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If you have sold or transferred all your securities in Goal Forward Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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GOAL FORWARD HOLDINGS LIMITED

展程控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8240)

**MAJOR TRANSACTION
IN RELATION TO THE PURCHASE OF THE PROPERTIES
THROUGH THE ACQUISITION OF THE TARGET COMPANY**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 11 of this circular.

5 January 2018

CHARACTERISTICS OF GEM

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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DEFINITIONS

In this circular, unless the contents otherwise requires, the following expressions have the meanings as set out below.

“Acquisition”	the acquisition of the entire issued share capital of the Target Company from the Vendor pursuant to the terms and conditions of the SPA;
“Board”	the board of Directors of the Company;
“Better Joy” or the “Target Company”	Better Joy Limited (優愉有限公司) is a company incorporated in Samoa with limited liability, which is 100% held by the Vendor;
“BDO”	BDO Limited;
“Business Days”	a day (other than Saturday, Sunday or public holiday or days on which a typhoon signal No.8 or above or black rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licenced banks are generally open for general banking business in Hong Kong throughout their normal business hours;
“Company”	Goal Forward Holdings Limited (展程控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 6 April 2016, the issued Shares of which are listed on the GEM (stock code: 8240);
“Completion”	completion of the Acquisition and the Purchase;
“Condition(s) Precedent”	The condition(s) precedent of the completion of the Acquisition, details of which are set out in the paragraph headed “Conditions Precedent of the Acquisition”;
“Directors”	director(s) of the Company;
“Enlarged Group”	the Group and the Target Company and its subsidiaries;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	Rules Governing the Listing of Securities on the GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Independent Third Party”	a third party independent of the Company and of the connected persons (as defined in the GEM Listing Rules) of the Company;
“Independent Valuer”	BMI Appraisals Limited;
“Jade Royal”	Jade Royal Limited (來旭有限公司), a company incorporated in Hong Kong on 13 October 2017 with limited liability, which is 100% directly held by the Target Company;
“Latest Practicable Date”	31 December 2017, being the latest practicable date for ascertaining certain information contained in this circular;
“Listing”	the listing of the shares on the Stock Exchange on 13 October 2016;
“Properties”	<p>a total of 5 units and 3 car parking spaces of Kwai Tak Industrial Centre in Kwai Chung, Hong Kong collectively known as</p> <ol style="list-style-type: none">(1) units A, E, F, J of third floor;(2) unit D of fourth floor; and(3) car parking spaces 78, 79, 80;
“Property SPAs”	means the six formal sale and purchase agreements entered between Jade Royal or Wise Sino as purchasers and Tung Tak Catering Limited or Honour Genius Limited as vendors in relation to the sale and purchase of the Properties on 3 November 2017;
“Property Valuation Report”	the valuation report issued by the Independent Valuer appointed by the Company in respect of the value of the Properties;
“Purchase”	means the purchase of the Properties in accordance with the terms and conditions of the Property SPAs;
“Samoa”	means the Independent State of Samoa;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as amended, supplemented or otherwise from time to time;
“Share(s)”	ordinary share(s) of HK\$0.01 each of the Company;

DEFINITIONS

“Shareholders”	holder(s) of issued Shares of the Company;
“SPA”	a sale and purchase agreement dated 12 December 2017 relating to the Acquisition of the Target Company at a consideration of HK\$8,800,000;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Mr. Lee Wing Sun, an Independent Third Party who holds the 100% issued share capital of the Target Company;
“Wise Sino”	Wise Sino Limited (泉興有限公司), a company incorporated in Hong Kong with limited liability, which is 100% directly held by the Target Company; and
“%”	per cent.

LETTER FROM THE BOARD



GOAL FORWARD HOLDINGS LIMITED

展程控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8240)

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*

Registered office:

Clifton House

75 Fort Street

P.O. Box 1350

Grand Cayman

KY1-1108

Cayman Islands

*Headquarters and principal place of
business in Hong Kong:*

Workshop No. A-B, 1/F,

Sunking Factory Building,

No. 1-7 Shing Chuen Road,

Shatin,

New Territories,

Hong Kong

5 January 2018

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE PURCHASE OF THE PROPERTIES THROUGH THE ACQUISITION OF THE TARGET COMPANY

INTRODUCTION

Reference is made to the announcement of the Company dated 12 December 2017, the supplemental announcement dated 14 December 2017 and the clarification announcement dated 22 December 2017.

On 12 December 2017 (after trading hours), the Company and the Vendor entered into the SPA, pursuant to which the Vendor has conditionally agreed to sell and the Company has conditionally agreed to acquire the entire issued share capital of the Target Company at the

LETTER FROM THE BOARD

consideration of HK\$8,800,000 payable by the Company in accordance with the terms and conditions of the SPA. Following the Acquisition, the Target Company and its wholly owned subsidiaries, Jade Royal and Wise Sino will become wholly owned by the Company.

Subsequent to the completion of the Acquisition, the Company will proceed to complete the Purchase, through Jade Royal and Wise Sino, by paying the aggregate remaining consideration of approximately HK\$41,400,000 in accordance with the terms and conditions of the Property SPAs. It is expected that completion of the acquisition of the Properties will take place on or before 9 January 2018.

The purpose of this circular is to provide the Shareholders with, among other things, further information of the Acquisition (including the Purchase) and the transactions contemplated thereunder and other information required by the GEM Listing Rules.

THE SPA

Set out below are the respective major terms of the SPA.

Date

12 December 2017 (after trading hours of the Stock Exchange)

Parties

Vendor: the Vendor

Purchaser: the Company

As at the date of this announcement, the Vendor owns the entire equity interest in the Target Company, which directly holds 100% equity interest of Jade Royal and Wise Sino.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

The Vendor conditionally agrees to sell and the Company conditionally agrees to purchase the entire issued share capital of the Target Company, which directly holds 100% of the equity interest of Jade Royal and Wise Sino. The shares of the Target Company are not subject to any restrictions which would apply to their subsequent sales to other parties. Further information of Jade Royal and Wise Sino are set out in the paragraph headed "Information of the Target Company – Jade Royal and Wise Sino" below.

Consideration

The consideration under the SPA is HK\$8,800,000 which the Company shall pay to the designated bank account of the Vendor or by way of cheque at the completion of the Acquisition (or such date as mutually agreed between the parties in writing).

LETTER FROM THE BOARD

Basis of determination of the consideration

The consideration was determined after arm's length negotiations between the Company and the Vendor with reference to, among others, (i) the financial information of the Target Company; (ii) the aggregate remaining consideration of the Properties of approximately HK\$41,400,000; and (iii) the market value of the Properties as at 30 November 2017 which was appraised by the Independent Valuer to be HK\$50,600,000.

