



# GOAL FORWARD HOLDINGS LIMITED

## 展程控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8240)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

#### CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, 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 announcement 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 announcement misleading.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 SEPTEMBER 2018**

The unaudited condensed consolidated results of the Group for the three months and six months ended 30 September 2018, together with the unaudited comparative figures for the corresponding periods in 2017, are as follows:

	Note	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue	5	<b>45,626</b>	46,372	<b>89,869</b>	87,998
Cost of sales	7	<b>(35,134)</b>	(38,354)	<b>(70,527)</b>	(70,275)
<b>Gross profit</b>		<b>10,492</b>	8,018	<b>19,342</b>	17,723
Other income	6	<b>102</b>	167	<b>354</b>	203
Selling and administrative expenses	7	<b>(5,909)</b>	(4,150)	<b>(11,981)</b>	(8,681)
<b>Operating profit</b>		<b>4,685</b>	4,035	<b>7,715</b>	9,245
Finance income	8	<b>–</b>	63	<b>1</b>	66
Finance costs	8	<b>(103)</b>	(109)	<b>(207)</b>	(219)
Finance costs – net	8	<b>(103)</b>	(46)	<b>(206)</b>	(153)
Share of profit of a joint venture		<b>154</b>	181	<b>134</b>	130
<b>Profit before income tax</b>		<b>4,736</b>	4,170	<b>7,643</b>	9,222
Income tax expense	9	<b>(1,116)</b>	(778)	<b>(1,468)</b>	(1,633)
<b>Profit and total comprehensive income for the period attributable to the equity holders of the Company</b>		<b>3,620</b>	3,392	<b>6,175</b>	7,589
Earnings per share attributable to equity holders of the Company for the period – Basic and diluted (expressed in HK cents per share)	10	<b>0.28</b>	0.27	<b>0.48</b>	0.59

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

	Note	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	73,714	70,982
Deposits and prepayments	14	9,307	3,765
Interest in a joint venture	13	1,001	867
<b>Total non-current assets</b>		<b>84,022</b>	75,614
<b>Current assets</b>			
Inventories		495	663
Trade receivables	14	33,797	37,376
Deposits and prepayments	14	674	902
Cash and cash equivalents		21,392	16,133
<b>Total current assets</b>		<b>56,358</b>	55,074
<b>Total assets</b>		<b>140,380</b>	130,688
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	15	12,800	12,800
Share premium		51,571	51,571
Other reserve		100	100
Retained earnings		36,739	30,564
<b>Total equity</b>		<b>101,210</b>	95,035
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	16	47	93
Deferred tax liabilities		1,035	712
<b>Total non-current liabilities</b>		<b>1,082</b>	805
<b>Current liabilities</b>			
Trade payables	17	13,341	10,923
Accruals and other payables	17	5,691	4,732
Borrowings	16	17,413	17,806
Current income tax liabilities		1,643	1,387
<b>Total current liabilities</b>		<b>38,088</b>	34,848
<b>Total liabilities</b>		<b>39,170</b>	35,653
<b>Total equity and liabilities</b>		<b>140,380</b>	130,688

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

	Attributable to equity holders of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>Balance at 1 April 2017 (Audited)</b>	12,800	51,571	100	7,703	72,174
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	7,589	7,589
<b>Balance at 30 September 2017 (Unaudited)</b>	12,800	51,571	100	15,292	79,763
<b>Balance at 1 April 2018 (Audited)</b>	<b>12,800</b>	<b>51,571</b>	<b>100</b>	<b>30,564</b>	<b>95,035</b>
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	6,175	6,175
<b>Balance at 30 September 2018 (Unaudited)</b>	<b>12,800</b>	<b>51,571</b>	<b>100</b>	<b>36,739</b>	<b>101,210</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

	<b>Unaudited Six months ended 30 September</b>	
	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>15,810</b>	3,226
Interest paid	<b>(207)</b>	(219)
Income tax paid	<b>(889)</b>	–
	<hr/>	<hr/>
Net cash generated from operating activities	<b>14,714</b>	3,007
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<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	<b>(3,134)</b>	(1,088)
Prepayment for property, plant and equipment	<b>(5,883)</b>	(314)
Proceed from disposal of property, plant and equipment	<b>–</b>	100
Interest received	<b>1</b>	66
	<hr/>	<hr/>
Net cash used in investing activities	<b>(9,016)</b>	(1,236)
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<b>Cash flows from financing activities</b>		
Repayments of bank borrowings	<b>(396)</b>	(385)
Repayments of finance lease	<b>(43)</b>	(43)
	<hr/>	<hr/>
Net cash used in financing activities	<b>(439)</b>	(428)
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Net increase in cash and cash equivalents	<b>5,259</b>	1,343
Cash and cash equivalents at the beginning of the period	<b>16,133</b>	68,924
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Cash and cash equivalents at the end of the period	<b>21,392</b>	70,267
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## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 6 April 2016 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 1350, Clifton House, 75 Fort Street, 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 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 Hong Kong dollars, unless otherwise stated.

