



展程控股有限公司

GOAL FORWARD HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8240

Interim 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**”) and 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 the 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.*

CORPORATE INFORMATION

BOARD OF DIRECTORS

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, *MH*

AUDIT COMMITTEE

Mr. Ng Ki Man (*Chairman*)
Ms. Li On Lei
Mr. Lo Siu Kit, *MH*

NOMINATION COMMITTEE

Mr. Liu Chi Ching (*Chairman*)
Ms. Li On Lei
Mr. Ng Ki Man
Mr. Lo Siu Kit, *MH*

REMUNERATION COMMITTEE

Ms. Li On Lei (*Chairman*)
Mr. Liu Chi Ching
Mr. Ng Ki Man
Mr. Lo Siu Kit, *MH*

COMPLIANCE OFFICER

Ms. Wu Shuk Kwan

COMPANY SECRETARY

Ms. Yim Sau Ping

AUTHORISED REPRESENTATIVES

Mr. Liu Chi Ching
Ms. Yim Sau Ping

COMPLIANCE ADVISER

Frontpage Capital Limited
26/F, Siu On Centre
No. 188 Lockhart Road
Wan Chai
Hong Kong

AUDITOR

PricewaterhouseCoopers
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LEGAL ADVISOR AS TO HONG KONG LAWS

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REGISTERED OFFICE IN THE CAYMAN ISLANDS

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KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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No. 1-7 Shing Chuen Road
Shatin
New Territories
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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

OCBC Wing Hang Bank Limited
China Construction Bank (Asia) Corporation Limited

COMPANY'S WEBSITE

www.cyfood.com.hk

STOCK CODE

8240

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2017

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

	Note	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue	5	46,372	40,742	87,998	83,023
Cost of sales	7	(38,354)	(32,544)	(70,275)	(65,916)
Gross profit		8,018	8,198	17,723	17,107
Other income	6	167	34	203	65
Selling and administrative expenses	7	(4,150)	(9,892)	(8,681)	(18,792)
Operating profit/(loss)		4,035	(1,660)	9,245	(1,620)
Finance income	8	63	–	66	–
Finance costs	8	(109)	(116)	(219)	(614)
Finance costs – net	8	(46)	(116)	(153)	(614)
Share of profit of a joint venture		181	–	130	–
Profit/(loss) before income tax		4,170	(1,776)	9,222	(2,234)
Income tax expense	9	(778)	(742)	(1,633)	(1,709)
Profit/(loss) and total comprehensive income/(expense) for the period attributable to the owners of the Company		3,392	(2,518)	7,589	(3,943)
Earnings/(loss) per share attributable to owners of the Company for the period – Basic and diluted (expressed in HK cents per share)	10	0.27	(0.26)	0.59	(0.41)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Note	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	20,556	17,019
Deposits and prepayments	14	3	2,648
Deferred tax assets		–	90
Interest in a joint venture	13	983	853
Total non-current assets		21,542	20,610
Current assets			
Inventories		687	607
Trade receivables	14	30,945	22,142
Deposits and prepayments	14	649	628
Cash and cash equivalents		70,267	68,924
Total current assets		102,548	92,301
Total assets		124,090	112,911
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	12,800	12,800
Share premium		51,571	51,571
Other reserve		100	100
Retained earnings		15,292	7,703
Total equity		79,763	72,174
LIABILITIES			
Non-current liabilities			
Borrowings	16	138	181
Deferred tax liabilities		593	576
Total non-current liabilities		731	757
Current liabilities			
Trade payables	17	19,333	16,549
Accruals and other payables	17	4,245	4,554
Borrowings	16	18,199	18,584
Current income tax liabilities		1,819	293
Total current liabilities		43,596	39,980
Total liabilities		44,327	40,737
Total equity and liabilities		124,090	112,911

