



展程控股有限公司

GOAL FORWARD HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1854

Executive Directors:

Mr. Liu Chi Ching (*Chairman*)

Ms. Wu Shuk Kwan (*Chief Executive Officer*)

Non-executive Director:

Mr. Wong Chung Yeung

Independent non-executive Directors:

Ms. Li On Lei

Mr. Ng Ki Man

Mr. Lo Siu Kit

Registered office in Cayman Islands:

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman

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Cayman Islands

*Head office and principal place of
business in Hong Kong*

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Shatin, New Territories

Hong Kong

19 August 2021

To the Independent Shareholders:

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY
SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
ACE SOURCE HOLDINGS LIMITED TO ACQUIRE ALL
THE ISSUED SHARES OF GOAL FORWARD HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED
BY ACE SOURCE HOLDINGS LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement.

The Board has been informed by the Vendor that on 29 June 2021 (after trading hours), the Vendor and Ace Source entered into the Share Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and Ace Source (or its nominee) has conditionally agreed to acquire, 520,000,000 Sale Shares (representing approximately 34.39% of the issued share capital of the Company as at the Latest Practicable Date), at a

total cash consideration of HK\$78,000,000, being HK\$0.15 per Sale Share. On the same day, being 29 June 2021 (after trading hours), the Company and Ace Source entered into the Subscription Agreement, pursuant to which Ace Source has conditionally agreed to subscribe for, and the Company has agreed to allot and issue to Ace Source, 252,000,000 Subscription Shares (representing approximately 16.67% of the issued share capital of the Company as at the Latest Practicable Date), at a consideration of HK\$37,800,000, being HK\$0.15 per Subscription Share. Completion took place on 16 August 2021.

Immediately prior to Completion, Ace Source and parties acting in concert with it (excluding the Vendor) did not hold any Shares or control any voting rights over Shares. Upon Completion which took place on 16 August 2021 and as at the Latest Practicable Date, Ace Source was interested in 772,000,000 Shares, representing approximately 51.06% of the issued share capital of the Company. Ace Source is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned by Ace Source and parties acting in concert with it).

Immediately after Completion, the Vendor held 200,000,000 Shares, representing approximately 13.23% of the issued shares capital of the Company as at the Latest Practicable Date.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group, Ace Source and the Offer; (ii) the letter from Somerley containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and on acceptance in respect of the Offer; and (v) the property valuation report prepared by BMI Appraisals Limited in respect of the property interests of the Group.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance of the offer.

The Independent Board Committee, comprising all non-executive Directors, namely, Mr. Wong Chung Yeung, Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit has been established for the purpose of making recommendations to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

Opus Capital Limited, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document. **You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

PRINCIPAL TERMS OF THE OFFER

As disclosed in the “Letter from Somerley”, Somerley is making the Offer for and on behalf of Ace Source pursuant to the Takeovers Code on the following basis:

For each Offer Share heldHK\$0.15 in cash

As at the Latest Practicable Date, there were 1,512,000,000 Shares in issue and the Company did not have any outstanding options, warrants or derivatives or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Save for the irrevocable undertakings as set out in the paragraph headed “The Vendor’s Undertakings” below, as at the Latest Practicable Date, none of Ace Source or parties acting in concert with it had received any irrevocable commitment to accept or not to accept the Offer. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights to receive all dividends and distributions declared, made or paid on or after the date on which the Offer is made.

As at the Latest Practicable Date, the Company had not declared any dividend and did not have any intention to make, declare or pay any dividend or other distribution before the close of the offer period (as defined in the Takeovers Code) of the Offer.

The Offer is unconditional in all respects.

Further details of the Offer are set out in the “Letter from Somerley” and the additional information contained in appendices to the Composite Document and the accompanying Form of Acceptance.

The Vendor’s Undertakings

As at the Latest Practicable Date, the Vendor held 200,000,000 Shares (the “**Retained Shares**”), representing approximately 13.23% of the issued share capital of the Company.

