JTF INTERNATIONAL HOLDINGS LIMITED
金泰豐國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock code: 8479

INTERIM REPORT
2018

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The board of directors of JTF International Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated interim financial results of the Company and its subsidiaries (the "**Group**" or "**our Group**") for the three months and six months ended 30 June 2018 together with comparative figures for the same corresponding periods in 2017 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**For the three months ended 30 June**		**For the six months ended 30 June**	
		2018	2017	**2018**	2017
		RMB'000	RMB'000	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Revenue	5	**572,706**	348,675	**1,093,069**	757,157
Cost of sales	6	**(545,893)**	(339,087)	**(1,039,934)**	(732,973)
Gross profit		**26,813**	9,588	**53,135**	24,184
Other gains/(losses) — net		**428**	63	**(255)**	82
Distribution expenses	6	**(7,027)**	(5,600)	**(12,083)**	(11,711)
Administrative expenses	6	**(1,764)**	(1,692)	**(4,287)**	(4,503)
Operating profit		**18,450**	2,359	**36,510**	8,052
Finance income — net	7	**43**	43	**111**	76
Profit before income tax		**18,493**	2,402	**36,621**	8,128
Income tax expense	8	**(5,972)**	(1,004)	**(12,572)**	(3,389)
Profit for the period		**12,521**	1,398	**24,049**	4,739
Other comprehensive income		**—**	—	**—**	—
Total comprehensive income for the period		**12,521**	1,398	**24,049**	4,739
Earnings per share	9				
— Basic and diluted (RMB)		**3.0 cents**	0.4 cents	**5.9 cents**	1.7 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	11	**3,782**	1,122
Prepayments for intangible assets and property, plant and equipment		**3,918**	—
Deferred income tax assets		**868**	951
		8,568	2,073
Current assets			
Inventories		**77,374**	89,794
Prepayments		**34,428**	40,573
Trade and other receivables	12	**105,082**	91,985
Cash and cash equivalents		**25,832**	23,566
		242,716	245,918
Total assets		**251,284**	247,991
EQUITY			
Equity attributable to the owners of the Company			
Share capital	14	**3,456**	—
Other reserves		**138,312**	103,511
Retained earnings		**36,258**	15,558
Total equity		**178,026**	119,069

	Note	At 30 June 2018 RMB'000 (Unaudited)	At 31 December 2017 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**5,776**	3,133
Current liabilities			
Trade and other payables	13	**53,284**	61,975
Advances from customers		**—**	59,990
Contract liabilities		**7,584**	—
Current income tax liabilities		**6,614**	3,824
		67,482	125,789
Total liabilities		**73,258**	128,922
Total equity and liabilities		**251,284**	247,991

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

		Other reserves						
	Share capital RMB'000	Recapitalisation reserves RMB'000	Share premium RMB'000	Capital reserves RMB'000 (Note a)	Statutory reserves RMB'000 (Note b)	Safety reserves RMB'000 (Note c)	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2017 (Audited)	—	(16,085)	—	240	5,258	4,691	39,163	33,267
Profit and total comprehensive income for the period	—	—	—	—	—	—	4,739	4,739
Appropriation to safety reserves	—	—	—	—	—	1,951	(1,951)	—
Distribution	—	—	—	—	—	—	(30,856)	(30,856)
Deemed contribution by the shareholders	—	—	—	60	—	—	1,725	1,785
Issuance of shares to capitalise amounts due to related parties	—	65,308	—	—	—	—	—	65,308
Issuance of shares to an investor	—	—	30,856	—	—	—	—	30,856
Balance at 30 June 2017 (Audited)	—	49,223	30,856	300	5,258	6,642	12,820	105,099
Balances at 1 January 2018 (Audited)	**—**	**56,125**	**30,856**	**300**	**7,291**	**8,939**	**15,558**	**119,069**
Profit and total comprehensive income for the period	**—**	**—**	**—**	**—**	**—**	**—**	**24,049**	**24,049**
Appropriation to safety reserves	**—**	**—**	**—**	**—**	**—**	**3,349**	**(3,349)**	**—**
Issuance of shares by capitalisation	**2,592**	**—**	**(2,592)**	**—**	**—**	**—**	**—**	**—**
Placing and public offering of shares	**864**	**—**	**42,329**	**—**	**—**	**—**	**—**	**43,193**
Transaction costs for placing and public offering of shares	**—**	**—**	**(8,285)**	**—**	**—**	**—**	**—**	**(8,285)**
Balance at 30 June 2018 (Unaudited)	**3,456**	**56,125**	**62,308**	**300**	**7,291**	**12,288**	**36,258**	**178,026**

Notes:

(a) Capital reserves

Zengcheng City Jintaifeng Fuel Company Limited ("JTF (PRC)"), a subsidiary of the Company established in the People's Republic of China (the "PRC"), occupies a piece of land and an office building located in Zengcheng City, Guangdong Province, the PRC owned by the Controlling Shareholders (as defined in notes to the unaudited condensed consolidated interim financial statements). The Controlling Shareholders have waived the operating lease expenses of RMB60,000 and RMB240,000 for the years ended 31 December 2017 and 2016, respectively, which were deemed as contributions by the Controlling Shareholders to the Group.

