



展程控股有限公司

GOAL FORWARD HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8240

Third Quarterly Report 2017



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

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

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2017

The unaudited condensed consolidated results of the Group for the three months and nine months ended 31 December 2017, together with the unaudited comparative figures for the corresponding periods in 2016, are as follows:

	Note	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
		2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Revenue	3	49,170	42,504	137,168	125,527
Cost of sales		(37,504)	(34,057)	(107,779)	(99,973)
Gross profit		11,666	8,447	29,389	25,554
Other income – net		29	29	232	94
Selling and administrative expenses		(3,754)	(4,872)	(12,435)	(23,664)
Operating profit		7,941	3,604	17,186	1,984
Finance income		64	2	130	2
Finance costs		(107)	(112)	(326)	(726)
Finance costs – net		(43)	(110)	(196)	(724)
Share of profit/(loss) of a joint venture		(81)	–	49	–
Profit before income tax		7,817	3,494	17,039	1,260
Income tax expense	4	(1,330)	(872)	(2,963)	(2,581)
Profit/(loss) and total comprehensive income/(expense) for the period attributable to the owners of the Company		6,487	2,622	14,076	(1,321)
Basic and diluted earnings/(losses) per share attributable to owners of the Company (expressed in HK cents per share)	5	0.51	0.21	1.10	(0.13)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 31 DECEMBER 2017

	Attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 April 2017 (Audited)	12,800	51,571	100	7,703	72,174
Total comprehensive income					
Profit for the period	–	–	–	14,076	14,076
Balance at 31 December 2017 (Unaudited)	12,800	51,571	100	21,779	86,250
Balance at 1 April 2016 (Audited)	100	–	–	21,293	21,393
Total comprehensive income					
Loss for the period	–	–	–	(1,321)	(1,321)
Transaction with owners in their capacity as owners					
Dividends declared (Note 6)	–	–	–	(17,000)	(17,000)
Issuance of shares pursuant to a group reorganisation	(100)	–	100	–	–
Capitalisation of shares (Note a)	9,600	(9,600)	–	–	–
Issue of new shares upon placing, net of share issuing expenses	3,200	60,451	–	–	63,651
Balance at 31 December 2016 (Unaudited)	12,800	50,851	100	2,972	66,723

Note a: Pursuant to the written resolutions passed on 26 September 2016, upon completion of the placing, the Company was authorised to capitalise a sum of approximately HK\$9.6 million from the amount standing to the credit of the share premium account of the Company and applied such amount to pay up in full at par of 959,990,000 ordinary shares of the Company (the “**Capitalisation Issue**”).

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 CORPORATION INFORMATION

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

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

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

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

2 BASIS OF PREPARATION

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

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

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

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

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

- (b) **The following new standards and revisions to standards have been issued, but are not effective and have not been early adopted by the Group.**

		Effective for accounting year beginning on or after
Annual Improvements Project (Amendments) – HKFRS 1 and HKAS 28	Annual Improvements 2014-2016 Cycle	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments (New Standard)	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 (New Standard)	1 January 2018
HKAS 40 (Amendments)	Transfers of Investment Property	1 January 2018
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration (New Interpretation)	1 January 2018
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 16	Leases (New Standard)	1 January 2019
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments (New Interpretation)	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

3 REVENUE

Total revenue recognised during the period are as follows:

	Unaudited		Unaudited	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of goods	49,170	42,504	137,168	125,527

4 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit during the nine months ended 31 December 2017 and 2016.

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

	Unaudited		Unaudited	
	Three months ended		Nine months ended	
	31 December		31 December	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current income tax				
– Current year	1,307	886	2,833	2,606
Deferred income tax	23	(14)	130	(25)
Income tax expense	1,330	872	2,963	2,581

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

(a) Basic

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

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2017	2016	2017	2016
Profit/(loss) for the period attributable to the owners of the Company (HK\$'000)	6,487	2,622	14,076	(1,321)
Weighted average number of ordinary shares in issue ('000)	1,280,000	1,238,261	1,280,000	1,053,091
Basic earnings/(losses) per share (HK cents per share)	0.51	0.21	1.10	(0.13)

The weighted average number of ordinary shares for the purpose of basic earnings per share for the nine months ended 31 December 2017 was derived from 1,280,000,000 ordinary shares in issue.

The weighted average number of ordinary shares for the purpose of basic earnings per share for the nine months ended 31 December 2016 was derived from 960,000,000 ordinary shares (comprising 10,000 ordinary shares in issue and 959,990,000 ordinary shares to be issued under the capitalisation issue), as if these 960,000,000 ordinary shares were outstanding throughout the period plus the effect of issuance of new shares upon placing.

(b) Diluted

Diluted earnings/losses per share for the nine months ended 31 December 2017 and 2016 are the same as basic earnings/losses per share due to the absence of dilutive potential ordinary shares during the respective periods.