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017**

	Attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 April 2016 (Audited)	100	–	–	21,293	21,393
Total comprehensive income					
Loss for the period	–	–	–	(3,943)	(3,943)
Transaction with owners in their capacity as owners					
Dividends declared (Note 11)	–	–	–	(17,000)	(17,000)
Reorganisation	(100)	–	100	–	–
Balance at 30 September 2016 (Unaudited)	–	–	100	350	450
Balance at 1 April 2017 (Audited)	12,800	51,571	100	7,703	72,174
Total comprehensive income					
Profit for the period	–	–	–	7,589	7,589
Balance at 30 September 2017 (Unaudited)	12,800	51,571	100	15,292	79,763

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017**

	Unaudited Six months ended 30 September	
	2017 HK\$'000	2016 HK\$'000
Cash flows from operating activities		
Cash generated from operations	3,226	2,903
Interest paid	(219)	(614)
Income tax paid	-	(555)
	<hr/>	<hr/>
Net cash generated from operating activities	3,007	1,734
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Cash flows from investing activities		
Purchases of property, plant and equipment	(1,088)	(51)
Prepayment for property, plant and equipment	(314)	-
Proceed from disposal of property, plant and equipment	100	-
Amount due from controlling shareholder	-	(24)
Interest received	66	-
	<hr/>	<hr/>
Net cash used in investing activities	(1,236)	(75)
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Cash flows from financing activities		
Proceeds from bank borrowings	-	19,200
Repayments of bank borrowings	(385)	(19,027)
Repayments of finance lease	(43)	(20)
Prepayments of listing expenses	-	(1,568)
	<hr/>	<hr/>
Net cash used in financing activities	(428)	(1,415)
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Net increase in cash and cash equivalents	1,343	244
Cash and cash equivalents at the beginning of the period	68,924	9,479
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Cash and cash equivalents at the end of the period	70,267	9,723
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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 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. Mr. Liu Chi Ching ("**Mr. Liu**") is the controlling shareholder of the Company (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 (Amendments) – 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 and have not been early adopted by the Group.**

		Effective for accounting year beginning on or after
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
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 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2017.

4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements as at 31 March 2017.

There have been no changes in the risk management policies since year end.

4.2 Liquidity risk

Compared to year end, there have been no material changes to the policies and practices for the Group's liquidity and funding risks management as described in the consolidated financial statements for the year ended 31 March 2017.

4.3 Fair value estimation

As at 31 March 2017 and 30 September 2017, the Group did not have any financial assets or financial liabilities that are measured at fair value.

The carrying values of receivables and payables are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

5 SEGMENT INFORMATION

The Group operates as a single operating segment. The single operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive Directors that make strategic decisions.

The Group is principally engaged in the sourcing and processing of food ingredients, which are carried out in Hong Kong.

Total revenue recognised during the period are as follows:

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of goods	46,372	40,742	87,998	83,023

The revenue from external parties is derived from numerous external customers and the revenue reported to management is measured in a manner consistent with that in the financial statements.

For the three months and six months ended 30 September 2017, as no revenue derived from a single customer has accounted for 10% or more of the Group's total revenue, no information about major customers is presented.

6 OTHER INCOME

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gain on disposal of property, plant and equipment	100	–	100	–
Sundry income	67	34	103	65
	167	34	203	65

7 EXPENSES BY NATURE

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost of inventories	30,367	24,983	53,865	49,367
Employee benefit expenses	4,271	4,042	9,042	7,825
Commission	271	278	398	499
Auditors' remuneration	288	288	575	575
Depreciation of property, plant and equipment (Note 12)	298	221	553	429
Operating leases	253	241	504	473
Transportation expenses	4,561	4,227	8,988	8,458
Listing expenses	–	6,378	–	12,268
Other expenses	2,195	1,778	5,031	4,814
	42,504	42,436	78,956	84,708

Certain comparative figures in the expenses by nature note have been reclassified to confirm with this year's presentation.

8 FINANCE COSTS – NET

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest expense on bank borrowings	105	112	213	606
Interest expense on finance leases	4	4	6	8
Finance costs	109	116	219	614
Interest income from bank deposits	(63)	–	(66)	–
Finance costs – net	46	116	153	614

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit during the six months ended 30 September 2017.

