0.2百萬港元，分別佔本集團的總收益約81.5%、18.3%及0.2%。柴油銷售依然為本集團收益的最大貢獻者。增加主要由於建築客戶及物流客戶需求增加所致。

鋼產品的銷售業務產生收益計及約8.4百萬港元，佔本集團收益總額的8.7%（2019年：無）。

本集團收益增加乃主要由於本集團潤滑油及鋼產品銷售增加。船用柴油需求增加乃由於截至2020年6月30日止三個月新客戶的需求所致。

銷售成本

柴油及相關產品銷售及運輸業務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、船用柴油及潤滑油的採購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。鋼產品業務的銷售成本主要分為原材料成本、直接勞工成本及運輸成本。截至2020年6月30日止三個月，本集團的銷售成本約為86.0百萬港元，較截至2019年6月30日止三個月約81.7百萬港元增加約5.3%。

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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 increased by approximately HK\$4.4 million from approximately HK\$6.4 million for the three months ended 30 June 2019 to approximately HK\$10.8 million for the three months ended 30 June 2020. The Group's gross profit margin increased from approximately 7.2% for the three months end 30 June 2019 to approximately 11.1% for the three months ended 30 June 2020. The increase in gross profit was mainly due to the bulk purchase discount given to a major customer for the three months ended 30 June 2020.

Profit for the period

As a result of the foregoing, the Group's net profit of approximately HK\$5.0 million and approximately HK\$6.3 million for the three months ended 30 June 2020 and 2019, respectively, representing a decrease of approximately HK\$1.3 million as compared with the three months ended 30 June 2019, and the Group's net profit margin decreased from approximately 7.2% to approximately 5.2% during the same periods. The decrease in the net profit and net profit margin for the three months ended 30 June 2020 was mainly due to increase in sale and transportation of diesel oil business but off-set by the fair value change on contingent consideration payables of approximately HK\$3.6 million for the three months ended 30 June 2019. Excluding the one-off fair value change on contingent consideration payables, the net profit would have been HK\$5.0 million and HK\$2.7 million for the three months ended 30 June 2020 and 2019 respectively, representing an increase of approximately HK\$2.3 million or 84.8% compared to the three month ended 30 June 2019.

財務回顧(續)

毛利及毛利率

毛利指本集團的收益減去銷售成本。本集團的毛利由截至2019年6月30日止三個月約6.4百萬港元增加約4.4百萬港元至截至2020年6月30日止三個月約10.8百萬港元。本集團的毛利率由截至2019年6月30日止三個月約7.2%增加至截至2020年6月30日止三個月約11.1%。毛利增加主要由於截至2020年6月30日止三個月給予一名主要客戶的大量採購折扣所致。

期內溢利

由於上述原因，本集團截至2020年及2019年6月30日止三個月的純利分別為約5.0百萬港元及約6.3百萬港元，較截至2019年6月30日止三個月減少約1.3百萬港元，而本集團的純利率於同期由約7.2%減少至約5.2%。截至2020年6月30日止三個月純利及純利率減少主要由於柴油業務銷售及運輸增加，惟被截至2019年6月30日止三個月應付或然代價公平值變動約3.6百萬港元抵銷所致。截至2020年及2019年6月30日止三個月，撇除應付或然代價的一次性公平值變動，純利分別為5.0百萬港元及2.7百萬港元，較截至2019年6月30日止三個月增加約2.3百萬港元或84.8%。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources and Liquidity

The Group finances its operations through cash generated from interest-bearing bank borrowings. The Group recorded net current assets of approximately HK\$82.1 million as at 30 June 2020.

As at 30 June 2020, the Group's current assets amounted to approximately HK\$146.9 million and the Group's current liabilities amounted to approximately HK\$64.8 million. Current ratio was approximately 2.3 as at 30 June 2020. Current ratio is calculated based on total current assets at the end of the period divided by total current liabilities at the end of the period.

