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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8347)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

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

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

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

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

HIGHLIGHTS

- The Group's revenue amounted to approximately HK$180.6 million for the year ended 31 March 2017, representing an increase of approximately HK$33.7 million or 22.9% as compared to the year ended 31 March 2016.

- The profit attributable to the owner of the Company was approximately HK$7.3 million for the year ended 31 March 2017, representing a decrease of approximately HK$5.0 million or 40.8% as compared with the year ended 31 March 2016. The decrease was mainly due to the recognition of the listing expenses of approximately HK$7.1 million in connection with the listing of the Company's shares on GEM (the "Listing") for the year ended 31 March 2017 as compared to HK$1.3 million for the year ended 31 March 2016. Excluding the one-off Listing expenses, the profit attributable to the owner of the Company for the year ended 31 March 2017 would have been HK$14.4 million, representing an increase of approximately 6.1% as compared to the year ended 31 March 2016.

- The Board does not recommend the payment of any dividend for the year ended 31 March 2017.

ANNUAL RESULTS

The board of Directors (the "Board") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2017 together with the comparative audited figures for the year ended 31 March 2016, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Revenue	*5*	**180,616**	146,920
Cost of sales		**(155,773)**	(125,964)
Gross profit		**24,843**	20,956
Other income	*7*	**115**	594
Administrative expenses		**(13,227)**	(5,278)
Other operating expenses		**(1,622)**	(1,301)
Profit from operations		**10,109**	14,971
Finance costs	*8*	**(151)**	(326)
Profit before taxation	*10*	**9,958**	14,645
Income tax expenses	*9*	**(2,676)**	(2,342)
Profit and total comprehensive income for the year attributable to the owners of the Company		**7,282**	12,303
Earnings per share attributable to the owners of the Company			
Basic and diluted *(HK cents)*	*12*	**1.21**	2.05

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Non-current asset			
Property, plant and equipment		**1,073**	2,189
Current assets			
Inventories		**200**	60
Trade receivables	*13*	**44,966**	26,907
Deposits and prepayments		**3,026**	790
Amount due from a shareholder		**–**	1,228
Cash and bank balances		**1,633**	4,948
		49,825	33,933
Current liabilities			
Trade and bills payables	*14*	**7,557**	1,505
Accruals, receipts in advance and deposits received		**4,361**	1,956
Bank overdrafts		**1,073**	1,060
Bank borrowings		**4,000**	1,229
Obligations under finance leases		**738**	5,214
Amount due to a shareholder		**23**	–
Tax payable		**3,646**	1,576
		21,398	12,540
Net current assets		**28,427**	21,393
Total assets less current liabilities		**29,500**	23,582
Non-current liability			
Obligations under finance leases		**188**	1,552
Net assets		**29,312**	22,030
Capital and reserves			
Share capital	*15*	**–**	–
Reserves		**29,312**	22,030
Total equity		**29,312**	22,030

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

	Share capital	Other reserve	Capital contribution reserve	Retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Note i)	*(Note ii)*		
At 1 April 2015	–	–	–	9,727	9,727
Profit and total comprehensive income for the year	–	–	–	12,303	12,303
At 31 March 2016 and 1 April 2016	–	–	–	22,030	22,030
Profit and total comprehensive income for the year	–	–	–	7,282	7,282
Effect of business transfer	–	–	24,652	(24,652)	–
At 31 March 2017	**–**	**–**	**24,652**	**4,660**	**29,312**

Notes:

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

(ii) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 30 March 2016. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business in Hong Kong is Flat A, 9/F, Block B, Billion Centre, No.1 Wang Kwong Road, Kowloon Bay, 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").

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

The shares of the Company (the "Shares") have been listed on the Growth Enterprises Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") by way of placing and public offer (collectively the "Share Offer") on 12 April 2017 (the "Listing Date").