(b) Statutory reserves

In accordance with the Company Law of the PRC and its articles of association, JTF (PRC) is required to appropriate 10% of its profits after tax, as determined in accordance with relevant accounting principles generally accepted in the PRC and other applicable regulations, to the statutory reserve until such reserve reaches 50% of its registered capital. The appropriation to the reserve must be made before any distribution of dividends to equity holders of JTF (PRC). The statutory reserve can be used to offset previous years' losses, if any, and part of the statutory reserve can be capitalised as the JTF (PRC)'s capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of its capital.

(c) Safety reserves

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety of the PRC, JTF (PRC) is required to set aside an amount to safety reserve at progressive rates from 0.2% to 4% of the total revenue from the sales of hazardous chemical from 14 February 2012. The reserve can be utilised for the spending in improvements and maintenances of work safety on the Group's daily operations, which are considered expenses in nature and charged to the profit and loss as incurred.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Cash flows from operating activities		
Cash (used in)/generated from operations	**(23,444)**	6,810
Income tax paid	**(7,057)**	(9,834)
Net cash used in operating activities	**(30,501)**	(3,024)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(2,876)**	(8)
Prepayments for intangible assets and property, plant and equipment	**(3,918)**	—
Interest income on cash deposit	**177**	84
Net cash (used in)/generated from investing activities	**(6,617)**	76
Cash flows from financing activities		
Proceeds from placing and public offering of shares	**43,193**	—
Payments of professional fees in respect of the listing ("Listing Expenses")	**(3,743)**	(1,058)
Dividends paid to the then shareholders of the Group	**—**	(30,856)
Proceed from issuing shares to an investor	**—**	30,856
Cash advances made by related parties	**—**	4,521
Cash advances repaid to related parties	**—**	(1,800)
Net cash generated from financing activities	**39,450**	1,663

	Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Net increase/(decrease) in cash and cash equivalents	**2,332**	(1,285)
Cash and cash equivalents at beginning of the period	**23,566**	15,955
Exchange differences on cash and cash equivalents	**(66)**	(8)
Cash and cash equivalents at end of the period	**25,832**	14,662

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 October 2014 as an exempted company with limited liability under the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the blending and sale of fuel oil, sale of refined oil and other petrochemicals in the PRC (the "**Listing Business**").

Prior to the group reorganisation (the "**Reorganisation**"), the Listing Business was carried out by JTF (PRC), a limited liability company incorporated in the PRC, which was wholly owned by JTF (Hong Kong) Limited ("**JTF (Hong Kong)**"), and ultimately owned as to 60%, 15% and 25% by Mr. Xu Ziming ("**Mr. Xu**"), Ms. Huang Sizhen ("**Ms. Huang**") and Mr. Choi Sio Peng ("**Mr. Choi**"), nephew of Mr. Xu, respectively. In preparation for the listing of shares of the Company on GEM (the "**Listing**"), the Company and its subsidiaries now comprising the Group underwent the Reorganisation pursuant to which the Company became the holding company of the Listing Business. The Reorganisation was completed on 20 December 2017 and the Company's shares were listed on GEM on 17 January 2018.

The ultimate holding company of the Company is Thrive Shine Limited ("**Thrive Shine**"), a company incorporated in the British Virgin Islands, which is owned as to 80% and 20% by Mr. Xu and Ms. Huang, respectively. The ultimate controlling party of the Group is Mr. Xu and Ms. Huang (collectively, the "**Controlling Shareholders**").

The unaudited condensed consolidated interim financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated, and have been approved for issue by the Company's board of directors on 13 August 2018.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2018 have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim financial reporting". The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements, except that the Hong Kong Institute of Certified Public Accountants has issued a number of new standards and amendments to Hong Kong Financial Reporting Standards which are effective for the current accounting period of the Group. Except as disclosed below, none of those developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group has to change its accounting policies as a result of adopting the following standards:

- HKFRS 9 Financial Instruments
- HKFRS 15 Revenue from Contracts with Customers

The impact of the adoption of these new standards and the new accounting policies are disclosed in Note 2.3 below. Other new or amended standards did not have any material impact on the Group's accounting policies.

2.2 Impact of standards issued but not yet applied by the Group

(a) HKFRS 16 Leases

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.2 Impact of standards issued but not yet applied by the Group (Continued)

(a) HKFRS 16 Leases (Continued)

The standard will affect primarily the accounting for the Group's operating leases. As at the end of reporting period, the Group had non-cancellable operating lease commitments of RMB9,108,000.

The directors consider that the adoption of the new standard will have significant impact on the financial position of the Group as the related right-of-use assets and lease liabilities will be recognised upon adoption of the new standard on 1 January 2019. However, the impact to the financial performance of the Group will be minimal as the impact of amortisation of the right-of-use assets and unwinding the discount of the related payable will not be materially different from the operating lease charges that would have been recognised under the current standard.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

2.3 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's condensed consolidated interim financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(a) HKFRS 9 Financial Instruments — Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies. The new accounting policies are set out in Note 2.3(b) below.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Changes in accounting policies (Continued)

(a) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

(i) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management assessed which business models should apply to the financial assets held by the Group and had classified its financial instruments into the appropriate HKFRS 9 categories. All classes of financial assets and financial liabilities had the same carrying amounts in accordance with HKAS 39 and HKFRS 9 on 1 January 2018.

