



展程控股有限公司

GOAL FORWARD HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1854



Interim Report **2019**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Chi Ching (*Chairman*)
Ms. Wu Shuk Kwan (*Chief Executive Officer*)

Non-executive Director

Mr. Wong Chung Yeung

Independent non-executive Directors

Ms. Li On Lei
Mr. Ng Ki Man
Mr. Lo Siu Kit

BOARD COMMITTEES

Audit committee

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

Nomination committee

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

Remuneration committee

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

COMPANY SECRETARY

Ms. Yim Sau Ping

AUTHORISED REPRESENTATIVES

Mr. Liu Chi Ching
Ms. Yim Sau Ping

COMPLIANCE ADVISER

Frontpage Capital Limited
26/F, Siu On Centre
188 Lockhart Road
Wan Chai
Hong Kong

AUDITOR

PricewaterhouseCoopers
22/F, Prince's Building
Central
Hong Kong

LEGAL ADVISOR AS TO HONG KONG LAWS

CFN Lawyers in association with Broad and Bright
Room Nos. 4101-04, 41/F, Sun Hung Kai Centre
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Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
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Grand Cayman
KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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75 Fort Street
PO Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Sunking Factory Building
No. 1-7 Shing Chuen Road
Shatin
New Territories
Hong Kong

PRINCIPAL BANKS

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

STOCK CODE

1854

COMPANY'S WEBSITE

www.cyfood.com.hk

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The unaudited condensed consolidated results of Goal Forward Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) for the six months ended 30 September 2019, together with the unaudited comparative figures for the corresponding periods in 2018, are as follows:

	Note	Unaudited Six months ended 30 September	
		2019 HK\$'000	2018 HK\$'000
Revenue	5	84,374	89,869
Cost of sales	7	(72,655)	(70,527)
Gross profit		11,719	19,342
Other income	6	94	354
Selling and administrative expenses	7	(12,599)	(11,981)
Operating (loss)/profit		(786)	7,715
Finance income	8	23	1
Finance costs	8	(343)	(207)
Finance costs – net	8	(320)	(206)
Share of profit of a joint venture		60	134
(Loss)/profit before income tax		(1,046)	7,643
Income tax expense	9	(193)	(1,468)
(Loss)/profit and total comprehensive (expense)/income for the period		(1,239)	6,175
(Loss)/earnings per share attributable to equity holders of the Company for the period – Basic and diluted (expressed in HK cents per share)	10	(0.10)	0.48
(Loss)/profit and total comprehensive (expense)/income for the period attributable to:			
– Equity holders of the Company		(1,233)	6,175
– Non-controlling interest		(6)	–
		(1,239)	6,175

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	81,281	83,181
Right-of-use assets		325	–
Deposits and prepayments	14	1,789	27
Interest in a joint venture	13	925	865
Total non-current assets		84,320	84,073
Current assets			
Inventories		1,131	1,260
Trade receivables	14	32,915	37,690
Prepayments, other receivables and deposits	14	4,375	3,011
Cash and cash equivalents		23,364	24,702
Tax recoverables		978	–
Total current assets		62,763	66,663
Total assets		147,083	150,736
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	12,800	12,800
Share premium		51,571	51,571
Other reserve		100	100
Retained earnings		45,357	46,590
Capital and reserves attributable to:			
– Equity holders of the Company		109,828	111,061
– Non-controlling interests		(6)	–
Total equity		109,822	111,061
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		1,316	1,261
Total non-current liabilities		1,316	1,261
Current liabilities			
Trade payables	17	5,390	6,322
Accruals and other payables	17	4,305	5,318
Borrowings	16	25,759	26,650
Lease liabilities		329	–
Current income tax liabilities		162	124
Total current liabilities		35,945	38,414
Total liabilities		37,261	39,675
Total equity and liabilities		147,083	150,736