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

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Current income tax				
– Current year	671	747	1,526	1,720
Deferred income tax	107	(5)	107	(11)
Income tax expense	778	742	1,633	1,709

10 EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

(a) Basic

Basic earnings/loss 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 September		Unaudited Six months ended 30 September	
	2017	2016	2017	2016
Profit/(loss) for the period attributable to the owners of the Company (HK\$'000)	3,392	(2,518)	7,589	(3,943)
Weighted number of ordinary shares in issue ('000)	1,280,000	960,000	1,280,000	960,000
Basic earnings/(loss) per share (HK cents per share)	0.27	(0.26)	0.59	(0.41)

The weighted average number of ordinary shares for the purpose of basic earnings per share for the six months ended 30 September 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 six months ended 30 September 2017 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/loss per share is the same as basic earnings/loss per share due to the absence of dilutive potential ordinary shares during the respective periods.

11 DIVIDENDS

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Dividends	-	-	-	17,000

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 then shareholder.

The board of Directors (the "Board") does not recommend a payment of an interim dividend in respect of the six months ended 30 September 2017.

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Unaudited				
Six months ended				
30 September 2017				
Opening net book amount as at 1 April 2017	16,457	300	262	17,019
Additions	2,630	397	1,063	4,090
Depreciation (Note 7)	(274)	(64)	(215)	(553)
	18,813	633	1,110	20,556
Audited				
Year ended 31 March 2017				
Opening net book amount as at 1 April 2016	17,005	54	524	17,583
Additions	-	305	-	305
Depreciation	(548)	(59)	(262)	(869)
	16,457	300	262	17,019

13 INTEREST IN A JOINT VENTURE

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
Investment in a joint venture	1,000	1,000
Share of post-acquisition loss	(17)	(147)
	983	853

The following are the details of the investment in a joint venture as at 30 September 2017.

Name of company	Place of incorporation and operation	% of ownership interest	Principal activities	Measurement method
China Bright International Investment Limited	Hong Kong	50%	Manufacturing of bakery products	Equity

China Bright International Investment Limited is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Group's investments in a joint venture, and there are no contingent liabilities of the joint venture itself as at 30 September 2017.

14 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
Trade receivables (Note a)		
– Related parties	56	113
– Third parties	30,889	22,029
	30,945	22,142
Prepayment for property, plant and equipment	314	2,631
Other prepayments	236	548
Other receivables and deposits	102	97
	652	3,276
Less non-current portion: prepayments	(3)	(2,648)
Deposits and prepayments included in current assets	649	628

(a) **Trade receivables**

The carrying amounts of trade receivables approximate their fair values.

The Group normally grants credit terms to its customers ranging from 0 to 90 days. The ageing analysis of the trade receivables based on invoice dates is as follows:

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
1 to 30 days	16,071	13,565
31 to 60 days	10,079	6,882
61 to 90 days	2,160	758
91 to 120 days	1,859	260
Over 120 days	776	677
	<hr/>	<hr/>
Total	30,945	22,142

15 SHARE CAPITAL

The share capital balance as at 30 September 2017 in the condensed consolidated statement of financial position represented the issued share capital of the Company. Details of the authorised and issued and fully paid share capital of the Company are summarised as follows:

	Number of shares (in thousand)	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2017 and 30 September 2017	2,000,000	20,000
	<hr/>	<hr/>
Issued and fully paid:		
At 31 March 2017 and 30 September 2017	1,280,000	12,800

16 BORROWINGS

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
Non-current, secured		
Finance lease obligation (non-current portion) (Note (i))	138	181
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Current, secured		
Portion of long-term bank borrowings due for repayment after 1 year which contain a repayment on demand clause (Note (ii))	18,113	18,499
Finance lease obligation (current portion) (Note (i))	86	85
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	18,199	18,584
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Total borrowings	18,337	18,765

All borrowings, including the term loans repayable on demand, are carried at amortised cost.

Note (i):

The finance lease are secured/guaranteed by:

- (i) a motor vehicle with net book value of HK\$155,000 as at 30 September 2017 (31 March 2017: HK\$271,000); and
- (ii) a personal guaranteed executed by the Controlling Shareholder.