Conditions Precedent of the Acquisition

Completion is subject to the following Conditions Precedent being fulfilled and/or waived (as the case may be):

- (a) the shares of the Target Company being free from all claims, charges, liens, encumbrances, options, defects, adverse interests and equities of any kind whatsoever but together with all rights attached, accrued or accruing thereto as at the completion date of the SPA;
- (b) the Vendor showing a good title to the Properties in accordance with the terms and conditions of the Property SPAs and being able to prove and give such title to the Properties free from and encumbrances in accordance with section 13 of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);
- (c) the Property SPAs and all related transactions contemplated thereunder being duly executed;
- (d) written Shareholders' approval to approve the SPA and the transactions contemplated thereunder having been obtained by the Company; and
- (e) the representations, warranties and undertakings under the Property SPAs and this Agreement given by the respective vendors are true and correct in all material respects and not misleading in any material respects as at Completion.

As at the Latest Practicable Date, Classic Line Holdings Limited held 720,000,000 Shares, representing approximately 56.25% of the issued share capital of the Company, and has approved the Acquisition, the Purchase and the transactions contemplated thereunder by giving an irrevocable and unconditional written approval according to the GEM Listing Rules. Details of the above written approval please refer to the paragraph headed "Letter from the Board – Written Shareholders' Approval" of this circular.

Completion of the SPA

Upon compliance with or fulfillment (or waiver) of all the conditions precedent set out above, Completion shall take place within three Business Days.

LETTER FROM THE BOARD

SOURCE OF FINANCING

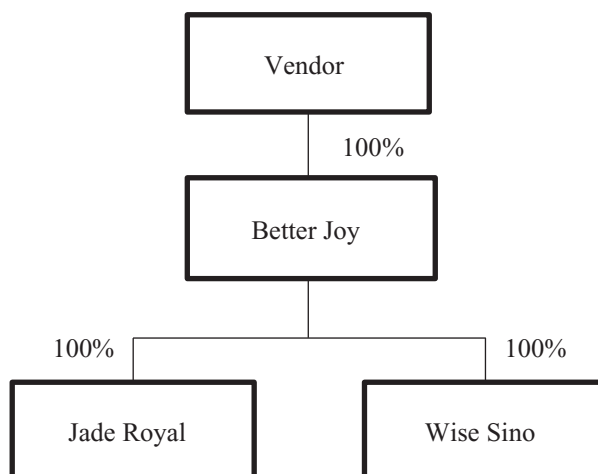
The Company intends to settle the considerations for the Acquisition (including the Purchase) by way of its net proceeds from the Listing and internal funding of the Group.

INFORMATION OF THE COMPANY AND THE GROUP

The Group is a food ingredients supplier with a focus on the provision of vegetables and fruits to food service operators in Hong Kong.

INFORMATION OF THE TARGET COMPANY

As at the date of this announcement, the Vendor owns the entire equity interest in the Target Company and its subsidiaries as shown in the following structure.



Better Joy

Better Joy is a company incorporated in Samoa with limited liability on 10 May 2017, which is directly wholly-owned by the Vendor. Save as the investment in the two subsidiaries, Better Joy has no other business operation since its incorporation in all material respects.

Jade Royal and Wise Sino

Jade Royal is a company incorporated in Hong Kong with limited liability on 13 October 2017, which is directly wholly-owned by Better Joy. The principal business of Jade Royal is property holding.

On 3 November 2017, Jade Royal has entered into two property sale and purchase agreements, pursuant to which Jade Royal has agreed to purchase and Tung Tak Catering Limited has agreed to sell Units A, E, F and J on the third floor of the Properties. As at the date of the announcement, Jade Royal has paid up 10% of consideration under these two property sale and purchase agreements, the stamp duty and transaction costs incurred.

LETTER FROM THE BOARD

Wise Sino is a company incorporated in Hong Kong with limited liability on 13 October 2017, which is directly wholly-owned by Better Joy. The principal business of Wise Sino is property holding.

On 3 November 2017, Wise Sino has entered into four property sale and purchase agreements, pursuant to which Wise Sino has agreed to purchase and Tung Tak Catering Limited has agreed to sell the car parking spaces 78, 79 and 80 of the Properties; and Wise Sino has agreed to purchase and Honour Genius Limited has agreed to sell Unit D on the fourth floor of the Properties. As at the date of the announcement, Wise Sino has paid up 10% of consideration under these four property sale and purchase agreements, the stamp duty and transaction costs incurred.

To the best knowledge of the Directors, there is no impediment for Jade Royal and Wise Sino in acquiring the Properties.

Financial information of the Target Company

Set out below is a summary of certain audited financial information of the Target Company for the period from 10 May 2017, being the date of its incorporation, to 30 November 2017, which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the period from 10 May 2017 to 30 November 2017 <i>(approximately HK\$'000)</i>
Loss before taxation	(11)
Loss after taxation	(11)

The audited net assets of Better Joy as at 30 November 2017 was approximately HK\$8,189,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Reference is made to the Company's prospectus dated 30 September 2016, which stated the Company's plan to apply some of the net proceeds from the Listing to acquire new processing base, facilities and equipment in view of the strong demand of the Company's products and to capture additional business from its customers. A number of the Group's existing customers have expressed intention on expanding the supply scope and a number of potential customers have approached the Group and expressed intention on purchasing vegetables and fruits, provided that the Group has sufficient processing capacity. Due to the limitation on existing processing capacity, most of the new business opportunities are in negotiation stage and the Directors are of the view that these business opportunities shall

LETTER FROM THE BOARD

materialized upon completion of the expansion of the Group's processing capacity. Hence, such expansion will enable the Group to capture additional business from its current and new customers.

The Group has been identifying properties to cope with the Group's operational needs and cater for the Group's future growth and development, and exploring investment opportunities with an aim to enhance the returns to the Company and its shareholders as a whole. In view of the strong demand of our products and to capture the business from additional customers, the Group plans to use the Properties for the new processing base to process the additional volume of vegetables and fruits. Having considered the accessibility to both our headquarters and customer base, the operational appropriateness as well as the size of the Properties, the Directors consider the Properties are the most suitable to their best endeavour for the new processing base. Nevertheless, the original owners have entered into the preliminary property sale and purchase agreements with the two property holding companies of the Vendor before the Group approached it. Upon negotiations with the Vendor, the Vendor agreed to sell these property holding companies to the Group at the agreed consideration before the completion of the acquisition of Properties. The Group will consider to enter a new sale and purchase agreement with the Vendor with a revised consideration reflecting the revised net-asset value if the Acquisition is completed after the acquisition of the properties. Having considered (i) the aggregate considerations for the SPA and the Property SPAs are close to the market value of the Properties; (ii) the demand of the Company's products and the suitability of premises for the Group's business expansion plan in the long run; (iii) the available financial resources, the Directors are of the view that the enlarged premises will be beneficial to the Group's business development.

Therefore, the Directors are of the view that the terms of the Acquisition (including the Purchase) are on normal commercial terms, and are fair and reasonable and is in the interests of the Shareholders and the Company as a whole.

The Company does not have any current plan, intention, negotiation or preliminary understanding to acquire new businesses, or dispose or downsize any of its existing businesses.