On the Listing Date, a total of 200,000,000 new Shares with nominal value of HK$0.01 each were offered under the Share Offer, of which 140,000,000 Shares, or 70% was offered by way of placing and the remaining 30%, or 60,000,000 Shares, was offered under the public offer. Based on the final offer price of HK$0.32 per share, the gross proceeds was approximately HK$64,000,000. The net proceeds received by the Company from the Share Offer, after deduction of the underwriting commission and related expenses in connection with the Share Offer, was approximately HK$45,100,000.

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

2. REORGANISATION

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

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

The consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity include the results of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the reporting period or since their respective date of incorporation, where there is a shorter period. The consolidated statements of financial position of the Group as at 31 March 2016 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure upon completion of the Reorganisation had been in existence as at those dates, taking into account the respective dates of incorporation.

All intra-group transactions and balances have been eliminated.

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

(a) Adoption of new/revised HKFRSs — effective 1 April 2016

In the current year, the Group has applied, for the first time, a number of the new and revised standards, amendments and interpretations ("new and revised HKFRSs") (which included all HKFRSs, Hong Kong Accounting Standards ("HKASs") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2016. A summary of the new and revised HKFRSs are set out below:

HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle

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

(b) New/revised HKFRSs that have been issued but are not yet effective

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014–2016 cycle[5]
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment[2]
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contract[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associates or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
HKAS 7 (Amendments)	Disclosure Initiative[1]
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses[1]
HKFRS 40 (Amendments)	Transfers of investment property[2]
HK(IFRIC) Int 22	Foreign currency transactions and advance consideration[2]

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
4 Effective for annual periods beginning on or after a date to be determined.
5 Effective for annual periods beginning on or after 1 January 2017 and 2018, as appropriate.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 that are relevant to the Group are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

HKFRS 9 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The Directors anticipate that the application of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group's financial assets in relation to the impairment assessment on receivables, with the potential early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs. There will be additional disclosures upon the adoption of HKFRS 9. Except for abovementioned, the Directors anticipate that the adoption of HKFRS 9 in the future will not have other significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 31 March 2017.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. Under HKFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Based on the current business of Company, the Directors do not anticipate that the application of HKFRS 15 will have material impact on the amounts reported and disclosures made in the consolidated financial statements in the future. There will be additional disclosures upon the adoption of HKFRS 15.

The Group is in the process of assessing the potential impact of the other new and revised HKFRSs upon initial application but is not yet in a position to state whether the other new and revised HKFRSs, will have a significant impact on the Group's financial performance and position.

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognize depreciation of the right-of-use asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for lease that are classified as operating leases under the predecessor standard, HKAS 17.

Total operating lease commitment of the Group is respect of its office premises as at 31 March 2017 was amounting to approximately HK$541,000. The Directors do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that certain portion of these commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities. Other than that, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

The Directors anticipate that the application of other new and revised HKFRSs will have no material impact on the financial performance.

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

Basis of preparation

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

5. REVENUE

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

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

	2017	2016
	HK$'000	*HK$'000*
Diesel oil	**165,720**	144,964
Marine diesel oil	**13,618**	536
Lubricant oil	**1,278**	1,420
	180,616	146,920

6. SEGMENT INFORMATION

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

Geographical information

During the years ended 31 March 2016 and 2017, the Group operated in Hong Kong and all of the Group's revenue are derived from Hong Kong and all of non-current assets of the Group are located in Hong Kong as at 31 March 2016 and 2017. No analysis of the Group's result and assets by geographical area is disclosed.

Information about major customers

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

	2017 HK$'000	2016 HK$'000
Customer A	**25,091**	52,317
Customer B	**20,318**	–*

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

7. OTHER INCOME

	2017 HK$'000	2016 HK$'000
Gain on disposal of property, plant and equipment	**–**	39
Government grant *(Note)*	**–**	521
Sundry income	**115**	34
	115	594

Note: Government grant represents incentive subsidies in relation to replacement of motor vehicles with lower environmental engine under ex-gratia payment scheme in the reporting period. There are no unfulfilled conditions to these grants by Hong Kong government authorises.