(ii) Impairment of financial assets

The Group's significant financial assets which are subject to the new expected credit loss model include trade and other receivables. The Group is required to revise its impairment methodology under HKFRS 9 for these classes of financial assets.

While cash and cash equivalents and short-term bank deposits are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

For trade receivables, the Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on historical settlement records, past experience and available forward-looking information. The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 January 2018.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Changes in accounting policies (Continued)

(a) HKFRS 9 Financial Instruments — Impact of adoption (Continued)

(ii) Impairment of financial assets (Continued)

For other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

(b) HKFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018

(i) Classification

From 1 January 2018, the Group has classified its financial assets to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

2.3 Changes in accounting policies (Continued)

(b) HKFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018 (Continued)

(ii) Measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments under amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other losses, net, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the condensed consolidated statement of comprehensive income.

(iii) Impairment

The impairment of financial assets has changed from the incurred loss model under HKAS 39 to the expected credit loss model under HKFRS 9. Under the new expected loss approach, it is no longer necessary for a loss event to occur before an impairment loss is recognised. Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets. The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Changes in accounting policies (Continued)

(b) HKFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018 (Continued)

(iii) Impairment (Continued)

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) HKFRS 15 Revenue from Contracts with Customers — Impact of adoption

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018, resulting in changes in accounting policies. In accordance with the transitional provisions in HKFRS 15, comparative figures have not been restated.

The effects of the adoption of HKFRS 15 are related to presentation of contract liabilities. Reclassifications were made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

- Contract liabilities for receipt in advance from customers were previously presented as advances from customers.

In summary, the following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at the date of initial application on 1 January 2018:

	HKAS 18 carrying amount as at 31 December 2017	Reclassification	HKFRS 15 carrying amount as at 1 January 2018
	RMB'000	RMB'000	RMB'000
Consolidated statement of financial position (extract)			
Advances from customers	59,990	(59,990)	—
Contract liabilities	—	59,990	59,990

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

2.3 Changes in accounting policies (Continued)

(d) HKFRS 15 Revenue from Contracts with Customers — Accounting policies applied from 1 January 2018

(i) Sales of goods

Sales of goods are recognised when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(ii) Service income

Service income is recognised when the related services are rendered.

3. ESTIMATES

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2017.

4. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017. There have been no changes in the risk management department since the year end 31 December 2017.

(b) Liquidity risk

Compared to the year ended 31 December 2017, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5. REVENUE AND SEGMENT INFORMATION

The chief operating decision-makers ("**CODM**") have been identified as the executive directors who review the Group's internal reports in order to assess performance and allocate resources regularly.

The Group principally engages in the blending and sale of fuel oil, sale of refined oil and other petrochemicals in the PRC. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. The CODM consider that there is only one operating segment which is used to make strategic decisions.

The major operating entity of the Group is domiciled in Mainland China, and the Group's revenue for the periods ended 30 June 2018 and 2017 were derived from Mainland China.

5. REVENUE AND SEGMENT INFORMATION (Continued)

Analysis of revenue is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Sales of goods:				
— Refined oil	**352,136**	233,797	**646,754**	393,095
— Fuel oil	**127,086**	71,007	**267,456**	213,318
— Other petrochemical products	**93,484**	43,225	**178,859**	150,098
	572,706	348,029	**1,093,069**	756,511
Service income	**—**	646	**—**	646
	572,706	348,675	**1,093,069**	757,157

6. EXPENSES BY NATURE

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Changes in inventories	**46,893**	1,125	**12,420**	(9,061)
Fuel oil, refined oil and other petrochemical products purchased	**498,706**	336,445	**1,027,004**	738,427
Transportation expenses	**1,947**	2,738	**3,197**	5,841
Operating lease expenses and handling charges	**4,015**	3,243	**6,953**	6,934
Listing expenses	**—**	1,261	**478**	3,174
Staff costs (including directors' emoluments)	**1,133**	777	**2,202**	1,616
Taxes and surcharges	**452**	290	**825**	610
Auditor's remuneration	**—**	4	**—**	6
Depreciation	**108**	105	**216**	209
Changes in provision for impairment of trade receivables	**—**	(244)	**(171)**	(12)
Other expenses	**1,430**	635	**3,180**	1,443
Total cost of sales, distribution expenses and administrative expenses	**554,684**	346,379	**1,056,304**	749,187

7. FINANCE INCOME — NET

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
— Interest income on bank deposits	**108**	34	**177**	84
— Net foreign exchange gains/(losses) on cash and cash equivalent	**(65)**	9	**(66)**	(8)
Finance income — net	**43**	43	**111**	76

8. INCOME TAX EXPENSE

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	**2018**	2017
	RMB'000	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Current income tax:				
— PRC enterprise income tax	**4,725**	900	**9,920**	2,710
— PRC withholding income tax	**—**	—	**—**	3,428
	4,725	900	**9,920**	6,138
Deferred income tax:				
— PRC enterprise income tax	**(7)**	9	**9**	96
— PRC withholding income tax	**1,254**	95	**2,643**	(2,845)
	1,247	104	**2,652**	(2,749)
	5,972	1,004	**12,572**	3,389

8. INCOME TAX EXPENSE (Continued)

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from the Cayman Islands income tax.

