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GOAL FORWARD HOLDINGS LIMITED

展程控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1854)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Goal Forward Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2020, together with the comparative figures for the year ended 31 March 2019.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the year ended 31 March 2020*

	Note	Year ended 31 March	
		2020 HK\$'000	2019 HK\$'000
Revenue	3	154,078	185,939
Cost of sales	5	(134,853)	(141,984)
Gross profit		19,225	43,955
Other income and gain – net	4	88	492
Selling and administrative expenses	5	(21,456)	(23,489)
Impairment of trade receivables	5	(721)	(95)
Operating (loss)/profit		(2,864)	20,863
Finance income	6	463	18
Finance costs	6	(1,025)	(526)
Finance costs – net	6	(562)	(508)
Share of loss of a joint venture		(146)	(2)
(Loss)/profit before income tax		(3,572)	20,353
Income tax expense	7	(1,174)	(4,294)
(Loss)/profit and total comprehensive (loss)/income for the year		(4,746)	16,059
Total comprehensive (loss)/income for the year is attributable to			
Owners of the Company		(4,739)	16,059
Non-controlling interests		(7)	–
		(4,746)	16,059
Basic and diluted (loss)/earnings per share attributable to equity holders of the Company (expressed in HK cents per share)	9	(0.37)	1.25

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 March 2020*

		As at 31 March	
	<i>Note</i>	2020	2019
		HK\$'000	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		33,622	83,181
Right-of-use assets		48,759	–
Deposits and prepayments	<i>10</i>	5	27
Interest in a joint venture		719	865
		<hr/>	
Total non-current assets		83,105	84,073
		<hr style="border-top: 1px dashed black;"/>	
Current assets			
Inventories		342	1,260
Trade receivables	<i>10</i>	31,902	37,690
Deposits and prepayments	<i>10</i>	9,275	3,011
Tax recoverable		3,120	–
Cash and cash equivalents		32,759	24,702
		<hr/>	
Total current assets		77,398	66,663
		<hr style="border-top: 1px dashed black;"/>	
Total assets		160,503	150,736
		<hr/>	
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	<i>11</i>	12,600	12,800
Share premium	<i>11</i>	46,971	51,571
Other reserve		100	100
Retained earnings		41,851	46,590
		<hr/>	
		101,522	111,061
Non-controlling interest		(7)	–
		<hr/>	
Total equity		101,515	111,061
		<hr/>	

		As at 31 March	
	<i>Note</i>	2020	2019
		HK\$'000	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		2,379	1,261
		<hr/>	
Total non-current liabilities		2,379	1,261
		<hr style="border-top: 1px dashed black;"/>	
Current liabilities			
Trade payables	12	3,425	6,322
Accruals and other payables	12	4,540	5,318
Borrowings		48,536	26,650
Current income tax liabilities		105	124
Lease liabilities		3	–
		<hr/>	
Total current liabilities		56,609	38,414
		<hr style="border-top: 1px dashed black;"/>	
Total liabilities		58,988	39,675
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Total equity and liabilities		160,503	150,736
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the year ended 31 March 2020***Attributable to equity holders of the Company**

	Share capital <i>(Note 11)</i> <i>HK\$'000</i>	Share premium <i>(Note 11)</i> <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non controlling interest <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 April 2018	12,800	51,571	100	30,531	95,002	–	95,002
Total comprehensive income							
Profit for the year	–	–	–	16,059	16,059	–	16,059
Balance at 31 March 2019	12,800	51,571	100	46,590	111,061	–	111,061
Balance at 1 April 2019	12,800	51,571	100	46,590	111,061	–	111,061
Loss for the year	–	–	–	(4,739)	(4,739)	(7)	(4,746)
Total comprehensive loss	–	–	–	(4,739)	(4,739)	(7)	(4,746)
Transaction with owners							
Shares repurchased and cancelled <i>(Note 11)</i>	(200)	(4,600)	–	–	(4,800)	–	(4,800)
Balance at 31 March 2020	12,600	46,971	100	41,851	101,522	(7)	101,515

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION AND SIGNIFICANT EVENTS

1.1 General Information

The Company was incorporated in the Cayman Islands on 6 April 2016 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands.

