

F8 Enterprises (Holdings) Group Limited

F8 企業(控股)集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8347

2020

INTERIM REPORT

中期報告



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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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

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

香港聯合交易所有限公司(「聯交所」) GEM (「GEM」) 之特色

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

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

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

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

Contents

目錄

	Page 頁次
CORPORATE INFORMATION 公司資料	2
HIGHLIGHT 摘要	4
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 未經審核簡明綜合損益及其他全面收益表	5
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION 未經審核簡明綜合財務狀況表	7
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 未經審核簡明綜合權益變動表	9
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS 未經審核簡明綜合現金流量表	11
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 未經審核簡明綜合財務報表附註	12
MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析	36

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Independent non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. Fong Chun Man
Ms. Lo Pui Yee

COMPLIANCE OFFICER

Mr. Fong Chun Man

COMPANY SECRETARY

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

REGISTERED OFFICE

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

董事會

執行董事

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

獨立非執行董事

崔志仁先生
鄭旭立先生
王安元先生

審核委員會

崔志仁先生 (*主席*)
鄭旭立先生
王安元先生

薪酬委員會

王安元先生 (*主席*)
崔志仁先生
方俊文先生

提名委員會

鄭旭立先生 (*主席*)
崔志仁先生
方俊文先生

授權代表

方俊文先生
勞佩儀女士

合規主任

方俊文先生

公司秘書

梁燕輝女士 (*香港會計師公會、英國特許公認
會計師公會、澳洲會計師公會*)

註冊辦事處

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

Corporate Information

公司資料

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

LEGAL ADVISER

D. S. Cheung & Co.

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE

www.f8.com.hk

香港總部及主要營業地點

香港九龍九龍灣宏照道38號
企業廣場五期一座33樓3304室

香港股份過戶登記分處

寶德隆證券登記有限公司
香港北角電氣道148號21樓2103B室

開曼群島股份過戶登記總處

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

核數師

國衛會計師事務所有限公司
執業會計師

法律顧問

張岱樞律師事務所

主要往來銀行

香港上海滙豐銀行有限公司

公司網站

www.f8.com.hk

Highlight 摘要

The Group recorded a revenue of approximately HK\$231.4 million for the six months ended 30 September 2020, representing an increase of approximately HK\$24.7 million or 11.9% as compared to the six months ended 30 September 2019.

The Group recorded a net profit of approximately HK\$6.8 million for the six months ended 30 September 2020, representing a decrease of approximately HK\$1.2 million as compared to the Group's net profit of approximately HK\$7.9 million for the six months ended 30 September 2019.

The decrease of the Group's profit for the six months ended 30 September 2020 was mainly due to the increase in the Group's sale of diesel oil and related products for the six months ended 30 September 2020 as compared to the six months ended 30 September 2019; which was offset by the loss from the sale of steel products for the six months ended 30 September 2020 and the recognition of the fair value change on contingent consideration payables of approximately HK\$3.6 million for the six months ended 30 September 2019. Excluding the one-off fair value change on contingent consideration payables, the net profit would have been HK\$6.8 million and HK\$4.3 million for the six months ended 30 September 2020 and 2019, respectively, representing an increase of approximately HK\$2.4 million or 56.3% as compared to the six months ended 30 September 2019.

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

截至2020年9月30日止六個月，本集團錄得收益約231.4百萬港元，較截至2019年9月30日止六個月增加約24.7百萬港元或11.9%。

截至2020年9月30日止六個月，本集團錄得純利約6.8百萬港元，較截至2019年9月30日止六個月本集團純利約7.9百萬港元減少約1.2百萬港元。

本集團截至2020年9月30日止六個月的溢利減少主要由於本集團於截至2020年9月30日止六個月的柴油及相關產品銷售較截至2019年9月30日止六個月增加，被截至2020年9月30日止六個月鋼產品的銷售虧損及截至2019年9月30日止六個月確認應付或然代價公平值變動約3.6百萬港元所抵銷。截至2020年及2019年9月30日止六個月，撇除應付或然代價的一次性公平值變動，純利分別為6.8百萬港元及4.3百萬港元，較截至2019年9月30日止六個月增加約2.4百萬港元或56.3%。

董事會不建議派付截至2020年9月30日止六個月期間的任何股息。

The board of Directors (the “Board”) of the Company is pleased to report the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 September 2020 (the “Reporting Period”), together with the respective unaudited comparative figures for the corresponding periods in 2019, as follows:

本公司董事會(「董事會」)欣然報告本公司及其附屬公司(統稱「本集團」)截至2020年9月30日止三個月及六個月(「報告期間」)的未經審核簡明綜合中期業績，連同2019年同期的相關未經審核比較數字如下：

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

未經審核簡明綜合損益及其他全面收益表

For the six months ended 30 September 2020 截至2020年9月30日止六個月

		Notes 附註	Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
			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)	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)
Revenue	收益	3	134,637	118,662	231,376	206,722
Cost of sales	銷售成本		(126,447)	(112,298)	(212,434)	(193,993)
Gross profit	毛利		8,190	6,364	18,942	12,729
Other gains and losses	其他收益及虧損	5	1,123	239	2,073	857
Administrative expenses	行政開支		(4,975)	(3,514)	(9,732)	(6,546)
Other operating expenses	其他營運開支		(1,433)	(663)	(2,275)	(1,442)
Fair value change on contingent consideration payable	應付或然代價的公平值變動		-	-	-	3,598
Profit from operations	經營溢利		2,905	2,426	9,008	9,196
Finance costs	融資成本	6	(368)	(311)	(721)	(353)
Profit before taxation	除稅前溢利		2,537	2,115	8,287	8,843
Income tax expenses	所得稅開支	8	(752)	(482)	(1,513)	(912)
Profit for the period	期內溢利		1,785	1,633	6,774	7,931
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：					
Reclassification for foreign operation disposed of during the period	期內已出售海外業務重新分類		-	27	-	27
Exchange differences on translating of foreign operations	換算海外業務的匯兌差額		1,103	382	120	382
Other comprehensive income for the period, net of tax	除稅後期內其他全面收益		1,103	409	120	409
Total comprehensive income for the period	期內全面收益總額		2,888	2,042	6,894	8,340

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

未經審核簡明綜合損益及其他全面收益表

For the six months ended 30 September 2020 截至2020年9月30日止六個月

	Notes 附註	Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		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)	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 attributable to:					
Owners of the Company	以下人士應佔 期內溢利： 本公司擁有人	2,787	1,446	7,289	7,744
Non-controlling interests	非控股權益	(1,002)	187	(515)	187
		1,785	1,633	6,774	7,931
Total comprehensive income for the period attributable to:					
Owners of the Company	以下人士應佔 期內全面收益總額： 本公司擁有人	3,474	1,683	7,435	7,981
Non-controlling interests	非控股權益	(586)	359	(541)	359
		2,888	2,042	6,894	8,340
Earnings per share attributable to the owners of the Company					
Basic and diluted (HK cents)	本公司擁有人應佔 每股盈利 基本及攤薄(港仙)	0.32	0.18	0.84	0.97

