GOAL FORWARD HOLDINGS LIMITED
展程控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1854)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

FINAL RESULTS

The board of Directors (the "**Board**") of Goal Forward Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2019, together with the comparative figures for the year ended 31 March 2018.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

		Year ended 31 March	
	Note	**2019**	2018
		HK$'000	*HK$'000*
Revenue	*3*	**185,939**	176,841
Cost of sales	*4*	**(141,984)**	(132,251)
Gross profit		**43,955**	44,590
Other income		**492**	279
Selling and administrative expenses	*4*	**(23,584)**	(17,061)
Operating profit		**20,863**	27,808
Finance income	*5*	**18**	131
Finance costs	*5*	**(526)**	(430)
Finance costs – net	*5*	**(508)**	(299)
Share of (loss)/profit of a joint venture		**(2)**	14
Profit before income tax		**20,353**	27,523
Income tax expense	*6*	**(4,294)**	(4,662)
Profit and total comprehensive income for the year attributable to equity holders of the Company		**16,059**	22,861
Basic and diluted earnings per share attributable to equity holders of the Company (expressed in HK cents per share)	*8*	**1.25**	1.79

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	As at 31 March 2019 HK$'000	2018 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**83,181**	70,982
Deposits and prepayments		**27**	3,765
Interest in a joint venture		**865**	867
Total non-current assets		**84,073**	75,614
Current assets			
Inventories		**1,260**	663
Trade receivables	*9*	**37,690**	37,376
Prepayments, other receivables and deposits		**3,011**	902
Cash and cash equivalents		**24,702**	16,133
Total current assets		**66,663**	55,074
Total assets		**150,736**	130,688
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	*10*	**12,800**	12,800
Share premium	*10*	**51,571**	51,571
Other reserve		**100**	100
Retained earnings		**46,590**	30,564
Total equity		**111,061**	95,035

	Note	As at 31 March 2019 HK$'000	2018 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**–**	93
Deferred tax liabilities		**1,261**	712
Total non-current liabilities		**1,261**	805
Current liabilities			
Trade payables	*11*	**6,322**	10,923
Accruals and other payables		**5,318**	4,732
Borrowings		**26,650**	17,806
Current income tax liabilities		**124**	1,387
Total current liabilities		**38,414**	34,848
Total liabilities		**39,675**	35,653
Total equity and liabilities		**150,736**	130,688

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2019

	Attributable to equity holders of the Company				
	Share capital *(Note 10)* *HK$'000*	**Share premium** *(Note 10)* *HK$'000*	**Other reserve** *HK$'000*	**Retained earnings** *HK$'000*	**Total** *HK$'000*
Balance at 1 April 2017	12,800	51,571	100	7,703	72,174
Total comprehensive income					
Profit for the year	–	–	–	22,861	22,861
Balance at 31 March 2018	**12,800**	**51,571**	**100**	**30,564**	**95,035**
Adjustment on adoption of HKFRS 9 *(Note 2(c))*	**–**	**–**	**–**	**(33)**	**(33)**
Balance at 1 April 2018	**12,800**	**51,571**	**100**	**30,531**	**95,002**
Total comprehensive income					
Profit for the year	**–**	**–**	**–**	**16,059**	**16,059**
Balance at 31 March 2019	**12,800**	**51,571**	**100**	**46,590**	**111,061**

1 GENERAL INFORMATION AND BASIS OF PREPARATION

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 Company is an investment holding company. The Group is principally engaged in the sourcing, processing and supplying of food ingredients. The ultimate holding company of the Company is Classic Line Holdings Limited, a company incorporated in the British Virgin Islands. Mr. Liu Chi Ching is regarded as the ultimate controlling party.

The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 October 2016 and were transferred to be listed on the Main Board of the Stock Exchange on 21 March 2019 (the "**Transfer of Listing**").

The financial statements is presented in thousands of Hong Kong dollars ("**HK$000**"), unless otherwise stated.