The 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**”) starting from 13 October 2016 and were transferred to be listed on the Main Board of the Stock Exchange starting from 21 March 2019.

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

1.2 Significant events

Since the COVID-19 outbreak in early 2020, the Group is experiencing longer trade receivables turnover and higher amount of trade receivables become delinquent, which led to an increase in the expected credit loss ratios on trade receivables. Up to the date on which this set of financial statements were authorised for issue, the impact of the COVID-19 outbreak on the Group’s customers’ financial positions and the macro-economic conditions as a whole are still uncertain, the Group is not in a position to quantify the related financial effects. The Group will pay close attention to the development of the COVID-19 outbreak, perform further assessment of its impact and take relevant measures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

(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 2019:

Standards	Subject of amendment
HKFRS 16	Leases
Amendment to HKFRS 9	Prepayment Features with Negative Compensation
Amendment to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2015 – 2017 Cycle
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively as disclosed in Note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(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 2020 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
Amendment to HKAS 1 and HKAS 8	Definition of material	1 January 2020
Amendment to HKAS 39, HKFRS 7 and HKFRS 9	Hedge accounting	1 January 2020
Amendments to HKFRS 3	Definition of a Business	1 January 2020
HKFRS 17	Insurance Contract	1 January 2021
Amendments to HKAS 28 and HKFRS 10	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The management of the Company anticipates that the application of all other new and amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

2.2 Changes in accounting policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's consolidated financial statements.

As indicated in note 2.1 above, the Group has adopted HKFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 April 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 3.5%.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liabilities immediately before transition as the carrying amount of the right of use asset and the lease liabilities at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

(i) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying HKAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

(ii) Measurement of lease liabilities

	2019 HK\$'000
Operating lease commitments disclosed as at 31 March 2019	872
Discounted using the lessee's incremental borrowing rate of at the date of initial application	854
Add: finance lease liabilities recognised as at 31 March 2019	93
Less: low-value leases not recognised as a liability	(10)
Less: short-term leases not recognised as a liability	(757)
	<hr/>
Lease liabilities recognised as at 1 April 2019	180
Of which are:	
Current lease liabilities	173
Non-current lease liabilities	7
	<hr/>
	180
	<hr/>

(iii) Measurement of right-of-use assets

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the reclassifications from leasehold land to right-of-use assets arising from the new leasing standards and therefore recognised in the opening consolidated statement of financial position as at 1 April 2019.

(iv) Adjustments recognised in the consolidated statement of financial position on 1 April 2019

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 April 2019:

- Right-of-use assets – increase by HK\$50,635,000
- Property, plant and equipment – decrease by HK\$50,548,000
- Borrowings – decrease by HK\$93,000
- Lease liabilities – increase by HK\$180,000

There was no impact on retained earnings on 1 April 2019.

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	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue, recognised at a point in time	154,078	185,939

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 consolidated 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 2020 (2019: same)

4 OTHER INCOME AND GAIN – NET

	Year ended 31 March	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Sundry income	138	409
(Loss)/gain on disposal of property, plant and equipment	(50)	83
	88	492

5 EXPENSES BY NATURE

	Year ended 31 March	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Cost of inventories	100,139	105,382
Employee benefit expenses	21,860	22,295
Commission	845	922
Auditor's remuneration		
– Audit related services	960	1,200
– Non-audit services	98	39
Depreciation of property, plant and equipment	2,960	2,325
Depreciation on right-of-use assets	1,852	–
Leases expense (short-term leases and low-value leases)	583	1,126
Transportation expenses	15,599	17,894
Provision for impairment of trade receivables	721	95
Professional and consulting fees	2,556	2,170
Professional fees in relation to transfer of listing		
– Paid or payable to auditor	–	600
– Paid or payable to other professional parties	1,243	3,985
Other expenses	7,614	7,535
	157,030	165,568

6 FINANCE COSTS – NET

	Year ended 31 March	
	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest expense on bank borrowings	1,022	519
Interest expense on finance leases	–	7
Interest expense on lease liabilities	3	–
Finance costs	1,025	526
Interest income	(463)	(18)
Finance costs – net	562	508

7 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 2020 (2019: 16.5%).