Unaudited Condensed Consolidated Statement of Financial Position

未經審核簡明綜合財務狀況表

As at 30 September 2020 於2020年9月30日

			As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註			
Non-current assets		非流動資產		
Property, plant and equipment	11	物業、廠房及設備	25,822	20,494
Right-of-use assets		使用權資產	857	245
Prepayment for right-of-use assets		使用權資產預付款項	8,568	8,235
Deposits for property, plant and equipment		物業、廠房及設備按金	-	160
Financial assets at fair value through profit or loss	13	按公平值計入損益的金融資產	4,678	4,678
Intangible assets		無形資產	16,246	-
Deferred tax assets		遞延稅項資產	291	291
			56,462	34,103
Current assets		流動資產		
Inventories		存貨	16,497	11,519
Trade receivables	12	貿易應收款項	88,662	76,596
Prepayments, deposits and other receivables		預付款項、按金及其他應收款項	18,299	11,153
Financial assets at fair value through profit or loss	13	按公平值計入損益的金融資產	-	750
Tax recoverable		可收回稅項	972	-
Pledged bank deposits		已抵押銀行存款	12,025	12,025
Cash and bank balances		現金及銀行結餘	11,537	6,661
			147,992	118,704
Current liabilities		流動負債		
Trade payables	14	貿易應付款項	25,867	7,729
Accruals, other payables and deposits received		應計費用、其他應付款項及已收按金	7,234	7,179
Contract liabilities		合約負債	4,692	4,509
Bank borrowings	15	銀行借款	22,817	16,090
Obligations under finance leases		融資租賃承擔	1,073	-
Lease liabilities		租賃負債	865	252
Tax payables		應付稅項	2,600	1,016
			65,148	36,775
Net current assets		流動資產淨值	82,844	81,929
Total assets less current liabilities		資產總值減流動負債	139,306	116,032

Unaudited Condensed Consolidated Statement of Financial Position

未經審核簡明綜合財務狀況表

As at 30 September 2020 於2020年9月30日

		Notes 附註	As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Non-current liabilities	非流動負債			
Bonds payable	應付債券		8,800	8,800
Deferred tax liabilities	遞延稅項負債		698	698
			9,498	9,498
Net assets	資產淨值		129,808	106,534
Capital and reserves	資本及儲備			
Share capital	股本	16	8,780	8,000
Reserves	儲備		106,807	83,772
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		115,587	91,772
Non-controlling interests	非控股權益		14,221	14,762
Total equity	權益總額		129,808	106,534

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the six months ended 30 September 2020 截至2020年9月30日止六個月

		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 interests	Total
		股本	股份溢價	其他儲備	資本貢獻儲備	按公平值計入其他全面收益儲備	匯兌儲備	出售集團相關金額	保留盈利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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 (Audited)	於2019年4月1日(經審核)	8,000	49,221	-*	24,652	-	-	(27)	6,705	88,551	-	88,551
Profit for the period	期內溢利	-	-	-	-	-	-	-	7,744	7,744	187	7,931
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	-	-	-	-	-	-	27	-	27	-	27
Exchange differences on translating foreign operation	換算海外業務的匯兌差額	-	-	-	-	-	210	-	-	210	172	382
Incorporation of a subsidiary	一間附屬公司註冊成立	-	-	-	-	-	-	-	-	-	15,382	15,382
At 30 September 2019 (Unaudited)	於2019年9月30日(未經審核)	8,000	49,221	-*	24,652	-	210	-	14,449	96,532	15,741	112,273
At 1 April 2020 (Audited)	於2020年4月1日(經審核)	8,000	49,221	-*	24,652	(905)	(565)	-	11,369	91,772	14,762	106,534
Profit for the period	期內溢利	-	-	-	-	-	-	-	7,289	7,289	(515)	6,774
Other comprehensive loss for the period	期內其他全面虧損	-	-	-	-	-	146	-	-	146	(26)	120
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	-	146	-	7,289	7,435	(541)	6,894
Issue of shares	發行股份	780	15,600	-	-	-	-	-	-	16,380	-	16,380
At 30 September 2020 (Unaudited)	於2020年9月30日(未經審核)	8,780	64,821	-*	24,652	(905)	(419)	-	18,658	115,587	14,221	129,808

Unaudited Condensed Consolidated Statement of Changes in Equity

未經審核簡明綜合權益變動表

For the six months ended 30 September 2020 截至2020年9月30日止六個月

Notes:

附註：

- | | |
|--|---|
| (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. | (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股份0.32港元的價格透過股份發售予以配發及發行。 |
| (ii) On 21 April 2020, 78,000,000 new shares of HK\$0.01 each of the Company were allotted and issued as fully paid for the Vendor at the issue price of HK\$0.21 each under the general mandate. | (ii) 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港元向賣方配發及發行為繳足股份。 |
| (iii) Share premium represents the excess of shares issued over the par value. | (iii) 股份溢價指已發行股份超過面值的金額。 |
| (iv) 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) 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。 |
| (v) 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) 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。 |
| (vi) 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) 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。 |
| (vii) Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong. | (vii) 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。 |
| * The balance was approximately HK\$8 | * 餘額約為8港元 |

Unaudited Condensed Consolidated Statement of Cash Flows

未經審核簡明綜合現金流量表

For the six months ended 30 September 2020 截至2020年9月30日止六個月

		Six months ended 30 September	
		截至9月30日止六個月	
		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)
Net cash generated from/(used in) operating activities	經營活動所得/(所用)現金淨額	2,936	(31,447)
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額	(5,550)	8,308
Net cash generated from financing activities	融資活動所得現金淨額	7,785	22,521
Net decrease in cash and cash equivalents	現金及現金等價物的減少淨額	5,171	(618)
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	6,661	6,034
Effect of foreign exchange rate changes to foreign operations	海外業務匯率變動影響	(295)	210
Cash and cash equivalents at the end of the period	期末現金及現金等價物	11,537	5,626

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

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 sales 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

(a) Basis of preparation

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

1 一般資料

本公司於2016年3月30日根據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

(a) 編製基準

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

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

The unaudited condensed consolidated interim financial information should be read in conjunction with the audited annual financial statements included in the annual report of the Company dated 26 June 2020 (the “**2020 Annual Report**”). The accounting policies adopted are consistent with those applied in the Group’s audited annual financial statements for the year ended 31 March 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA, except the new and revised HKFRSs which are effective for the financial year beginning from 1 April 2020. The adoption of these new and revised HKFRSs has not had material impact on the unaudited condensed consolidated interim financial information. The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective. Details of accounting policies are set out in note 2(b).

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

2 編製基準及主要會計政策(續)

(a) 編製基準(續)

未經審核簡明綜合中期財務資料應與本公司日期為2020年6月26日的年報(「**2020年年報**」)所載經審核年度財務報表一併閱讀。所採納會計政策與本集團截至2020年3月31日止年度經審核年度財務報表所用者一致，按照香港會計師公會頒佈的香港財務報告準則(「**香港財務報告準則**」)編製，惟自2020年4月1日開始的財政年度生效的新訂及經修訂香港財務報告準則除外。採納該等新訂及經修訂香港財務報告準則對未經審核簡明綜合中期財務資料並無重大影響。本集團並無提前應用新訂及經修訂香港財務報告準則，有關準則由香港會計師公會頒佈，惟尚未生效。有關會計政策詳情載於附註2(b)。

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

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

2 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Application of new and revised HKFRSs

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

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2020 except as described below.

In the current interim period, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards ("HKFRS") and the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS and the amendments to HKFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

2 編製基準及主要會計政策(續)

(b) 應用新訂及經修訂香港財務報告準則

未經審核簡明綜合財務報表乃按歷史成本基準編製。

除下文所述者外，未經審核簡明綜合財務報表所採用之會計政策與本集團編製截至2020年3月31日止年度之年度綜合財務報表所遵從者一致。

於本中期期間，本集團已首次應用由香港會計師公會頒佈並自本集團2020年4月1日起之財政年度開始生效之香港財務報告準則(「香港財務報告準則」)概念框架指引之修訂及下列經修訂香港財務報告準則修訂本：

香港財務報告準則第3號修訂本	業務的定義
香港會計準則第1號及香港會計準則第8號修訂本	重大性之定義
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號修訂本	利率基準改革

於本中期期間應用香港財務報告準則概念框架指引之修訂及香港財務報告準則修訂本對本集團本期間及過往期間之財務表現及狀況及/或該等未經審核簡明綜合財務報表所載披露並無重大影響。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