8. FINANCE COSTS

	2017 HK$'000	2016 HK$'000
Interest expenses on bank borrowings wholly repayable within five years	**81**	56
Interest expenses on bank overdrafts	**14**	20
Interest expenses on bills payables	**–**	133
Interest expenses on obligations under finance leases	**56**	117
	151	326

9. INCOME TAX EXPENSES

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

	2017 HK$'000	2016 HK$'000
Current tax		
Hong Kong Profits Tax	**2,676**	2,342

Hong Kong Profits Tax has been provided at the rate of 16.5% to the estimated assessable profit for the years ended 31 March 2017 and 2016, except for the sole proprietorship business which is calculated at 15% of the estimated assessable profits for the year ended 31 March 2016.

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

10. PROFIT BEFORE TAXATION

	2017	2016
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging/(crediting):		
Directors' emoluments	**1,059**	582
Other staff costs:		
— Salaries and other benefits	**3,386**	2,632
— Bonuses	**205**	91
— Retirement benefits scheme contributions	**170**	130
	3,761	2,853
Auditors' remuneration	**600**	10
Cost of inventories recognised as expense	**152,228**	122,253
Depreciation of property, plant and equipment		
— cost of sales	**1,024**	1,229
— administrative expenses	**125**	100
	1,149	1,329
Gain on disposal of property, plant and equipment	**–**	(39)
Operating lease rental expenses in respect of office premises	**1,300**	973
Listing expenses *(Note)*	**7,148**	1,300

Note: The Listing expenses are included in "Administrative expenses".

11. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 March 2017 (2016: Nil).

12. EARNINGS PER SHARE

The basic earnings per share is calculated based on the profit attributable to equity holders of the Company and 600,000,000 ordinary shares for the years ended 31 March 2017 and 2016, which have been adjusted retrospectively on the assumption that the Reorganisation and the Capitalisation Issue in Note 15(d) had been effective on 1 April 2015.

Diluted earnings per share were same as the basic earnings per share as there were no potential dilutive ordinary shares in existences during the years ended 31 March 2017 and 2016.

13. TRADE RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**44,966**	26,907

(a) Ageing analysis

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**12,954**	11,797
31 to 60 days	**11,101**	6,211
61 to 90 days	**9,428**	6,860
91 to 120 days	**6,389**	937
Over 120 days	**5,094**	1,102
	44,966	26,907

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

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

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**8,642**	79
31 to 60 days	**4,406**	–
61 to 90 days	**2,004**	–
91 to 120 days	**12**	–
Over 120 days	**5**	342
	15,069	421

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

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

14. TRADE AND BILLS PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**4,983**	1,505
Bills payables *(Note)*	**2,574**	–
	7,557	1,505

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**3,386**	1,058
31 to 60 days	**4,044**	430
61 to 90 days	**54**	17
91 to 120 days	**1**	–
Over 120 days	**72**	–
	7,557	1,505

Note:

The bills payables of the Group were secured by:

(a) unlimited personal guarantee provided by the shareholder of the Company; and

(b) pledge of the property which owned by the shareholder of the Company.

15. SHARE CAPITAL

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

	Number of shares	*HK$'000*
Issued and fully paid:		
Ordinary share of HK$0.01 upon incorporation *(Note (a), (b))*	1	–
Issue of shares upon reorganisation *(Note (b))*	99	–
At 31 March 2017	100	–

Note:

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

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

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

(d) The issued capital and the number of issued share as at 31 March 2016 were nil and 1 nil-paid share respectively when the Company was incorporated on 30 March 2016.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

The Group's business is built on a customer-oriented culture and focuses on providing quality diesel oil with reasonable prices and timely delivery services. The Group provides consulting services to customers and customises the Group's services to suit their needs for the Group's products by recommending the specifications and optimal order quantity of diesel oil and other guidance on safety precautions and environmental protection during delivery. In order to satisfy the Group's customers' immediate or unplanned purchase demands by supplying diesel oil to customers within a short time frame and responding to customers' delivery schedule in a more flexible manner, the Group had a fleet of nine diesel tank wagons of various capacity as at 31 March 2017.