No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong for the six months ended 30 June 2018 (2017: same). The profit of the group company in Hong Kong is mainly derived from dividend income from its subsidiary, which is not subject to Hong Kong profits tax.

The income tax provision of the Group in respect of its operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profit for the period.

Pursuant to the Enterprise Income Tax ("EIT") Law of the PRC (the "**EIT Law**") and the Implementation Rules of the EIT Law, the EIT is unified at 25% for all types of entities, effective from 1 January 2008. The standard tax rate of the Group's PRC entities was 25% for the six months ended 30 June 2018 (2017: 25%).

According to the EIT Law and the Implementation Rules, starting from 1 January 2008, a withholding income tax of 10% is levied on the immediate holding company outside the PRC when its PRC subsidiary declares dividends out of profits earned after 1 January 2008. A lower 5% withholding income tax rate may be applied when the immediate holding company of the PRC subsidiary is established in Hong Kong and fulfils requirements under the tax treaty arrangements between the relevant authorities of Mainland China and Hong Kong. The applicable withholding income tax rates of the group company in Hong Kong was 10% for the six months ended 30 June 2018 (2017: 10%).

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the periods ended 30 June 2018 and 2017. Capitalisation issue of 314,999,000 shares to the then shareholders of the Company as of 20 December 2017 has been taken into accounts in determining the weighted average number of ordinary shares for the three months and six months ended 30 June 2017.

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Profit for the period (RMB'000)	**12,521**	1,398	**24,049**	4,739
Weighted average number of ordinary shares in issue	**420,000,000**	315,000,000	**410,718,232**	283,813,260
Basic earnings per share (RMB)	**3.0 cents**	0.4 cents	**5.9 cents**	1.7 cents

Diluted earnings per share is equal to basic earnings per share as there was no potential diluted shares outstanding for the reporting period.

10. DIVIDENDS

The board of directors does not recommend the payment of an interim dividend for the six months ended 31 June 2018.

11. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2018, additions to the Group's property, plant and equipment were approximately RMB2,876,000 (2017: RMB8,000).

12. TRADE AND OTHER RECEIVABLES

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Trade receivables	**100,589**	88,465
Less: provision for impairment of trade receivables	**(958)**	(1,130)
Trade receivables — net	**99,631**	87,335
Deductible value-added-tax ("**VAT**")	**4,482**	3,813
Deposits and others	**969**	837
Trade and other receivables	**105,082**	91,985

As of 30 June 2018, ageing analysis of trade receivables (net of provision of RMB958,000) (31 December 2017: RMB1,130,000) based on the dates when the trade receivables are recognised is as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Less than 30 days	**91,569**	57,765
31 days to 180 days	**3,672**	29,357
Over 180 days	**4,390**	213
	99,631	87,335

The Group's sales are usually made on credit terms of 0 to 30 days counted from the dates when the trade receivables are recognised.

12. TRADE AND OTHER RECEIVABLES (Continued)

As at 30 June 2018, trade receivables of RMB99,631,000 (31 December 2017: RMB87,170,000) were past due but not impaired. These related to a number of independent customers for whom there were no recent history of default. The ageing analysis of these trade receivables based on the dates when they are recognised is as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Less than 30 days	**91,569**	57,600
31 days to 180 days	**3,672**	29,357
Over 180 days	**4,390**	213
	99,631	87,170

13. TRADE AND OTHER PAYABLES

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Trade payables	**46,362**	48,316
Accruals for listing expenses	**—**	9,566
Accruals for operating lease expenses and handling charges	**1,778**	2,256
Accrual for staff costs and allowances	**936**	976
Other payables	**4,090**	748
Other tax payables	**118**	113
Trade and other payables	**53,284**	61,975

13. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of trade payables based on the date when the trade payables being recognised is as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Less than 30 days	**46,362**	41,108
31 to 180 days	**—**	7,208
	46,362	48,316

14. SHARE CAPITAL

	Note	Number of shares As at 30 June 2018	Number of shares As at 31 December 2017	Share capital As at 30 June 2018 HK$	Share capital As at 31 December 2017 HK$
Authorised					
Ordinary shares of HK$0.01 each	(a)	**1,000,000,000**	38,000,000	**10,000,000**	380,000

	Note	Six months ended 30 June 2018	Year ended 31 December 2017	Six months ended 30 June 2018 HK$	Year ended 31 December 2017 HK$
Issued and fully paid					
Ordinary shares of HK$0.01 each, as at 1 January 2018 (2017: As at 1 January 2017)		**1,000**	100	**10**	1
Issue shares to capitalise amounts due to related parties and acquire shares of a group company	(b)	**—**	620	**—**	6
Issue shares to an investor	(c)	**—**	280	**—**	3
Issuance of shares by capitalisation	(d)	**314,999,000**	—	**3,149,990**	—
Placing and public offering of shares	(e)	**105,000,000**	—	**1,050,000**	—
		420,000,000	1,000	**4,200,000**	10

Notes:

(a) The Company was incorporated on 23 October 2014 with an authorised share capital of 38,000,000 ordinary shares of HK$0.01 each. Pursuant to the resolutions of the shareholders passed on 20 December 2017, an additional 962,000,000 authorised shares were created and the authorised shares capital of the Company was increased to HK$10,000,000 immediately prior to completion of the placing and public offering of the Company shares on 17 January 2018.