3 REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of the Group's revenue for the reporting period is as follows:

Disaggregation of revenue from contracts with customers

3 收益

收益指已售貨品的發票淨值(扣除退貨撥備及交易折扣)。本集團於報告期間的收益分析如下：

來自客戶合約收益的分類

		Three months ended 30 September 截至9月30日止三個月 2020 2020年 HK\$'000 千港元 (Unaudited) (未經審核)		Six months ended 30 September 截至9月30日止六個月 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)	2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 2019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	在某一時間點轉移的貨品				
Sales of diesel oil and related products	柴油及相關產品銷售				
Diesel oil	柴油	90,418	66,642	153,070	138,425
Marine diesel oil	船用柴油	18,654	16,257	40,352	32,338
Lubricant oil	潤滑油	4,598	178	8,592	374
		113,670	83,077	202,014	171,137
Sales of steel products	鋼產品銷售	20,967	35,585	29,362	35,585
Total revenue from contracts with customers	來自客戶合約收益總額	134,637	118,662	231,376	206,722

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

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

For the six months ended 30 September 2020 截至2020年9月30日止六個月

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

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

分部收益及業績

以下為按可呈報及經營分部對本集團營業額及業績的分析:

		Sale and transportation of diesel oil		Sale of steel products		Unallocated		Total	
		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
		柴油銷售及運輸		鋼產品銷售		尚未分類		總計	
		截至9月30日止六個月		截至9月30日止六個月		截至9月30日止六個月		截至9月30日止六個月	
		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	202,014	171,137	29,362	35,585	-	-	231,376	206,722
Segment result	分部業績	9,842	6,190	(1,145)	(415)	(1,762)	2,564	6,935	8,339
Other segment information:	其他分部資料:								
Other gains and losses	其他收益及虧損							2,073	857
Finance costs	融資成本							(721)	(353)
Profit before taxation	除稅前溢利							8,287	8,843

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

4 SEGMENT INFORMATION (Continued)

Geographical information

The Group's operation is located in Hong Kong and the PRC during the six months ended 30 September 2020 and six months ended 30 September 2019. The Group's revenue from external customers based on the location of customers are detailed below:

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		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)	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)
Hong Kong	香港	109,249	83,077	193,810	171,137
PRC	中國	25,388	35,585	37,566	35,585
		134,637	118,662	231,376	206,722

Information about major customers

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

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		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)	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)
Customer A	客戶A	29,759	20,363	48,265	37,814
Customer B	客戶B	18,768	—*	39,657	—*
Customer C	客戶C	—	—*	—	34,671

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

4 分部資料(續)

地理資料

截至2020年9月30日止六個月及截至2019年9月30日止六個月，本集團的業務位於香港及中國。本集團來自外部客戶的收益按客戶的位置詳述如下：

有關主要客戶的資料

於報告期間，客戶貢獻佔本集團總收益超過10%的收益如下：

* 客戶貢獻佔本集團總收益少於10%。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

5 OTHER GAINS AND LOSSES

5 其他收益及虧損

		Three months ended 30 September 截至9月30日止三個月 2020 2020年 HK\$'000 千港元 (Unaudited) (未經審核)		Six months ended 30 September 截至9月30日止六個月 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)	2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (Unaudited) (未經審核)	2019 2019年 HK\$'000 千港元 (Unaudited) (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
Realised gain on financial assets at fair value through profit or loss	按公平值計入損益的金融資產已變現收益	390	-	390	-
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)	145	-	292
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)	(18)	-	104
Loss on disposals of subsidiaries	出售附屬公司虧損	-	(27)	-	(27)
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	850	-	850	-
Government grant (Note 2)	政府補助(附註2)	-	-	705	-
Sundry income	雜項收入	-	139	128	328
		1,123	239	2,073	857

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。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

6 FINANCE COSTS

6 融資成本

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		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)	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)
Interest expenses on bank borrowings wholly repayable within five years	須於五年內悉數償還的銀行借款的利息開支	119	37	245	79
Interest expenses on bank overdrafts	銀行透支的利息開支	–	1	2	1
Interest expenses on bonds payable	應付債券的利息開支	220	254	440	254
Interest expenses on lease liabilities	租賃負債的利息開支	19	19	20	19
Interest expenses on obligations under finance leases	融資租賃承擔的利息開支	10	–	14	–
		368	311	721	353

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

7 PROFIT BEFORE TAXATION

7 除稅前溢利

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		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)	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 before taxation for the period has been arrived at after charging:	期內除稅前溢利已扣除下列各項：				
Directors' emoluments	董事薪酬	614	596	1,227	1,192
Other staff costs:	其他員工成本：				
— Salaries and other benefits	— 薪金及其他福利	3,182	1,319	4,419	2,485
— Retirement benefits scheme contributions	— 退休福利計劃供款	171	78	250	146
		3,353	1,397	4,669	2,631
Auditors' remuneration	核數師薪酬	175	175	350	350
Cost of inventories recognised as expenses	確認為開支的存貨成本	122,756	95,567	209,053	191,813
Depreciation of property, plant and equipment	物業、廠房及設備折舊				
— Cost of sales	— 銷售成本	543	448	1,022	895
— Administrative expenses	— 行政開支	140	103	282	205
		683	551	1,304	1,100
Depreciation of right-of-use assets	使用權資產折舊	—	—	—	612
Operating lease rental expenses in respect of office premises	辦公處的經營租賃租金開支	320	—	628	—

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

8 INCOME TAX EXPENSES

8 所得稅開支

		Three months ended 30 September 截至9月30日止三個月		Six months ended 30 September 截至9月30日止六個月	
		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)	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)
Current tax	即期稅項				
— Hong Kong profits tax	— 香港利得稅	752	500	1,512	930
— The PRC Enterprise income tax	— 中國企業所得稅	—	—	1	—
Deferred tax	遞延稅項				
— Current period credit	— 當期信貸	—	(18)	—	(18)
		752	482	1,513	912

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 six months ended 30 September 2020 and 2019.

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

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

Under the Law of the 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 six months ended 30 September 2020 and 2019.

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，引入利得稅兩級制。條例草案於2018年3月28日經簽署成為法律並於次日刊憲。根據利得稅兩級制，合資格企業首2百萬港元的應課稅溢利的稅率為8.25%，而超過2百萬港元應課稅溢利的稅率為16.5%。不符合利得稅兩級制的企業的應課稅溢利將繼續按16.5%劃一稅率繳稅。利得稅兩級制於截至2020年及2019年9月30日止六個月適用於本集團。

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

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

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施細則，於截至2020年及2019年9月30日止六個月中國附屬公司的稅率均為25%。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

9 DIVIDENDS

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

10 EARNINGS PER SHARE

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

		Three months ended 30 September 截至9月30日止三個月 2020 2020年 HK\$'000 千港元 (Unaudited) (未經審核)		Six months ended 30 September 截至9月30日止六個月 2020 2019 2020年 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	2,787	1,446	7,289	7,744
		'000 千股	'000 千股	'000 千股	'000 千股
Number of shares	股份數目				
Weighted average number of ordinary shares for the purpose of calculation basic earnings per share	計算每股基本盈利的普通股加權平均數	878,000	800,000	869,475	800,000

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

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

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary share in issue during the six months ended 30 September 2020 and 2019.

11 MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the reporting period, the Group has acquired and disposed of property, plant and equipment of approximately HK\$7.7 million and Nil, respectively (for the six months ended 30 September 2019: Nil and HK\$0.2 million).