In accordance with terms of the Share Purchase Agreement, the Vendor has executed a deed of undertaking dated 16 August 2021 in favour of Ace Source, the SFC and the Stock Exchange, pursuant to which the Vendor has irrevocably and unconditionally undertaken that it will:-

- (i) not, and will not attempt to, whether directly or indirectly, sell, transfer or dispose of, charge, grant any option or right over, or otherwise create any encumbrance on or deal in all or any of the Retained Shares until the close of the offer period (as defined in the Takeovers Code) of the Offer; and
- (ii) not accept the Offer in respect of the Retained Shares.

Pursuant to the deed of undertaking, there are no circumstances in which the Vendor's undertakings will cease to be binding.

Save as disclosed above, there are no restrictions on the disposition of the Retained Shares held by the Vendor under the terms of the Share Purchase Agreement after the close of the offer period (as defined in the Takeovers Code) of the Offer nor other arrangement between Ace Source and the Vendor regarding the Retained Shares.

The Offer Price

The offer price of HK\$0.15 per Offer Share represents:

- (i) a discount of approximately 11.76% to the closing price of HK\$0.170 per Share quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 7.14% over the closing price of HK\$0.14 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 4.46% to the average closing price of approximately HK\$0.157 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Day;
- (iv) a discount of approximately 11.76% to the average closing price of approximately HK\$0.170 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day;
- (v) a discount of approximately 10.18% to the average closing price of approximately HK\$0.167 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the Last Trading Day;
- (vi) a premium of approximately 102.70% over the audited consolidated net asset attributable to the owners of the Company of approximately HK\$0.074 per Share as at 31 March 2021 (calculated based on the audited consolidated equity attributable to the Shareholders of approximately HK\$93.28 million as at 31 March 2021 and 1,260,000,000 Shares in issue as at 31 March 2021); and
- (vii) a premium of approximately 50.00% over the adjusted unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.10 per Share as at 31 March 2021. The calculation of the adjusted unaudited

consolidated net asset value attributable to the owners of the Company per Share as at 31 March 2021 is set out under the paragraph “Adjusted unaudited net asset value” in Appendix II to this Composite Document.

Highest and lowest trading prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.194 per Share on 20 July 2021 and HK\$0.075 per Share on 11, 12, 15, 16 and 17 March 2021.

Total value of the offer

As at the Latest Practicable Date, there were 1,512,000,000 Shares in issue and the Company did not have any outstanding warrants, derivatives, options or other securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such warrants, derivatives, options or other securities of the Company. On the basis of the offer price of HK\$0.15 per Sale Share, the entire issued share capital of the Company would be valued at HK\$226,800,000. As at the Latest Practicable Date, excluding the Sale Shares and Subscription Shares (i.e. 772,000,000 Shares) acquired by Ace Source pursuant to the Share Purchase Agreement and the Subscription Agreement and the Retained Shares (i.e. 200,000,000 Shares) held by the Vendor, a total of 540,000,000 Shares will be subject to the Offer. Accordingly, the maximum cash consideration payable by Ace Source if the Offer is accepted in full by the Independent Shareholders will be HK\$81,000,000.

Further details of the Offer

Further details of the Offer, including, among other things, its extension to the Overseas Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period can be found in the “Letter from Somerley” and Appendix I “Further Terms and Procedures for Acceptance of the Offer” to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability and its issued shares were listed on GEM of the Stock Exchange on 13 October 2016 and were transferred to be listed on the Main Board of the Stock Exchange on 21 March 2019. The Company is an investment holding company and its subsidiaries are principally engaged in the sourcing, processing and supplying of food ingredients in Hong Kong.