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

	Attributable to equity holders of the Company					Non-controlling interest HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
Balance at 31 March 2018 (Audited)	12,800	51,571	100	30,564	95,035	–	95,035
Adjustment on adoption of HKFRS 9	–	–	–	(33)	(33)	–	(33)
Balance at 1 April 2018 (Audited)	12,800	51,571	100	30,531	95,002	–	95,002
Total comprehensive income							
Profit for the period	–	–	–	6,175	6,175	–	6,175
Balance at 30 September 2018 (Unaudited)	12,800	51,571	100	36,706	101,177	–	101,177
Balance at 1 April 2019 (Audited)	12,800	51,571	100	46,590	111,061	–	111,061
Total comprehensive expense							
Loss for the period	–	–	–	(1,233)	(1,233)	(6)	(1,239)
Balance at 30 September 2019 (Unaudited)	12,800	51,571	100	45,357	109,828	(6)	109,822

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

	Unaudited Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from operations	3,138	15,810
Interest paid	(343)	(207)
Income tax paid	(1,078)	(889)
	<hr/>	<hr/>
Net cash generated from operating activities	1,717	14,714
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Cash flows from investing activities		
Purchases of property, plant and equipment	(403)	(3,134)
Prepayment for property, plant and equipment	(1,784)	(5,883)
Interest received	23	1
	<hr/>	<hr/>
Net cash used in investing activities	(2,164)	(9,016)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Cash flows from financing activities		
Repayments of bank borrowings	(845)	(396)
Repayments of finance lease	(46)	(43)
	<hr/>	<hr/>
Net cash used in financing activities	(891)	(439)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net (decrease)/increase in cash and cash equivalents	(1,338)	5,259
Cash and cash equivalents at the beginning of the period	24,702	16,133
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	23,364	21,392
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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATION INFORMATION

The Company was incorporated in the Cayman Islands on 6 April 2016 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Clifton House, 75 Fort Street, PO 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, 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 ("**Mr. Liu**") is regarded as the ultimate controlling party (the "**Controlling Shareholder**").

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 and listed on the Main Board of the Stock Exchange on 21 March 2019 (the "**Transfer of Listing**").

These unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$000**"), unless otherwise stated.

2 BASIS OF PREPARATION

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

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

(a) **The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or after 1 April 2019**

Amendments to HKFRS 9	Prepayment Features with Negative Compensation
HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Improvements to HKFRSs	Annual Improvements 2015-2017 Cycle
Amendments to HKAS 19	Plan amendments, curtailments or settlements
Amendments to HKAS 23	Borrowing Costs
Amendments to HKFRS 3	Business Combinations
Amendments to HKFRS 11	Joint Arrangements
Amendments to HKAS 28	Long-term interests in associates and joint ventures

The adoption of the 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 April 2019 and have not been early adopted by the Group

		Effective for accounting year beginning on or after
Amendments to HKAS 1 and HKAS 8	Definition of Material	1 January 2020
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to HKFRS 3	Definition of a Business	1 January 2020
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.

HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees which superseded HKAS 17 “Leases” and the related interpretations.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Under HKAS 17, the Group has already recognised assets and related finance lease liabilities for finance lease arrangements where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

The Group has adopted the modified retrospective application permitted by HKFRS 16 upon adoption of the new standard. Accordingly, the standard has been applied for the period beginning on 1 April 2019 (i.e. the initial application period). Modified retrospective application requires the recognition of the cumulative impact of adoption of HKFRS 16 on all contracts as at 1 April 2019 in equity.

Modified retrospective application of HKFRS 16 also requires the Group to recognise a lease liability at the date of initial application for leases previously classified as an operating lease under the superseded HKAS 17 measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as lease applying HKAS 17 and HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application, i.e. 1 April 2019.

The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics for determination of present value of the remaining lease payments. The right-of-use assets have been recognised, on a lease-by-lease basis, and discounted using the Group's incremental borrowing rate at the date of initial application. The Group's weighted average incremental borrowing rate applied to the lease liabilities on April 2019 was 2.5%.

Based on the allowed practical expedients under HKFRS 16, the Group has elected not to apply the requirements of HKFRS 16 in respect of recognition of lease liabilities and right-of-use assets to leases for which the lease term ends within twelve months of the date of initial application.

