



展程控股有限公司

GOAL FORWARD HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 8240



First Quarterly Report 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.**

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*This report, for which the directors (the “**Directors**”) of Goal Forward Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 report 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 report misleading.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 30 JUNE 2017**

The unaudited condensed consolidated results of the Group for the three months ended 30 June 2017, together with the unaudited comparative figures for the corresponding period in 2016, are as follows:

	Note	Unaudited Three months ended 30 June	
		2017 HK\$'000	2016 HK\$'000
Revenue	3	<b>41,626</b>	42,281
Cost of sales		<b>(31,921)</b>	(33,372)
<b>Gross profit</b>		<b>9,705</b>	8,909
Other income		<b>36</b>	31
Selling and administrative expenses		<b>(4,531)</b>	(8,900)
<b>Operating profit</b>		<b>5,210</b>	40
Finance income		<b>3</b>	–
Finance costs		<b>(110)</b>	(498)
Finance costs – net		<b>(107)</b>	(498)
Share of loss of a joint venture		<b>(51)</b>	–
<b>Profit/(loss) before income tax</b>		<b>5,052</b>	(458)
Income tax expense	4	<b>(855)</b>	(967)
<b>Profit/(loss) and total comprehensive income/(loss) for the period attributable to the owners of the Company</b>		<b>4,197</b>	(1,425)
Earnings/(losses) per share attributable to owners of the Company for the period – Basic and diluted (expressed in HK cents per share)	5	<b>0.33</b>	(0.15)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 30 JUNE 2017**

	Attributable to owners of the Company				
	Share capital /paid-in capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>Balance at 1 April 2017 (Audited)</b>	12,800	51,571	100	7,703	72,174
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	4,197	4,197
<b>Balance at 30 June 2017 (Unaudited)</b>	12,800	51,571	100	11,900	76,371

**FOR THE THREE MONTHS ENDED 30 JUNE 2016**

	Attributable to owners of the Company			
	Share capital /paid-in capital HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>Balance at 1 April 2016 (Audited)</b>	100	-	21,293	21,393
<b>Total comprehensive loss</b>				
Loss for the period	-	-	(1,425)	(1,425)
<b>Transaction with owners in their capacity as owners</b>				
Dividends declared (Note 6)	-	-	(17,000)	(17,000)
Issuance of shares and effects of the reorganisation	(100)	100	-	-
<b>Balance at 30 June 2016 (Unaudited)</b>	-	100	2,868	2,968

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 6 April 2016 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office in Cayman Islands is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The address of its principal place of business is Workshop No. A-B, 1/F, Sunking Factory Building, No. 1-7 Shing Chuen Road, Shatin, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the sourcing and processing of food ingredients (the "**Listing Business**"). The controlling shareholder of the Company is Mr. Liu Chi Ching ("**Mr. Liu**") (the "**Controlling Shareholder**").

The shares of the Company (the "**Share(s)**") were listed on GEM by way of placing (the "**Listing**") on 13 October 2016 (the "**Listing Date**").

This unaudited condensed consolidated financial statements is presented in thousands of Hong Kong dollars ("**HK\$000**"), unless otherwise stated.

### 2 BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRS**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

#### (a) **The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2017.**

Annual Improvements Project (Amendment) – HKFRS 12	Annual Improvements 2014-2016 Cycle
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above HKFRSs did not have any significant financial impact on the unaudited condensed consolidated financial statements.

#### (b) **The following new standards and revisions to standards have been issued, but are not effective for the financial year beginning 1 January 2017 and have not been early adopted by the Group.**

		<b>Effective for accounting year beginning on or after</b>
Annual Improvements Project (Amendments) – HKFRS 1 and HKAS 28	Annual Improvements 2014-2016 Cycle	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018

**Effective for  
accounting year  
beginning on or  
after**

HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendments)	Clarifications to HKFRS 15	1 January 2018
HKAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will apply the above HKFRSs when they become effective. The Group is in the process of making an assessment of the impact of the above HKFRSs.

### 3 REVENUE

Total revenue recognised during the period are as follows:

	<b>Unaudited Three months ended 30 June</b>	
	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
Sales of goods	<b>41,626</b>	42,281

### 4 INCOME TAX EXPENSE

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

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit during the three months ended 30 June 2017.