FINANCIAL EFFECTS OF THE ACQUISITION (INCLUDING THE PURCHASE)

Upon Completion, the Target Company together with its subsidiaries will become wholly-owned by the Company. The financial results of the Target Company and its subsidiaries will be consolidated into the accounts of the Group. According to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular, the unaudited pro forma total assets of the Enlarged Group would be approximately HK\$124.1 million and the unaudited pro forma total liabilities of the Enlarged Group would be approximately HK\$44.6 million as at 30 November 2017. The Acquisition has no immediate impact on the earnings of the Group immediately upon Completion. Having taken into account the reasons for and benefits of the Acquisition discussed in the section headed "Reasons for and benefit of the Acquisition" above, the Directors consider that the Acquisition will contribute positively to the revenue base of the Enlarged Group when the new facility is ready and capable of increasing the processing capacity of the Enlarged Group.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition (including the Purchase) in aggregate are above 25% but less than 100%, the Acquisition (including the Purchase) constitute a major transaction of the Company pursuant to Rule 19.06 of the GEM Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors after all reasonable enquiries have been made, no Shareholders or any of their respective associates have any material interest in the Acquisition (including the Purchase). As such, no Shareholders would be required to abstain from voting in favour of the resolutions approving the Acquisition (including the Purchase) if the Company were to convene a general meeting for approving the Acquisition (including the Purchase).

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 19.44 of the GEM Listing Rules, Shareholders' approval of the Acquisition (including the Purchase) under the SPA and Property SPAs may be given by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition (including the Purchase); and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Acquisition (including the Purchase).

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition (including the Purchase).

A written approval dated 12 December 2017 has thus been obtained from the controlling Shareholder of the Company, Classic Line Holdings Limited, being the holder of 720,000,000 Shares (representing approximately 56.25% of the issued share capital of the Company as at the date of this announcement), for the Acquisition (including the Purchase) and the transactions contemplated thereunder. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Acquisition (including the Purchase). Therefore, no general meeting of the Company will be convened for approving the Acquisition (including the Purchase) pursuant to Rule 19.44 of the GEM Listing Rules.

GENERAL

The Board wishes to emphasize that the Completion is subject to the fulfillment of the respective conditions precedent set out in the SPA and the Property SPAs, and the Acquisition (including the Purchase) may or may not be completed.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
GOAL FORWARD HOLDINGS LIMITED
Liu Chi Ching
Chairman and Executive Director

A. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out or refer to in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year for the Group. The financial information of the Group is disclosed in the following documents which have been published on the website of The Stock Exchange (www.hkexnews.hk) and the website of the Company (www.cyfood.com.hk):

- The unaudited consolidated financial statements of the Group for the six months ended September 30, 2017 is disclosed in the 2017 interim report of the Company published on November 14, 2017 from pages 2 to 23. Please see also a link to the interim report of the Company:

<http://www.hkexnews.hk/listedco/listconews/GEM/2017/1114/GLN20171114101.pdf>

- The unaudited consolidated financial statements of the Group for three months ended June 30, 2017 is disclosed in the 2017 first quarterly report of the Company published on August 14, 2017 from pages 1 to 11. Please see also a link to the quarterly report of the Company:

<http://www.hkexnews.hk/listedco/listconews/GEM/2017/0814/GLN20170814139.pdf>

- The audited consolidated financial statements of the Group for the year ended March 31, 2017 is disclosed in the 2017 annual report of the Company published on June 29, 2017 from pages 50 to 106. Please see also a link to the annual report 2017 of the Company:

<http://www.hkexnews.hk/listedco/listconews/GEM/2017/0629/GLN20170629197.pdf>

- The audited consolidated financial statements of the Group as at March 31, 2015 and 2016 is disclosed in the prospectus of the Company published on September 30, 2016 from pages I-3 to I-40. Please see also a link to the prospectus of the Company:

<http://www.hkexnews.hk/listedco/listconews/GEM/2016/0930/GLN20160930125.PDF>

B. STATEMENT OF INDEBTEDNESS

As at the close of business of 30 November 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group has outstanding borrowings and indebtedness of approximately HK\$18.2 million, comprising secured and guaranteed bank loans of approximately HK\$18.0 million and secured and guaranteed finance lease obligation of approximately HK\$0.2 million.

The bank loans of approximately HK\$18.0 million are secured by (i) properties held by the Group; and (ii) rental assignment of the pledged properties, and guaranteed by a corporate guarantee executed by the Company for no less than HK\$19,200,000. The finance lease obligation of approximately HK\$0.2 million is secured by a motor vehicle with net book value of approximately HK\$134,000 as at 30 November 2017, and guaranteed by a personal guarantee executed by Mr. Liu Chi Ching.

As at 30 November 2017, the Target Group had capital commitment of approximately HK\$41,400,000, which was contracted but not provided for in respect of the acquisition of the properties.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding (including authorized or otherwise created but unissued), term loans, bank overdrafts, liabilities under acceptances, acceptance credits, hire purchase commitments, mortgages, charges, contingent liabilities, guarantees, outstanding bank or other borrowings or indebtedness in the nature of borrowings.

C. FINANCIAL AND TRADING PROSPECT OF THE ENLARGED GROUP

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.

In view of the strong demand of the Company's products and to capture additional business from its customers, the Directors consider that the Acquisition will contribute positively to the revenue base of the Enlarged Group when the new facility is ready and capable of increasing the processing capacity of the Enlarged Group. As such, the Directors are of the view that the enlarged premises will be beneficial to the Group's business development.

In addition, the Group has entered into service agreement with a major food distributor in Japan whereby the Group will provide storage, delivery, grading, processing and packaging services of Japanese fresh produce imported into Hong Kong by the aforesaid major food distributor in Japan as announced by the Company on 13 December 2017. In view of the current market trend that places a premium over Japanese fruits, vegetables and foods, the Company is of the view that this strategic cooperation will profit from the current market trend and establish new business opportunities for the Group.

Besides the Acquisition and the new service agreement as mentioned above, the Group shall continue to strive to achieve the business objectives and sustain its competitiveness within the market.

D. WORKING CAPITAL STATEMENT

The Company intends to settle the considerations for the Acquisition and the Purchase by way of its net proceeds from the Listing and internal funding of the Group. Taking into account of the cash flow impact upon the Completion and the financial resources available

to the Enlarged Group, the Directors are of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of publication of this circular.

E. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there has been no material adverse change in the financial or trading position of the Group since 31 March 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

The following is the text of a report set out on pages II-3 to II-17, received from the Company's reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



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永安中心25樓

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GOAL FORWARD HOLDINGS LIMITED

Introduction

We report on the historical financial information of Better Joy Limited (the "Target Company") and its subsidiaries (hereinafter collectively referred to as the "Target Group") set out on pages II-3 to II-17, which comprises the consolidated statement of financial position as at 30 November 2017 and the statement of financial position of the Target Company as at 30 November 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 10 May 2017 (date of incorporation of the Target Company) to 30 November 2017, (the "Relevant Period") and a summary of significant accounting policies and other explanatory notes (the "Historical Financial Information"). The Historical Financial Information set out on pages II-3 to II-17 forms an integral part of this report, which has been prepared, for inclusion in the circular dated 5 January 2018 issued by Goal Forward Holdings Limited (the "Company") in connection with its proposed acquisition of the entire equity interest in the Target Company (the "Proposed Acquisition").