### 2 BASIS OF PREPARATION

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

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

#### (a) The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2018

Annual Improvements Project (Amendments) – HKFRS 1 and HKAS 28	Annual Improvements 2014-2016 Cycle
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Clarifications to HKFRS 15
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKAS 28	Investments in Associates and Joint Ventures
Amendments to HKAS 40	Transfers of Investment Property

The adoption of above new and amended standards does not have significant financial effect to the condensed consolidated financial statements.

- (b) **The following new standards and revisions to standards have been issued, but are not effective for the financial year beginning on or after 1 January 2018 and have not been early adopted by the Group**

		<b>Effective for accounting year beginning on or after</b>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 16	Leases	1 January 2019
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Improvements to HKFRSs	Annual Improvements 2015-2017 Cycle	1 January 2019
Amendments to HKAS 28	Long-term interests in associates and joint ventures	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group will apply the above new standards, amendments to standards and interpretations when they become effective. The Group is in the process of assessing the impact of these new standards, amendments to standards and interpretations.

### **3 ESTIMATES**

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

In preparing this interim unaudited condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements for the year ended 31 March 2018.

## 4 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The interim unaudited condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at 31 March 2018.

There have been no changes in the risk management policies since the year ended 31 March 2018.

### 4.2 Liquidity risk

Compared to year end, there have been no material changes to the policies and practices for the Group's liquidity and funding risks management as described in the consolidated financial statements for the year ended 31 March 2018.

### 4.3 Fair value estimation

As at 31 March 2018 and 30 September 2018, the Group did not have any financial assets or financial liabilities that are measured at fair value.

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

## 5 SEGMENT INFORMATION

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

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

Total revenue recognised during the period are as follows:

	<b>Unaudited Three months ended 30 September</b>		<b>Unaudited Six months ended 30 September</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Sales of goods and recognised at point in time	<b>45,626</b>	46,372	<b>89,869</b>	87,998

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

For the three months and six months ended 30 September 2018, as no revenue derived from a single customer has accounted for 10% or more of the Group's total revenue, no information about major customers is presented.



## 6 OTHER INCOME

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Gain on disposal of property, plant and equipment	-	100	-	100
Sundry income	102	67	354	103
	<b>102</b>	167	<b>354</b>	203

## 7 EXPENSES BY NATURE

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Cost of inventories	26,288	30,367	52,533	53,865
Employee benefit expenses	5,164	4,271	11,121	9,042
Commission	238	271	461	398
Auditors' remuneration	288	288	575	575
Depreciation of property, plant and equipment (Note 12)	396	298	765	553
Operating leases	329	253	655	504
Transportation expenses	4,373	4,561	8,799	8,988
Other expenses	3,967	2,195	7,599	5,031
	<b>41,043</b>	42,504	<b>82,508</b>	78,956

## 8 FINANCE COSTS – NET

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Interest expense on bank borrowings	101	105	203	213
Interest expense on finance leases	2	4	4	6
Finance costs	<b>103</b>	109	<b>207</b>	219
Interest income from bank deposits	-	(63)	(1)	(66)
Finance costs – net	<b>103</b>	46	<b>206</b>	153

## 9 INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

For the period ended 30 September 2018, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5% on the estimated assessable profits.

Hong Kong profits tax is provided at 16.5% on the estimated assessable profits for the period ended 30 September 2017.

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

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Current income tax				
– Current year	<b>799</b>	671	<b>1,145</b>	1,526
Deferred income tax	<b>317</b>	107	<b>323</b>	107
Income tax expense	<b>1,116</b>	778	<b>1,468</b>	1,633

## 10 EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

### (a) Basic

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

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2018	2017	2018	2017
Profit for the period attributable to the equity holders of the Company (HK\$'000)	<b>3,620</b>	3,392	<b>6,175</b>	7,589
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (in thousand)	<b>1,280,000</b>	1,280,000	<b>1,280,000</b>	1,280,000
Earnings per share (expressed in HK cents per share)	<b>0.28</b>	0.27	<b>0.48</b>	0.59

### (b) Diluted

Diluted earnings per share is the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the respective periods.