The amount of income tax expense charged to the condensed consolidated statements of comprehensive income represents:

	<b>Unaudited Three months ended 30 June</b>	
	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
Current income tax		
– Current period	<b>855</b>	973
Deferred income tax	<b>–</b>	(6)
Income tax expense	<b>855</b>	967

## 5 EARNINGS/LOSSES PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

### (a) Basic

Basic earnings/losses per share is calculated by dividing the profit/loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	Unaudited Three months ended 30 June	
	2017	2016
Profit/(loss) for the period attributable to the owners of the Company (HK\$'000)	4,197	(1,425)
Weighted number of ordinary shares in issue ('000)	1,280,000	960,000
Basic earnings/(losses) per share (HK cents per share)	<u>0.33</u>	<u>(0.15)</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share for the three months ended 30 June 2017 was derived from 1,280,000,000 ordinary shares in issue.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the three months ended 30 June 2016 was derived from 960,000,000 ordinary shares (comprising 10,000 ordinary shares in issue and 959,900,000 ordinary shares to be issued under the capitalisation issue), as if these 960,000,000 ordinary shares were outstanding throughout the period.

### (b) Diluted

Diluted earnings/losses per share for the three months ended 30 June 2017 and 2016 are the same as basic earnings/losses per Share due to the absence of dilutive potential ordinary shares during the respective periods.

## 6 DIVIDENDS

	Unaudited Three months ended 30 June	
	2017 HK\$'000	2016 HK\$'000
Dividends	<u>-</u>	<u>17,000</u>

In May 2016, C.Y. Food Trading (HK) Company Limited, an indirect wholly-owned subsidiary of the Company declared a special dividend in the sum of HK\$17,000,000 to its shareholder.

The board of Directors (the "Board") does not recommend a payment of any dividend in respect of the three months ended 30 June 2017.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group is a food ingredients supplier with a focus on the provision of vegetables and fruits to food service operators in Hong Kong. It supplies and offers more than 1,300 types of food ingredients to customer outlets.

For the three months ended 30 June 2017, the Group recorded a net profit of approximately HK\$4.2 million as compared to net loss of approximately HK\$1.4 million for the same period in 2016. The Directors are of the view that the increase of the Group's net profit during the three months ended 30 June 2017 was mainly attributable to the non-recurring listing expenses approximately HK\$5.9 million in 2016, setting that aside the Group's net profit for the three months ended 30 June 2016 would have been approximately HK\$4.5 million with a set back of approximately 6.0%. In view of similar level of net profit after excluding the non-recurring listing expenses for the three months ended 30 June 2017 as compared to the same period in 2016, and the latest negotiations with existing and potential new customers, the Directors are of the opinion that there has been no fundamental deterioration in the commercial and operational viability in the Group's business.

## OUTLOOK

The Shares were listed on GEM on 13 October 2016 by way of placing. The Directors believe that the Listing could enhance the profile and recognition of the Group and its products and services and hence further strengthen the existing and potential customers' and suppliers' confidence in the Group. The net proceeds from the placing will provide financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the vegetables and fruits supply services industry.

The Group is in the course of negotiation with existing customers and potential new customers, including groups with sizeable operations, expressing intentions of inviting us to expand the existing supply scope or to parallel support their new outlets development. In addition, with the success of exploring new sources of vegetables and fruits supply, the Group shall sustain its competitiveness within the market and continue to strive for achieving the business objectives as stated in the prospectus of the Company dated 30 September 2016 (the "**Prospectus**").

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the three months ended 30 June 2017 was approximately HK\$41.6 million, representing a decrease of approximately 1.6% from approximately HK\$42.3 million for the three months ended 30 June 2016. The set back was mainly attributable to the downsize impacts of market conditions and modifications made to the Group's pricing strategy.

### Cost of sales

The Group's cost of sales for the three months ended 30 June 2017 was approximately HK\$31.9 million, representing a reduction of approximately 4.5% from approximately HK\$33.4 million for the three months ended 30 June 2016, primarily attributable to the increased efforts in procurement and better purchase cost management, including (i) closely monitor products that were of higher purchase volume among the Group; (ii) procure products directly from overseas' farms or suppliers; and (iii) also improve of operation management.

### Gross profit and gross profit margin

The Group's gross profit for the three months ended 30 June 2017 were approximately HK\$9.7 million, representing an increase of approximately 8.9% from approximately HK\$8.9 million for the three months ended 30 June 2016. The Group's gross profit margin for the three months ended 30 June 2017 was approximately 23.3%, representing an increase of approximately 2.2 percentage points as compared to approximately 21.1% for the three months ended 30 June 2016. The increase in gross profit was mainly due to the combined effect of (i) the increased efforts in procurement and better purchase cost management as explained above and (ii) different mix of goods procured by customers.