14. SHARE CAPITAL (Continued)

Notes: (Continued)

(b) (i) On 6 March 2017, JTF (Hong Kong) issued 996 shares to the Company at the total consideration of approximately RMB65,308,000, which was satisfied by setting off the loans of approximately RMB52,316,000 and RMB12,992,000 payable by JTF (Hong Kong) to the Controlling Shareholders and Mr. Choi, respectively. Simultaneously, the Company issued 464 Shares and 155 shares to Thrive Shine and Thrive Era Investments Limited, a company wholly owned and controlled by Mr. Choi, respectively as consideration for such setting off.

(ii) On 19 December 2017, the Company acquired 4 shares of JTF (Hong Kong) from Gold Pledge Holdings Limited ("Gold Pledge"), a company owned by Mr. Xu, Ms. Huang and Mr. Choi as to 60%, 15% and 25%, respectively, at a total consideration of HK$409,000 (equivalent to RMB346,000), to be settled by the issue of 0.5 share by the Company to Thrive Shine (as directed by Gold Pledge).

(iii) On 20 December 2017, JTF (Hong Kong) issued 10 shares to the Company and the Company in turn issued 0.5 share as consideration to Thrive Shine (as directed by Mr. Choi) for settlement of amounts due to Mr. Choi by the Group of approximately RMB6,902,000.

(c) On 6 March 2017, Trophy Plus Global Limited, which is wholly owned by Ms. Kung Sau Kwan, an independent third party, subscribed for 280 shares of the Company at cash consideration of approximately RMB30,856,000.

(d) Pursuant to the resolutions of the shareholders passed on 20 December 2017, 314,999,000 shares of HK$0.01 each of the Company were allotted and issued at par to the then shareholders in proportion to their respective shareholdings as of 20 December 2017 by capitalisation of the sum of HK$3,149,990 standing to the credit of the share premium account of the Company as a result of the placing and public offer of the Company's shares on 17 January 2018.

(e) The Company issued 52,500,000 new shares of HK$0.01 each by way of placing and 52,500,000 new shares by way of public offer at the price of HK$0.5 per share in connection with the listing of the Company's shares on GEM on 17 January 2018.

15. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for as at 30 June 2018 but not yet incurred was as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Property, plant and equipment	**10,645**	—

(b) Operating lease commitments — group companies as lessee

The Group's future minimum lease payments under non-cancellable operating leases were as follows:

	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
Within one year	**2,718**	4,944
Later than one year but no later than five years	**1,800**	1,866
Over five years	**4,590**	4,770
	9,108	11,580

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a wholesaler of oil and other petrochemical products based in Guangdong Province, the PRC. The oil products of the Group can be broadly categorised into (i) fuel oil; (ii) refined oil; and (iii) other petrochemical products. Oil and petrochemical products of the Group are primarily used as fuel in marine vessels, transportation vehicles and machinery equipment, for retail sale at gas stations and as raw materials in refining process for oil refineries. The Group also sells blended fuel oil according to customers' specifications in order to meet their different needs and application requirements.

Currently, our wholesale business operations are primarily based in three oil depots in Zengcheng and Panyu in Guangzhou and Gaolan Port Economic Zone in Zhuhai within the Pearl River Delta region of Guangdong Province, where our oil depots store and trade different types of oil products. All of our Group's products are sold in the PRC with primary focus in Guangdong Province.

For the six months ended 30 June 2018, the Group's gross profit margin increased to approximately 4.9% from approximately 3.2% for the six months ended 30 June 2017, which was mainly attributable to the upward trend of refined oil price during the six months ended 30 June 2018 and our ability to harness the benefits of our cost-plus pricing policy and matched trade sales model, by negotiating higher gross profit margin for our refined oil products with customers who are more sensitive to oil price during an uptrend market as they are more incline to finalise their purchases quickly.

RESULTS OF OPERATIONS

Revenue

The Group derived its revenue from sales of (i) fuel oil, (ii) refined oil and (iii) other petrochemical products. Revenue principally represents the net value of goods sold after deduction of 17% value-added tax of the PRC.

For the six months ended 30 June 2018, the Group's total revenue amounted to approximately RMB1,093,069,000, representing an increase of approximately 44.4% over the six months ended 30 June 2017. The increase was mainly attributable to the substantial increase in revenue from the sale of our refined oil by approximately RMB253,659,000, which contributed approximately 75.5% of the increase in total revenue.

The following table sets forth, for the six months ended 30 June 2018 and 2017, the breakdown of the Group's revenue by products in total revenue, volume and average selling price:

	For the six months ended 30 June					
	2018			2017		
	Total revenue RMB'000	**Total sales volume Tonnes**	**Average selling price (Note) RMB**	Total revenue RMB'000	Total sales volume Tonnes	Average selling price (Note) RMB
1. Sales of goods						
Refined oil	**646,754**	**108,140**	**5,981**	393,095	78,869	4,984
Fuel oil	**267,456**	**84,022**	**3,183**	213,318	76,042	2,805
Other petrochemical products	**178,859**	**33,692**	**5,309**	150,098	32,772	4,580
Subtotal — sales of goods	**1,093,069**	**225,854**		756,511	187,683	
2. Service income						
Refined oil	**—**	**—**	**—**	116	1,031	113
Fuel oil	**—**	**—**	**—**	—	—	—
Other petrochemical products	**—**	**—**	**—**	530	4,994	106
Subtotal — service income	**—**	**—**		646	6,025	
Total	**1,093,069**	**225,854**		757,157	193,708	

Note: Average selling prices represent the revenue for the period divided by the total sales volume for the period.