## 11 DIVIDENDS

The board of Directors (the “**Board**”) does not recommend a payment of an interim dividend in respect of the six months ended 30 September 2018 (six months ended 30 September 2017: Nil).

## 12 PROPERTY, PLANT AND EQUIPMENT

	<b>Land and buildings</b> HK\$'000	<b>Furniture, fixtures and equipment</b> HK\$'000	<b>Motor vehicles</b> HK\$'000	<b>Total</b> HK\$'000
<b>Unaudited</b>				
<b>Six months ended</b>				
<b>30 September 2018</b>				
Opening net book amount as at 1 April 2018	<b>68,741</b>	<b>620</b>	<b>1,621</b>	<b>70,982</b>
Additions	<b>–</b>	<b>3,155</b>	<b>342</b>	<b>3,497</b>
Depreciation (Note 7)	<b>(312)</b>	<b>(98)</b>	<b>(355)</b>	<b>(765)</b>
				<hr/>
Closing net book amount as at 30 September 2018	<b>68,429</b>	<b>3,677</b>	<b>1,608</b>	<b>73,714</b>
				<hr/>
<b>Audited</b>				
<b>Year ended 31 March 2018</b>				
Opening net book amount as at 1 April 2017	16,457	300	262	17,019
Additions	52,872	463	1,866	55,201
Depreciation	(588)	(143)	(507)	(1,238)
				<hr/>
Closing net book amount as at 31 March 2018	68,741	620	1,621	70,982
				<hr/>

### 13 INTEREST IN A JOINT VENTURE

HK\$'000

#### Unaudited

#### Six months ended 30 September 2018

At 1 April 2018

867

Share of profit for the period

134

At 30 September 2018

1,001

#### Audited

#### Year ended 31 March 2018

At 1 April 2017

853

Share of profit for the year

14

At 31 March 2018

867

The following are the details of the investment in a joint venture as at 30 September 2018.

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

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

There are no contingent liabilities relating to the Group's investments in a joint venture, and there are no contingent liabilities of the joint venture itself as at 30 September 2018.

### 14 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited 30 September 2018 HK\$'000	Audited 31 March 2018 HK\$'000
Trade receivables (Note a)		
– Related parties	121	128
– Third parties	33,676	37,248
	<b>33,797</b>	37,376
Prepayment for property, plant and equipment	9,282	3,399
Other prepayments	441	1,031
Other receivables and deposits	258	237
	<b>9,981</b>	4,667
Less non-current portion: prepayments	<b>(9,307)</b>	(3,765)
Deposits and prepayments included in current assets	<b>674</b>	902

**(a) Trade receivables**

The carrying amounts of trade receivables approximate their fair values.

The Group normally grants credit terms to its customers ranging from 0 to 120 days. The ageing analysis of the trade receivables based on invoice dates is as follows:

	<b>Unaudited 30 September 2018 HK\$'000</b>	Audited 31 March 2018 HK\$'000
1 to 30 days	<b>15,634</b>	18,264
31 to 60 days	<b>10,653</b>	11,823
61 to 90 days	<b>3,769</b>	4,006
91 to 120 days	<b>2,936</b>	2,463
Over 120 days	<b>805</b>	820
	<hr/>	<hr/>
Total	<b>33,797</b>	37,376

**15 SHARE CAPITAL**

The share capital balance as at 30 September 2018 in the unaudited condensed consolidated statement of financial position represented the issued share capital of the Company. Details of the authorised and issued and fully paid share capital of the Company are summarised as follows:

<b>Ordinary shares of HK\$0.01 each</b>	<b>Number of shares (in thousand)</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b> At 31 March 2018 and 30 September 2018	2,000,000	20,000
<b>Issued and fully paid:</b> At 31 March 2018 and 30 September 2018	1,280,000	12,800