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

	Year ended 31 March	
	2020 HK\$'000	2019 HK\$'000
Current income tax		
– Current year	77	3,745
– Over-provision in prior year	(21)	–
	56	3,745
Deferred income tax	1,118	549
	1,174	4,294

The tax on the Group's (loss)/profit before income tax per the consolidated statement of comprehensive income as follows:

	Year ended 31 March	
	2020 HK\$'000	2019 HK\$'000
(Loss)/profit before income tax	(3,572)	20,353
Calculated at a tax rate of 16.5% (2019: 16.5%)	(589)	3,358
Expenses not deductible for tax purposes	1,613	1,138
Non-taxable income	(29)	(17)
Over-provision for prior year	(21)	–
Tax relief of 8.25% on first HK\$2 million assessable profit	(47)	(165)
One off tax deduction	(40)	(20)
Tax loss not recognised	287	–
	1,174	4,294

8 DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2020 (2019: nil).

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

Basic (loss)/earnings per share is calculated by dividing the (loss)/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	
	2020 HK\$'000	2019 HK\$'000
(Loss)/profit attributable to equity holders of the Company	(4,739)	16,059
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share (in thousand)	1,270,481	1,280,000
(Loss)/earnings per share (expressed in HK cents per share)	(0.37)	1.25

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

10 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 March	
	2020 HK\$'000	2019 HK\$'000
Trade receivables (<i>Note a</i>)		
– Related parties (<i>Note 13(b)</i>)	45	64
– Third parties	31,857	37,626
	31,902	37,690
Other prepayments	9,012	2,682
Other receivables and deposits	268	356
	9,280	3,038
Less non-current portion: prepayments and deposits	(5)	(27)
Deposits and prepayments included in current assets	9,275	3,011

(a) Trade receivables

	As at 31 March	
	2020	2019
	HK\$'000	HK\$'000
Trade receivables	32,450	37,788
Less: loss allowance	(548)	(98)
	31,902	37,690

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 (2019: 0 to 120 days). The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 March	
	2020	2019
	HK\$'000	HK\$'000
1 to 30 days	7,787	15,912
31 to 60 days	4,598	8,193
61 to 90 days	5,300	3,907
91 to 120 days	2,876	3,207
Over 120 days	11,889	6,569
Total	32,450	37,788

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.

11 SHARE CAPITAL AND SHARE PREMIUM

	Number of Ordinary share <i>(in thousand)</i>	Nominal value of ordinary share <i>HK\$'000</i>	Share premium <i>HK\$'000</i>
Authorised share capital			
Ordinary shares of HK\$0.01 each			
As at 31 March 2019, 1 April 2019 and 31 March 2020	2,000,000	20,000	–
Issued and fully paid			
Ordinary shares of HK\$0.01 each			
As at 1 April 2018 and 31 March 2019	1,280,000	12,800	51,571
Repurchase of shares	(20,000)	(200)	(4,600)
As at 31 March 2020	1,260,000	12,600	46,971

During the year ended 31 March 2020, the Company repurchased a total of 20,000,000 of its own shares through purchase on the Stock Exchange. The repurchased shares were subsequently cancelled. The aggregate price of approximately HK\$4,800,000 paid was charged against share premium and offset to the share capital.