The 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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Adoption of new standards, interpretation and amendments to standards

The Group has adopted the following new standards, interpretation and amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 April 2018:

Standards	**Subject of amendment**
Amendments to HKAS 28	Investments in Associates and Joint Ventures
Amendments to HKAS 40	Transfers of Investment Property
Amendments to HKFRS 1	First-time Adoption of HKFRS
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

Except for the impact for HKFRS 9 and HKFRS 15 which have been disclosed in Note 2(c), the adoption of the above new standards, interpretation and amendments to standards did not have any significant financial impact on these consolidated financial statements.

(b) New standards, amendments to standards and interpretations which are not yet effective

Certain new accounting standards, amendments to existing standards and interpretations have been published that are not mandatory for 31 March 2019 reporting period and have not been early adopted by the Group:

Standards	Subject of amendment	Effective for annual periods beginning on or after
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to HKAS 1 and HKAS 8	Definition of Material	1 January 2020
Amendments to HKAS 12	Income Taxes	1 January 2019
Amendments to HKAS 19	Plan Amendments, Curtailments or Settlements	1 January 2019
Amendments to HKAS 23	Borrowing Costs	1 January 2019
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to HKFRS 3	Business Combinations	1 January 2019
Amendments to HKFRS 3	Definition of a Business	1 January 2020
Amendments to HKFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS 11	Joint Arrangements	1 January 2019
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements 2015-2017 Cycle	Improvements to HKFRSs	1 January 2019

The Group will apply the above new standards, interpretations and amendments to standards when they become effective. The Group's assessment of the impact of these new standards, interpretations and amendments to standards is set out below.

Except for HKFRS 16, none of the rest of the new standards, interpretation and amendments to standards is expected to have a significant effect on the consolidated financial statements of the Group.

HKFRS 16, "Leases"

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$872,000. Of these lease commitments, approximately HK$795,000 relate to short-term leases. The Group estimates those related to payments for short-term and low value leases will be recognised on straight-line basis as expense in profit or loss. The remaining lease commitments are not material and hence the Group does not expect any significant impact on the financial statements.

Date of adoption by the Group

The Group will apply the standard from its mandatory adoption date of 1 April 2019.

(c) Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 "Financial Instruments" and HKFRS 15 "Revenue from Contracts with Customers" on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1 April 2018, where they are different to those applied in prior periods.

The Group elected to adopt HKFRS 9 and HKFRS 15 without restating comparatives. The adjustments arising from the new impairment rules are therefore not reflected in the consolidated statement of financial position as at 31 March 2018, but are recognised in the opening consolidated statement of financial position on 1 April 2018.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail by standard below.

Consolidated statement of financial position (extract)	**31 March 2018 As originally presented**	**Effects of adoption of HKFRS 9**	**1 April 2018 Restated**
	HK$'000	*HK$'000*	*HK$'000*
Current assets			
Trade receivables	37,376	(33)	37,343
Equity attributable to equity holders of the Company			
Retained earnings	30,564	(33)	30,531

HKFRS 9 "Financial Instruments"

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

The total impact on the Group's retained earnings due to classification and measurement of financial instruments as at 1 April 2018 is as follows:

	Note	*HK$'000*
Opening retained earnings as at 31 March 2018 – HKAS 39		30,564
Increase in allowance for impairment of trade receivables	*(ii)*	(33)
Opening retained earnings as at 1 April 2018 – HKFRS 9		30,531

(i) *Classification and measurements*

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The adoption of HKFRS 9 did not have material impact on the classification and measurement of the Group's financial assets and liabilities.

(ii) *Impairment of financial assets*

The Group has two types of financial assets as at 1 April 2018 that are subject to HKFRS 9's new expected credit loss model:

- trade receivables
- other receivables and deposits

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed in the table above.

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. By using the expected credit losses model, an additional provision for trade receivables of HK$33,000 was recognised as at 1 April 2018.

Other receivables and deposits

Other receivables and deposits at amortised cost are considered to be low risk, and therefore the impairment provision is determined as 12 months expected credit losses. The resulted increase of loss allowance for other receivables and deposits on 1 April 2018 was immaterial. The loss allowance for other receivables and deposits have not further increased during the current reporting period.