The rights to the leased asset are reverted to the lessor in the event of default of the lease liabilities by the Group.

Note (ii):

As at 30 September 2017, total bank borrowings of HK\$18,113,000 (31 March 2017: HK\$18,499,000) are secured/guaranteed by:

- (i) joint guarantee executed by the Controlling Shareholder and Mr. Chan Kam Cheong;
- (ii) guarantee provided by a company within the Group; and
- (iii) properties held by the Group.

17 TRADE AND OTHER PAYABLES

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
Trade payables (Note (a))		
– Related parties	18	10
– Third parties	19,315	16,539
	19,333	16,549
Other payables and accruals		
– Accruals for staff cost	2,872	2,803
– Commission payables	50	70
– Accruals for listing expenses	–	500
– Other accruals and other payables	1,323	1,181
	4,245	4,554

(a) Trade payables

The ageing analysis of the trade payables based on invoice dates is as follows:

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
0 to 30 days	10,828	8,056
31 to 60 days	6,171	4,930
61 to 90 days	2,334	3,563
	19,333	16,549

18 COMMITMENTS

(a) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases in respect of production facilities, parking lots and director quarter are as follows:

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
– No later than 1 year	674	987
– Later than 1 year and no later than 5 years	28	63
	702	1,050

(b) Capital commitments

Capital expenditure contracted for at the end of each reporting period but not yet incurred are as follows:

	Unaudited 30 September 2017 HK\$'000	Audited 31 March 2017 HK\$'000
Property, plant and equipment	489	–

19 RELATED-PARTY TRANSACTIONS

(a) Transactions with related parties

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Continuing related parties' transactions				
Sales of goods to related companies				
– China Land Restaurant Limited	–	165	102	329
– Winning Tender Limited	164	166	342	341
– Tang Palace (China) Holdings Limited	–	16	–	18
Rental expenses charged by a related company				
– Across Well Limited	–	84	–	168
Purchase of goods from a related party				
– Au Kit Ying	25	26	40	51

(b) **Key management compensation**

Key management includes executive directors of the Group. The compensation paid or payable to key management for employee services is disclosed as follows:

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Wages, salaries and allowances	811	267	1,631	534
Retirement benefit costs	9	9	18	18
	820	276	1,649	552

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 six months ended 30 September 2017, the Group recorded a net profit of approximately HK\$7.6 million as compared to net loss of approximately HK\$3.9 million for the same period in 2016. The Directors are of the view that the increase of the Group's net profit during the six months ended 30 September 2017 was mainly attributable to the non-recurring listing expenses of approximately HK\$12.3 million in 2016, setting that aside, the Group's net profit for the six months ended 30 September 2016 would have been approximately HK\$8.3 million with a setback of approximately 9.2%. Such decrease in adjusted net profit was primarily due to the increase of selling and administrative expenses for staff retainment. In view of the revenue growth for the six months ended 30 September 2017 as compared with 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 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, including groups with sizeable operations, expressing intentions of inviting us to expand the existing supply scope or to parallel support their new outlets development, and with potential new customers that are of new sales channel. 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 six months ended 30 September 2017 was approximately HK\$88.0 million, representing an increase of approximately 6.0% from approximately HK\$83.0 million for the six months ended 30 September 2016. The increase was mainly attributable to the expansion of the customer base.

Cost of sales

The Group's cost of sales for the six months ended 30 September 2017 was approximately HK\$70.3 million, representing an increase of approximately 6.6% from approximately HK\$65.9 million for the six months ended 30 September 2016, primarily attributable to increase of sales volume on par with the revenue growth.

Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2017 were approximately HK\$17.7 million, representing an increase of approximately 3.6% from approximately HK\$17.1 million for the six months ended 30 September 2016. The Group's gross profit margin for the six months ended 30 September 2017 remained stable as approximately 20.1%.

Selling and administrative expenses

The Group's selling and administrative expenses for the six months ended 30 September 2017 were approximately HK\$8.7 million, representing a decrease of approximately 53.8% from approximately HK\$18.8 million for the six months ended 30 September 2016, primarily due to the effects of the non-recurring listing expenses incurred during the six months ended 30 September 2016. The increase in selling and administrative expenses was mainly due to the increase of staff cost therefore to retain calibre.