Financial and general information in relation to the Group are set out in Appendix II “Financial Information of the Group” and Appendix V “General Information of the Group” and the property valuations of the property interests of the Group are set out in Appendix III “Property Valuation Report” to this Composite Document.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately after Completion and as at the Latest Practicable Date:

Shareholders	Immediately prior to Completion		Immediately after Completion and as at the Latest Practicable Date	
	Numbers of Shares held	Percentage of approximate shareholding	Numbers of Shares held	Percentage of approximate shareholding
Ace Source (Note 1)	-	-	772,000,000	51.06
Vendor (Note 2)	<u>720,000,000</u>	<u>57.14</u>	<u>200,000,000</u>	<u>13.23</u>
Sub-total for Ace Source and parties acting in concert with it	720,000,000	57.14	972,000,000	64.29
Public Shareholders	<u>540,000,000</u>	<u>42.86</u>	<u>540,000,000</u>	<u>35.71</u>
Total	<u>1,260,000,000</u>	<u>100.00</u>	<u>1,512,000,000</u>	<u>100.00</u>

Note:

- As at the Latest Practicable Date, Ace Source was directly interested in 772,000,000 Shares and was owned by China Wantian, Yap Global and Hooy Investment as to 81%, 12% and 7% equity interest, respectively.

China Wantian is an investment holding company incorporated in Hong Kong with limited liability and as at the Latest Practicable Date, China Wantian was owned by Wise Global Holding Limited and Courage Rise Holdings Limited as to 60% and 40% equity interest, respectively. Each of Wise Global Holding Limited and Courage Rise Holdings Limited is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, Mr. Hooy was the sole beneficial owner of Wise Global Holding Limited, while Mr. Zhong was the sole beneficial owner of Courage Rise Holdings Limited.

Yap Global is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, Yap Global was beneficially owned by each of Ms. Yap Hong Akiw and Ms. Yap Hong Kek as to approximately 16.67% equity interest, and each of Ms. Yap Yuk Kiew, Mr. Yap Fong Kee, Ms. Yap Hong Leng, Mr. Yap Kong Meng, Ms. Yap Siew Chow, Ms. Yap Siew Ngoh, Ms. Yap Su Chai, and Mr. Yek Hon Su as to approximately 8.33% equity interest.

Hooy Investment is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, Hooy Investment was beneficially owned by each of Mr. Hooy Say Kai and Mr. Hooy Kwok Pun as to approximately 28.57% equity interest, and each of Mr. Hooy Kok Kuen, Ms. Hooy Siew Kuen and Ms. Leong Kwai Ho as to approximately 14.29% equity interest.

- The Vendor is beneficially wholly-owned by Mr. Liu.

INFORMATION ON ACE SOURCE

Your attention is drawn to the section headed "Information on Ace Source" in the "Letter from Somerley" and Appendix IV "General Information of Ace Source" to the Composite Document.

INTENTIONS OF ACE SOURCE IN RELATION TO THE GROUP AND THE BOARD

Please refer to the sections headed "Intentions of Ace Source in relation to the Group" and "Changes to the Board Composition of the Company" in the "Letter from Somerley" to the Composite Document for detailed information on Ace Source's intention on the business and management of the Group.

The Board is pleased to note Ace Source intends to (i) continue the existing principal business of the Group and has no intention to dispose of the Company's businesses immediately following the close of the Offer; and (ii) continue the employment of the employees (save for the proposed changes to the composition of the Board). The Board is willing to render reasonable cooperation to Ace Source to support its intentions regarding the Group if it considers that it is in the interests of the Company and Shareholders as a whole.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

As mentioned in the "Letter from Somerley", Ace Source intends the Company to remain listed on the Stock Exchange. The Directors, the new Directors to be appointed to the Board (namely Mr. Hooy and Mr. Zhong), and the directors of Ace Source have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

RECOMMENDATION

Your attention is drawn to the "Letter from the Independent Board Committee" as set out on pages 29 to 30 of this Composite Document, which contains its advice and recommendations to the Independent Shareholders in respect of the Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I "Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

By order of the Board of
Goal Forward Holdings Limited



Liu Chi Ching
Chairman and executive Director