**16 BORROWINGS**

	<b>Unaudited 30 September 2018 HK\$'000</b>	Audited 31 March 2018 HK\$'000
<b>Non-current, secured</b> Finance lease obligation (non-current portion) (Note (i))	47	93
<b>Current, secured</b> Bank borrowings due for repayment within 1 year which contain a repayment on demand clause (Note (ii))	809	799
Bank borrowings due for repayment after 1 year which contain a repayment on demand clause (Note (ii))	16,513	16,919
Finance lease obligation (current portion) (Note (i))	91	88
	<hr/>	<hr/>
	<b>17,413</b>	17,806
	<hr/>	<hr/>
<b>Total borrowings</b>	<b>17,460</b>	17,899

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

Note (i):

The finance lease are secured/guaranteed by:

- (i) a motor vehicle with net book value of HK\$31,000 as at 30 September 2018 (31 March 2018: HK\$93,000); and
- (ii) a personal guaranteed executed by the Controlling Shareholder.

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

Note (ii):

As at 30 September 2018, total bank borrowings of HK\$17,322,000 (31 March 2018: HK\$17,718,000) are secured/guaranteed by:

- (i) Corporate guarantee provided by the Company; and
- (ii) properties held by the Group.

## 17 TRADE AND OTHER PAYABLES

	<b>Unaudited 30 September 2018 HK\$'000</b>	Audited 31 March 2018 HK\$'000
Trade payables (Note (a))		
– Related parties	<b>25</b>	24
– Third parties	<b>13,316</b>	10,899
	<b>13,341</b>	10,923
Other payables and accruals		
– Accruals for staff cost	<b>2,907</b>	2,748
– Commission payables	<b>81</b>	43
– Other accruals and other payables	<b>2,703</b>	1,941
	<b>5,691</b>	4,732

### (a) Trade payables

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

	<b>Unaudited 30 September 2018 HK\$'000</b>	Audited 31 March 2018 HK\$'000
0 to 30 days	<b>11,015</b>	8,756
31 to 60 days	<b>1,453</b>	1,581
61 to 90 days	<b>873</b>	586
	<b>13,341</b>	10,923

## 18 COMMITMENTS

### (a) Operating lease commitments

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

	<b>Unaudited 30 September 2018 HK\$'000</b>	Audited 31 March 2018 HK\$'000
– No later than 1 year	738	686
– Later than 1 year and no later than 5 years	426	655
	<b>1,164</b>	1,341

### (b) Capital commitments

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

	<b>Unaudited 30 September 2018 HK\$'000</b>	Audited 31 March 2018 HK\$'000
Property, plant and equipment	259	1,949

## 19 RELATED-PARTY TRANSACTIONS

### (a) Transactions with related parties

	<b>Unaudited Three months ended 30 September</b>		<b>Unaudited Six months ended 30 September</b>	
	<b>2018 HK\$'000</b>	2017 HK\$'000	<b>2018 HK\$'000</b>	2017 HK\$'000
<b>Continuing related parties' transactions</b>				
Sales of goods to related companies				
– China Land Restaurant Limited	–	–	–	102
– Winning Tender Limited	183	164	376	342
Purchase of goods from a related party				
– Au Kit Ying	16	25	42	40

**(b) Key management compensation**

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

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Wages, salaries and allowances	794	811	1,587	1,631
Retirement benefit costs	9	9	18	18
	<b>803</b>	820	<b>1,605</b>	1,649

## 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 food ingredients to over 700 customer outlets and offers more than 1,300 types of food ingredients to customer.

For the six months ended 30 September 2018, the Group recorded a net profit of approximately HK\$6.2 million as compared to net profit of approximately HK\$7.6 million for the same period in 2017. The Directors are of the view that the decrease in net profit during the six months ended 30 September 2018 was mainly attributable to the increase in professional fees of approximately HK\$2.8 million incurred for the proposed transfer of listing in 2018. Setting that aside, the adjusted profit of the Group for the six months ended 30 September 2018 would have been approximately HK\$9.0 million as compared with approximately HK\$7.6 million in 2017.

### OUTLOOK

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

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



## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue for the six months ended 30 September 2018 was approximately HK\$89.9 million, representing an increase of approximately 2.2% from approximately HK\$88.0 million for the six months ended 30 September 2017.

### **Cost of sales**

The Group's cost of sales for the six months ended 30 September 2018 was approximately HK\$70.5 million, representing an increase of approximately 0.3% from approximately HK\$70.3 million for the six months ended 30 September 2017.