9 股息

董事會不建議派付截至2020年9月30日止六個月(截至2019年9月30日止六個月：無)的任何股息。

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：

截至2020年及2019年9月30日止六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。

普通股加權平均數乃基於截至2020年9月30日止六個月的878,000,000(截至2019年9月30日止六個月：800,000,000)股已發行股份計算。

由於截至2020年及2019年9月30日止六個月不存在攤薄潛在已發行普通股，故每股攤薄盈利與每股基本盈利相同。

11 物業、廠房及設備的變動

於報告期間，本集團已收購及出售物業、廠房及設備約7.7百萬港元及無(截至2019年9月30日止六個月：無及0.2百萬港元)。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

12 TRADE RECEIVABLES

12 貿易應收款項

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Trade receivables	貿易應收款項	90,433	78,367
Less: Allowance for impairment losses on trade receivables	減：貿易應收款項減值虧損 撥備	(1,771)	(1,771)
		88,662	76,596

(a) Ageing analysis

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

(a) 賬齡分析

以下為於報告期末按發票日期呈列的貿易應收款項賬齡分析：

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	28,927	20,298
31 to 60 days	31至60日	18,356	10,825
61 to 90 days	61至90日	16,511	13,023
91 to 120 days	91至120日	11,331	25,009
121 to 150 days	121至150日	15,308	9,190
Over 150 days	150日以上	-	22
		90,433	78,367

The Group's average credit term with its customers is, in general, 3 days to 150 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

本集團與其客戶之間的平均信貸期一般為3日至150日。本集團致力對尚未收回的應收款項維持嚴格控制。逾期結餘由高級管理層定期審閱。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

12 TRADE RECEIVABLES (Continued)

(b) Impaired trade receivables

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Accordingly, the directors believe that there is approximately HK\$522,000 credit provision required in excess of the impairment of trade receivables during the reporting period. Losses allowance for expected credit losses on trade receivables of approximately HK\$1,249,000 have been recognised to the consolidated profit or loss and other comprehensive income for the six months ended 30 September 2020.

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

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

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

12 貿易應收款項 (續)

(b) 減值貿易應收款項

於釐定貿易應收款項的可收回性時，本集團考慮貿易應收款項自信貸初始授出日期起直至報告期末信貸質素的任何變動。因此，董事相信，須於報告期間計提出貿易應收款項減值之信貸撥備約522,000港元。於截至2020年9月30日止六個月，貿易應收款項預期信貸虧損撥備約1,249,000港元已於綜合損益及其他全面收益中確認。

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

(c) 逾期未減值貿易應收款項賬齡分析

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

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

13 按公平值計入損益的金融資產

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Investment in a listed equity in Malaysia (note i)	馬來西亞上市權益投資(附註i)	–	750
Key management personnel life insurance policy (note ii)	主要管理層人員人壽保單(附註ii)	4,678	4,678
		4,678	5,428
Analysed for reporting purposes as:			
	就呈報目的分析為：		
Current assets	流動資產	–	750
Non-current assets	非流動資產	4,678	4,678
		4,678	5,428

Notes:

- (i) During the six months ended 30 September 2020, the Group has disposed all the investment in a listed equity in Malaysia. Financial assets at fair value through profit or loss are stated at fair value which are determined by reference to quoted market bid prices.
- (ii) The Group entered into a life insurance policies with an insurance company to insure against the death and permanent disability of executive Director. Under the policy, the beneficiary and policy holder are the Company, Great Wall (International) Oil Limited, wholly owned subsidiary of the Company, and the total insured sum is approximately US\$2,600,000 (equivalent to HK\$20,280,000). The contracts will be terminated on the occurrence of the earliest of the death of the key management personnel insured or other terms pursuant to the contracts. The Company paid the total insurance premium with an aggregate amount of approximately US\$639,800 (equivalent to approximately HK\$4,987,000) at the inception of the policy. The initial premium charge was approximately US\$38,000 (equivalent to approximately HK\$309,000). The Group may request a surrender of the contracts at any time and receive cash back based on the cash value at the date of withdrawal, which is determined by the gross premium paid at inception plus accumulated guaranteed interest earned and minus insurance premium charged (the "Cash Value"). A guaranteed interest rate of 4.25% per annum applied to the contracts for the first year, followed by the discretionary portion with a minimum guaranteed interest rate of 2% per annum for the following years until termination. The fair value is based on redemption value quoted by the insurance company.

附註：

- (i) 截至2020年9月30日止六個月，本集團已出售所有在馬來西亞的上市股本的投資。按公平值計入損益的金融資產乃按公平值列賬，並經參考市場報價後釐定。
- (ii) 本集團向保險公司投購一份人壽保單，就執行董事身故及永久傷殘投保。根據保單，受益人及保單持有人為本公司及本公司全資附屬公司長城(國際)石油有限公司，總投保額約為2,600,000美元(相當於20,280,000港元)。合約將於受保的主要管理層人員身故時或根據合約其他條款規定而予以終止(以最早發生者為準)。本公司已於保單開始時繳清全部保費合共約639,800美元(相當於約4,987,000港元)。初始保費費用約為38,000美元(相當於約309,000港元)。本集團可隨時要求退保，並根據退保日期現金價值取回現金，有關價值根據開始時已支付的保費總額加已賺取的累計保證利息所扣除保費(「現金價值」)釐定。合約首年的保證年利率為4.25厘，其後年度則為最低保證年利率2厘加酌情部分，直至終止為止。公平值按保險公司所報贖回價值計算。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

14 TRADE PAYABLES

14 貿易應付款項

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Trade payables	貿易應付款項	25,867	7,729
		25,867	7,729

The average credit term from suppliers is up to 3 to 90 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

供應商給予的平均信貸期為3至90日。以下為於報告期末按發票日期呈列的貿易應付款項賬齡分析：

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Within 30 days	30日內	15,028	7,729
31 to 60 days	31至60日	6,959	-
61 to 90 days	61至90日	2,726	2
91 to 120 days	91至120日	1,154	-
		25,867	7,729

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

15 BANK BORROWINGS

15 銀行借款

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Secured bank borrowings (Notes (i) and (ii))	已抵押銀行借款 (附註(i)及(ii))	22,817	16,090
Carrying amount repayable: On demand or within one year and shown under current liabilities	應償還的賬面值： 按要求或按流動負債所示 須於一年內償還	22,817	16,090

Notes:

- (i) As at 30 September 2020, the bank borrowings of the Group was secured by the corporate guarantee, fixed deposits and life insurance policy of the Group. As at 31 March 2020, the bank borrowings of the Group was secured by the corporate guarantee, fixed deposits and life insurance policy of the Group.
- (ii) The bank borrowings of the Group with financial institutions amounted to approximately HK\$22,817,000 (2019: HK\$16,090,000) with the bank facilities 1 and 2 which respectively carried at variable interest rate of the range from 3.57% to 4.88% and 2.76% to 3.97% per annum for the six months ended 30 September 2020.

附註：

- (i) 於2020年9月30日，本集團的銀行借款以本集團的公司擔保、定期存款及人壽保險作擔保。於2020年3月31日，本集團的銀行借款以本集團的公司擔保、定期存款及人壽保險作擔保。
- (ii) 截至2020年9月30日止六個月，本集團與金融機構的銀行借款約為22,817,000港元(2019年：16,090,000港元)，其中銀行融資1及2分別以浮動年利率3.57%至4.88%及2.76%至3.97%計息。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

16 SHARE CAPITAL

16 股本

		Number of shares	HK'000
		股份數目	千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each	每股0.01港元的普通股		
At 1 April 2019, 31 March 2020,	於2019年4月1日、2020年3月31日、		
1 April 2020 and	2020年4月1日及		
30 September 2020	2020年9月30日	2,000,000,000	20,000

		Number of shares	HK'000
		股份數目	千港元
Issued and fully paid:	已發行及繳足：		
At 1 April 2019, 31 March 2020,	於2019年4月1日、2020年3月31日、		
1 April 2020	2020年4月1日	800,000,000	8,000
Issue of shares (Note)	發行股份(附註)	78,000,000	780
At 30 September 2020	於2020年9月30日	878,000,000	8,780

Note: 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.