### Selling and administrative expenses

The Group's selling and administrative expenses for the three months ended 30 June 2017 were approximately HK\$4.5 million, representing a decrease of approximately 49.1% from approximately HK\$8.9 million for the three months ended 30 June 2016, primarily due to the effects of the non-recurring listing expenses incurred during the three months ended 30 June 2016.

## DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2017.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### Long positions in ordinary Shares and underlying Shares

Name	Capacity/nature	Number of Shares held	Approximate percentage of shareholding
Mr. Liu (Note 1)	Interest of a controlled corporation	720,000,000	56.25%

Note:

1. Mr. Liu beneficially owns the entire issued share capital of Classic Line Limited ("**Classic Line**"). Therefore, Mr. Liu is deemed, or taken to be, interested in all the Shares held by Classic Line for the purpose of the SFO. Mr. Liu is the sole director of Classic Line.

Save as disclosed above, as at 30 June 2017, none of the Directors and chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors or chief executives of the Company, as at 30 June 2017, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

### Long positions in ordinary Shares and underlying Shares

Name	Capacity/nature	Number of Shares held	Approximate percentage of shareholding
Classic Line (Note 1)	Beneficial owner	720,000,000	56.25%
Good Vision Limited (Note 2)	Beneficial owner	144,000,000	11.25%
Hong Kong Tang Palace Food & Beverage Group Company Limited (Note 2)	Interest of a controlled corporation	144,000,000	11.25%
Tang Palace (China) Holdings Limited (Note 3)	Interest of a controlled corporation	144,000,000	11.25%

Notes:

1. Mr. Liu beneficially owns the entire issued share capital of Classic Line. Therefore, Mr. Liu is deemed or taken to be interested in all the Shares held by Classic Line for the purpose of the SFO. Mr. Liu is the sole director of Classic Line.
2. Hong Kong Tang Palace Food & Beverage Group Company Limited ("**Tang Palace**") owns the entire issued share capital of Good Vision Limited ("**Good Vision**"). Therefore, Tang Palace is deemed or taken to be interested in all the Shares held by Good Vision for the purpose of the SFO. Mr. Chan Man Wai is the sole director of Good Vision.
3. Tang Palace (China) Holdings Limited (Stock Code: 1181), a company listed on the Main Board of the Stock Exchange, beneficially owns the entire issued share capital of Tang Palace. Therefore, Tang Palace (China) Holdings Limited is deemed, or taken to be, interested in all the Shares in which Tang Palace is interested for the purpose of the SFO.

Save as disclosed above, as at 30 June 2017, there was no person or corporation, other than the Directors and chief executives of the Company had any interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2017.

### COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has or may have any other conflict of interests with Group during the three months ended 30 June 2017.

Each of the covenantors also gave certain non-competition undertakings under the deed of non-competition as set out in the paragraph headed "Relationship with our Controlling Shareholders – Non-Competition undertakings" in the Prospectus.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.68 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the "**Code of Conduct**"). Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the required standard of dealings and the Code of Conduct and there was no event of non-compliance during the three months ended 30 June 2017.

## **SHARE OPTION SCHEME**

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Company has adopted a Share Option Scheme on 26 September 2016. Further details of the Share Option Scheme are set in the section headed "Statutory and General Information – D. Share option scheme" in Appendix V to the Prospectus.

For the three months ended 30 June 2017, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As confirmed by the Group's compliance adviser, Frontpage Capital Limited (the "**Compliance Adviser**"), saved as the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **CORPORATE GOVERNANCE PRACTICE**

The Company has applied the principles and code provisions in the Corporate Governance Code (the "**Code**") as set out in Appendix 15 to the GEM Listing Rules. Throughout the reporting period, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code.

## **AUDIT COMMITTEE**

The Audit Committee was established on 26 September 2016. The Chairman of the Audit Committee is Mr. Ng Ki Man, the independent non-executive Director, and other members included Ms. Li On Lei and Mr. Lo Siu Kit, the independent non-executive Directors. The written terms of reference of the Audit Committee are posted on the Stock Exchange's website and on the Company's website.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditors and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.



The Group's unaudited condensed consolidated financial statements for the three months ended 30 June 2017 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2017 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

By order of the Board  
**Goal Forward Holdings Limited**  
**Liu Chi Ching**  
*Chairman and Executive Director*

Hong Kong, 8 August 2017

*As at the date of this report, the Board comprises Mr. Liu Chi Ching and Ms. Wu Shuk Kwan as executive Directors; Mr. Wong Chung Yeung as non-executive Director; and Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit as independent non-executive Directors.*