6 DIVIDENDS

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Dividends	–	–	–	17,000

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

The board of Directors (the “**Board**”) does not recommend the payment of any dividend in respect of the nine months ended 31 December 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

For the nine months ended 31 December 2017, the Group recorded a net profit of approximately HK\$14.1 million as compared to net loss of approximately HK\$1.3 million for the same period in 2016. The Directors are of the view that the increase of the Group's net profit during the nine months ended 31 December 2017 was mainly attributable to the non-recurring listing expenses of approximately HK\$14.0 million in 2016, setting that aside, the Group's net profit for the nine months ended 31 December 2016 would have been approximately HK\$12.7 million. The net profit for nine months ended 31 December 2017 would represent an increase of 11.0% as compared to the nine months ended 31 December 2016 after excluding the non-recurring listing expenses, and the Directors are of the opinion that the increase is mainly attributable to the rise in sales revenue.

OUTLOOK

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue for the nine months ended 31 December 2017 was approximately HK\$137.2 million, representing an increase of approximately 9.3% from approximately HK\$125.5 million for the nine months ended 31 December 2016, which primarily attributable to the increase in supplies of customer outlets and variations in product mix.

Cost of sales

The Group's cost of sales for the nine months ended 31 December 2017 was approximately HK\$107.8 million, representing an increase of approximately 7.8% from approximately HK\$100.0 million for the nine months ended 31 December 2016, which is in tandem with the revenue growth over the same period.

Gross profit and gross profit margin

The Group's gross profit for the nine months ended 31 December 2017 were approximately HK\$29.4 million, representing an increase of approximately 14.8% from approximately HK\$25.6 million for the nine months ended 31 December 2016. The Group's gross profit margin for the nine months ended 31 December 2017 was approximately 21.4%, representing an increase of approximately 1.0 percentage point as compared to approximately 20.4% for the nine months ended 31 December 2016. The increase in gross profit was mainly due to the combined effect of (i) the increased efforts in procurement and better purchase cost management and (ii) different mix of goods procured by customers.

Selling and administrative expenses

The Group's selling and administrative expenses for the nine months ended 31 December 2017 were approximately HK\$12.4 million, representing a decrease of approximately 47.7% from approximately HK\$23.7 million for the nine months ended 31 December 2016, primarily due to the effects of the non-recurring listing expenses incurred during the nine months ended 31 December 2016. Set aside of the non-recurring listing expenses, the increase in selling and administrative expenses was mainly due to the increase of staff cost therefore to retain higher caliber employees.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit for the period

For the nine months ended 31 December 2017, the Group recorded profit attributable to the owners of the Company of approximately HK\$14.1 million as compared to loss for the nine months ended 31 December 2016 of approximately HK\$1.3 million. The loss for the nine months ended 31 December 2016 was mainly attributable to the non-recurring listing expenses. By excluding the listing expenses, the Group's net profit for the nine months ended 31 December 2016 would be approximately HK\$12.7 million. The net profit for nine months ended 31 December 2017 would represent an increase of 11.0% as compared to the nine months ended 31 December 2016 after excluding the non-recurring listing expenses. Such increase in adjusted net profit was primarily due to the increase in marketing efforts which contributed to higher sales revenue.

DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2017.

OTHER INFORMATION

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

As at 31 December 2017, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary Shares and underlying Shares

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

Note:

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

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executives of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as known to the Directors or chief executives of the Company, as at 31 December 2017, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the Shares or the underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in ordinary Shares and underlying Shares

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

Notes:

- Mr. Liu beneficially owns the entire issued share capital of Classic Line. Therefore, Mr. Liu is deemed or taken to be interested in all the Shares held by Classic Line for the purpose of the SFO. Mr. Liu is the sole director of Classic Line.
- Hong Kong Tang Palace Food & Beverage Group Company Limited ("**Tang Palace**") owns the entire issued share capital of Good Vision Limited ("**Good Vision**"). Therefore, Tang Palace is deemed or taken to be interested in all the Shares held by Good Vision for the purpose of the SFO. Mr. Chan Man Wai is the sole director of Good Vision.

OTHER INFORMATION

3. Tang Palace (China) Holdings Limited (Stock Code: 1181), a company listed on the Main Board of the Stock Exchange, beneficially owns the entire issued share capital of Tang Palace. Therefore, Tang Palace (China) Holdings Limited is deemed, or taken to be, interested in all the Shares in which Tang Palace is interested for the purpose of the SFO.

Save as disclosed above, as at 31 December 2017, there was no person or corporation, other than the Directors and chief executives of the Company had any interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2017.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has or may have any other conflict of interests with Group during the nine months ended 31 December 2017.

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the "**Required Standard of Dealing**"). Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and there was no event of non-compliance during the nine months ended 31 December 2017.

SHARE OPTION SCHEME

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

For the nine months ended 31 December 2017, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

INTERESTS OF THE COMPLIANCE ADVISER

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

CORPORATE GOVERNANCE PRACTICE

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

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 and C.3.7 of CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Ng Ki Man. The other members are Ms. Li On Lei and Mr. Lo Siu Ki, MH. The written terms of reference of the Audit Committee are posted on the website of the Stock Exchange and on the Company’s website.

OTHER INFORMATION

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

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

The Group's unaudited condensed consolidated financial statements for the nine months ended 31 December 2017 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 9 February 2018

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