附註：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。

17 ACQUISITION OF SUBSIDIARIES

On 23 March 2020, the Company and Mr. Zhu Yixiang and Mr. Li Weinian (collectively, the “Vendor”) entered into the sale and purchase agreement (the “SPA”), pursuant to which the Vendor conditionally agreed to sell and the Company is conditionally agreed to purchase 51% equity interest in Meijia Shell (Global) Lubricant Technology Limited and its subsidiaries (“Meijia Group”) at an aggregate consideration of approximately HK\$16,380,000. The consideration was satisfied by the allotment and issuance of 78,000,000 Shares under general mandate (the “Consideration Shares”) at the issue price of HK\$0.21 by the Company to the Vendor. The acquisition was completed on 21 April 2020. Meijia Group is the legal and beneficial owner of the HK Subsidiary, which in turn is the 100% legal and beneficial owner of the Qianhai Subsidiary and PRC Subsidiary. The PRC Subsidiary is engaged in the business of research and development, production, sales and distribution of lubricant in the Asia Pacific region. Upon Completion, Meijia Group becomes a wholly-owned subsidiary of our Group and the financial results of Meijia Group will be consolidated into the Company’s consolidated financial statements.

17 收購附屬公司

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(「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)潤滑科技有限公司及其附屬公司(「美嘉集團」)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股股份(「代價股份」)結算。收購事項於2020年4月21日完成。美嘉集團為香港附屬公司的合法實益擁有人，而香港附屬公司則為前海附屬公司及中國附屬公司的100%合法實益擁有人。中國附屬公司於亞太地區從事潤滑油的研發、生產、銷售及分銷業務。於完成後，美嘉集團將成為本集團的全資附屬公司，而美嘉集團的財務業績將併入本公司的綜合財務報表。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

17 ACQUISITION OF SUBSIDIARIES (Continued)

The carrying amount and fair value of net assets acquired as following:

		HK'000 千港元
Net assets acquired:	所收購的資產淨值：	
Property, plant and equipment	物業、廠房及設備	-
Inventories	存貨	975
Trade receivables	貿易應收款項	15
Deposit and other receivables	按金及其他應收款項	203
Cash and bank balances	現金及銀行結餘	257
Tax recoverable	可收回稅項	100
Trade payables	貿易應付款項	(784)
Other payables, accruals and receipts in advanced	其他應付款項、應計費用及預收款項	(632)
		134
Goodwill	商譽	16,246
		16,380

Total consideration satisfied by:

按以下方式償付的總代價：

		HK'000 千港元
Consideration shares issued	已發行代價股份	16,380
		16,380

Note: Impact of acquisition on cash flow position is HK\$ nil as it was settled by issued new share capital.

附註：收購對現金流量狀況的影響為零港元，乃由於收購透過發行新股本結算。

Impact of acquisition on the results of the Group

Revenue of approximately HK\$8.2 million and profit of approximately HK\$2.3 million contributed by Meijia Group were recognised in the Group's profit for the period ended 30 September 2020.

收購對本集團業績的影響

美嘉集團貢獻的收益約8.2百萬港元及溢利約2.3百萬港元已於本集團截至2020年9月30日止期間的溢利中確認。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of financial assets are determined as follows:

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

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

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

18 金融工具的公平值計量

金融資產的公平值按以下方式釐定：

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

本集團使用以下層級制度釐定及披露金融工具公平值：

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

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

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

18 金融工具的公平值計量(續)

本集團的金融資產公平值乃按經常性基準以公平值計量。

Financial assets 金融資產	Fair value as at 公平值		Fair value hierarchy 公平值層級	Valuation Techniques and key inputs 估值技術及主要 輸入數據	Significant unobservable inputs 重大不可觀察輸入數據
	As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)			
Financial assets at FVTPL: 按公平值計入損益的 金融資產：					
— Equity securities listed in Malaysia — 於馬來西亞上市的 股本證券	—	750	Level 1 第1級	Quoted market prices in an active market 於活躍市場所報的買入價	N/A 不適用
— Key management personnel life insurance policy — 主要管理人員人壽保單	4,678	4,678	Level 2 第2級	Quoted redemption value by insurance company 保險公司所報的贖回價值	N/A 不適用
Financial assets at FVTOCI: 按公平值計入其他全面 收益的金融資產：					
Reconciliation of Level 3 fair value measurements 第三級公平值計量的對賬					
— Unlisted equity investment in Hong Kong — 於香港的非上市 權益投資	905	905	Level 3 第3級	Market approach 市場法	Discount for lack of marketability of 16% 缺乏市場流通量 16%貼現

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

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

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

19 PLEDGE OF ASSETS

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

19 資產抵押

於報告期末，已將以下賬面值資產作抵押，以取得本集團銀行借款：

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產		
— Key management personnel life insurance policy	— 主要管理人員人壽保單	4,678	4,678
Pledged bank deposits	已抵押銀行存款	12,025	12,025
		16,703	16,703

20 CAPITAL COMMITMENTS

20 資本承擔

		As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
Capital expenditure in respect of the construction in progress, contracted for but not provided in the consolidated financial statements	就在建工程已訂約但尚未於綜合財務報表計提撥備的資本開支	9,469	15,883
Capital injection payable to a subsidiary	應付一間附屬公司注資	12,014	12,014
Acquisition of right-of-use assets	收購使用權資產	28,570	28,570

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

21 重大關聯方交易

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

(a) 與關聯方的交易

Name of the related parties 關聯方名稱	Nature of transaction 交易性質	Six months ended 30 September 截至9月30日止六個月	
		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)
Jet Good Ltd (Note (i)) 勤亨有限公司(附註(i))	Sales of products 產品銷售	143	–
	Rental expenses 租金開支	639	802
Xun Xiang Metalware Company Limited (Note (i)) 迅祥鋼鐵有限公司(附註(i))	Sales of products 產品銷售	776	670
Kit Ho Earth Works Limited (Note (ii)) 傑浩土力營造有限公司(附註(ii))	Sales of products 產品銷售	975	1,680
Wisdri (Xinyu) Cold Processing Engineering Co., Ltd (Note (iii)) 中冶南方(新余)冷軋新材料技術 有限公司(附註(iii))	Purchase of products 產品採購	26,946	–

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) Balances with related parties

21 重大關聯方交易 (續)

(b) 與關聯方的結餘

Name of the related parties 關聯方名稱	Nature of transaction 交易性質	As at 30 September 2020 於2020年 9月30日 HK\$'000 千港元 (Unaudited) (未經審核)	As at 31 March 2020 於2020年 3月31日 HK\$'000 千港元 (Audited) (經審核)
		Jet Good Ltd (Note (i)) 勤亨有限公司(附註(i))	Trade receivables 貿易應收款項
Xun Xiang Metalware Company Limited (Note (i)) 迅祥鋼鐵有限公司(附註(i))	Trade receivables 貿易應收款項	776	443
Kit Ho Earth Works Limited (Note (ii)) 傑浩土力營造有限公司(附註(ii))	Trade receivables 貿易應收款項	784	768
Wisdri (Xinyu) Cold Processing Engineering Co., Ltd (Note (iii)) 中冶南方(新余)冷軋新材料技術 有限公司(附註(iii))	Prepayment 預付款項	5,754	58

Notes:

- (i) An executive Director of the Company are the director of Jet Good Limited and Xun Xiang Metalware Company Limited.
- (ii) A close family member of an executive Director of the Company has beneficial interests in Kit Ho Earth Works Limited.
- (iii) A non-controlling shareholders of non-wholly owned subsidiary has beneficial interest in Wisdri (Xinyu) Cold Processing Engineering Co., Ltd.

For the transactions constitute connected transactions under the GEM Listing Rules, please refer to the sections "Connected Transactions and Continuing Connected Transactions" under the "Management Discussion and Analysis".

附註：

- (i) 本公司一名執行董事為勤亨有限公司及迅祥鋼鐵有限公司的董事。
- (ii) 本公司一名執行董事的一名近親於傑浩土力營造有限公司擁有實益權益。
- (iii) 非全資附屬公司的一名非控股股東於中冶南方(新余)冷軋新材料技術有限公司擁有實益權益。

有關GEM上市規則項下構成關連交易的交易，請參閱「管理層討論及分析」項下「關連交易及持續關連交易」等節。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six months ended 30 September 2020 截至2020年9月30日止六個月

21 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(c) Personal guaranteed provided by key management personnel

The bank borrowings of the Group as at 30 September 2020 were secured by personal guarantee of an executive Director of the Company, Mr. Fong, life insurance and a property owned by Mr. Fong.