The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

	Unaudited HK\$'000
Operating lease commitments as at 31 March 2019 (Audited)	872
Less: Lease of short-term and low-value assets	(252)
	<hr/> 620
Discounted operating lease commitments as at 1 April 2019	(16)
	<hr/> 604
Of which are:	
Current lease liabilities	557
Non-current lease liabilities	47
	<hr/> 604

The adjustments resulted from the initial application of HKFRS 16 at 1 April 2019 are set out below. The prior period amounts were not adjusted.

	Audited As at 31 March 2019 HK\$'000	Impact on initial application of HKFRS 16 HK\$'000	Unaudited At 1 April 2019 HK\$'000
Non-current assets			
Right-of-use assets	–	604	604
Current liabilities			
Lease liabilities	–	557	557
Non-current liabilities			
Lease liabilities	–	47	47

The impacts of HKFRS 16 on the unaudited condensed consolidated statement of profit or loss and other comprehensive income of the Group are set out as below:

	Unaudited		
	Six months ended 30 September 2019	Six months ended 30 September 2019	Six months ended 30 September 2019
	As per HKAS 17 HK\$'000	As per HKFRS 16 HK\$'000	Impact due to change HK\$'000
Operating leases	(691)	(404)	287
Depreciation	(2,303)	(2,582)	(279)
Finance costs	(332)	(343)	(11)
Loss for the period	(1,290)	(1,293)	(3)

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 these 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 2019.

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 2019.

There have been no changes in the risk management policies since the year ended 31 March 2019.

4.2 Liquidity risk

Compared to the year ended 31 March 2019, there have been no material changes to the policies and practices for the Group's liquidity and funding risks management as described in the unaudited condensed consolidated financial statements for the six months ended 30 September 2019.

4.3 Fair value estimation

As at 31 March 2019 and 30 September 2019, 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 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 period are as follows:

	Unaudited Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Sales of goods and services, recognised at point in time	84,374	89,869

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 six months ended 30 September 2019, 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 have been presented.

6 OTHER INCOME

	Unaudited Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Sundry income	94	354

7 EXPENSES BY NATURE

	Unaudited Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Cost of inventories	54,078	52,533
Employee benefit expenses	11,990	11,121
Commission	448	461
Auditors' remuneration	600	575
Depreciation of property, plant and equipment (Note 12)	2,303	765
Depreciation of right-of-use assets	279	–
Provision for impairment of trade receivables	60	–
Operating leases	404	655
Transportation expenses	8,428	8,799
Other expenses	6,664	7,599
	85,254	82,508

8 FINANCE COSTS – NET

	Unaudited Six months ended 30 September	
	2019 HK\$'000	2018 HK\$'000
Interest expense on bank borrowings	330	203
Interest expense on finance leases	2	4
Interest expense on lease liabilities	11	–
	<hr/>	<hr/>
Finance costs	343	207
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Interest income from bank deposits	(23)	(1)
	<hr/>	<hr/>
Finance costs – net	320	206

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 introduced 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 2019 and 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 assessable profits of qualifying corporation will be taxed at 8.25%, and assessable 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.

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

	Unaudited Six months ended 30 September	
	2019 HK\$'000	2018 HK\$'000
Current income tax		
– Current year	138	1,145
Deferred income tax	55	323
	<hr/>	<hr/>
Income tax expense	193	1,468

10 (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

(a) Basic

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

	Unaudited Six months ended 30 September	
	2019	2018
(Loss)/profit for the period attributable to the equity holders of the Company (HK\$'000)	(1,233)	6,175
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share (in thousand)	1,280,000	1,280,000
(Loss)/earnings per share (expressed in HK cents per share)	<u>(0.10)</u>	<u>0.48</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/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 the payment of an interim dividend in respect of the six months ended 30 September 2019 (six months ended 30 September 2018: Nil).