Profit for the period

For the six months ended 30 September 2017, the Group recorded profit attributable to the owners of the Company of approximately HK\$7.6 million as compared to loss for the six months ended 30 September 2016 of approximately HK\$3.9 million. The loss for the six months ended 30 September 2016 was mainly attributable to the non-recurring listing expenses. By excluding the listing expenses, the Group's net profit for the six months ended 30 September 2016 would be approximately HK\$8.3 million. Such decrease in adjusted net profit was primarily due to the increase of selling and administrative expenses for staff retainerment.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress up to 30 September 2017.

Business plan as set out in the Prospectus

Progress up to 30 September 2017

Acquisition of new processing base, facilities and equipment

– Downpayment for acquiring additional industrial premises of approximately 9,000 to 10,000 sq.ft. in the industrial zone in New Territories as a new processing base of the Group

The Group has been in search of suitable industrial premises and has been validating sites that are of reasonable value and fit for the Group's operations

– Fitting out, renovation and installation of the new processing base

As the reason explained above and deferred

Business plan as set out in the Prospectus

– Acquire additional facilities and machines, such as washing and drying machines, various cutting machines and chemical detection devices

– Evaluate the efficiency of new processing base and assess for the Group need for additional facilities and machines

Expansion of logistic team

– Acquire four additional chilled 5.5 tonne trucks and a non-chilled 5.5 tonne truck

– Recruit approximately twelve additional distribution staff responsible for driving and delivering

– Maintain the cost of additional trucks acquired and distribution staff recruited

Enhancement of sales channels

– Enhance our sales channels such as upgrading of mobile sales application and developing an internet sales platform

Further strengthening our manpower

– Recruit two additional sales personnel to expand our sales team

– Recruit approximately 15 additional operation staff to improve the Group processing capacity

– Recruit an additional procurement personnel to further strengthen our sourcing network

– Assess the sufficiency of the Group labour resources having to our business development

Progress up to 30 September 2017

As the reason explained above and deferred

As the reason explained above and deferred

Two additional trucks have been acquired. As the reason explained below of labour force shortage, the acquisition schedule is partially deferred

Shortage of labor force with distribution staff in particular persists, led to the interruption of logistic team expansion plan

Portion of proceeds were used to maintain the cost of additional trucks acquired and distributed staff recruited but not fully utilized due to defer in schedule as explained above

Enhance of sales channel requires modifications made to the foundation of the existing system application with unexpected delays occur

Calibre recruited

Number of staff was per schedule at times of the period but scale down due to market competitions in labour force

Shortage of right calibre and schedule is deferred

Labour resources remain manageable during the period with operations rearrangement and enhanced training yet fully adequate

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the issue of new shares of the Group at the time of its listing on GEM on 13 October 2016 through a placement of 320,000,000 shares of HK\$0.01 each in the share capital of the Group at the price of HK\$0.225 per share, after deduction of the underwriting commission and actual expenses paid by the Group in connection thereto, were approximately HK\$47.8 million. Up to 30 September 2017, the new proceeds from the Listing had been applied as follows:

	Planned use of proceeds up to 30 September 2017 HK\$ million	Actual use of proceeds balance up to 30 September 2017 HK\$ million
Acquisition of new processing base, facilities and equipment	27.4	–
Further strengthening our manpower	1.9	1.0
Establishment of logistic team	4.1	1.3
Enhancement of sales channels	0.3	–
General working capital	5.5	5.5
Total	39.2	7.8

The unutilised net proceeds of approximately HK\$27.4 million was originally planned to finance the purchase of additional industrial premises, facilities and equipment as a new processing base of the Group. Given the rising property prices in Hong Kong and the suitability of premises for the Group's operations, the Group has identified and shortlisted several premises for negotiations.

The Group will endeavour to achieve the scheduled completion times as set out under the section headed "Business Objectives and Future Plans" in the Prospectus.