(d) Compensation of key management personnel

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

21 重大關聯方交易 (續)

(c) 由主要管理人員提供的個人擔保

本集團於2020年9月30日的銀行借款由本公司執行董事方先生擁有的個人擔保及方先生擁有的人壽保險及物業作抵押。

(d) 主要管理人員的補償

本公司董事獲確定為本集團的主要管理人員，於報告期間董事及主要管理人員補償載於附註7。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group principally carries on the business of sales and transportation of diesel oil and related products in Hong Kong. The Group also supplies marine diesel oil used for construction vessels and lubricant oil used for construction machinery and vehicles. Most of the Group's customers are construction companies which require diesel oil to operate their construction machinery and vehicles. The Group had a fleet of nine diesel tank wagons of various capacity and a marine oil barge as at 30 September 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 unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2020.

Sale and transportation of diesel oil and related products business

The Group has recorded a revenue of approximately HK\$202.0 million from the sale and transportation of diesel oil and related products for the six months ended 30 September 2020, representing approximately 87.3% of the Group's total revenue and an increase of approximately HK\$30.9 million or 18.0% as compared to the six months ended 30 September 2019. The increase was mainly due to the acquisition of the business in Meijia Shell (Global) Lubricant Technology Limited in the PRC in relation to the 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9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業務。

於2020年3月23日，本集團訂立買賣協議，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9月30日止六個月的未經審核簡明綜合財務報表。

柴油及相關產品的銷售及運輸業務

截至2020年9月30日止六個月，本集團錄得來自柴油及相關產品銷售及運輸的收益約202.0百萬港元，佔本集團總收益約87.3%，較截至2019年9月30日止六個月增加約30.9百萬港元或18.0%。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。

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\$29.4 million from the sale of steel products for the six months ended 30 September 2020, representing approximately 12.7% of the Group's total revenue, a decrease of approximately HK\$6.2 million or 17.5% as compared to six months ended 30 September 2019.

Meanwhile, the Group has executed strict control on costs and expenses. The Group recorded a net profit of approximately HK\$6.8 million for the six months ended 30 September 2020. The decrease in profit was mainly attributable to the loss from the sale of steel products for the six months ended 30 September 2020 and the recognition of the fair value change on contingent consideration payables arising from the disposal of a subsidiary of approximately HK\$3.6 million for the six months ended 30 September 2019.

Excluding the one-off fair value change on contingent consideration payables, the net profit would have been approximately HK\$6.8 million and approximately HK\$4.3 million for the six months ended 30 September 2020 and 2019, respectively, representing an increase of approximately HK\$2.4 million or 56.3% as compared to the six months ended 30 September 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9月30日止六個月，本集團錄得來自鋼產品銷售的收益約29.4百萬港元，佔本集團總收益約12.7%，較截至2020年9月30日止六個月減少約6.2百萬港元或17.5%。

同時，本集團對各項成本及開支進行嚴格監控。截至2020年9月30日止六個月，本集團錄得純利約6.8百萬港元。該溢利減少乃主要由於截至2020年9月30日止六個月鋼產品的銷售虧損及截至2019年9月30日止六個月確認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9月30日止六個月純利將分別為約6.8百萬港元及約4.3百萬港元，較2019年9月30日止六個月增加約2.4百萬港元或56.3%。

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\$24.7 million or approximately 11.9% from approximately HK\$206.7 million for the six months ended 30 September 2019 to approximately HK\$231.4 million for the six months ended 30 September 2020.

Revenue from the sale of diesel oil, marine diesel oil and lubricant oil accounted for approximately HK\$153.1 million, HK\$40.4 million and HK\$8.6 million, representing approximately 66.2%, 17.4% and 3.7%, respectively, of the Group's total revenue for the six months ended 30 September 2020. For the six months ended 30 September 2019, the revenue from the sale of diesel oil, marine diesel oil and lubricant oil accounted for approximately HK\$138.4 million, HK\$32.3 million and HK\$0.4 million, representing approximately 74.2%, 9.4% and 3.7%, 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\$29.4 million, representing 12.7% 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 six months ended 30 September 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 six months ended 30 September 2020, the Group's cost of the sales was approximately HK\$212.4 million, representing an increase of approximately 9.5% from approximately HK\$194.0 million for the six months ended 30 September 2019.

財務回顧 收益

本集團的收益由截至2019年9月30日止六個月約206.7百萬港元增加約24.7百萬港元或約11.9%至截至2020年9月30日止六個月約231.4百萬港元。

來自柴油、船用柴油及潤滑油銷售的收益分別約為153.1百萬港元、40.4百萬港元及8.6百萬港元，分別佔截至2020年9月30日止六個月本集團的總收益約66.2%、17.4%及3.7%。截至2019年9月30日止六個月，來自柴油、船用柴油及潤滑油銷售的收益分別約為138.4百萬港元、32.3百萬港元及0.4百萬港元，分別佔本集團的總收益約74.2%、9.4%及3.7%。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29.4百萬港元，佔本集團收益總額的12.7%（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9月30日止六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9月30日止六個月，本集團的銷售成本約為212.4百萬港元，較截至2019年9月30日止六個月約194.0百萬港元增加約9.5%。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Gross profit and gross profit margin

The gross profit represented the Group's revenue less cost of sales. The Group's gross profit increased by approximately HK\$6.2 million from approximately HK\$12.7 million for the six months ended 30 September 2019 to approximately HK\$18.9 million for the six months ended 30 September 2020. The Group's gross profit margin increased from approximately 6.2% for the six months end 30 September 2019 to approximately 8.2% for the six months ended 30 September 2020. The increase in gross profit was mainly due to the less-than-proportionate increase in our cost of sales as compared to our revenue for the six months ended 30 September 2020.

Profit for the period

As a result of the foregoing, the Group's net profit of approximately HK\$6.8 million and approximately HK\$7.9 million for the six months ended 30 September 2020 and 2019, respectively, representing a decrease of approximately HK\$1.2 million as compared with the six months ended 30 September 2019, and the Group's net profit margin decreased from approximately 3.8% to approximately 2.9% during the same periods. The decrease in the net profit and net profit margin for the six months ended 30 September 2020 was mainly due to increase in the sale and transportation of diesel oil business but off-set by the loss from the sale of steel products for the six months ended 30 September 2020 and the recognition of the fair value change on contingent consideration payables of approximately HK\$3.6 million for the six months ended 30 September 2019. Excluding the one-off fair value change on contingent consideration payables, the net profit would have been HK\$6.8 million and HK\$4.3 million for the six months ended 30 September 2020 and 2019 respectively, representing an increase of approximately HK\$2.4 million or 56.3% compared to the six months ended 30 September 2019.

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\$82.8 million as at 30 September 2020.

As at 30 September 2020, the Group's current assets amounted to approximately HK\$148.0 million and the Group's current liabilities amounted to approximately HK\$65.1 million. Current ratio was approximately 2.3 as at 30 September 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.

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9月30日止六個月約12.7百萬港元增加約6.2百萬港元至截至2020年9月30日止六個月約18.9百萬港元。本集團的毛利率由截至2019年9月30日止六個月約6.2%增加至截至2020年9月30日止六個月約8.2%。毛利增加主要由於截至2020年9月30日止六個月銷售成本的增加比例低於收益所致。

期內溢利

由於上述原因，本集團截至2020年及2019年9月30日止六個月的純利分別為約6.8百萬港元及約7.9百萬港元，較截至2019年9月30日止六個月減少約1.2百萬港元，而本集團的純利率於同期由約3.8%減少至約2.9%。截至2020年9月30日止六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2020年9月30日止六個月鋼產品的銷售虧損及截至2019年9月30日止六個月確認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9月30日止六個月，撇除應付或然代價的一次性公平值變動，純利分別為6.8百萬港元及4.3百萬港元，較截至2019年9月30日止六個月增加約2.4百萬港元或56.3%。

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9月30日，本集團錄得流動資產淨值約82.8百萬港元。

於2020年9月30日，本集團的流動資產約為148.0百萬港元，而本集團的流動負債則約為65.1百萬港元。於2020年9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。

Management Discussion and Analysis

管理層討論及分析

GEARING RATIO

As at 30 September 2020, the maximum limit of the banking facilities available to the Group amounted to approximately HK\$65.0 million and approximately HK\$22.8 million of the banking facilities was utilised.