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Unaudited					
Six months ended					
30 September 2019					
Opening net book amount as at 1 April 2019	67,684	9,730	4,190	1,577	83,181
Additions	–	–	403	–	403
Depreciation (Note 7)	(1,180)	(246)	(489)	(388)	(2,303)
	<hr/>				
Closing net book amount as at 30 September 2019	66,504	9,484	4,104	1,189	81,281
	<hr/>				
Audited					
Year ended 31 March 2019					
Opening net book amount as at 1 April 2018	68,741	–	620	1,621	70,982
Additions	–	9,853	3,950	721	14,524
Depreciation	(1,057)	(123)	(380)	(765)	(2,325)
	<hr/>				
Closing net book amount as at 31 March 2019	67,684	9,730	4,190	1,577	83,181
	<hr/>				

13 INTEREST IN A JOINT VENTURE

	HK\$'000
Unaudited	
Six months ended 30 September 2019	
At 1 April 2019	865
Share of profit for the period	60
	<hr/>
At 30 September 2019	925
	<hr/>
Audited	
Year ended 31 March 2019	
At 1 April 2018	867
Share of loss for the year	(2)
	<hr/>
At 31 March 2019	865
	<hr/>

The following are the details of the investment in a joint venture as at 30 September 2019.

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 2019.

14 TRADE RECEIVABLES, PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
Trade receivables (Note (a))		
– Related parties	100	64
– Third parties	32,973	37,724
	33,073	37,788
Less: loss allowance	(158)	(98)
	32,915	37,690
Prepayment for property, plant and equipment	1,784	–
Other prepayments	4,120	2,682
Other receivables and deposits	260	356
	6,164	3,038
Less non-current portion: deposits and prepayments	(1,789)	(27)
Prepayments, other receivables and deposits included in current assets	4,375	3,011

(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:

	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
1 to 30 days	13,406	15,912
31 to 60 days	7,720	8,193
61 to 90 days	2,489	3,907
91 to 120 days	1,215	3,207
Over 120 days	8,243	6,569
	<hr/>	<hr/>
Total	33,073	37,788

15 SHARE CAPITAL

The share capital balance as at 30 September 2019 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:

	Number of shares (in thousand)	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2019 and 30 September 2019	2,000,000	20,000
	<hr/>	<hr/>
Issued and fully paid:		
At 31 March 2019 and 30 September 2019	1,280,000	12,800

16 BORROWINGS

	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
Current, secured		
Bank borrowings due for repayment within 1 year which contain a repayment on demand clause (Note (ii))	1,733	1,704
Bank borrowings due for repayment after 1 year which contain a repayment on demand clause (Note (ii))	23,979	24,853
Finance lease obligation (Note (i))	47	93
	<hr/>	<hr/>
Total borrowings	25,759	26,650

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 Nil as at 30 September 2019 (31 March 2019: Nil); and
- (ii) a personal guaranteed executed by Mr. Liu, a director of the Company.

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 2019, the total bank borrowings of HK\$25,682,000 (31 March 2019: HK\$26,557,000) are secured/guaranteed by:

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

17 TRADE AND OTHER PAYABLES

	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
Trade payables (Note (a))		
– Related parties	12	10
– Third parties	5,378	6,312
	5,390	6,322
Other payables and accruals		
– Accruals for staff cost	3,007	3,370
– Commission payables	73	45
– Other accruals and other payables	1,225	1,903
	4,305	5,318

(a) Trade payables

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

	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
0 to 30 days	4,053	4,622
31 to 60 days	985	1,116
61 to 90 days	352	584
	5,390	6,322

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:

	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
– No later than 1 year	176	795
– Later than 1 year and no later than 5 years	32	77
	<hr/> 208	<hr/> 872

(b) Capital commitments

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

	Unaudited 30 September 2019 HK\$'000	Audited 31 March 2019 HK\$'000
Property, plant and equipment	122	–

19 RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Unaudited Six months ended 30 September 2019 HK\$'000	2018 HK\$'000
Continuing related parties' transactions		
Sales of goods to a related company		
– Winning Tender Limited	354	376
Purchase of goods from a related party		
– Au Kit Ying	49	42

(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 Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Wages, salaries and allowances	1,600	1,587
Retirement benefit costs	18	18
	<hr/>	
	1,618	1,605
	<hr/>	

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 580 customer outlets and offers more than 1,300 types of food ingredients to its customers.