Director's responsibility for the Historical Financial Information

The sole director of the Target Company is responsible for the preparation of the Historical Financial Information that give a true and fair view in accordance with basis of preparation and presentation set out in Note 3 to the Historical Financial Information, and for such internal control as the sole director determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of the Circular in which this report is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountant's Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute

of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 3 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the sole director, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Group and the Target Company as at 30 November 2017 and of the financial performance and cash flows of the Target Group for the Relevant Period in accordance with the basis of preparation and presentation set out in Note 3 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on Note 3 have been made.

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

I. HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

		For the period from 10 May 2017 (date of incorporation) to 30 November 2017
	<i>Notes</i>	<i>HK\$'000</i>
Revenue	7	–
Administrative expenses		<u>(33)</u>
Loss before income tax		(33)
Income tax expense	9	<u>–</u>
Loss and total comprehensive income for the period		<u><u>(33)</u></u>
Total comprehensive income attributable to: Owners of the Company		<u><u>(33)</u></u>

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 30 November 2017 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Deposits paid	<i>12</i>	4,600
Prepayments	<i>12</i>	<u>3,413</u>
		<u>8,013</u>
Current assets		
Prepayments and deposits paid		<u>154</u>
Net current assets		<u>154</u>
Net assets		<u><u>8,167</u></u>
EQUITY		
Share capital	<i>13</i>	1
Reserve		<u>8,166</u>
Total equity		<u><u>8,167</u></u>

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

STATEMENT OF FINANCIAL POSITION OF THE TARGET COMPANY

		As at
		30 November
		2017
	<i>Notes</i>	<i>HK\$'000</i>
ASSETS AND LIABILITIES		
Non-current assets		
Investments in subsidiaries	<i>11</i>	<u>8,189</u>
Net assets		<u><u>8,189</u></u>
EQUITY		
Share capital	<i>13</i>	1
Reserve	<i>14</i>	<u>8,188</u>
Total equity		<u><u>8,189</u></u>

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Accumulated loss <i>HK\$'000</i>	Total <i>HK\$'000</i>
Issue of shares	1	–	–	1
Deemed contribution from the sole shareholder (<i>Note</i>)	–	8,199	–	8,199
Loss for the period and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>(33)</u>	<u>(33)</u>
At 30 November 2017	<u><u>1</u></u>	<u><u>8,199</u></u>	<u><u>(33)</u></u>	<u><u>8,167</u></u>

Note:

Deeds of release of debt were made between the Target Company and its sole shareholder, pursuant to which, the shareholder agreed to waive the debt of HK\$8,199,000 due by the Target Company. As such, the waived payable was regarded as deemed contribution from the sole shareholder.

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period from 10 May 2017 (date of incorporation) to 30 November 2017 HK\$'000
Cash flows from operating activities	
Loss before income tax	(33)
Operating loss before working capital changes	(33)
Increase in deposits paid and prepayments	(154)
<i>Net cash used in operating activities</i>	<i>(187)</i>
Cash flows from investing activity	
Increase in deposits paid and prepayments in relation to purchase of Properties	(8,013)
<i>Net cash used in investing activity</i>	<i>(8,013)</i>
Cash flow from financing activities	
Proceed from issuance of shares	1
Deemed contributed capital from the sole shareholder	8,199
<i>Net cash generated from financing activities</i>	<i>8,200</i>
Net increase in cash and cash equivalents	–
Cash and cash equivalents at beginning of the period	–
Cash and cash equivalents at end of the period	–

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Target Company was incorporated in the Samoa with limited liability on 10 May 2017. The address of its registered office and principal place of business is Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, PO Box 1868, Apia, Samoa and Flat G, 5/F., Kwong Fai Court, No. 1 Fessenden Road, Kowloon Tong, Kowloon, Hong Kong, respectively. From 19 October 2017 to the date of this report, its ultimate controlling party is Mr. Lee Wing Sun, the sole director and shareholder of the Target Company.

During the Relevant Period, the principal activity of the Target Company is investment holding.

As at the date of this report, the Target Company had direct interests in the following subsidiaries, which are limited liability companies, and the particulars of which are set out below:

Name of company	Date and place of incorporation	Registered and paid up capital	Percentage of equity interest attributable to the Company Direct	Principal activity
Jade Royal Limited ("Jade Royal")*	13 October 2017 Hong Kong	HK\$1	100%	Property investment
Wise Sino Limited ("Wise Sino")*	13 October 2017 Hong Kong	HK\$1	100%	Property investment

* No statutory audited financial statements have been prepared since the date of incorporation.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New or amended HKFRSs that have been issued but are not yet effective

The following new and revised HKFRS, potentially relevant to the Historical Financial Information, have been issued, but not yet effective and have not been early adopted by the Target Group.

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ¹
HKFRS 16	Leases ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

For the Relevant Period, all of the Target Group's financial assets were carried at amortised costs without significant impairment, the implementation of HKFRS 9 is not expected to result in any significant impact on the Target Group's financial position and results of operations.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Target Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Target Group. Target Group is not yet in a position to state whether these new pronouncements will result in substantial changes to Target Group's accounting policies and financial statements.

3. BASIS OF PREPARATION AND PRESENTATION

(a) Statement of compliance

The Historical Financial Information have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the "HKFRS") issued by the HKICPA and disclosure requirements of Hong Kong Companies Ordinance (the "Underlying Financial Statements"). In addition, the Historical Financial Information includes applicable disclosures required by the Listing Rules.

(b) Basis of measurement

The Historical Financial Information have been prepared under the historical cost basis.

(c) Functional and presentation currency

The Historical Financial Information are presented in Hong Kong dollars ("HK\$"), which is same as the functional currency of the Target Company and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Subsidiary

A subsidiary is an investee over which the Target Group is able to exercise control. The Target Group controls an investee if all three of the following elements are present: (1) power over the investee, (2) exposure, or rights, to variable returns from the investee, and (3) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Target Company on the basis of dividend received and receivable.

Gains or losses arising from the disposal of an investment is determined as the difference between the net disposal proceeds and the carrying amount of asset and is recognised as income or expense in profit or loss in the period of disposal.

(b) Financial instruments

(i) Financial assets

The Target Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

(ii) Impairment loss on financial assets

The Target Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

(iii) Equity instruments

Equity instruments issued by the Target Company are recorded at the proceeds received, net of direct issue costs.

(iv) Derecognition

The Target Group derecognises financial assets when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

(c) Income taxes

Income taxes for the period comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary

differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they related to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(d) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Target Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(e) Impairment of non-financial assets

At the end of each reporting period, the Target Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- ***Investment in subsidiaries***

If the recoverable amount (i.e. the greater of fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(f) Related parties

(a) A person or a close member of that person's family is related to the Target Group if that person:

- (i) has control or joint control over the Target Group;
- (ii) has significant influence over the Target Group; or
- (iii) is a member of key management personnel of the Target Group or the Target Group's parent.