As at 30 September 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 25.8% as at 30 September 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.

CAPITAL STRUCTURE

For the six months ended 30 September 2020, the capital structure of the Group consisted of equity attributable to the owners of the Company of approximately HK\$115.6 million. The share capital of the Group only comprises of ordinary shares.

The Shares were listed on 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 September 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 six months ended 30 September 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 six months ended 30 September 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.

資產負債比率

於2020年9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22.8百萬港元銀行融資已獲動用。

於2020年9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9月30日，資產負債比率約為25.8%，乃按期末總債務除以期末總權益計算。

資本架構

截至2020年9月30日止六個月，本集團的資本架構包括本公司擁有人應佔權益約115.6百萬港元。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9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9月30日止六個月，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9月30日止六個月整段期間內均得以維持穩健的流動資金狀況。本集團致力透過持續進行的信貸評估以及評估其客戶的財務狀況降低信貸風險。為管理流動資金風險，董事會密切監視本集團的流動資金狀況，以確保本集團資產、負債及其他承擔的流動資金架構可滿足其不時的資金要求。

Management Discussion and Analysis

管理層討論及分析

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 six months ended 30 September 2020.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2020, save as disclosed above, the Group did not have any other material capital commitments or any material contingent liabilities.

SEGMENT INFORMATION

Segment information of the Group is presented is disclosed in note 4 to the unaudited condensed consolidated interim financial statements.

DIVIDENDS

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

PLEDGE OF ASSETS

As at 30 September 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9月30日止六個月，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9月30日，除上文所披露者外，本集團概無任何其他重大資本承擔或任何重大或然負債。

分部資料

本集團的分部資料在未經審核簡明綜合中期財務報表附註4中披露。

股息

董事會不建議派付截至2020年及2019年9月30日止六個月的任何股息。

資產抵押

於2020年9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

管理層討論及分析

COMPARISON OF IMPLEMENTATION PLANS FOR BUSINESS STRATEGIES WITH ACTUAL IMPLEMENTATION PROGRESS

The following is a comparison of the Group's implementation plans for its business strategies up to 30 September 2020 as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 29 March 2017 (the "Prospectus") with the Group's actual implementation progress:

業務策略推行計劃與實際推行進度的比較

以下為本公司日期為2017年3月29日的招股章程(「招股章程」)「未來計劃及所得款項用途」一節所載本集團直至2020年9月30日的業務策略推行計劃與本集團實際推行進度的比較：

Business strategy 業務策略	Implementation plan from 1 April 2017 to 30 September 2020 2017年4月1日至2020年9月30日 的推行計劃	Actual implementation progress up to 30 September 2020 直至2020年9月30日的 實際推行進度
Expansion and enhancement of our fleet of diesel tank wagons 擴充及改善柴油貯槽車車隊	<ul style="list-style-type: none"> Purchase three new diesel tank wagons Replace three existing diesel tank wagons Continue to evaluate the effectiveness and operating efficiency of new diesel tank wagons and assess our need for additional diesel tank wagons in view of our business development 	<ul style="list-style-type: none"> Two new diesel tank wagons had been purchased and two existing diesel tank wagons had been replaced. The delivery of the rest of new diesel tank wagon will be completed at the end of March 2022. The effectiveness and operating efficiency of new diesel tank wagons has been closely evaluated.
	<ul style="list-style-type: none"> 購買三部新柴油貯槽車 取代三部現有的柴油貯槽車 繼續評估新柴油貯槽車的有效性與運行效率，並評估我們因應業務發展對更多柴油貯槽車的需要 	<ul style="list-style-type: none"> 已購買兩部新柴油貯槽車及已取代兩部現有的柴油貯槽車。餘下的新柴油貯槽車將於2022年3月底完成交付。 已密切評估新柴油貯槽車的有效性與運行效率。

Management Discussion and Analysis

管理層討論及分析

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

業務策略推行計劃與實際推行進度的比較(續)

Business strategy 業務策略	Implementation plan from 1 April 2017 to 30 September 2020 2017年4月1日至2020年9月30日 的推行計劃	Actual implementation progress up to 30 September 2020 直至2020年9月30日的 實際推行進度
Development and expansion of our marine bunkering business	<ul style="list-style-type: none"> Commence trial and full operation of the marine diesel oil barge Carry out marketing and promotional activities and negotiate with potential customers to secure purchase orders for marine diesel oil Evaluate the effectiveness and operating efficiency of the marine diesel oil barge 	<ul style="list-style-type: none"> The Group had obtained all the licences and permits and commenced trial operation of the marine diesel oil barge in April 2018 and commenced full operation in July 2018. The Group had carried out marketing and promotional activities and negotiated with potential customers to secure purchase orders for marine diesel oil. The effectiveness and operating efficiency of the marine diesel oil barge had been evaluated from time to time.
發展及擴充海上供油業務	<ul style="list-style-type: none"> 開展船用柴油駁船的全面試運行 進行市場推廣及宣傳活動，並與潛在客戶進行磋商以獲得船用柴油的採購訂單 評估船用柴油駁船的有效性與運行效率 	<ul style="list-style-type: none"> 本集團已取得所有牌照及許可證，並於2018年4月開展船用柴油駁船的試運行並於2018年7月開始全面運行。 本集團已進行市場推廣及宣傳活動，並與潛在客戶進行磋商以獲得船用柴油的採購訂單。 已不時評估船用柴油駁船的有效性與運行效率。
Upgrading our information technology and systems	<ul style="list-style-type: none"> Purchase and upgrade new office administrative information technology systems Continue to review and maintain the performance of the information technology systems 	<ul style="list-style-type: none"> Minor upgrade of information technology systems had been done. The Group was still in negotiation with the potential suppliers on the requirements and specification of the new office administrative information technology systems. The Group closely monitors and maintains the performance of the information technology systems.
提升資訊科技及系統	<ul style="list-style-type: none"> 購買及更新新辦公室行政與資訊科技系統 繼續審閱及維持資訊科技系統的表現 	<ul style="list-style-type: none"> 已完成資訊科技系統的次要升級。本集團仍就新辦公室行政資訊科技系統的要求及規格與潛在供應商進行磋商。 本集團密切監控及維持資訊科技系統的表現。

Management Discussion and Analysis

管理層討論及分析

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

業務策略推行計劃與實際推行進度的比較(續)

Business strategy 業務策略	Implementation plan from 1 April 2017 to 30 September 2020 2017年4月1日至2020年9月30日 的推行計劃	Actual implementation progress up to 30 September 2020 直至2020年9月30日的 實際推行進度
Strengthening our manpower	<ul style="list-style-type: none"> Recruit three drivers and three logistics assistants to strengthen our workforce required for our fleet of diesel tank wagons Recruit one safety supervisor to enhance our occupational safety management Recruit (i) seafarers including two coxswains, two technical operators, four sailors, (ii) one administration staff, (iii) one operation manager and (iv) one independent consultant to cope with our marine bunkering business Evaluate the performance of the newly recruited staff and assess our need to recruit additional staff in view of our business development Provide training to our existing and newly recruited staff and/or sponsor our staff to attend training courses on occupational health and safety 	<ul style="list-style-type: none"> One logistics assistant was hired, it is expected that the rest of staff will be hired around March 2022. Safety supervisor was hired through job reallocation. The Group contracted with a service company to operate the marine bunkering business. The Group evaluates and assesses the performance of our manpower continuously so as to facilitate the Group's business development. Training courses and on-the-job training have been provided to staff.
加強我們的人手	<ul style="list-style-type: none"> 聘請三名司機及三名物流助理，以加強我們柴油貯槽車車隊所需的人手 聘請一名安全監工，以加強職業安全管理 為配合海上供油業務而聘請(i) 海員，包括兩名舵手、兩名技術操作員、四名水手；(ii) 一名行政人員；(iii) 一名操作經理；及(iv) 一名獨立顧問 評估新入職員工的表現，並評估我們因應業務發展對招聘更多員工的需要 為現有及新入職員工提供培訓及／或資助員工參加職業健康與安全的培訓課程 	<ul style="list-style-type: none"> 已聘請一名物流助理，預期其他員工將於2022年3月前後招聘。 安全監工已透過職位重新分配聘請。 本集團與服務公司訂立合約以經營海上供油業務。 本集團持續評估及評價人手的表現，以促進本集團業務發展。 已向員工提供培訓課程及在職培訓。