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

Leveraging on years of experience and competitive strengths of the Group, the Group has steadily expanded its existing network and market and recorded a revenue of approximately HK$180.6 million for the year ended 31 March 2017, representing an increase of approximately HK$33.7 million or 22.9% as compared to the year ended 31 March 2016.

Meanwhile, the Group has executed strict control on costs and expenses and achieved positive results. The Group recorded a profit attributable to the owner of the Company of approximately HK$7.3 million for the year ended 31 March 2017. The decrease was mainly due to the recognition of the listing expenses of approximately HK$7.1 million in connection with the listing of the Company's shares on GEM (the "Listing") for the year ended 31 March 2017 as compared to HK$1.3 million for the year ended 31 March 2016. Excluding the one-off Listing expenses, the profit attributable to the owner of the Company for the year ended 31 March 2017 would have been HK$14.4 million, representing an increase of approximately 6.1% as compared to the year ended 31 March 2016.

Principal Risks and Uncertainties

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

Comparison of business objectives with actual business progress

Details of the the business objectives and strategies and future development of the business of the Group are set out in the section headed "Chairman's Statement" of this report and the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Given that the Share Offer was completed after 31 March 2017, the implementation plan as set out in the section headed "Future plans and use of proceeds" of the Prospectus will commence during the year ending 31 March 2018.

The net proceeds from the Share Offer have not been utilised up to the date of this report.

FINANCIAL REVIEW

Revenue

The Group's revenue is correlated with the sales quantity and the selling price of the diesel oil, marine diesel oil and lubricant oil and is determined by the customers' demand which is influenced by the macro consumer market and the worldwide economy. The selling price of the Group's products is highly correlated with the prevailing market price.

The Group's revenue increased by approximately HK$33.7 million or approximately 22.9% from approximately HK$146.9 million for the year ended 31 March 2016 to approximately HK$180.6 million for the year ended 31 March 2017.

Revenue from the sales of diesel oil, marine oil and lubricant oil accounted for approximately HK$165.7 million, HK$13.6 million and HK$1.3 million, representing approximately 91.8%, 7.5% and 0.7%, respectively, of the Group's total revenue for the year ended 31 March 2017. For the year ended 31 March 2016, the revenue from the sales of diesel oil, marine oil and lubricant oil accounted for approximately HK$145.0 million, HK$0.5 million and HK$1.4 million, representing approximately 98.7%, 0.3% and 1.0%, respectively, of the Group's total revenue. Sales of diesel oil remained the largest contributor to the Group's revenue.

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

Sales quantity

The sales quantity of diesel oil increased by approximately 24.4% from 35.3 million litres for the year ended 31 March 2016 to 43.9 million litres for the year ended 31 March 2017, primarily due to the recovery of the logistic industry and therefore more diesel oil was required from the logistics customers during the year ended 31 March 2017. As the Group has allocated more resources in the marketing of the marine oil products and successfully solicited a new customer in May 2016 that required substantial amount of marine diesel oil for transporting fill materials by its marine vessels for reclamation project during the year ended 31 March 2017, the sales quantity of marine diesel oil increased substantially from 142,000 litres for the year ended 31 March 2016 to 3.6 million litres for the year ended 31 March 2017. The sales quantity of lubricant oil remained stable at 1.4 million litres and 1.3 million litres for the two years ended 31 March 2017, respectively.

Selling price

The Group's selling price is determined based on the cost of diesel oil, marine diesel oil and lubricant oil and plus a certain mark-up margin. The Group estimates the cost based on the expected purchase price offered by the Group's suppliers and the estimated delivery cost. We determine the mark-up margin based on the prevailing market price, length of credit period offered to the customers, business relationship with customers, delivery location and delivery arrangement.