HKFRS 15 "Revenue from Contracts with Customers"

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 April 2018, which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the transition provisions in HKFRS 15, comparative figures have not been restated.

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset.

Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented.

The adoption of HKFRS 15 does not have a significant impact on the Group's financial position and results of operation for the year ended 31 March 2019. There is also no material impact to the Group's retained earnings as at 1 April 2018.

3 SEGMENT INFORMATION

The Group operates in 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, processing and supplying of food ingredients, which are carried out in Hong Kong.

Total revenue recognised during the year are as follows:

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Sales of goods and services, recognised at a point in time	**185,939**	176,841

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.

There is no single external customer contributed to more than 10% of the revenue of the Group for the year ended 31 March 2019.

4 EXPENSES BY NATURE

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Cost of inventories	**105,382**	98,812
Employee benefit expenses	**22,295**	18,516
Commission	**922**	826
Auditor's remuneration		
– Audit related services	**1,200**	1,150
– Non-audit services	**39**	39
Depreciation of property, plant and equipment	**2,325**	1,238
Operating leases	**1,126**	1,005
Transportation expenses	**17,894**	17,496
Provision for impairment of trade receivables	**95**	–
Professional and consulting fees	**2,170**	2,171
Professional fees in relation to transfer of listing		
– Paid or payable to auditor	**600**	–
– Paid or payable to other professional parties	**3,985**	–
Other expenses	**7,535**	8,059
	165,568	149,312

5 FINANCE COSTS – NET

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Interest expense on bank borrowings	**519**	418
Interest expense on finance leases	**7**	12
Finance costs	**526**	430
Interest income from bank deposits	**(18)**	(131)
Finance costs – net	**508**	299

6 INCOME TAX EXPENSE

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

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for the year ended 31 March 2019 (2018: 16.5%).

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

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Current income tax		
– Current year	**3,745**	4,436
Deferred income tax	**549**	226
Income tax expense	**4,294**	4,662

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group's subsidiaries as follows:

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Profit before income tax	**20,353**	27,523
Calculated at a tax rate of 16.5% (2018: 16.5%)	**3,358**	4,541
Expenses not deductible for tax purposes	**1,138**	238
Non-taxable income	**(17)**	(51)
Utilisation of tax loss previously not recognised	**–**	(66)
Tax relief of 8.25% on first HK$2 million assessable profit	**(165)**	–
One off tax deduction	**(20)**	–
Income tax expense	**4,294**	4,662

Note: Expense not deductible for tax purposes for the year ended 31 March 2019 mainly comprised the tax effect of non-deductible professional fees in relation to transfer of listing.

7 DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: Nil).

8 EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE YEAR – BASIC AND DILUTED

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

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**16,059**	22,861
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (in thousand)	**1,280,000**	1,280,000
Earnings per share (expressed in HK cents per share)	**1.25**	1.79

The Group does not have any potential dilutive option or other instruments relating to ordinary shares.

9 TRADE RECEIVABLES

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
Trade receivables	**37,788**	37,376
Less: loss allowance	**(98)**	–
	37,690	37,376

The carrying amounts of trade receivables approximate their fair values and are denominated in HK$.

The Group normally grants credit terms to its customers ranging from 0 to 120 days (2018: 0 to 120 days). The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2019	2018
	HK$'000	HK$'000
1 to 30 days	**15,912**	18,264
31 to 60 days	**8,193**	11,823
61 to 90 days	**3,907**	4,006
91 to 120 days	**3,207**	2,463
Over 120 days	**6,569**	820
Total	**37,788**	37,376

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the aging from billing.

The maximum exposure to credit risk at the reporting date is the carrying value of the receivables mentioned above. The Group does not hold any collateral as security.