Cost of sales

Our Group's cost of sales mainly includes the cost of fuel oil, refined oil and other petrochemical products, which is measured on a moving weighted average basis. Our cost of sales for the six months ended 30 June 2018 and 2017 were approximately RMB1,039,934,000 and RMB732,973,000, respectively. The purchase cost for our trading products is subject to the purchase prices offered by our suppliers, which are influenced by, among other things, the relative oil price quoted in the market. The increase of our cost of sales during the six months ended 30 June 2018 was in line with our increase in revenue during the period.

The following table sets forth, for the six months ended 30 June 2018 and 2017, the components of our cost of sales by product type:

	For the six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Refined oil	**611,452**	380,669
Fuel oil	**255,885**	205,344
Other petrochemical products	**172,597**	146,960
Total	**1,039,934**	732,973

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the six months ended 30 June 2018 and 2017:

	For the six months ended 30 June			
	2018		2017	
	Gross profit RMB'000	**Gross profit margin**	Gross profit RMB'000	Gross profit margin
1. Sales of goods				
Refined oil	**35,302**	**5.5%**	12,426	3.2%
Fuel oil	**11,571**	**4.3%**	7,974	3.7%
Other petrochemical products	**6,262**	**3.5%**	3,138	2.1%
Subtotal — sales of goods	**53,135**	**4.9%**	23,538	3.1%
2. Service income	**—**	**—**	646	N.A.
Total	**53,135**	**4.9%**	24,184	3.2%

With the adoption of cost plus pricing policy together with our relatively conservative matched trade sales model, our Group was generally able to pass on any increase in product costs to our customers.

The Group's overall gross profit margin (excluding for service income) increased from approximately 3.1% for the six months ended 30 June 2017 to approximately 4.9% for the six months ended 30 June 2018. The increase was mainly attributable to the reasons as stated in the sub-section headed "Business Review" above.

Other gains/(losses) — net

Other gains/(loss) — net decreased by approximately RMB337,000 to losses of approximately RMB255,000 for the six months ended 30 June 2018 from gains of approximately RMB82,000 for the six months ended 30 June 2017, which were mainly attributable to the increase of net foreign exchange losses on payables denominated in Hong Kong dollars.

Distribution expenses

Distribution expenses increased by approximately RMB372,000 or 3.2% to approximately RMB12,083,000 for the six months ended 30 June 2018 from approximately RMB11,711,000 for the six months ended 30 June 2017. Operating lease expense and handling charge were the largest component in the Group's distribution expense structure and mainly represented the lease of our oil depots.

Administrative expenses

Administrative expenses decreased by approximately RMB216,000 or 4.8% to approximately RMB4,287,000 for the six months ended 30 June 2018 from approximately RMB4,503,000 for the six months ended 30 June 2017. This was mainly attributable to the decrease in listing expenses after the listing of the Company's shares on GEM, but offset by the increase in directors' remuneration and legal and professional fees for the same reason.

Finance income — net

Finance income — net increased from approximately RMB76,000 for the six months ended 30 June 2017 to approximately RMB111,000 for the six months ended 30 June 2018 mainly due to the increase in bank interest income.

Profit before income tax

The Group's profit before income tax increased by approximately RMB28,493,000 from approximately RMB8,128,000 for the six months ended 30 June 2017 to approximately RMB36,621,000 for the six months ended 30 June 2018 primarily due to the substantial increase in gross profit as described above.

Income tax expense

Income tax expense increased by approximately RMB9,183,000 to approximately RMB12,572,000 for the six months ended 30 June 2018 from approximately RMB3,389,000 for the six months ended 30 June 2017, mainly due to the increase in taxable profit from the Group's operation in the PRC.

Profit for the period

The Group's profit for the period increased significantly by approximately RMB19,310,000 to approximately RMB24,049,000 for the six months ended 30 June 2018 from a profit of approximately RMB4,739,000 for the six months ended 30 June 2017 primarily due to the substantial increase in gross profit as described above.

LIQUIDITY AND FINANCIAL RESOURCES

The following table summarises the Group's consolidated statement of cash flows:

	For the six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Net cash used in operating activities	**(30,501)**	(3,024)
Net cash (used in)/generated from investing activities	**(6,617)**	76
Net cash generated from financing activities	**39,450**	1,663
Net increase/(decrease) in cash and cash equivalents	**2,332**	(1,285)

For the six months ended 30 June 2018, the Group had net cash used in operating activities of approximately RMB30,501,000, which was mainly attributable to increase in net working capital (excluding cash and cash equivalent) from operating profit.

For the six months ended 30 June 2018, the Group had net cash used in investing activities of approximately RMB6,617,000, which consisted mainly of purchases of and prepayments for property, plant and equipment and computer softwares during the period.

For the six months ended 30 June 2018, the Group had net cash generated from financing activities of approximately RMB39,450,000, which was primarily attributable to the gross proceeds of approximately RMB43,193,000 received upon completion of the Company's placing and public offer of a total of 105,000,000 shares (the "Share Offer").