### **Gross profit and gross profit margin**

The Group's gross profit for the six months ended 30 September 2018 were approximately HK\$19.3 million, representing an increase of approximately 9.0% from approximately HK\$17.7 million for the six months ended 30 September 2017. The Group's gross profit margin for the six months ended 30 September 2018 was approximately 21.5%, representing an increase of approximately 1.4 percentage points as compared to approximately 20.1% for the six months ended 30 September 2017 primarily attributable to improvements in cost management.

### **Selling and administrative expenses**

The Group's selling and administrative expenses for the six months ended 30 September 2018 were approximately HK\$12.0 million, representing an increase of approximately 38.0% from approximately HK\$8.7 million for the six months ended 30 September 2017, primarily due to the increase in professional fees.

### **Profit for the period**

For the six months ended 30 September 2018, the Group recorded profit attributable to the owners of the Company of approximately HK\$6.2 million as compared to approximately HK\$7.6 million for the six months ended 30 September 2017.

## **COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS**

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress up to 30 September 2018.

### **Business plan as set out in the Prospectus**

### **Progress up to 30 September 2018**

#### ***Acquisition of new processing base, facilities and equipment***

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

The Group has acquired a new premises as a new processing base in January 2018

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

The Group is in the progress of renovating the new processing base

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

The Group is in the progress of acquiring additional facilities and machines

## **Business plan as set out in the Prospectus**

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

## **Progress up to 30 September 2018**

Due to delay in schedule, the evaluation and assessment are deferred

### ***Expansion of logistic team***

- Acquire 7 additional chilled 5.5 tonne trucks and a non-chilled 5.5 tonne truck
- Recruit approximately 18 additional distribution staff responsible for driving and delivering
- Maintain the cost of additional trucks acquired and distribution staff recruited

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

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

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

### ***Enhancement of sales channels***

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

Enhancement of sales channel which requires modification of the existing system has met with unexpected delays

### ***Further strengthening our manpower***

- Recruit 4 additional sales personnel to expand our sales team
- Recruit approximately 25 additional operation staff to improve the Group's processing capacity
- Recruit 2 procurement personnel to further strengthen our sourcing network

Calibre recruited

Number of staff was recruited as per schedule

Shortage of right calibre and recruitment is deferred

### ***Maintain the cost of additional staff recruited***

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

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

## USE OF NET PROCEEDS FROM LISTING

The net proceeds from the issue of new shares of the Group at the time of its listing on GEM on 13 October 2016 through a placement of 320,000,000 shares of HK\$0.01 each in the share capital of the Group at the price of HK\$0.225 per share, after deduction of the underwriting commission and actual expenses paid by the Group in connection thereto, were approximately HK\$47.8 million. Up to 30 September 2018, the new proceeds from the Listing had been applied as follows:

	<b>Planned use of proceeds up to 30 September 2018 HK\$ million</b>	<b>Actual use of proceeds balance up to 30 September 2018 HK\$ million</b>
Acquisition of new processing base, facilities and equipment	23.7	23.7
Further strengthening our manpower	6.2	5.9
Establishment of logistic team	7.7	4.8
Enhancement of sales channels	0.5	–
General working capital	4.8	4.8
Total	42.9	39.2

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

## CAPITAL STRUCTURE

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

## LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 September 2018, the Group had borrowings of approximately HK\$17.5 million which was denominated in Hong Kong Dollars (31 March 2018: HK\$17.9 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations and purchase of the existing premises, while the liability of the finance lease obligations was for the acquisition of motor vehicles to support its operations.

As at 30 September 2018, the Group had approximately HK\$21.4 million in bank balance and cash (31 March 2018: approximately HK\$16.1 million). The Group had no bank overdraft as at 30 September 2018 (31 March 2018: Nil). The Directors believe that the Group is in a healthy financial position to expand its core business and to achieve its business objectives.

## BORROWINGS AND GEARING RATIO

As at 30 September 2018, the gearing ratio of the Group was approximately 17.3% (31 March 2018: 18.8%). The slight decrease in gearing ratio was mainly due to the increase in equity contributed by the net profit for the six months ended 30 September 2018. Gearing ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings. Total capital is calculated as total equity as shown in the consolidated statement of financial position.

## **CHARGE ON GROUP ASSETS**

As at 30 September 2018, the Group has pledged its properties and motor vehicles with net book value amounted to approximately HK\$18,188,000 (31 March 2018: HK\$18,500,000) and approximately HK\$31,000 (31 March 2018: HK\$93,000), respectively, for certain banking facilities granted to the Group.