12 TRADE AND OTHER PAYABLES

	As at 31 March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables (<i>Note (a)</i>)		
– Related parties (<i>Note 13(b)</i>)	7	10
– Third parties	3,418	6,312
	3,425	6,322
Other payables and accruals		
– Accruals for staff costs	2,716	3,370
– Commission payables	87	45
– Other accruals and other payables	1,737	1,903
	4,540	5,318
	7,965	11,640

(a) Trade payables

As at 31 March 2019 and 31 March 2020, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March	
	2020 HK\$'000	2019 HK\$'000
0 to 30 days	2,481	4,622
31 to 60 days	635	1,116
61 to 90 days	309	584
	3,425	6,322

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

13 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 companies were related parties that had material transactions or balances with the Group during the years ended 31 March 2019 and 2020:

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	
	2020 HK\$'000	2019 HK\$'000
Continuing related parties' transactions		
Sales of goods to related companies		
– Winning Tender Limited	707	763
Purchase of goods from a related party		
– Au Kit Ying	62	70

(b) Balances with related parties

	As at 31 March	
	2020	2019
	HK\$'000	<i>HK\$'000</i>
Amount due from Winning Tender Limited	45	64
Amount due to Au Kit Ying	7	10

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

14 PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following is a list of the principal subsidiaries at 31 March 2020:

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	BVI	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	BVI	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%
Wonderful Link Group Limited	BVI	US\$100	Investment holding/Hong Kong	71%	–
Blissing Wish Limited	Hong Kong	HK\$1	Investment holding/Hong Kong	–	71%
Global Pop Limited	BVI	US\$1	Investment holding/Hong Kong	100%	–
Oasis Smart Limited	Hong Kong	HK\$1	Investment holding/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 480 customer outlets and offers more than 1,300 types of food ingredients to the customers.

For the year ended 31 March 2020, the Group recorded a net loss of approximately HK\$4.7 million as compared to net profit of approximately HK\$16.1 million for the same period in 2019. The Directors are of the view that the loss for the year ended 31 March 2020 was mainly attributable to the (i) the decrease in revenue and (ii) decrease in gross profit margin.

OUTLOOK

The shares of the Company (the “**Shares**”) 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 (the “**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 optimise its products and services, as well as creating long-term value to our shareholders.

The outbreak of the COVID-19 in early 2020 has adversely affected the catering industry significantly. Further, the social and political tension in the society has continued to pose challenges to the general catering business environment. In view of the above challenges, the Group will continue to closely monitor the market conditions, explore new sources of vegetables and fruits supplies, fine-tune its product mix and implement cost management measures accordingly. 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 2020 was approximately HK\$154.1 million, representing a decrease of approximately 17.1% from approximately HK\$185.9 million for the year ended 31 March 2019, which was primarily attributable to (i) the adversity of the general catering business environment and (ii) the class suspension and temporary closure of schools, resulting in a lower demand of food ingredients from the food service operators.

Cost of sales

The Group's cost of sales for the year ended 31 March 2020 was approximately HK\$134.9 million, representing a decrease of approximately 5.0% from approximately HK\$142.0 million for the year ended 31 March 2019, primarily attributable to (i) the lower demand of food ingredients from food service operators and (ii) the increase of the cost of raw materials that were of lower supply from certain regions.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2020 was approximately HK\$19.2 million, representing a decrease of approximately 56.4% from approximately HK\$44.0 million for the year ended 31 March 2019. The Group's gross profit margin for the year ended 31 March 2020 was approximately 12.5%, representing a decrease of approximately 11.2 percentage points as compared to approximately 23.7% for the year ended 31 March 2019. The decrease in gross profit margin was mainly due to (i) decrease in revenue and (ii) the rise of the cost of raw materials.

Selling and administrative expenses

The Group's selling and administrative expenses for the year ended 31 March 2020 were approximately HK\$21.5 million, representing a decrease of approximately 8.5% from approximately HK\$23.5 million for the year ended 31 March 2019, primarily due to the decrease in professional fee from approximately HK\$4.5 million for the year ended 31 March 2019 to approximately HK\$1.2 million for the year ended 31 March 2020 in relation to the Transfer of Listing.

Finance costs

Finance costs of the Group increased by approximately 100.0% from approximately HK\$0.5 million for the year ended 31 March 2019 to approximately HK\$1.0 million for the year ended 31 March 2020. The increase in finance costs was mainly attributable to increase in average bank borrowings balance during the year ended 31 March 2020.