GEARING RATIO

As at 30 June 2020, the maximum limit of the banking facilities available to the Group amounted to approximately HK\$65.0 million and approximately HK\$29.0 million of the banking facilities was utilised.

As at 30 June 2020, the bank borrowings of the Group were secured by the corporate guarantee, fixed deposits and life insurance policy of the Group.

Gearing ratio was approximately 25.6% as at 30 June 2020 which was calculated based on the total debt at the end of the period divided by total equity at the end of the period.

流動資金及資本資源

財務資源及流動資金

本集團經營活動的資金來源為計息銀行借款所產生的現金。於2020年6月30日，本集團錄得流動資產淨值約82.1百萬港元。

於2020年6月30日，本集團的流動資產約為146.9百萬港元，而本集團的流動負債則約為64.8百萬港元。於2020年6月30日，流動比率約為2.3倍。流動比率乃根據期末的總流動資產除以期末的總流動負債計算。

資產負債比率

於2020年6月30日，本集團可用的銀行融資上限約為65.0百萬港元，而約29.0百萬港元銀行融資已獲動用。

於2020年6月30日，本集團的銀行借款以本集團的公司擔保、定期存款及人壽保單作擔保。

於2020年6月30日，資產負債比率約為25.6%，乃按期末總債務除以期末總權益計算。

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管理層討論及分析

CAPITAL STRUCTURE

For the three months ended 30 June 2020, the capital structure of the Group consisted of equity attributable to the owners of the Company of approximately HK\$112.1 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**”). Save as disclosed below, there has been no change in the capital structure of the Group as from 30 June 2020 to the date of this report.

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 sale of lubricant oil and sales of steel products settled in Renminbi and the financial assets with Malaysian ringgit. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the group entities’ functional currency. The Group however did not engage in any derivatives agreements and did not commit to any financial instrument to hedge its foreign exchange exposure during the three months ended 30 June 2020.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the three months ended 30 June 2020. 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.

資本架構

截至2020年6月30日止三個月，本集團的資本架構包括本公司擁有人應佔權益約112.1百萬港元。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。除下文所披露者外，於2020年6月30日至本報告日期，本集團資本架構概無發生變動。

外匯風險

本集團主要在香港經營，並面臨各種貨幣風險所引起的外匯風險，主要指以人民幣結算的潤滑油銷售及鋼產品銷售及以馬來西亞令吉結算的金融資產。當未來商業交易、已確認資產及負債以集團實體功能貨幣以外的貨幣計值時，則會出現外匯風險。然而，於截至2020年6月30日止三個月，本集團並未涉及任何衍生工具協議及概無訂立任何金融工具以對沖外匯風險。

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2020年6月30日止三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。

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MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

On 23 March 2020, the Company and Mr. Zhu Yixiang and Mr. Li Weinian (collectively, the “Vendor”) entered into a sale and purchase agreement, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to purchase 51% equity interest in Meijia Shell (Global) Lubricant Technology Limited at an aggregate consideration of approximately HK\$16,380,000. The consideration was satisfied by the allotment and issuance of 78,000,000 consideration Shares under general mandate at the issue price of HK\$0.21 by the Company to the Vendor. The acquisition was completed on 21 April 2020. Upon the completion, 78,000,000 new Shares, representing approximately 8.9% of the issued share capital of the Company as at 21 April 2020 (as enlarged by the issue of the consideration Shares), had been duly allotted and issued as fully paid to the Vendor at the issue price of HK\$0.21 each under the general mandate. Accordingly, immediately after the completion, there were 878,000,000 Shares in issue. Please refer to the announcements of the Company dated 23 March 2020, 31 March 2020 and 21 April 2020, respectively for details.

Save as disclosed above, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the three months ended 30 June 2020.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2020, save as disclosed below in “Use of Proceeds”, the Group did not have any other material capital commitments or any material contingent liabilities.

DIVIDENDS

The Board did not recommend a payment of any dividend for the three months ended 30 June 2020 and 2019.