10 SHARE CAPITAL AND SHARE PREMIUM

	Number of Ordinary share (in thousand)	Nominal value of ordinary share *HK$'000*	Share premium *HK$'000*
Authorised share capital			
Ordinary shares of HK$0.01 each			
As at 31 March 2018, 1 April 2018 and 31 March 2019	2,000,000	20,000	–
Issued and fully paid			
Ordinary shares of HK$0.01 each			
As at 31 March 2018, 1 April 2018 and 31 March 2019	1,280,000	12,800	51,571

11 TRADE PAYABLES

As at 31 March 2018 and 31 March 2019, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March	
	2019	2018
	HK$'000	*HK$'000*
0 to 30 days	**4,622**	8,756
31 to 60 days	**1,116**	1,581
61 to 90 days	**584**	586
	6,322	10,923

The carrying amounts of the Group's trade payables approximate their fair values.

12 RELATED PARTY TRANSACTIONS

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholder and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The directors are of the view that the following company and entity were related parties that had material transactions or balances with the Group during the years ended 31 March 2018 and 2019:

Name of the related party	**Relationship with the Group**
Winning Tender Limited	The director, Liu Chi Ching has beneficial interest in the company
Au Kit Ying	The owners of this partnership business are related persons to Liu Chi Ching, the shareholder and the director of the Company

In addition to the related party information disclosed above, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the year, and balances arising from related party transactions as at year end.

(a) Transactions with related parties

	Year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Continuing related parties' transactions		
Sales of goods to a related company		
– Winning Tender Limited	**763**	705
Purchase of goods from a related party		
– Au Kit Ying	**70**	89

(b) Balances with related parties

	As at 31 March	
	2019	2018
	HK$'000	*HK$'000*
Amount due from Winning Tender Limited	**64**	128
Amount due to Au Kit Ying	**10**	24

The carrying amounts of balances with related parties approximate their fair values and are denominated in HK$.

13 PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following is a list of the principal subsidiaries at 31 March 2019:

Company name	Country/ place of incorporation/ establishment	Registered/ issued and paid-up capital	Principal activities/place of operation	Proportion of ordinary shares directly held by parent	Proportion of ordinary shares held by the Group
Eminent Ace Group Limited	British Virgin Islands	US$1	Investment holding/Hong Kong	100%	–
C.Y. Food Trading (HK) Company Limited	Hong Kong	HK$1	Processing and distribution of vegetables and other food/Hong Kong	–	100%
Lion Metro Limited	British Virgin Islands	US$100	Investment holding/Hong Kong	–	100%
Healthy Cheer International Limited	Hong Kong	HK$100,000	Property holding and investment/Hong Kong	–	100%
Profit Star Holdings Limited	Seychelles	US$1	Investment holding/Hong Kong	100%	–
Eastway Logistic Company Limited	Hong Kong	HK$1	Logistic services/Hong Kong	–	100%
Better Joy Limited	Samoa	US$100	Investment holding/Hong Kong	100%	–
Jade Royal Limited	Hong Kong	HK$1	Property holding and investment/Hong Kong	–	100%
Wise Sino Limited	Hong Kong	HK$1	Property holding and investment/Hong Kong	–	100%

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the sourcing, processing and supplying of food ingredients 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 the customers.

For the year ended 31 March 2019, the Group recorded a net profit of approximately HK$16.1 million as compared to net profit of approximately HK$22.9 million for the same period in 2018. The Directors are of the view that the decrease in the Group's net profit during the year ended 31 March 2019 was mainly attributable to the professional fees of approximately HK$4.5 million incurred in connection with the Transfer of Listing in 2019. Setting aside the non-recurring listing expenses, the Group's adjusted net profit for the year ended 31 March 2019 would have been approximately HK$20.6 million. The adjusted net profit for year ended 31 March 2019 represents a decrease of approximately 10.0% as compared to the net profit for the year ended 31 March 2018. The Directors are of the view that the decrease was mainly attributable to the (i) decrease in gross profit margin and (ii) increase in selling and administrative expenses.

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**") and have been listed on the Main Board of the Stock Exchange by way of transfer of listing since 21 March 2019. 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 Directors also believe the Transfer of Listing could broaden the investor base and enhance the corporate profile further. The Group could further expand and optimize its products and services, as well as creating long-term value to our shareholders.

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 support the development of their new outlets. In addition, with the success of exploring new sources of vegetables and fruits supplies, as well as the commencement of operation of the Kwai Chung Factory, the Group shall sustain its competitiveness within the market and shall continue to strive to achieve the business objectives as stated in the prospectus of the Company dated 30 September 2016 (the "**Prospectus**").