(b) An entity is related to the Target Group if any of the following conditions apply:

- (i) The entity and the Target Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Target Group or an entity related to the Target Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the parent of the Target Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

(g) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Target Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Target Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to sell the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Target Group did not use any critical accounting estimates in the preparation of the Historical Financial Information and the estimates used did not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

6. SEGMENT REPORTING

The Target Group determines its operating segments based on the reports reviewed by the Target Group's sole director that are used to make strategic decisions. During the Relevant Period, the Target Group principally operates in one operating segment.

The Target Group manages its business mainly in a single segment as property investment in Hong Kong. Accordingly, no segment information is presented.

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

7. REVENUE

The Target Group did not generate any revenue during the Relevant Period.

8. DIRECTOR'S REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS**(a) Director's emoluments**

During the Relevant Period, the sole director of the Target Group did not receive any fee or other emoluments in respect of its services provided to the Target Group. In addition, no emoluments paid or payable by the Target Group were waived and no emoluments were paid by the Target Group to the sole director as an inducement to join or upon joining the Target Group or as compensation for loss of office during the Relevant Period.

(b) Five highest paid individuals

The Target Group has not employed any staff during the Relevant Period and, accordingly, no emoluments of five highest paid individuals are presented.

9. INCOME TAX EXPENSE

No provision for taxation has been made in the Historical Financial Information as the Target Group did not generate any estimated assessable profits during the Relevant Period.

The income tax expense can be reconciled to the loss per the consolidated statements of profit or loss and other comprehensive income as follows:

	For the period from 10 May 2017 (date of incorporation) to 30 November 2017 HK\$'000
Loss before income tax	(33)
Tax calculated at Hong Kong profits tax rate of 16.5%	(5)
Tax effect of non-deductible items	5
Income tax expense	<u>–</u>

No provision for deferred taxation has been made during the Relevant Period as there were no material temporary differences at the end of each of the reporting date.

10. DIVIDEND

No dividend has been paid or declared by the Target Group during the Relevant Period.

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

11. INVESTMENT IN SUBSIDIARIES – TARGET COMPANY

	As at 30 November 2017 HK\$'000
Unlisted shares, at cost	–
Amounts due from subsidiaries	8,189
	8,189

Particulars of the principal subsidiaries are as disclosed in note 1.

The amounts due from subsidiaries are unsecured, interest-free, and in substance represent the Target Company's investment in the subsidiaries. The Target Company has no intention to demand for repayment in the next twelve months.

12. PREPAYMENTS AND DEPOSITS PAID – TARGET GROUP

On 3 November 2017, Jade Royal and Wise Sino have entered into six property sale and purchase agreements in relation to acquire Units A, E, F and J on the third floor, Unit D on the fourth floor and the car parking spaces No. 78, 79 and 80 of Kwai Tak Industrial Centre in Kwai Chung, Hong Kong (“purchase of the Properties”). The Target Group has paid 10% of the consideration for the purchase of the Properties in an amount of HK\$4,600,000. The transaction has not been completed up to the date of this report.

Prepayments mainly represent stamp duty, agency commission and legal and professional fees incurred for purchase of Properties.

13. SHARE CAPITAL

	<i>Number of ordinary shares</i>	<i>HK\$'000</i>
Issued and fully paid		
Issue of ordinary share at United States Dollar (US\$) 1 each upon incorporation	1	–
Allotment of ordinary shares at US\$ 1 each	99	1
At 30 November 2017	100	1

14. RESERVES – TARGET COMPANY

	Capital Reserve HK\$'000	Accumulated loss HK\$'000	Total HK\$'000
At 10 May 2017 (date of incorporation)	–	–	–
Deemed contribution from the sole shareholder (<i>Note</i>)	8,199	–	8,199
Loss for the period and total comprehensive income for the period	–	(11)	(11)
At 30 November 2017	8,199	(11)	8,188

APPENDIX II ACCOUNTANTS' REPORT ON THE TARGET COMPANY

Note:

Deeds of release of debt were made between the Target Company and its sole shareholder, pursuant to which, the shareholder agreed to waive the debt of HK\$8,199,000 due by the Target Company. As such, the waived payable was regarded as deemed contribution from the sole shareholder.

15. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed in the Historical Financial Information, no significant transactions were carried out with the related parties.

Key management included the sole director only. Details of sole director's emoluments are set out in Note 8.

16. CAPITAL COMMITMENTS

Capital commitments in respect of purchase of the Properties by the Target Group are as follows:

	As at 30 November 2017 HK\$'000
Contracted but not provided for	<u>41,400</u>

17. FINANCIAL RISK MANAGEMENT

The Target Group's activities expose it mainly to liquidity risk. The Target Group is not exposed to any other financial risks such as credit risk, interest rate risk and foreign currency risk. The sole director periodically analyses and formulates measures to manage the Target Group's exposure to financial risks. Generally, the Target Group employs a conservative strategy regarding its risk management.

(a) Liquidity risk

Liquidity risk relates to the risk that the Target Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Target Group's policy is to regularly monitor current and expected liquidity requirements in short and long terms. The Target Group would seek financing from the sole shareholder should the need arise. The liquidity policies followed by the Target Group are considered to have been effective in managing liquidity risk.

As at 30 November 2017, there was no creditor held by the Target Group.

(b) Summary of financial assets by category

The carrying amounts presented in the consolidated statement of financial position related to the following categories of financial assets:

Target Group	As at 30 November 2017 HK\$'000
Financial assets	
Loans and receivables:	
Deposits paid	<u>4,672</u>

18. CAPITAL MANAGEMENT

The Target Group manages its capital to ensure that the Target Group will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance. The Target Group's overall strategy remains unchanged throughout the Relevant Period.

The Target Group's equity attributable to equity holder of the Target Group comprises of issued share capital and capital reserve.

The sole director of the Target Company reviews the capital structure on a regular basis. As part of this review, the sole director considers the cost of capital and the risks associates with each class of capital. Based on recommendations of the sole director, Target Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt.

The sole director of the Target Company regards total equity as capital. The amount of Target Group's capital as at 30 November 2017 amounted to HK\$8,167,000.

19. MAJOR NON-CASH TRANSACTIONS

During the Relevant Period, the Target Group had payable in relation to the purchase of the Properties and administrative expenses, which were settled by its shareholder. This transaction has no cash flow impact to the Target Group.

20. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Group or any of the companies comprising the Target Group in respect of any period subsequent to 30 November 2017.

Yours faithfully,

BDO Limited

Certified Public Accountants

Li Yin Fan

Practising Certificate Number P03113

Hong Kong

5 January 2018

**(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED
GROUP****(1) INTRODUCTION TO UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE ENLARGED GROUP**

The following is an illustrative and unaudited pro forma statement of assets and liabilities of the Group and the Target Group which has been prepared by the directors of the Company in accordance with paragraph 31 of Chapter 7 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Proposed Acquisition as if it had taken place on 30 November 2017. Details of the Proposed Acquisition are set out in the letter from the Board contained in this circular.

This unaudited pro forma statement of assets and liabilities has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Proposed Acquisition been completed as at 30 November 2017 or at any future date.