As at 30 June 2018 and 31 December 2017, the Group had cash and cash equivalents of approximately RMB25,832,000 and RMB23,566,000 respectively.

Net current assets

As at 30 June 2018, the Group's net current assets amounted to approximately RMB175,234,000, an increase of approximately RMB55,105,000 as compared with approximately RMB120,129,000 as at 31 December 2017. The increase was primarily due to the gross proceeds of approximately RMB43,193,000 received upon completion of the Share Offer, and profits generated by the Group during the period, which were partially set off mainly by payment of professional fees in respect of the listing and decrease in working capital. Other changes in working capital and the resulting period end balance represented a snapshot of our working capital position as at 30 June 2018.

Borrowings and gearing ratio

Our Group did not have any borrowings for the six months ended 30 June 2018 (31 December 2017: Nil).

The Group monitors its capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total bank borrowings less cash and cash equivalents. Total equity represents the "total equity" as shown in the consolidated statements of financial position.

No gearing ratio is presented as the Group had net cash surplus as at 30 June 2018.

Capital commitment

The Group incurred capital expenditures of RMB2,876,000 for the six months ended 30 June 2018.

Capital commitments contracted for but not incurred by the Group as at 30 June 2018 amounted to RMB10,645,000, which mainly related to leasehold improvements and refurbishment of oil tanks and wharf infrastructures.

Significant investment, material acquisition and disposal of subsidiaries and associated companies

The Group did not hold any significant investment nor make any material acquisition or disposal of subsidiaries for the six months ended 30 June 2018.

Capital structure

As at 30 June 2018 and 31 December 2017, the capital structure of the Company comprised of its issued share capital and reserves.

Pledged assets

Our Group did not have any assets pledged as security for the six months ended 30 June 2018 (31 December 2017: Nil).

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2018 (31 December 2017: Nil).

FOREIGN EXCHANGE RISK

The Group operates in the PRC with most transactions being settled in RMB, except for certain transactions which are settled in foreign currencies.

At 30 June 2018, the Group's major non-RMB denominated assets and liabilities included cash and cash equivalents and accruals denominated in Hong Kong dollars. Fluctuation of the exchange rate of RMB against Hong Kong dollars could affect the Group's results of operations.

The Group currently does not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitor the movement of the foreign currency rates.

The directors do not consider the foreign exchange rate risks as material to the Group and therefore, did not carry out any financial instruments such as forward currency exchange contracts to hedge the risks.

HUMAN RESOURCE

As at 30 June 2018, the Group had 36 full time employees who were directly employed by our Group in the PRC and one full-time employee in Hong Kong. For the six months ended 30 June 2018, our total staff costs (including the directors' remuneration) were approximately RMB2,202,000 (2017: RMB1,616,000).

The Group determines remuneration based on each employee's qualifications, position and seniority. Review of the performance of employees is conducted annually to determine on salary increment, bonuses and promotions based on their performance. The Group considers the employees valuable assets and are vital to the Group's success. The recruitment of employees is mainly based on the Group's business strategies, operational requirements, expected stuff turnover and our corporate structure and management.

The Group has established various welfare plans including the provision of basic medical insurance, unemployment insurance and other relevant insurance for employees who are employed by the Group pursuant to the PRC rules and regulations and the existing policy requirements of the local government. The Group has also made contributions to statutory mandatory provident fund scheme for its employee in Hong Kong.

FUTURE PLANS AND PROSPECT

The Group's primary objectives are to continue to expand our scale of operations to achieve business growth and increase our market share in the industry. Since 2016, the trading volume of gasoline has grown significantly. For the six months ended 30 June 2018, gasoline sales accounted for approximately 59.2% of our total revenue (year ended 31 December 2017: 49.9%). As comparing with fuel oil and diesel products, gasoline products have broader end customer base for the general public, the directors believe that further development into the gasoline market in Guangdong Province, the PRC can enhance our earning capability.

According to 13th Five year plan gasoline retail market development of Guangzhou City, Dongguan City and Huizhou City (2016–2020) (廣州市成品油零售體系「十三五」發展規劃 (2016–2020), (東莞市成品油零售體系「十三五」發展規劃 (2016–2020) and (惠州市成品油零售體系「十三五」發展規劃 (2016–2020)), the cities of Guangzhou, Dongguan and Huizhou, which are close to our oil depot at Zengcheng City, Guangzhou, Guangdong Province, the PRC ("**Zengcheng Oil Depot**"), will provide a combined market of refined oil consumption estimated at approximately 11,151,300 tonnes, through a network of 1,525 gas stations by 2020. The directors believe that with our experience in the refined oil market and network of established customers including the largest three State-owned oil companies, the strategically advantageous location of Zengcheng Oil Depot would enable us to attract gas station operators to purchase refined oil from such depot.