PLEDGE OF ASSETS

As at 30 June 2020, the Group’s pledged short-term bank deposits in the amount of approximately HK\$12.0 million and life insurance policy in the amount of HK\$4.7 million were pledged as security for the Group’s banking facilities.

附屬公司、聯營公司或合營企業的重大收購及出售

於2020年3月23日，本公司與朱益祥先生及黎偉念先生（統稱「賣方」）訂立買賣協議，據此，賣方已有條件同意出售，而本公司已有條件同意購買美嘉殼（環球）潤滑科技有限公司51%股權，總代價為約16,380,000港元。代價以本公司根據一般授權按發行價0.21港元向賣方配發及發行78,000,000股代價股份結算。收購事項於2020年4月21日完成。於完成後，根據一般授權按每股發行價0.21港元向賣方正式配發及發行入賬列為繳足之78,000,000股新股份（相當於本公司於2020年4月21日經發行代價股份擴大後已發行股本約8.9%）。因此，緊隨完成後，本公司有878,000,000股已發行股份。有關詳情請參閱本公司日期分別為2020年3月23日、2020年3月31日及2020年4月21日的公告。

除上文所披露者外，於截至2020年6月30日止三個月，本集團概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2020年6月30日，除下文「所得款項用途」所披露者外，本集團概無任何其他重大資本承擔或任何重大或然負債。

股息

董事會不建議派付截至2020年及2019年6月30日止三個月的任何股息。

資產抵押

於2020年6月30日，本集團的已抵押短期銀行存款約12.0百萬港元及金額為4.7百萬港元的人壽保單已抵押，以作為本集團銀行融資的抵押品。

Management Discussion and Analysis

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USE OF PROCEEDS

As disclosed in the annual report of the Company for the year ended 31 March 2020, 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 June 2020:

所得款項用途

誠如本公司截至2020年3月31日止年度的年報所披露，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日的配股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2020年6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 June 2020	Unused total Net Proceeds up to 30 June 2020	Expected timeframe for the remaining utilising net proceeds (Note 6)
		總所得款項淨額計劃用途 HK\$ million 百萬港元	佔總所得款項淨額 概約百分比 %	直至2020年6月30日的 所得款項淨額 實際用途 HK\$ million 百萬港元	直至2020年6月30日的 尚未使用 總所得 款項淨額 HK\$ million 百萬港元	剩餘可動用 所得款項淨額 預期時間表 (附註6)
Purchase of diesel tank wagons (Note 1)	購買柴油貯槽車 (附註1)	7.8	17.3%	5.0	2.8	By 31 March 2022 於2022年3月31日 之前
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	By 31 March 2022 於2022年3月31日 之前
Further strengthen our manpower (Note 3)	進一步加強人手 (附註3)	6.1	13.6%	2.3	3.8	By 31 March 2022 於2022年3月31日 之前
Upgrade of our information technology systems (Note 4)	提升資訊科技及系統 (附註4)	3.6	7.9%	0.1	3.5	By 31 March 2022 於2022年3月31日 之前
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%	7.5	1.6	By 31 March 2022 於2022年3月31日 之前
Working capital	營運資金	4.5	10.0%	4.5	-	
Total	合計	45.1	100.0%	27.9	17.2	

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USE OF PROCEEDS (Continued)

Note:

- 1 Three new diesel tank wagons had been purchased and two existing diesel tank wagons had been replaced up to 30 June 2020.
- 2 Marine diesel oil barge had been delivered in November 2017 and had commenced full 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 systems.
- 5 The Group contracted with a service company to operate the marine bunkering business.
- 6 The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market condition made by the Group. It will be subject to change based on current and future development of market conditions.