Revenue

The Group's revenue for the year ended 31 March 2019 was approximately HK$185.9 million, representing an increase of approximately 5.1% from approximately HK$176.8 million for the year ended 31 March 2018, which was primarily attributable to the increase in supplies of food ingredients to broader customer base and greater sales in providing processing services.

Cost of sales

The Group's cost of sales for the year ended 31 March 2019 was approximately HK$142.0 million, representing an increase of approximately 7.3% from approximately HK$132.3 million for the year ended 31 March 2018, which was in tandem with the revenue growth over the same period.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2019 were approximately HK$44.0 million, representing a decrease of approximately 1.3% from approximately HK$44.6 million for the year ended 31 March 2018. The Group's gross profit margin for the year ended 31 March 2019 was approximately 23.7%, representing a decrease of approximately 1.5 percentage points as compared to approximately 25.2% for the year ended 31 March 2018. The decrease in gross profit margin was mainly due to the combined effect of (i) a higher proportion of fixed cost for the Kwai Chung Factory as it was at the start up stage; and (ii) a yield variances of processing ingredients.

Selling and administrative expenses

The Group's selling and administrative expenses for the year ended 31 March 2019 were approximately HK$23.6 million, representing an increase of approximately 38.0% from approximately HK$17.1 million for the year ended 31 March 2018, primarily due to the professional fees incurred in relation to the Transfer of Listing and the increase of staff costs to retain higher caliber employees.

Finance costs

Finance costs of the Group increased by approximately 22.3% from approximately HK$430,000 for the year ended 31 March 2018 to approximately HK$526,000 for the year ended 31 March 2019. The increase in finance costs was mainly attributable to increase in average bank borrowing balance during the year ended 31 March 2019.

Share of loss/profit of a joint venture

During the year ended 31 March 2019, the Group recorded a share of loss of a joint venture of approximately HK$2,000 as compared with profit of approximately HK$14,000 for the year ended 31 March 2018.

Profit attributable to equity holders of the Company

As a result of the foregoing, the Group's profit attributable to equity holders of the Company for the year ended 31 March 2019 amounted to approximately HK$16.1 million, representing a decrease of approximately 29.7% as compared with profit of approximately HK$22.9 million for the year ended 31 March 2018. Setting aside the professional fees of approximately HK$4.5 million in relation to the Transfer of Listing, the adjusted net profit of the Group for the year ended 31 March 2019 would be approximately HK$20.6 million. The adjusted net profit margin for the years ended 31 March 2019 and 2018 were approximately 11.1% and 13.0%, respectively.

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 31 March 2019.

Business plan as set out in the Prospectus	Progress up to 31 March 2019
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 completed the acquisition of the new premises in Kwai Chung as a new processing base in January 2018
– Fitting out, renovation and installation of the new processing base	The Group has completed fitting out, renovation and equipment installation works at the new processing base and the Kwai Chung Factory has commenced full operation in January 2019
– Acquire additional facilities and machines, such as washing and drying machines, various cutting machines and chemical detection devices	The Group has acquired additional facilities and machines
– Evaluate the efficiency of new processing base and assess for the need for additional facilities and machines	Due to postponement in schedule of setting up of the new processing base which only commenced full operation in January 2019, the evaluation and assessment are deferred

Further strengthening the manpower

– Recruit four additional sales personnel to expand the sales team	The Group has recruited additional sales personnel to expand the sales team
– Recruit approximately twenty-five additional operation staff to improve the processing capacity	The Group has recruited additional operation staff to improve the processing capacity
– Recruit two additional procurement personnel to further strengthen the sourcing network	Due to the shortage in right calibre employees, recruitment schedule is deferred
– Assess the sufficiency of the labour resources having to the business Development	Labour resources remain adequate and manageable