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**

**(2) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE ENLARGED GROUP**

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 September 2017 HK\$'000 Note 1	Audited consolidated statement of assets and liabilities of Target Group as at 30 November 2017 HK\$'000 Note 2	Investment in Target Group HK\$'000 Note 3	Elimination of investment in Target Group HK\$'000 Note 3	Direct expenses in relation to Proposed Acquisition HK\$'000 Note 5	Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 November 2017 HK\$'000
NON-CURRENT ASSETS						
Property, plant and equipment	20,556	-				20,556
Deposits and Prepayments	3	8,013		633		8,649
Investment in subsidiaries	-	-	8,800	(8,800)		-
Interest in a joint venture	983	-				983
	<u>21,542</u>	<u>8,013</u>				<u>30,188</u>
CURRENT ASSETS						
Inventories	687	-				687
Trade receivables	30,945	-				30,945
Deposits and prepayments	649	154				803
Cash and bank balances	70,267	-	(8,800)			61,467
	<u>102,548</u>	<u>154</u>				<u>93,902</u>
CURRENT LIABILITIES						
Trade payables	19,333	-				19,333
Accruals and other payables	4,245	-			235	4,480
Borrowings	18,199	-				18,199
Income tax liabilities	1,819	-				1,819
	<u>43,596</u>	<u>-</u>				<u>43,831</u>
NET CURRENT ASSETS	<u>58,952</u>	<u>154</u>				<u>50,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>80,494</u>	<u>8,167</u>				<u>80,259</u>
NON-CURRENT LIABILITIES						
Borrowings	138	-				138
Deferred tax liabilities	593	-				593
	<u>731</u>	<u>-</u>				<u>731</u>
NET ASSETS	<u>79,763</u>	<u>8,167</u>				<u>79,528</u>

Notes to the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group

- (1) The balances were extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2017 as set out in the Company's published interim report for the six months ended 30 September 2017.
- (2) The balances were extracted from the audited consolidated statement of financial position of the Target Group as at 30 November 2017 as set out in Appendix II to this circular.
- (3) The adjustment represents the acquisition of the entire equity interest in Target Company (the "Proposed Acquisition"). Pursuant to the sale and purchase agreement dated 12 December 2017, the Group has conditionally agreed to acquire the entire issued share capital of Target Company for a consideration amounted to HK\$8,800,000, which is to be satisfied by cash at the completion of the Proposed Acquisition.

The amount of HK\$633,000 represents the excess of the investment cost of HK\$8,800,000 over the aggregated carrying amount of identifiable assets acquired and liabilities assumed as at 30 November 2017 of HK\$8,167,000. As at 30 November 2017, there was no asset other than deposits and prepayments paid for purchasing of Properties. Thus, the amount of HK\$633,000 is allocated to the deposits and prepayments.

Upon the completion of the Proposed Acquisition, Target Company and its subsidiaries would become wholly-owned subsidiaries of the Company.

Under Hong Kong Financial Reporting Standard 3 (Revised) Business Combination, business consists of inputs and processes applied to those inputs that have the ability to create outputs. As the Target Group did not have any inputs and process to its business, the Proposed Acquisition is accounted for acquisition of asset. In such case, the Company shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The investment cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of Proposed Acquisition. Such a transaction does not give rise to goodwill.

- (4) Subsequent to the completion of the Proposed Acquisition, the Company will proceed to complete the purchase of Properties in accordance with the terms and conditions of Property SPAs, through Jade Royal and Wise Sino, by paying the aggregate remaining consideration of approximately HK\$41,400,000.

The deposits paid and prepayments made in relation to purchase of Properties shall be recognised as part of the property, plant and equipment upon completion of Property SPAs.

The completion of the purchase of Properties is a future event, and thus no adjustment is made in respect of this transaction in the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group.

- (5) The adjustment represents the estimated legal and professional fees and other direct expenses in relation to the Proposed Acquisition of approximately HK\$235,000. This adjustment is not expected to have a continuing financial effect on the Enlarged Group.
- (6) Saved as aforesaid, no other adjustments have been made to reflect any trading result or other transactions of the Enlarged Group entered into subsequent to 30 November 2017. Unless otherwise stated, the adjustments above are not expected to have a continuing effect on the Enlarged Group.

(B) REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of inclusion in this circular, received from the independent reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong.



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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the directors of Goal Forward Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Goal Forward Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2017 and related notes as set out on pages III-1 to III-3 of the Company's circular dated 5 January 2018 (the "Circular") in connection with the proposed acquisition (the "Proposed Acquisition") of the entire issued share capital in Better Joy Limited (the "Target Company"), a company incorporated in Samoa with limited liability. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages III-1 to III-3 of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Acquisition on the Group's financial position as at 30 September 2017 as if the Proposed Acquisition had taken place on 30 November 2017. As part of this process, information about the Group's financial position as at 30 September 2017 has been extracted by the directors of the Company from the Company's interim report for the six months ended 30 September 2017, on which no audit or review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guidance 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our company applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Acquisition on 30 November 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the

directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

BDO Limited

Li Yin Fan

Certified Public Accountants

Practising Certificate Number P03113

Hong Kong

5 January 2018

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from BMI Appraisals Limited, an independent valuer, in connection with its valuations as at 30 November 2017 of the real properties contracted to be acquired by the Group located in Hong Kong.

BMI APPRAISALS

BMI Appraisals Limited

33rd Floor, Shui On Centre, Nos. 6-8 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2802 2191 Fax: (852) 2802 0863
Email: info@bmintelligence.com Website: www.bmi-appraisals.com

5 January 2018

The Directors

Goal Forward Holdings Limited

Workshop No. A-B, 1st Floor
Sunking Factory Building
Nos. 1-7 Shing Chuen Road
Shatin, New Territories
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from Goal Forward Holdings Limited (the “Company”) for us to value the real properties contracted to be acquired by the Company and/or its subsidiaries (together referred to as the “Group”) located in Hong Kong. We confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the real properties as at 30 November 2017 (the “valuation date”).

BASIS OF VALUATION

Our valuations of the concerned real properties have been based on the Market Value, which is defined by The Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. The Market Value is also understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associate taxes or potential taxes.

VALUATION METHODOLOGY

In valuing the real properties, we adopted the Comparison Approach assuming sale in their existing states with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have then been made to account for the differences between the real properties and the comparables in terms of time, floor level, size and other relevant factors.

TITLE INVESTIGATION

We have caused land searches to be made at the Land Registry and have been provided with extracts of title documents. We have been advised by the Company that no further relevant documents have been produced. However, we have neither examined the original documents to verify ownership nor to ascertain the existence of any amendments, which do not appear on the extracts handed to us. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the real properties are sold in the market in their existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the real properties.

In addition, no account has been taken of any option or right of pre-emption concerning or effecting sale of the real properties and no forced sale situation in any manner is assumed in our valuations.

VALUATION CONSIDERATIONS

The real properties were inspected by Ms. Krain Li (MSc in Construction and Real Estate) in November 2017. We have inspected the real properties externally and where possible, the interior of the real properties. In the course of our inspections, we did not note any serious defects. However, no structural surveys have been made. We are, therefore, unable to report whether the real properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

In the course of our valuations, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the real properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the real properties but have assumed that the floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the real properties or for any expenses or taxation, which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the real properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Our valuations have been prepared in accordance with the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors and the International Valuation Standards (IVS) published by The International Valuation Standards Council.