The average selling price of the Group's diesel oil decreased by approximately 7.3% from HK$4.1 per litre for the year ended 31 March 2016 to HK$3.8 per litre for the year ended 31 March 2017 whereas the average selling of the Group's marine diesel oil remained stable at HK$3.8 per litre during the two years ended 31 March 2017. The selling price of the diesel oil was adjusted downwards as a result of the decreasing trend in the prevailing market prices.

Cost of sales

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

For the year ended 31 March 2017, the Group's cost of sales was approximately HK$155.8 million, representing an increase of 23.7% from HK$126.0 million for the year ended 31 March 2016. Such increase was mainly due to overall growth in revenue.

The largest component of the cost of sales was diesel oil cost, which amounted to approximately HK$120.5 million and HK$140.2 million, representing approximately 95.6% and 89.9% of the cost of sales for the two years ended 31 March 2017, respectively. The unit purchase costs of diesel oil decreased by 5.9% from approximately HK$3.4 per litre for the year ended 31 March 2016 to approximately HK$3.2 per litre for the year ended 31 March 2017 and the unit purchase costs of marine diesel oil decreased by 14.3% from approximately HK$3.5 per litre for the year ended 31 March 2016 to approximately HK$3.0 per litre for the year ended 31 March 2017.

The decrease in the Group's diesel oil cost was in line with the market trend.

Marine diesel oil cost represents the purchase cost of marine diesel oil from the Group's suppliers on a back-to-back basis after the customers' orders are confirmed. For the two years ended 31 March 2017, the marine diesel oil costs were approximately HK$0.5 million and HK$11.0 million, respectively, representing approximately 0.4% and 7.1% of the cost of sales, respectively.

Lubricant oil cost represents the purchase cost of lubricants oil from the Group's suppliers. For the two years ended 31 March 2017, the lubricant oil costs were approximately HK$1.3 million and HK$1.1 million, respectively, representing approximately 1.0% and 0.7% of the cost of sales, respectively.

The direct labour costs comprise wages and benefits, including wages, bonuses, retirement benefit costs and other allowances and benefits payable to all the Group's diesel tank wagons (drivers and logistics assistants) involved in the transportation of the products from the oil depot to the customers. The direct labour costs amounted to approximately HK$2.0 million and HK$2.0 million for the two years ended 31 March 2017, respectively. The Group had 9 and 10 full-time employees (drivers and logistics assistants) responsible for the logistics support for the Group's diesel tank wagons as at 31 March 2016 and 31 March 2017, respectively.

Depreciation represented depreciation charges for the Group's equipments which mainly comprise diesel tank wagons. The depreciation amounted to approximately HK$1.3 million and HK$1.1 million for the two years ended 31 March 2017. During the year ended 31 March 2016, two diesel tank wagons were fully depreciated with depreciation charge of HK$0.2 million and this explained the decrease in depreciation charge for the year ended 31 March 2017.

Gross profit and gross profit margin

The gross profit represented the Group's revenue less cost of sales. The Group recorded an increase in gross profit by approximately HK$3.8 million or approximately 18.1% from approximately HK$21.0 million for the year ended 31 March 2016 to approximately HK$24.8 million for the year ended 31 March 2017. The Group's gross profit margin decreased slightly from 14.3% for the year ended 31 March 2016 to 13.8% for the year ended 31 March 2017.

Other income

The Group's other income decreased from HK$594,000 for the year ended 31 March 2016 to HK$115,000 for the year ended 31 March 2017 mainly due to the government incentive subsidies in relation to replacement of two diesel tank wagons under ex-gratia payment scheme of HK$521,000 received during the year ended 31 March 2016 but no such replacement of diesel tank wagons occurred for the year ended 31 March 2017.