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 THROUGH PROFIT AND LOSS

As at 30 June 2020, the Group had invested a total amount of approximately HK\$0.8 million in a company listed in Bursa Malaysia Berhad and HK\$4.7 million of key management personnel life insurance with an insurance company. As at 30 June 2020, 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 June 2020, the Group employed a total of 56 employees (26 employees as at 30 June 2019) including the Directors. For the three months ended 30 June 2020, total staff costs amounted to approximately HK\$1.9 million (three months ended 30 June 2019: approximately HK\$1.8 million). Remuneration (including employees' benefits) is maintained within the market level and reviewed on a periodic basis. Employees' salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group's business performance.

所得款項用途(續)

附註：

- 1 直至2020年6月30日，已購買三部新柴油貯槽車及兩部現有的柴油貯槽車已被取代。
- 2 船用柴油駁船已於2017年11月交付並於2018年7月開始全面運行。
- 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。
- 6 可動用剩餘所得款項的預期時間表乃按本集團對未來市況的最佳估計為基礎。其將可根據當前及未來市況發展而產生變化。

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應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以及市況推行其業務策略及應用所得款項淨額。

透過損益計算金融資產

於2020年6月30日，本集團已合共於一間在馬來西亞交易所上市的公司投資約0.8百萬港元及向一間保險公司投保主要管理人員人壽保險4.7百萬港元。於2020年6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2020年6月30日，連董事在內，本集團共聘用56名僱員(於2019年6月30日：26名僱員)。截至2020年6月30日止三個月，總員工成本約1.9百萬港元(截至2019年6月30日止三個月：約1.8百萬港元)。薪酬(包括僱員福利)維持在市場水平，並會定期檢討。僱員薪金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。

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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 (Chapter 311 of the Laws of Hong Kong) and the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) 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 June 2020 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.

CONTINUING CONNECTED TRANSACTIONS

On 30 August 2019, 18 September 2019 and 25 October 2019, 江西新冀動力科技有限公司 (Jiangxi Xinji Power Technology Company Limited*) ("**Jiangxi Xinji**"), a subsidiary of the Company, for the purpose of its requirements necessary for production of steel products and motor parts, had entered into certain purchase transactions with 新鋼(上海)貿易有限公司 (New Steel (Shanghai) Trade Co., Ltd.*) ("**New Steel (Shanghai)**") for the purchase of iron and steel materials (the "**First Purchase Transactions**"). During the period between August 2019 and June 2020, Jiangxi Xinji had entered into certain purchase transactions with 中冶南方(新余)冷軋新材料技術有限公司 (Wisdri (Xinyu) Cold Processing Engineering Co., Ltd.*) ("**Wisdri (Xinyu)**") for the purchase of iron and steel materials (together with the First Purchase Transactions, the "**Purchase Transactions**").

During the period between August 2019 and March 2020, the aggregate amount of the Purchase Transactions incurred by the Group for the year ended 31 March 2020 amounted to approximately RMB15,991,000 (equivalent to approximately HK\$17,923,000).

環境政策及表現

本集團的主要業務受香港環保法律及法規規管，包括香港法例第311章香港空氣污染管制條例及香港法例第358章水污染管制條例。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運營，以確保其概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2020年6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。

持續關連交易

於2019年8月30日、2019年9月18日及2019年10月25日，本公司附屬公司江西新冀動力科技有限公司(「**江西新冀**」)就生產鋼產品及汽車零部件必需的要求與新鋼(上海)貿易有限公司(「**新鋼(上海)**」)訂立若干採購交易以採購鋼鐵材料(「**第一次採購交易**」)。於2019年8月至2020年6月期間，江西新冀與中冶南方(新余)冷軋新材料技術有限公司(「**中冶南方(新余)**」)訂立若干採購交易以採購鋼鐵材料(連同第一次採購交易統稱「**採購交易**」)。

於2019年8月至2020年3月期間，本集團截至2020年3月31日止年度所產生的採購交易總金額約為人民幣15,991,000元(相當於約17,923,000港元)。