USE OF NET PROCEEDS OF THE COMPANY'S INITIAL PUBLIC OFFERING

The Company's shares were listed on GEM on 17 January 2018 (the "**Listing Date**"). The Company intends that the net proceeds of Share Offer (after deducting related underwriting fees and listing expenses) of approximately RMB20,803,000 be applied according to the percentage allocation described under the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated 29 December 2017 (the "**Prospectus**"). An analysis of the progress of the implementation plans up to 30 June 2018 is set out below:

Business strategies up to 30 June 2018 as stated in the Prospectus	Implementation plan	Implementation progress as at 30 June 2018
(1) Upgrading of the wharf berth capability at Zengcheng Oil Depot	Conducting project planning and filing registration documents with relevant government authorities, including construction approval, environmental impact assessment, safety pre-evaluation and construction planning permit.	The Group is negotiating with relevant government authorities in relation to the specific requirements in relation to the upgrading of wharf berth capability.
	Conducting project design including construction survey and construction drawing design.	The Group has engaged a contractor to perform works on refurbishment of certain wharf infrastructures. Design work is in progress.
(2) Refurbishment of oil tanks, pipelines and other oil depot facilities at Zengcheng Oil Depot	Conducting project planning and filing registration documents with relevant government authorities, including construction approval, environmental impact assessment, safety pre-evaluation and construction planning permit.	The Group is working together with contractor on design work to prepare for application for government approvals.
	Conducting project design including construction survey and construction drawing design.	The Group has engaged a contractor to perform works on refurbishment of oil tanks, pipelines and other oil depot facilities. Design work is in progress.

Use of the net proceeds of the Share Offer up to 30 June 2018 was as follows:

	Net proceeds to be applied in the percentage allocation stated in the Prospectus RMB'000	Amount of net proceeds used as at 30 June 2018 RMB'000	Unutilized net proceeds as at 30 June 2018 RMB'000
(1) Upgrading of the wharf berth capability at Zengcheng Oil Depot	11,038	567	10,471
(2) Refurbishment of oil tanks, pipelines and other oil depot facilities at Zhencheng Oil Depot	9,765	3,033	6,732
Total	20,803	3,600	17,023

Note: The amount of net proceeds used up to 30 June 2018 represented prepayments to a contractor to conduct refurbishment works mentioned above.

The remaining unutilized net proceeds of the Share Offer as at 30 June 2018 were placed in bank accounts with licensed banks maintained by the Group in Hong Kong and in the PRC as working capital.

The directors will regularly evaluate the Group's business objectives and may change or modify its plans in view of the changing market condition to attain sustainable business growth of the Group.

INTERIM DIVIDEND

The directors do not recommend the payment of any dividend for the six months ended 30 June 2018.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities from the Listing Date and up to 30 June 2018.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, the interests of the directors and chief executive of the Company in the share capital of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (the "SFO") or as otherwise 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 the directors (the "Model Code") were as follows:

Name	Nature of interest	Number of shares	Percentage of shareholding
Thrive Shine Limited	Beneficial owner	170,100,000	40.5%
Mr. Xu Ziming (note 1)	Interest in a controlled corporation	170,100,000	40.5%
Ms. Huang Sizhen (note 1)	Interest of spouse	170,100,000	40.5%
Thrive Era Investments Limited	Beneficial owner	56,700,000	13.5%
Mr. Choi Sio Peng (note 2)	Interest in a controlled corporation	56,700,000	13.5%

Notes:

1. These shares are held by Thrive Shine Limited, a company owned by Mr. Xu Ziming and Ms. Huang Sizhen as to 80% and 20% respectively. Mr. Xu Ziming and Ms. Huang Sizhen are spouses.

2. These shares are held by Thrive Era Investments Limited, a company wholly owned by Mr. Choi Sio Peng.

Save as disclosed herein, as at 30 June 2018, none of the directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2018, the following persons (not being a director or chief executive of the Company) had interests in the share capital of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Nature of interest	Number of shares	Percentage of shareholding
Trophy Plus Global Limited	Beneficial owner	88,200,000	21%
Ms. Kung Sau Kwan (note)	Interest in a controlled corporation	88,200,000	21%

Note: These shares were held by Trophy Plus Global Limited, a company wholly owned by Ms. Kung Sau Kwan.

Save as disclosed herein, as at 30 June 2018, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules since the Listing Date.

COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding directors' securities transactions. Having made specific enquiries with all directors, all of them confirmed that they have complied with the required standard of dealings throughout since the Listing Date.

COMPETING INTERESTS

None of the controlling shareholders, namely Thrive Shine Limited, Mr. Xu Ziming and Ms. Huang Sizhen, 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 the Group which competes or is likely to compete, directly or indirectly, with the Group's business during the six months ended 30 June 2018.

INTERESTS OF THE COMPLIANCE ADVISER

Save for the compliance adviser agreement between the Company and Kingsway Capital Limited, none of Kingsway Capital Limited, its directors, employees or close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The primary duties of the Audit Committee are to review and supervise the Group's financial report process and internal control and risk management systems, and to formulate or review policies relating to anti-bribery compliances by ensuring regular management review of relevant corporate governance measures and its implementation and to communicate with external auditor on the audit procedures and accounting issues.

The Audit Committee of the Company has reviewed the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2018 and this interim report.

On behalf of the Board
JTF International Holdings Limited
Xu Ziming
Chairman and Executive Director

Hong Kong, 13 August 2018

As at the date of this report, the executive directors of the Company are Mr. Xu Ziming, Ms. Huang Sizhen and Mr. Choi Sio Peng; and the independent non-executive directors are Mr. Chan William, Mr. Tsui Hing Shan and Mr. Kan Siu Chung.