For the six months ended 30 September 2019, the Group recorded a net loss of approximately HK\$1.2 million as compared to the net profit of approximately HK\$6.2 million for the six months ended 30 September 2018. The Directors consider that such decrease was primarily attributable to lower revenue and gross profit margin which resulted from (i) the increase in cost of raw materials of the Group; and (ii) the weakening consumer sentiment and the adversity in general in the catering business environment which reduced the bargaining power of the Group in adjusting its product pricing. Facing the current challenges in the market in which it operates, the Group will continue to monitor the market conditions closely, fine-tune its product mix and implement cost management measures accordingly.

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 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 intentions 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 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 continue to strive to achieve 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 2019 was approximately HK\$84.4 million, representing a decrease of approximately 6.1% from approximately HK\$89.9 million for the six months ended 30 September 2018.

Cost of sales

The Group's cost of sales for the six months ended 30 September 2019 was approximately HK\$72.7 million, representing an increase of approximately 3.1% from approximately HK\$70.5 million for the six months ended 30 September 2018.

Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2019 were approximately HK\$11.7 million, representing a decrease of approximately 39.4% from approximately HK\$19.3 million for the six months ended 30 September 2018. The Group's gross profit margin for the six months ended 30 September 2019 was approximately 13.9%, representing a decrease of approximately 7.6 percentage points as compared to approximately 21.5% for the six months ended 30 September 2018 primarily attributable to (i) the yield variances of processing ingredients; (ii) the increase in cost of raw materials of the Group; and (iii) the weakening consumer sentiment and the adversity in general in the catering business environment which reduced the bargaining power of the Group in adjusting its product pricing.

Selling and administrative expenses

The Group's selling and administrative expenses for the six months ended 30 September 2019 were approximately HK\$12.6 million, representing an increase of approximately 5.0% from approximately HK\$12.0 million for the six months ended 30 September 2018, primarily due to the increase of staff costs to retain higher calibre employees.

(Loss)/Profit for the period

For the six months ended 30 September 2019, the Group recorded a loss of approximately HK\$1.2 million as compared to a profit of approximately HK\$6.2 million for the six months ended 30 September 2018.

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 2019 in which the net proceeds from listing has not been fully utilised in these business plans.

Business plan as set out in the Prospectus

Progress up to 30 September 2019

Expansion of logistic team

– Acquire seven additional chilled 5.5 tonne trucks and two non-chilled 5.5 tonne trucks

Five chilled trucks and two non-chilled trucks 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

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

Enhancement of sales channels

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

Enhancement of sales channel which requires modification of the existing application system 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 30 September 2019, the new proceeds from the Listing had been applied as follows:

	Planned use of proceeds from Listing Date to 30 September 2019 HK\$ million	Actual use of proceeds from Listing Date to 30 September 2019 HK\$ million	Unutilised net proceeds up to 30 September 2019 HK\$ million
Acquisition of new processing base, facilities and equipment	23.7	23.7	–
Further strengthening our manpower	9.1	9.1	–
Expansion of logistic team	9.7	7.6	2.1
Enhancement of sales channels	0.5	–	0.5
General working capital	4.8	4.8	–
Total	47.8	45.2	2.6

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.

As at 30 September 2019, approximately HK\$45.2 million out of the net proceeds from the Listing had been used. The remaining unutilised net proceeds were deposited in licensed banks in Hong Kong. The Directors will constantly evaluate the Group's business objectives and may change or modify the Group's plans against the changing market conditions to attain sustainable business growth of the Group.

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. Save for the Share Repurchase as disclosed under the section headed "Other Information – Purchase, sale or redemption of listed securities of the Company", there has been no change in the capital structure of the Group since the Listing Date and up to the date of this report. The capital of the Group only comprises of ordinary shares.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 September 2019, the Group had borrowings of approximately HK\$25.8 million which was denominated in Hong Kong dollars (31 March 2019: HK\$26.7 million). The Group's bank borrowings were primarily obtained at variable rate and used in financing the working capital requirement of its operations and the 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 2019, the Group had approximately HK\$23.4 million in bank balance and cash (31 March 2019: approximately HK\$24.7 million). The Group had no bank overdraft as at 30 September 2019 (31 March 2019: 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 30 September 2019, the gearing ratio of the Group remained relatively stable at approximately 23.8% as compared with approximately 24.2% as at 31 March 2019. Gearing ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings and total lease liabilities. Total capital is calculated as total equity as shown in the consolidated statement of financial position.