Management Discussion and Analysis

管理層討論及分析

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Jiangxi Xinji is an indirect non-wholly owned subsidiary of the Company holding 55% equity interest in Jiangxi Xinji. The remaining equity interests in Jiangxi Xinji are held as to 35% by 新余鋼鐵集團有限公司 (Xinyu Iron and Steel Corporation Ltd.*) (“**Xinyu Steel Group**”) (a state-owned enterprise) and as to 10% by a shareholder. Xinyu Steel Group, being a substantial shareholder of Jiangxi Xinji, has held 100% equity interest in New Steel (Shanghai), which in turn is an associate of Xinyu Steel Group by virtue of Rule 20.11(1) of the GEM Listing Rules. Furthermore, Wisdri (Xinyu) is owned as to 70% by 新余鋼鐵股份有限公司 (Xinyu Iron and Steel Co., Ltd.*) (“**Xinyu Iron and Steel**”) which in turn is owned as to approximately 38.17% by Xinyu Steel Group. Therefore, Wisdri (Xinyu) is an associate of Xinyu Steel Group by virtue of Rule 20.11(3) of the GEM Listing Rules. As such, each of New Steel (Shanghai) and Wisdri (Xinyu) is a connected person of the Company at subsidiary level and the Purchase Transactions between the Group and each of New Steel (Shanghai) and Wisdri (Xinyu) constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The purchase prices for the Purchase Transactions have been and will be determined on order-by-order basis with reference to the prevailing comparable market price after arm’s length negotiation between the Group and each of New Steel (Shanghai) and Wisdri (Xinyu). The purchase prices are settled in cash. Our Group has purchased the iron and steel materials on an as-needed basis and will continue to do so on such basis. As the iron and steel materials required are generally readily available in the market, it is our policy to obtain quotations from at least three independent suppliers that provide similar materials before we make any purchase from New Steel (Shanghai) and Wisdri (Xinyu). Based on the fee quotes provided by other independent suppliers, we will be able to ensure that the purchase price to be paid to New Steel (Shanghai) and Wisdri (Xinyu) by our Group represents the prevailing market price and on normal commercial terms.

We have purchased iron and steel materials from Wisdri (Xinyu) and New Steel (Shanghai) since August 2019 and November 2019 respectively. Since our Group is satisfied with the quality and timely delivery of the materials provided by Wisdri (Xinyu) and New Steel (Shanghai) and the terms offered by them to our Group are on normal commercial terms, our Directors are of the view that it will be in the interests of our Group and our Shareholders as a whole to continue the Purchase Transactions with Wisdri (Xinyu) and New Steel (Shanghai), where necessary.

持續關連交易(續)

江西新冀為本公司間接非全資附屬公司，而本公司持有江西新冀的55%股權。江西新冀的餘下股權分別由國有企業新余鋼鐵集團有限公司(「**新余鋼鐵集團**」)及一名股東分別持有35%及10%權益。新余鋼鐵集團作為江西新冀的主要股東，持有新鋼(上海)的100%股權，而後者根據GEM上市規則第20.11(1)條為新余鋼鐵集團的聯營公司。另外，中冶南方(新余)由新余鋼鐵股份有限公司(「**新余鋼鐵**」)擁有70%權益，而新余鋼鐵由新余鋼鐵集團擁有約38.17%權益。因此，中冶南方(新余)根據GEM上市規則第20.11(3)條為新余鋼鐵集團的聯營公司。因此，新鋼(上海)及中冶南方(新余)於附屬公司層面上各自為本公司的關連人士，且本集團與新鋼(上海)及中冶南方(新余)各自訂立的採購交易根據GEM上市規則第20章構成本公司的持續關連交易。

採購交易的採購價已及將在參考現行可資比較市價後由本集團與新鋼(上海)及中冶南方(新余)分別按個別訂單基準公平磋商釐定。採購家已以現金結清。本集團已按需要採購鋼鐵材料並在此需要上繼續購買。由於所需鋼鐵材料一般可隨時從市場獲得，故此本集團的政策是在向新鋼(上海)及中冶南方(新余)進行任何採購前，先會從最少三名提供類似材料的獨立供應商取得報價。根據其他獨立供應商提供的報價，本集團將能確保本集團向新鋼(上海)及中冶南方(新余)支付的採購價乃反映現行市價且符合一般商業條款。