Share of loss of a joint venture

During the year ended 31 March 2020, the Group recorded a share of loss of a joint venture of approximately HK\$146,000 as compared with loss of approximately HK\$2,000 for the year ended 31 March 2019.

(Loss)/Profit attributable to equity holders of the Company

As a result of the foregoing, the Group's loss attributable to equity holders of the Company for the year ended 31 March 2020 amounted to approximately HK\$4.7 million, as compared with profit of approximately HK\$16.1 million for the year ended 31 March 2019.

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 2020.

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 adversity of the general business environment, the acquisition schedule is deferred
Recruit eighteen additional distribution staff responsible for driving and delivering	Due to adversity of the general business environment, 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 distribution staff recruited but not fully utilised due to a delay in the 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	Enhancement of sales channel which requires modification of the existing application system and such modifications required longer time than expected
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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 2020, the net proceeds from the Listing had been applied as follows:

	Planned use of proceeds from Listing Date to 31 March 2020 <i>HK\$ million</i>	Actual use of proceeds from Listing Date to 31 March 2020 <i>HK\$ million</i>	Unutilised net proceeds up to 31 March 2020 <i>HK\$ million</i>
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	8.6	1.1
Enhancement of sales channels	0.5	–	0.5
General working capital	4.8	4.8	–
Total	47.8	46.2	1.6

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 31 March 2020, approximately HK\$46.2 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 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 2020, the Group had borrowings of approximately HK\$48.5 million which was denominated in Hong Kong dollars (31 March 2019: HK\$26.7 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations and purchase of the existing premises.

As at 31 March 2020, the Group had bank balance and cash of approximately HK\$32.8 million (31 March 2019: HK\$24.7 million). The Group had no bank overdraft as at 31 March 2020 (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 31 March 2020, the gearing ratio of the Group was approximately 47.8% (31 March 2019: 24.2%). The increase in gearing ratio was due to increase in bank borrowings. Gearing ratio is calculated as total debt divided by total equity. 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 31 March 2020, the Group has pledged its leasehold land under right-of-use assets and buildings with net book value amounted to approximately HK\$59.9 million (31 March 2019: HK\$54.4 million), 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 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 2020. There are no other plans for material investments or capital assets as at 31 March 2020.

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 31 March 2020 (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. From 1 April 2019, the Group recognised right-of-use assets for these leases, except for short-term leases and low-value leases. As at 31 March 2020, the Group's lease commitments were approximately HK\$102,000 (31 March 2019: HK\$872,000).

As at 31 March 2020, there are no capital commitments in respect of acquisition of property, plant and equipment (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.

FINAL DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 March 2020 (31 March 2019: Nil).

INFORMATION ON EMPLOYEES

As at 31 March 2020, the Group had 77 employees working in Hong Kong (31 March 2019: 98). 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 2019 and 2020 amounted to approximately HK\$22.3 million and HK\$21.9 million respectively.

CORPORATE GOVERNANCE PRACTICE

The Group is 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

Repurchase of Shares

The Company repurchased a total of 20,000,000 Shares on the Stock Exchange during the year ended 31 March 2020 pursuant to the repurchase mandate approved by the shareholders at the annual general meeting held on 20 August 2019. Such repurchased Shares have already been cancelled and the total number of Shares in issue has been reduced accordingly. As at 31 March 2020, the number of issued Shares was 1,260,000,000.

Details of the repurchases are summarised as follows:

Date of repurchase	Number of Shares repurchased	Highest repurchased price per Share (HK\$)	Lowest repurchased price per Share (HK\$)	Average price per Share (HK\$)	Aggregate consideration (HK\$)
9 October 2019	8,000,000	0.240	0.240	0.240	1,920,000
10 October 2019	8,000,000	0.240	0.240	0.240	1,920,000
11 October 2019	4,000,000	0.240	0.239	0.239923	959,690
	20,000,000				4,799,690

Save as disclosed above, 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 2020.

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 2020.

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 2020 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 audited consolidated financial statements for the year ended 31 March 2020. 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 2020 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, 23 June 2020

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.