Management Discussion and Analysis

管理層討論及分析

USE OF PROCEEDS

As disclosed in the 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 September 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9月30日的所得款項淨額的實際用途：

		Planned use of total Net Proceeds	Approximate percentage of total Net Proceeds	Actual use of Net Proceeds up to 30 September 2020	Unused total Net Proceeds up to 30 September 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9月30日的所得款項淨額實際用途 HK\$ million 百萬港元	直至2020年9月30日的未動用總所得款項淨額 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%	2.5	3.6	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%	8.9	0.2	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%	29.5	15.6	

Management Discussion and Analysis

管理層討論及分析

USE OF PROCEEDS (Continued)

Notes:

- 1 Three new diesel tank wagons had been purchased and two existing diesel tank wagons had been replaced up to 30 September 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 September 2020, the Group had disposed all equity of 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 September 2020, this investment had a net realised gain of approximately HK\$0.3 million was recorded.

所得款項用途(續)

附註：

- 1 直至2020年9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9月30日，本集團已出售一間在馬來西亞交易所上市的公司的所有股權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9月30日，此項投資錄得已變現收益淨額約0.3百萬港元。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2020, the Group employed a total of 63 employees (27 employees as at 30 September 2019) including the Directors. For the six months ended 30 September 2020, total staff costs amounted to approximately HK\$5.9 million (six months ended 30 September 2019: approximately HK\$3.8 million). Remuneration (including employees' benefits) is maintained within the market level and reviewed on a periodic basis. Employees' salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group's business performance.

ENVIRONMENT POLICIES AND PERFORMANCE

The principal activity of the Group is governed by Hong Kong environmental laws and regulations including the Air Pollution Control Ordinance (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 any significant adverse effect on the environment and that the Group's environment protection measures are adequate to ensure compliance with all applicable current Hong Kong laws or regulations.

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

EVENTS AFTER THE REPORTING PERIOD

As from 30 September 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.

僱員及薪酬政策

於2020年9月30日，連董事在內，本集團共聘用63名僱員（於2019年9月30日：27名僱員）。截至2020年9月30日止六個月，總員工成本約為5.9百萬港元（截至2019年9月30日止六個月：約3.8百萬港元）。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。

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

Management Discussion and Analysis

管理層討論及分析

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**”).

For the six months ended September 2020, the Purchase Transactions incurred by the Group amounted to approximately HK\$27 million.

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.

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**」)。

截至2020年9月止六個月，本集團所產生的採購交易約為27百萬港元。

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。

Management Discussion and Analysis

管理層討論及分析

CONTINUING CONNECTED TRANSACTIONS

(Continued)

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.

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.

持續關連交易 (續)

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。

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。

Management Discussion and Analysis

管理層討論及分析

CONTINUING CONNECTED TRANSACTIONS

(Continued)

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 and 23 September 2020 for details.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, during the six months ended 30 September 2020, the Group did not have any significant investment, material acquisitions nor disposals of subsidiaries and affiliated companies. The Group currently does not have any other plan for material investments or capital assets.

持續關連交易 (續)

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日及2020年9月23日的公告。

附屬公司的重大投資、重大收購及出售以及有關重大投資或資本資產的未來計劃

除上文所披露者外，於截至2020年9月30日止六個月，本集團並無任何附屬公司及聯屬公司的重大投資、重大收購或出售。本集團目前並無重大投資或資本資產的任何其他計劃。

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 six months ended 30 September 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 September 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9月30日止六個月，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9月30日，董事及本公司最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例有關條文被當作或視作擁有的權益及淡倉)或(ii)須列入根據證券及期貨條例第352條須存置的登記冊內的權益及淡倉，或(iii)根據GEM上市規則第5.46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 方俊文先生	Interest in a controlled corporation (Note 1) 受控制法團權益(附註1)	451,000,000 (Long position) (好倉)	51.4%
Ms. Lo Pui Yee 勞佩儀女士	Interest of spouse (Note 2) 配偶權益(附註2)	451,000,000 (Long position) (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 September 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 September 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9月30日，概無董事及本公司最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有(i)根據證券及期貨條例第V部第7及8分部須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例有關條文被當作或視作擁有的權益及/或淡倉)，或(ii)須列入根據證券及期貨條例第352條須存置的登記冊內的任何權益或淡倉，或(iii)根據GEM上市規則第5.46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9月30日，據董事所知，下列人士(董事或本公司最高行政人員除外)於股份或相關股份中擁有或被視作擁有權益，而(i)須列入於本公司根據證券及期貨條例第336條規定須存置的登記冊，或(ii)根據證券及期貨條例第XV部第2及3分部條文及GEM上市規則而將予以披露，或(iii)將直接或間接於附帶權利可於所有情況下在本集團任何成員公司的股東大會上表決的任何類別股本面值10%或以上中擁有權益。

Name of Shareholders 股東名稱/姓名	Capacity/nature of interest 身份/權益性質	Number of shares held 持有股份數量	Percentage of shareholding 持股百分比
Grand Tycoon Limited	Beneficial owner (Note 1)	451,000,000	51.4%
宏亨有限公司	實益擁有人(附註1)	(Long position) 451,000,000 (好倉)	51.4%

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

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

Save as disclosed above, as at 30 September 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 September 2020, and there was no share option outstanding as at 30 September 2020. As at 30 September 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 six months ended 30 September 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。

除上文披露者外，於2020年9月30日，概無任何人士已知會董事於本公司股份、相關股份或債權證中擁有須列入根據證券及期貨條例第336條須存置的登記冊之權益或淡倉，或根據證券及期貨條例第XV部第2及3分部條文須予披露之權益或淡倉。

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9月30日，概無授出任何購股權，而於2020年9月30日亦無任何購股權尚未行使。於2020年9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9月30日止六個月，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.

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.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 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.

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，概無本公司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。

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。

本集團截至2020年9月30日止六個月的未經審核簡明綜合財務報表已由審核委員會審閱，其認為未經審核簡明綜合財務報表已按照適用會計準則及GEM上市規則編製，並已作出充足披露。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

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.

Remuneration Committee

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

The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review and approve the management’s remuneration proposals, and ensure none of the Directors determine their own remuneration.

The full terms of reference setting out details of duties of the Remuneration Committee is available on both the GEM website and the Company’s website.

其他資料(續)

提名委員會

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。

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。

Management Discussion and Analysis

管理層討論及分析

OTHER INFORMATION (Continued)

Remuneration Committee (Continued)

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

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

Directors' Securities Transactions

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

Corporate Governance

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. During the six months ended 30 September 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, 6 November 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)

薪酬委員會(續)

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

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

董事的證券交易

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

企業管治

本公司致力維持及確保高水平的企業管治標準，並會不斷檢討及改善企業管治常規及標準。本公司於截至2020年9月30日止六個月一直遵守GEM上市規則附錄15所載企業管治守則的守則條文。

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11月6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。

F8 Enterprises (Holdings) Group Limited
F8 企業(控股)集團有限公司