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

Save as disclosed in this interim announcement and the Prospectus, there was no significant investment held, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 September 2018. There is no other plans for material investments or capital assets as at 30 September 2018.

## **FOREIGN EXCHANGE EXPOSURE**

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

## **TREASURY POLICY**

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

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as at 30 September 2018 (31 March 2018: Nil).

## **COMMITMENTS**

The contract commitments mainly involve rental payable by the Group in respect of the processing facilities and parking lots under non-cancellable operating leases. As at 30 September 2018, the Group's operating lease commitments were approximately HK\$1,164,000 (31 March 2018: HK\$1,341,000).

As at 30 September 2018, the Group had capital commitments contracted in respect of acquisition of property, plant and equipment of approximately HK\$259,000 (31 March 2018: HK\$1,949,000).

## **SEGMENT INFORMATION**

The Group principally operates in one business segment, which is providing sourcing and processing of food ingredients in Hong Kong.

## **INFORMATION ON EMPLOYEES**

As at 30 September 2018, the Group had 88 employees working in Hong Kong (31 March 2018: 87). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees. The total staff cost (including remuneration of Directors and mandatory provident funds contributions) for the six months ended 30 September 2018 amounted to approximately HK\$11.1 million (30 September 2017: HK\$9.0 million).

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2018 (31 March 2018: Nil).

## OTHER INFORMATION

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

As at 30 September 2018, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Futures Ordinance (“SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

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

Name	Capacity/nature of interest	Number of Shares held	Approximate percentage of shareholding
Mr. Liu (Note 1)	Interest of a controlled corporation	720,000,000	56.25%
Ms. Wu Shuk Kwan (Note 2)	Interest of spouse	720,000,000	56.25%

Notes:

1. Mr. Liu beneficially owns the entire issued share capital of Classic Line Holdings Limited (“**Classic Line**”). Therefore, Mr. Liu is deemed, or taken to be, interested in all the shares held by Classic Line for the purpose of the SFO. Mr. Liu is the sole director of Classic Line.
2. Ms. Wu Shuk Kwan (“**Ms. Wu**”) has become the spouse of Mr. Liu on 29 June 2018. Under the SFO, Ms. Wu is deemed to be interested in the same number of shares in which Mr. Liu is interested.

Save as disclosed above, as at 30 September 2018, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as known to the Directors or chief executives of the Company, as at 30 September 2018, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

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

Name	Capacity/nature of interest	Number of Shares held	Approximate percentage of shareholding
Classic Line (Note 1)	Beneficial owner	720,000,000	56.25%

Note:

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

Save as disclosed above, as at 30 September 2018, there was no person or corporation, other than the Directors and chief executives of the Company whose interests are set out in the section “Directors’ and chief executives’ interests and short positions in shares, underlying shares and debentures” above, had any interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 September 2018.

## **COMPETITION AND CONFLICT OF INTERESTS**

None of the Directors, the Controlling Shareholders or substantial shareholders of the Company or any of its respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has or may have any other conflict of interests with Group during the six months ended 30 September 2018.

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

## **DIRECTORS’ SECURITIES TRANSACTIONS**

The Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors’ securities transactions in securities of the Company (the “**Required Standard of Dealing**”). Based on specific enquiry with the Directors, all Directors confirmed that they had complied Required Standard of Dealing and there was no event of non-compliance during the six months ended 30 September 2018.

## **SHARE OPTION SCHEME**

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

For the six months ended 30 September 2018, 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 “**Frontpage Capital**”), saved as the compliance adviser agreement entered into between the Company and Frontpage Capital, none of Frontpage Capital 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**

We are committed to achieving and maintaining high standards of corporate governance, as our Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to promote the interests of its shareholders of the Company.

Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices, transparency and accountability to all stakeholders.

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. In the opinion of the Board, the Company has complied with CG Code throughout the period.

## **UPDATED DIRECTOR’S PARTICULARS**

An update of information of a Director is as follow:

Ms. Li On Lei, an independent non-executive Director, has been appointed as an independent non-executive director of Fullwealth Construction Holdings Company Limited, a company listed on the Stock Exchange (Stock Code: 1034) on 8 October 2018.

## **AUDIT COMMITTEE**

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

The 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 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 Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2018 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2018 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 8 November 2018

*As at the date of this announcement, 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.*

*This announcement will remain on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at [www.cyfood.com.hk](http://www.cyfood.com.hk).*