自2019年8月及2019年11月以來，本集團已分別向中冶南方(新余)及新鋼(上海)採購鋼鐵材料。由於本集團信納中冶南方(新余)及新鋼(上海)供應的材料質量及按時交付，且彼等向本集團提供的條款為一般商業條款，故董事認為在必要時繼續與中冶南方(新余)及新鋼(上海)進行採購交易將符合本集團及股東的整體利益。

Management Discussion and Analysis

管理層討論及分析

CONTINUING CONNECTED TRANSACTIONS

(Continued)

Pursuant to Rule 20.99 of the GEM Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempted from circular, independent financial advice and shareholders' approval requirements if: (1) the listed issuer's board of directors has approved the transactions; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its shareholders as a whole.

Owing to the latest situation of the COVID-19 pandemic and the suspension of work of Jiangxi Xinji around January to March 2020 resulting from the COVID-19 pandemic, the management of the Company was not in a position to maintain effective communication with the staff of Jiangxi Xinji for purpose of gathering sufficient information for the Board of Directors (including the independent non-executive Directors) to consider and approve the Purchase Transactions on a timely basis. In June 2020, during preparation of the annual results for the year ended 31 March 2020, the Company has managed to gather all necessary information from Jiangxi Xinji regarding the Purchase Transactions for approval by the Board in accordance with Rule 20.99 of the GEM Listing Rules.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Purchase Transactions. Pursuant to Rule 20.53 of the GEM Listing Rules, the Directors (including the independent non-executive Directors) have confirmed and ratified that the terms of the Purchase Transactions have been entered into and will be carried out:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the agreements governing the Purchase Transactions on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Please refer to the announcement of the Company dated 3 July 2020 for details.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Save as disclosed above, during the three months ended 30 June 2020, the Group did not have any significant investment, material acquisitions nor disposals of subsidiaries and affiliated companies.

持續關連交易(續)

根據GEM上市規則第20.99條，上市發行集團與附屬公司層面的關連人士之間按一般商業條款或更佳條款的關連交易獲豁免遵守通函、獨立財務意見及股東批准規定，前提為：(1)上市發行人的董事會已批准交易；及(2)獨立非執行董事已確認交易的條款屬公平合理，且交易乃按一般商業條款或更佳條款訂立，並符合上市發行人及其股東之整體利益。

由於新型冠狀病毒疫情的最新進展以及江西新冀於2020年1月至3月前後因新型冠狀病毒疫情停工，本公司管理層未能與江西新冀的人員維持有效聯絡，以獲取充足資料供董事會(包括獨立非執行董事)及時考慮及批准採購交易。於2020年6月編製截至2020年3月31日止年度的年度業績時，本公司已成功向江西新冀取得有關採購交易的一切必要資料，以供董事會根據GEM上市規則第20.99條審批。

本公司已向董事會(包括獨立非執行董事)就採購交易取得批准。根據GEM上市規則第20.53條，董事(包括獨立非執行董事)已確認及追認採購交易條款已經及將會：

- (1) 於本集團一般及日常業務過程中訂立及進行；
- (2) 按一般商業條款或更佳條款訂立及進行；及
- (3) 根據規管採購交易的協議按公平合理的條款訂立及進行，並符合本公司及股東的整體利益。

有關詳情請參閱本公司日期為2020年7月3日的公告。

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2020年6月30日止三個月，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

For the three months ended 30 June 2020, there has been no purchase, sale or redemption of any Company's listed securities.

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 June 2020, 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2020年6月30日止三個月，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2020年6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條至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	Interest in a controlled corporation (Note 1)	451,000,000 (Long position)	51.4%
方俊文先生	受控制法團權益(附註1)	451,000,000 (好倉)	51.4%
Ms. Lo Pui Yee	Interest of spouse (Note 2)	451,000,000 (Long position)	51.4%
勞佩儀女士	配偶權益(附註2)	451,000,000 (好倉)	51.4%

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. 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.