Expansion of logistic team

– Acquire seven additional chilled 5.5 tonne trucks and two non-chilled 5.5 tonne trucks	Seven additional vehicles have been acquired to fulfill the needs of operations. Due to labour shortage, the acquisition schedule is deferred
– Recruit eighteen additional distribution staff responsible for driving and delivering	Due to distribution staff shortage, the recruitment schedule has been deferred
– Maintain the cost of additional trucks acquired and distribution staff recruited	A portion of proceeds were used to maintain the cost of additional trucks acquired and distributed staff recruited but not fully utilised due to delay in schedule as explained above

Enhancement of sales channels

– Enhance the sales channels such as upgrading of mobile sales application and developing an internet sales platform	Enhancing the sales channel requires modifications to the core of the existing application systems and such modifications required longer time than expected

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 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 31 March 2019, the net proceeds from the Listing had been applied as follows:

	Planned use of proceeds from Listing Date to 31 March 2019	**Actual use of proceeds from Listing Date to 31 March 2019**
	HK$ million	*HK$ million*
Acquisition of new processing base, facilities and equipment	23.7	23.7
Further strengthening the manpower	9.1	9.1
Expansion of logistic team	9.7	6.5
Enhancement of sales channels	0.5	–
General working capital	4.8	4.8
Total	47.8	44.1

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 Company successfully transferred the listing of its shares from GEM to the Main Board of the Stock Exchange on 21 March 2019. There has been no change in the capital structure of the Company since the Listing Date and up to date of this announcement. The capital of the Company 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 31 March 2019, the Group had borrowings of approximately HK$26.7 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 31 March 2019, the Group had bank balance and cash of approximately HK$24.7 million (31 March 2018: HK$16.1 million). The Group had no bank overdraft as at 31 March 2019 (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.

GEARING RATIO

As at 31 March 2019, the gearing ratio of the Group was approximately 24.2% (31 March 2018: 18.8%). The increase in gearing ratio was due to increase in bank borrowings. Gearing ratio is calculated as total debt divided by total equity.

CHARGE ON GROUP ASSETS

As at 31 March 2019, the Group has pledged its properties and motor vehicles with net book value amounted to approximately HK$54.4 million (31 March 2018: HK$18.5 million) and nil (31 March 2018: HK$93,000), respectively, to secure certain banking facilities granted to the Group.

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

Save as disclosed in this announcement and the Prospectus, there was no significant investment held, material acquisition and disposal of subsidiaries and associated companies by the Company during the year ended 31 March 2019. There is no other plan for material investments or capital assets as at 31 March 2019.

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 a food ingredients supplier and most of its transactions are 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 POLICIES

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 31 March 2019 (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 31 March 2019, the Group's operating lease commitments were approximately HK$872,000 (31 March 2018: HK$1,341,000).

SEGMENT INFORMATION

The Group principally operates in one business segment, which is the sourcing, processing and supplying of food ingredients to food service operators in Hong Kong.

FINAL DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 March 2019 (31 March 2018: Nil).

INFORMATION ON EMPLOYEES

As at 31 March 2019, the Group had 98 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 years ended 31 March 2018 and 2019 amounted to approximately HK$18.5 million and HK$22.3 million respectively.

CORPORATE GOVERNANCE PRACTICE

We are committed to achieving and maintaining high standards of corporate governance, as the 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 Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). In the opinion of the Board, the Company has complied with the CG Code throughout the period.

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 year ended 31 March 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions. Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the required standard of dealings set out in the Model Code and there was no event of non-compliance throughout the period.

AUDIT COMMITTEE

Our Company has established the audit committee (the "**Audit Committee**") on 26 September 2016 with written terms of reference in compliance with paragraphs C.3.3 and C.3.7 of the CG Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of our Group. The Audit Committee comprises three members, all are our independent non-executive Directors, namely Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit, of whom Mr. Ng Ki Man is the chairman of the Audit Committee. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 March 2019.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 March 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2019. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

The Group's annual results for the year ended 31 March 2019 has been reviewed by the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to thank our customers, suppliers, business partners for their support. Also, I would like to offer my highest gratitude to our shareholders for their devotion and to our employees for their loyalty and contributions made during the year.

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

Hong Kong, 28 June 2019

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 as independent non-executive Directors.