Administrative expenses

The administrative expenses mainly include administrative staff costs, rent and rate, Listing expenses and others. The Group's administrative expenses increased by approximately 149.1% from approximately HK$5.3 million for the year ended 31 March 2016 to approximately HK$13.2 million for the year ended 31 March 2017, primarily due to the increase in Listing expenses of approximately HK$5.9 million incurred for the preparation of The Group's Listing for the year ended 31 March 2017 as compared to the year ended 31 March 2016.

Other operating expenses

The other operating expenses mainly include motor vehicle expenses, repair and maintenance insurance and license fee. The Group's other operating expenses increased by approximately 23.1% from approximately HK$1.3 million for the year ended 31 March 2016 to approximately HK$1.6 million for the year ended 31 March 2017 primarily due to the increase in repair and maintenance and insurance expenses for motor vehicles of approximately HK$0.3 million for the year ended 31 March 2017.

Finance costs

The finance costs mainly consist of interests on bank borrowings which were wholly repayable within five years, interest expenses on bank overdrafts, interest expenses on bills payables and interest expenses on obligations under finance leases. The Group's finance costs decreased by approximately 53.7% from approximately HK$326,000 for the year ended 31 March 2016 to HK$151,000 for the year ended 31 March 2017 which was in line with the decrease of average borrowings and bills payables of the Group during the year ended 31 March 2017.

Income tax

As all of the Group's profit are derived from Hong Kong, the Group is subject to income tax in Hong Kong and has no tax payable in other jurisdictions. The Group's income tax increased by approximately 17.4% from HK$2.3 million for the year ended 31 March 2016 to HK$2.7 million for the year ended 31 March 2017 primarily due to the increase in assessable profits for the year ended 31 March 2017. The Group's effective tax rate increased from approximately 16.0% for the year ended 31 March 2016 to approximately 26.9% for the year ended 31 March 2017 as a result of the Listing expenses incurred during the periods which were not deductible for tax purpose.

Profit for the year

As a result of the foregoing, the Group's net profit for the year decreased by 40.7% from approximately HK$12.3 million for the year ended 31 March 2016 to approximately HK$7.3 million for the year ended 31 March 2017, and the Group's net profit margin decreased from approximately 8.4% to 4.0% during the same periods. The decrease in the net profit and net profit margin for the year ended 31 March 2017 was primarily due to the increase in the recognition of Listing expenses during the year.

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources and Liquidity

The Group finances its operations primarily through cash generated from operating activities and interest-bearing bank borrowing, bank overdrafts and finance leases. The Group recorded net current assets of approximately HK$28.4 million as at 31 March 2017, compared to approximately HK$21.4 million as at 31 March 2016.

As at 31 March 2017, the Group's current assets amounted to HK$49.8 million (as at 31 March 2016: HK$33.9 million) of which HK$1.6 million (as at 31 March 2016: HK$4.9 million) was bank balances and cash, HK$48.0 million (as at 31 March 2016: HK$27.7 million) was trade and other receivables, deposits and prepayments. The Group's current liabilities amounted to HK$21.4 million (as at 31 March 2016: HK$12.5 million), including trade and other payables and accrued charges in the amount of HK$11.9 million (as at 31 March 2016: HK$3.5 million), bank borrowings and overdrafts in the amount of HK$5.1 million (as at 31 March 2016: HK$2.3 million) and tax payable in the amount of HK$3.6 million (as at 31 March 2016: HK$1.6 million). Current ratio was 2.3 (as at 31 March 2016: 2.7). Gearing ratio is calculated based on the total debt at the end of the year divided by total equity at the end of the year. Gearing ratio was 29.2% (as at 31 March 2016: 41.1%).

As at 31 March 2017, the maximum limit of the banking facilities available to the Group was amounted to HK$20.0 million. All the personal guarantee provided by the shareholder of the Company and the pledge of life insurance and property of the shareholder of the Company to secure the banking facilities and finance lease facilities granted to the Group were released upon Listing.

The Group's financial position has been further enhanced by the Share Offer proceeds obtained in April 2017.