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持有之全部股份中擁有權益。
- 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。

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)

Save as disclosed above, as at 30 June 2020, 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.

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 June 2020, 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)

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)

除上文所披露者外，於2020年6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條至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。

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2020年6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)	451,000,000 (Long position)	51.4%
宏亨有限公司	實益擁有人(附註1)	451,000,000 (好倉)	51.4%
Mr. Li Hok Yin	Beneficial owner (Note 2)	49,456,000 (Long position)	5.6%
李學賢先生	實益擁有人(附註2)	49,456,000 (好倉)	5.6%
Ms. Cheung Yee Lok	Interest of spouse (Note 3)	49,456,000 (Long position)	5.6%
張依樂女士	配偶權益(附註3)	49,456,000 (好倉)	5.6%

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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 (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. On 6 May 2020, Mr. Li Hok Yin has pledged his 49,456,000 Shares (representing 5.63% of the total issued share capital of the Company) as security for a loan granted by an independent third party of the Company for his own use.
3. 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.

Save as disclosed above, as at 30 June 2020, 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.

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 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 June 2020, and there was no share option outstanding as at 30 June 2020. As at 30 June 2020, the Company had 80,000,000 shares available for issue under the Scheme, representing 10% of the existing issued share capital of the Company as at the Listing Date.

Directors’ Rights to Acquire Shares and Debentures

Other than the Share Option Scheme, at no time during the three months ended 30 June 2020 was the Company, any of its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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(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擁有之全部股份中擁有權益。
2. 於2020年5月6日，李學賢先生抵押其49,456,000股股份(佔本公司已發行股本總額約5.63%)作為本公司一名獨立第三方授出供其自用的貸款的抵押品。
3. 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。

除上文披露者外，於2020年6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。

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。根據該計劃的條款，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2020年6月30日，概無授出任何購股權，而於2020年6月30日亦無任何購股權尚未行使。於2020年6月30日，本公司根據該計劃擁有80,000,000股股份可供發行，佔本公司於上市日期的現有已發行股本10%。

董事購買股份及債權證的權利

除購股權計劃外，截至2020年6月30日止三個月，本公司、其任何控股公司或其任何附屬公司概無訂立任何安排令董事可透過購入本公司或任何其他法人團體的股份或債權證而獲益。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Competing Interests

The Directors confirm that none of the controlling shareholders of the Company 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 and expired on 9 July 2020.

Audit Committee

The Company has established 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 full terms of reference setting out details of the authority, duties and responsibilities of the Audit Committee is available on both the GEM website and the Company's website. 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.

其他資料(續)

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日訂立並於2020年7月9日屆滿的合規顧問協議）。

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，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。載有審核委員會的職權、職責及責任詳情的全部職權範圍可於GEM網站及本公司網站查閱。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。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Audit Committee (Continued)

The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2020 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, and that adequate disclosures have been made.

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. The written terms of reference are amended and restated with effect from 1 January 2019.

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 GEM Listing Rules (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 the authority, duties and responsibilities 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.

其他資料(續)

審核委員會(續)

本集團截至2020年6月30日止三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，並已作出充足披露。

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**」)，由方俊文先生以及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。書面職權範圍自2019年1月1日起經修訂及重列。

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GEM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。載列提名委員會的職權、職責及責任詳情的全部職權範圍詳情可於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其他會議。

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。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

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.

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.

其他資料(續)

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詳情可於GEM網站及本公司網站查閱。

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。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

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 three months ended 30 June 2020, the Company has complied with the code provisions set out in the Corporate Governance Code 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, 12 August 2020

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 and Mr. CHAN Chi Fai; 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)

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2020年6月30日止三個月一直遵守GEM上市規則附錄15所載企業管治守則的守則條文。

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，2020年8月12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及陳志輝先生，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。