CHARGE ON GROUP ASSETS

As at 30 September 2019, the Group has pledged its properties with net book value amounted to approximately HK\$53.5 million (31 March 2019: HK\$54.4 million) and the motor vehicles being pledged with net book value is nil (31 March 2019: Nil), 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 report and the Prospectus, there was no significant investment held, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 September 2019. There are no other plans for material investments or capital assets as at 30 September 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 due to 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 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 2019 (31 March 2019: Nil).

COMMITMENTS

Contractual commitments mainly involve rental payable by the Group in respect of the processing facilities and parking lots under non-cancellable leases. As at 30 September 2019, the Group's lease commitments were approximately HK\$208,000 (31 March 2019: HK\$872,000).

As at 30 September 2019, the Group had capital commitments in respect of acquisition of property, plant and equipment of approximately HK\$122,000 (31 March 2019: Nil).

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.

INFORMATION ON EMPLOYEES

As at 30 September 2019, the Group had 90 employees working in Hong Kong (30 September 2018: 88). 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 2019 amounted to approximately HK\$12.0 million (30 September 2018: HK\$11.1 million).

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2019 (30 September 2018: Nil).

EVENT AFTER REPORTING PERIOD

Subsequent to the reporting period, China Bright International Investment Limited, a joint venture indirectly held by the Company, acquired 20% equity interest in Fast High Corporation Limited ("**Fast High**") at a consideration of HK\$200,000 in October 2019. Fast High is a company incorporated in Hong Kong with limited liability. It principally operates a restaurant in Hong Kong.

While the Group devotes most of its efforts in developing its existing businesses, the Board considers that it is beneficial for the Company to seek investment opportunities from time to time to expand and diversify its business portfolio, and the Board is of the view that the acquisition of the equity interest in Fast High will create better business opportunities to the Group.

Save as disclosed above, there is no other important event affecting the Group since 30 September 2019 and up to the date of this report.

OTHER INFORMATION

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

As at 30 September 2019, 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 (the "**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 be recorded in the register referred therein or as otherwise the Model Code for Securities Transaction by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in ordinary Shares and underlying Shares of the Company

Name of Director	Capacity/Nature of interest	Number of underlying shares	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**") is the spouse of Mr. Liu. 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 2019, 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 of the Company required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, to be recorded in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

So far as known to the Directors of the Company, as at 30 September 2019, 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 of the Company

Name	Capacity/Nature of interest	Number of underlying shares	Approximate percentage of shareholding
Classic Line	Beneficial owner	720,000,000	56.25%

Save as disclosed above, as at 30 September 2019, 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 2019.

Subsequent to 30 September 2019 and up to the date of this report, the Company had repurchased a total of 20,000,000 shares of the Company (the "**Repurchased Shares**") on the Stock Exchange at the average price of HK\$0.24 per share (the "**Share Repurchase**"). The aggregate purchase price paid for the Repurchased Shares was approximately HK\$4.8 million. The Repurchased Shares represented approximately 1.56% of the issued share capital immediately prior to the Share Repurchase.

Subsequent to the Share Repurchase and completion of the cancellation of the Repurchased Shares, the number of issued shares of the Company has reduced from 1,280,000,000 shares to 1,260,000,000 shares.

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 Listing Rules, or has or may have any other conflict of interests with Group during the six months ended 30 September 2019.

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 Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company. Based on the specific enquiry with the Directors, all Directors confirmed that they had complied with the Required Standard of Dealing and that there was no event of non-compliance during the six months ended 30 September 2019.

SHARE OPTION SCHEME

The purpose of the share option scheme of the Company (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 the 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 2019, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

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 the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules. In the opinion of the Board, the Company has complied with the CG Code throughout the period.

AUDIT COMMITTEE

The audit committee of the Company (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 include Ms. Li On Lei and Mr. Lo Siu Kit, 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 3.21 of the 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 2019 have not been audited nor reviewed by the Company’s independent auditor, but 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 2019 comply with the applicable accounting standards, 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, 22 November 2019

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 as independent non-executive Directors.