CAPITAL STRUCTURE

For the year ended 31 March 2017, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK$29.3 million. The share capital of the Group only comprises of ordinary shares.

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

FOREIGN CURRENCY EXPOSURE RISKS

The Group's business operations were conducted in Hong Kong. All transactions and monetary assets were denominated and settled in Hong Kong dollar. As such, there was no material impact to the Group arising from the fluctuation in the foreign exchange rates between the currencies.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2017. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the year ended 31 March 2017, the Group did not have any significant investment, material acquisitions nor disposals of subsidiaries and affiliated companies save for those reorganisation activities done for the purpose of Listing as set out in the paragraph headed "Reorganisation" under the section headed "History and Development, Reorganisation and Group Structure" in the Prospectus.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

Apart from the reorganisation in relation to the Listing as disclosed in the Prospectus, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 March 2017.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2017, the Group did not have any material capital commitments or any material contingent liabilities

PLEDGE OF ASSETS

As at 31 March 2016 and 2017, the motor vehicles with carrying amount of approximately HK$2,050,000 and HK$913,000 have been pledged to secure finance leases granted to the Group respectively.

USE OF PROCEEDS FROM THE SHARE OFFER

On the Listing Date, the Company's shares were listed on the GEM of the Stock Exchange. A total of 200,000,000 new shares with nominal value of HK$0.01 each of the Company were issued at HK$0.32 per share for a total of approximately HK$64.0 million. The net proceeds received by the Company from the Share Offer, after deduction of the underwriting commission and related expenses in connection with the Share Offer, was approximately HK$45.1 million. Since the Listing Date is after 31 March 2017, the net proceeds from the Share Offer had not been received by the Company as at 31 March 2017. The net proceeds, upon receipt by the Company after Listing, has been deposited at a bank and such net proceeds will be applied in the manners consistent with the proposed applications set out in the section headed "Future plans and use of proceeds" in the Prospectus.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2017, the Group engaged a total of 22 employees (2016: 16) including the Directors. For the year ended 31 March 2017, total staff costs amounted to approximately HK$3.8 million (2016: approximately HK$2.9 million). Remuneration (including employees' benefits) is maintained at an attractive level and reviewed on a periodic basis. Employees' salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group's business performance.

ENVIRONMENT POLICIES AND PERFORMANCE

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

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

A separate environmental, social and governance report is expected to be published on the Stock Exchange's website and the Company's website no later than three months after the publication of the annual report.

EVENTS AFTER THE REPORTING PERIOD

The Company was successfully listed on GEM on the Listing Date and 200,000,000 ordinary shares were issued at HK$0.32 per share by way of Share Offer. Net proceeds from the Placing amounted to approximately HK$45.1 million (after deducting the underwriting fees and other related expenses).

COMPETING INTERESTS

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

COMPETING BUSINESS

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

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

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

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

INTERESTS OF THE COMPLIANCE ADVISER

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed this announcement and the audited consolidated results of the Group for the year ended 31 March 2017 and the effectiveness of internal control system.

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

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

DIRECTORS' SECURITIES TRANSACTIONS

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

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2017.

SHARE OPTION SCHEME

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

CORPORATE GOVERNANCE

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

ANNUAL GENERAL MEETING

The forthcoming annual general meeting ("AGM") of the Company will be held on 8 August 2017, the notice of which shall be sent to the shareholders of the Company in accordance with the articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from 3 August 2017 to 8 August 2017, both days inclusive, during which period no transfer of the Shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 31st Floor, 148 Electric Road, North Point, Hong Kong not later than 4:00 p.m. on 2 August 2017.

COMMUNICATION WITH SHAREHOLDERS

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

OUTLOOK

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

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

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

APPRECIATION

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

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

Hong Kong, 23 June 2017

As at the date of this announcement, the chairman and the executive director of the Company is Mr. FONG Chun Man, the executive directors of the Company are Ms. LO Pui Yee 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 announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.f8.com.hk.