Our valuations have been prepared under the generally accepted valuation procedures and are in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars (HK\$).

Our Summary of Values and the Valuation Certificates are attached herewith.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED
Joannau W. F. Chan
BSc., MSc., MRICS, MHKIS, RPS(GP)
Senior Director

Note:

Ms. Joannau W. F. Chan is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 25 years' experience in valuations of real properties in Hong Kong.

SUMMARY OF VALUES

No.	Real property	Market Value in existing state as at 30 November 2017 HK\$
Real properties contracted to be acquired by the Group for owner-occupation in Hong Kong		
1.	Workshops A and J on 3rd Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	19,100,000
2.	Workshops E and F on 3rd Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	17,100,000
3.	Workshop D (including Flat-roof appurtenant thereto) on 4th Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	8,400,000
4.	Car Park No. 78 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	2,000,000
5.	Car Park No. 79 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	2,000,000

No.	Real property	Market Value in existing state as at 30 November 2017 HK\$
6.	Car Park No. 80 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	2,000,000
Total:		<u><u>50,600,000</u></u>

VALUATION CERTIFICATE

Real properties contracted to be acquired by the Group for owner-occupation in Hong Kong

No.	Real property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2017 HK\$
1.	Workshops A and J on 3 rd Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong 74/7,912 th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	The real property comprises two units on the third floor within a 12-storey industrial building completed in about 1979. The total gross floor area of the real property is approximately 7,383 sq.ft. The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	As confirmed by the Company, the real property was assumed to be vacant at the valuation date.	19,100,000

Notes:

1. The real property is situated at Kwai Tak Street and surrounded by various industrial buildings and godowns in the western part of Kwai Chung which is considered to be one of the important industrial districts in Hong Kong.
2. The registered owner of the real property is Tung Tak Catering Limited vide Memorial Nos. 11031401840359 and 11031401840381 both dated 18 February 2011.
3. The real property is subject to the following encumbrances:
 - a. A mortgage in favor of Hang Seng Bank Limited for all moneys (pt.) vide Memorial No. 11031401840392 dated 18 February 2011;
 - b. A second mortgage in favor of Hang Seng Bank Limited to secure all moneys in respect of general banking facilities (pt.) vide Memorial No. 15072900320066 dated 16 July 2015; and
 - c. A rental assignment in favor of Hang Seng Bank Limited vide Memorial No. 15072900320071 dated 16 July 2015. The real property will be acquired on vacant possession basis and the rental assignment will be released/discharged once the assignment is executed.
4. The annual rateable value and the annual government rent of the real property during the year of assessment of 2017-2018 are HK\$594,000 and HK\$17,820 respectively.
5. The real property is located within an "Industrial" zone under the Draft Kwai Chung Outline Zoning Plan No. S/KC/28 gazetted on 13 June 2014.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2017 HK\$
2.	Workshops E and F on 3 rd Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong 64/7,912 th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	The real property comprises two units on the third floor within a 12-storey industrial building completed in about 1979. The total gross floor area of the real property is approximately 6,238 sq.ft. The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	As confirmed by the Company, the real property was assumed to be vacant at the valuation date.	17,100,000

Notes:

1. The real property is situated at Kwai Tak Street and surrounded by various industrial buildings and godowns in the western part of Kwai Chung which is considered to be one of the important industrial districts in Hong Kong.
2. The registered owner of the real property is Tung Tak Catering Limited vide Memorial Nos. 11031401840366 and 11031401840373 both dated 18 February 2011.
3. The real property is subject to the following encumbrances:
 - a. A mortgage in favor of Hang Seng Bank Limited for all moneys (pt.) vide Memorial No. 11031401840392 dated 18 February 2011;
 - b. A second mortgage in favor of Hang Seng Bank Limited to secure all moneys in respect of general banking facilities (pt.) vide Memorial No. 15072900320066 dated 16 July 2015; and
 - c. A rental assignment in favor of Hang Seng Bank Limited vide Memorial No. 15072900320071 dated 16 July 2015. The real property will be acquired on vacant possession basis and the rental assignment will be released/discharged once the assignment is executed.
4. The annual rateable value and the annual government rent of the real property during the year of assessment of 2017-2018 are HK\$528,000 and HK\$15,840 respectively.
5. The real property is located within an "Industrial" zone under the Draft Kwai Chung Outline Zoning Plan No. S/KC/28 gazetted on 13 June 2014.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2017 HK\$
3.	Workshop D (including Flat-roof appurtenant thereto) on 4 th Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong 31/7,912 th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	The real property comprises a unit on the fourth floor within a 12-storey industrial building completed in about 1979. The gross floor area of the real property is approximately 2,955 sq.ft. plus a flat roof area of about 350 sq.ft. The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	As confirmed by the Company, the real property was assumed to be vacant at the valuation date.	8,400,000

Notes:

1. The real property is situated at Kwai Tak Street and surrounded by various industrial buildings and godowns in the western part of Kwai Chung which is considered to be one of the important industrial districts in Hong Kong.
2. The registered owner of the real property is Honour Genius Limited vide Memorial No. 13072601730130 dated 5 July 2013 at a consideration of HK\$6,480,000.
3. The real property is subject to the following encumbrance:

A mortgage in favor of Hang Seng Bank Limited to secure all moneys in respect of general banking facilities vide Memorial No. 15072900320047 dated 16 July 2015.
4. The annual rateable value and the annual government rent of the real property during the year of assessment of 2017-2018 are HK\$264,000 and HK\$7,920 respectively.
5. The real property is located within an "Industrial" zone under the Draft Kwai Chung Outline Zoning Plan No. S/KC/28 gazetted on 13 June 2014.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2017 HK\$
4.	Car Park No. 78 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong 2/7,912 th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	The real property is a lorry parking space on the ground floor within a 12-storey industrial building completed in about 1979. The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	The real property is occupied for car parking purpose.	2,000,000

Notes:

1. The real property is situated at Kwai Tak Street and surrounded by various industrial buildings and godowns in the western part of Kwai Chung which is considered to be one of the important industrial districts in Hong Kong.
2. The registered owner of the real property is Tung Tak Catering Limited vide Memorial No. 11111700870219 dated 24 October 2011.
3. The annual rateable value and the annual government rent of the real property during the year of assessment of 2017-2018 are HK\$40,200 and HK\$1,206 respectively.
4. The real property is located within an "Industrial" zone under the Draft Kwai Chung Outline Zoning Plan No. S/KC/28 gazetted on 13 June 2014.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2017 HK\$
5.	Car Park No. 79 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong 2/7,912 th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	The real property is a lorry parking space on the ground floor within a 12-storey industrial building completed in about 1979. The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	The real property is occupied for car parking purpose.	2,000,000

Notes:

1. The real property is situated at Kwai Tak Street and surrounded by various industrial buildings and godowns in the western part of Kwai Chung which is considered to be one of the important industrial districts in Hong Kong.
2. The registered owner of the real property is Tung Tak Catering Limited vide Memorial No. 11020201720442 dated 17 January 2011.
3. The annual amount of rateable value of the real property during year of assessment of 2017-2018 is HK\$40,200, and the prevailing annual Government Rent is HK\$1,206.
4. The real property is located within an "Industrial" zone under the Draft Kwai Chung Outline Zoning Plan No. S/KC/28 gazetted on 13 June 2014.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2017 HK\$
6.	Car Park No. 80 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong 2/7,912 th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	The real property is a lorry parking space on the ground floor within a 12-storey industrial building completed in about 1979. The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	The real property is occupied for car parking purpose.	2,000,000

Notes:

1. The real property is situated at Kwai Tak Street and surrounded by various industrial buildings and godowns in the western part of Kwai Chung which is considered to be one of the important industrial districts in Hong Kong.
2. The registered owner of the real property is Tung Tak Catering Limited vide Memorial No. 11020201720442 dated 17 January 2011.
3. The annual rateable value and the annual government rent of the real property during the year of assessment of 2017-2018 are HK\$40,200 and HK\$1,206 respectively.
4. The real property is located within an "Industrial" zone under the Draft Kwai Chung Outline Zoning Plan No. S/KC/28 gazetted on 13 June 2014.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interest in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the GEM Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in Shares:

Name	Capacity and nature of interest	Number of Shares held ^(Note 1)	Percentage of beneficial interests in the Company's share capital
Mr. Liu Chi Ching (“Mr. Liu”) ^(Note 2)	Interest of a controlled corporation	720,000,000	56.25%

Notes:

- All interests stated are long positions.
- Mr. Liu beneficially owns the entire issued share capital of Classic Line Holdings Limited, a company incorporated in the British Virgin Islands (“**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.

(b) Substantial Shareholders' interest in Shares and underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the persons (“**Substantial Shareholders**”) (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital are set out below:

Long position in the Shares

Name	Capacity and nature of interest	Number of underlying Shares ^(Note 1)	Percentage of shareholding
<i>Substantial Shareholders</i>			
Classic Line	Beneficial Owner	720,000,000	56.25%
Good Vision Limited (“ Good Vision ”)	Beneficial owner	144,000,000	11.25%
Hong Kong Tang Palace Food & Beverage Group Company Limited (香港唐 宮飲食集團有限公司) (“ Tang Palace ”) ^(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) All interests stated are long positions.
- (2) Tang Palace beneficially owns the entire issued share capital of 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.
- (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.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2017 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the GEM Listing Rules.

6. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business carried on by the Group, were entered into by the Group within 2 years immediately preceding the date of this circular which are or may be material:

- (a) The SPA; and
- (b) the material contracts referred to in the paragraphs headed "Statutory and General Information – B. Further information about the Business – 1. Summary of material contracts" in appendix V to the company's prospectus dated 30 September 2016;

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who are named in this circular or have given their opinions or advices which are contained in this circular:

Name	Qualification
BDO	Certified Public Accountants
BMI Appraisals Limited	Property Valuer

As at the Latest Practicable Date, the above experts did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2017 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above experts have given and have not withdrawn their respective written consents to the issue of this circular with the inclusion of their letters and the references to their names in the form and context in which they appear.

9. GENERAL

- (a) The company secretary of the Company is Mr. Yim Sau Ping (嚴秀屏) who has been a Certified Public Accountant since 2010 with extensive experience in accounting, auditing and financial management;
- (b) The registered office of the Company is at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the principal place of business of the Company in Hong Kong is at Workshop No. A-B, 1/F, Sunking Factory Building, No. 1-7 Shing Chuen Road, Shatin, New Territories, Hong Kong;
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited;
- (d) The Company's compliance officer is Ms. Wu Shuk Kwan (胡淑君) and;
- (e) The English text of this circular prevails over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of CFN Lawyers in association with Broad & Bright at Room 4101-4104, 41/F, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong, during normal business hours from 9:00 a.m. to 5:00 p.m. for a period of 14 days from the date of this circular:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company containing audited consolidated financial statements of the Company for the two years ended 31 March 2016 and 2017 and the interim report of the Company for the six months ended 30 September 2017;
- (c) the accountants' report on the Target Company issued by BDO as set out in Appendix II to this circular;
- (d) the letter from BDO in respect of the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;
- (e) the Property Valuation Report prepared by BMI Appraisals Limited, the text of which is set out in Appendix IV to this circular;
- (f) the letters of consent referred to in the paragraph headed "Experts and consents" in this appendix;
- (g) the material contracts referred to the paragraph headed "Material contracts" in this appendix;
- (h) a copy of each circular issued pursuant to the requirement set out in Chapter 19 of the GEM Listing Rules which has been issued since the date of the latest published audited accounts; and
- (i) this circular.

11. 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. 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.

Mr. Ng Ki Man (“Mr. Ng”), aged 31, was appointed as our independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee on 26 September 2016. Mr. Ng is responsible for providing independent judgement and advising on the issues of strategy, performance, resources and standard of conduct of our Group. Mr. Ng holds a Bachelor of Business Administration (Honours) degree in Information Systems from the City University of Hong Kong. Mr. Ng is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales. Mr. Ng has more than 9 years of experience in auditing and accounting. Mr. Ng has also 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.

Ms. Li On Lei (“Ms. Li”), aged 39, was appointed as our independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee on 26 September 2016. Ms. Li is responsible for providing independent judgement and advising on the issues of strategy, performance, resources and standard of conduct of our Group. Ms. Li is currently the financial controller of Gameone Holdings Limited (Stock Code: 8282) (“Gameone”). She is primarily responsible for the handling and overseeing financial reporting, financial planning, and reviewing internal control of Gameone. Prior to joining Gameone, she had worked in the Audit and Assurance Department of an international accounting firm from July 2004 to May 2015, and her last position was senior manager. She has accumulated more than 12 years of experience in auditing, accounting and financial management. Ms. Li is a fellow member of the Association of Chartered Certified Accountants.

Mr. Lo Siu Kit (“Mr. Lo”), aged 56, was appointed as our independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee on 26 September 2016. Mr. Lo is responsible for providing independent judgement and advising on the issues of strategy, performance, resources and standard of conduct of our Group. Mr. Lo is a fellow member of The Professional Validation Centre of Hong Kong Business Sector. He has been a director of Olympic Management Company Limited since February 1991 and is currently a member of the Tsuen Wan District Council. Mr. Lo is also currently the chairman of the Traffic and Transport Committee, a member of the District Facilities Management Committee, Cultural, Recreation and Sports Committee, Community Building, Planning and Development Committee, Social Services and Community Information Committee, Coastal Affairs Committee and Environmental and Health Affairs Committee. Meanwhile, Mr. Lo is a member of the Transport and Housing Bureau Appeal Panel (Housing), Labour and Welfare Bureau, Rehabilitation Advisory Committee and District Fight Crime Committee (Tsuen Wan District). Mr. Lo has also 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.