CAPITAL STRUCTURE

The Group's shares were successfully listed on GEM on the Listing Date. There has been no change in the capital structure of the Group since the Listing Date and up to date of this report. The capital of the Group only comprises of ordinary shares.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded the liquidity and capital requirements principally from cash generated from operations and bank borrowings.

As at 30 September 2017, the Group had borrowings of approximately HK\$18.3 million which was denominated in Hong Kong Dollars (31 March 2017: HK\$18.8 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations and purchase of the existing premises, while the liability of the finance lease obligations was for the acquisition of motor vehicles to support its operations.

As at 30 September 2017, the Group had approximately HK\$70.3 million in bank balance and cash (31 March 2017: approximately HK\$68.9 million). The Group had no bank overdraft as at 30 September 2017 (31 March 2017: Nil). The Directors believe that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

BORROWINGS AND GEARING RATIO

As at 30 September 2017, the gearing ratio of the Group was approximately 23.0% (31 March 2017: 26.0%). The slight decrease in gearing ratio was mainly due to the increase in equity contributed by the net profit for the six months ended 30 September 2017. Gearing ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings. Total capital is calculated as total equity as shown in the consolidated statement of financial position.

CHARGE ON GROUP ASSETS

As at 30 September 2017, the Group has pledged its properties and motor vehicles with net book value amounted to approximately HK\$18,813,000 (31 March 2017: HK\$16,457,000) and approximately HK\$155,000 (31 March 2017: HK\$217,000), respectively, for certain banking facilities granted to the Group.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report and the Prospectus, there was no significant investment held, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 September 2017. The Group does not have any concrete plans for material investments or capital assets as at 30 September 2017.

FOREIGN EXCHANGE EXPOSURE

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is food ingredients supplier and most of its transactions settled in Hong Kong Dollars. As such, the Directors are of the view that the Group did not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 September 2017 (31 March 2017: Nil).

COMMITMENTS

The contract commitments mainly involve rental payable by the Group in respect of the processing facilities, parking lots and Director quarter under non-cancellable operating leases. As at 30 September 2017, the Group's operating lease commitments were approximately HK\$702,000 (31 March 2017: HK\$1,050,000).

As at 30 September 2017, the Group had capital commitments contracted in respect of acquisition of property, plant and equipment of approximately HK\$489,000 (31 March 2017: Nil).

SEGMENT INFORMATION

The Group principally operates in one business segment, which is the sale of food ingredients in Hong Kong.

INFORMATION ON EMPLOYEES

As at 30 September 2017, the Group had 77 employees working in Hong Kong (31 March 2017: 67). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the six months ended 30 September 2017 amounted to approximately HK\$9.0 million (30 September 2016: HK\$9.2 million).

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2017 (31 March 2017: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 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 5.67 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 of interest	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 Holdings 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 September 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 5.67 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 September 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 of interest	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 September 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 six months ended 30 September 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 six months ended 30 September 2017.

Each of the covenants 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 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the "**Required Standard of Dealing**"). Based on specific enquiry with the Directors, all Directors confirmed that they had complied Required Standard of Dealing and there was no event of non-compliance during the six months ended 30 September 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 six months ended 30 September 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 "CG 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 CG Code.

UPDATED DIRECTORS' PARTICULARS

An update of information of the Directors is as follow:

Mr. Lo Siu Kit, an independent non-executive Director, has been awarded the Medal of Honour (the "MH") by the Government of the Hong Kong Special Administrative Region for his outstanding and dedicated community service in Tsuen Wan District. The honours list is published in the Government Gazette on 30 June 2017.

Mr. Ng Ki Man, an independent non-executive Director, has been appointed as an independent non-executive director of Basetrophy Group Holdings Limited, a company listed on the GEM of the Stock Exchange (Stock Code: 8460), on 27 June 2017.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 and C.3.7 of CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Ng Ki Man. The other members are Ms. Li On Lei and Mr. Lo Siu Ki, *MH*. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange 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 six months ended 30 September 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 six months ended 30 September 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 November 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, MH as independent non-executive Directors.