



## 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  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
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  
30 Harbour Road  
Wan Chai  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited  
Clifton House  
75 Fort Street  
PO Box 1350  
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

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

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop No. A-B, 1/F  
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](http://www.cyfood.com.hk)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

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 2020, together with the unaudited comparative figures for the corresponding periods in 2019, are as follows:

	Note	Unaudited Six months ended 30 September	
		2020 HK\$'000	2019 HK\$'000
Revenue	5	54,195	84,374
Cost of sales	7	(46,098)	(72,655)
<b>Gross profit</b>		<b>8,097</b>	11,719
Other income	6	2,726	94
Selling and administrative expenses	7	(9,377)	(12,539)
Impairment of trade receivables	7	(277)	(60)
<b>Operating profit/(loss)</b>		<b>1,169</b>	(786)
Finance income	8	26	23
Finance costs	8	(644)	(343)
Finance costs – net	8	(618)	(320)
Share of (loss)/profit of a joint venture		(51)	60
<b>Profit/(loss) before income tax</b>		<b>500</b>	(1,046)
Income tax expense	9	(339)	(193)
<b>Profit/(loss) and total comprehensive income/(expense) for the period</b>		<b>161</b>	(1,239)
Earnings/(loss) per share attributable to equity holders of the Company for the period – Basic and diluted (expressed in HK cents per share)	10	0.01	(0.10)
Profit/(loss) and total comprehensive income/(expense) for the period attributable to: – Equity holders of the Company – Non-controlling interest		165 (4)	(1,233) (6)
		<b>161</b>	(1,239)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Note	Unaudited 30 September 2020 HK\$'000	Audited 31 March 2020 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	32,075	33,622
Right-of-use assets		47,941	48,759
Deposits and prepayments	14	28	5
Interest in a joint venture	13	668	719
<b>Total non-current assets</b>		<b>80,712</b>	83,105
<b>Current assets</b>			
Inventories		540	342
Trade receivables	14	29,629	31,902
Prepayments, other receivables and deposits	14	6,622	9,275
Tax recoverables		3,789	3,120
Cash and cash equivalents		36,670	32,759
<b>Total current assets</b>		<b>77,250</b>	77,398
<b>Total assets</b>		<b>157,962</b>	160,503
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	15	12,600	12,600
Share premium		46,971	46,971
Other reserve		100	100
Retained earnings		42,016	41,851
Capital and reserves attributable to:			
– Equity holders of the Company		101,687	101,522
– Non-controlling interests		(11)	(7)
<b>Total equity</b>		<b>101,676</b>	101,515
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		47	–
Deferred tax liabilities		2,466	2,379
<b>Total non-current liabilities</b>		<b>2,513</b>	2,379
<b>Current liabilities</b>			
Trade payables	17	3,839	3,425
Accruals and other payables	17	3,755	4,540
Borrowings	16	46,026	48,536
Lease liabilities		48	3
Current income tax liabilities		105	105
<b>Total current liabilities</b>		<b>53,773</b>	56,609
<b>Total liabilities</b>		<b>56,286</b>	58,988
<b>Total equity and liabilities</b>		<b>157,962</b>	160,503

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

	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		
<b>Balance at 1 April 2019 (Audited)</b>	12,800	51,571	100	46,590	111,061	–	111,061
<b>Total comprehensive expense</b>							
Loss for the period	–	–	–	(1,233)	(1,233)	(6)	(1,239)
<b>Balance at 30 September 2019 (Unaudited)</b>	12,800	51,571	100	45,357	109,828	(6)	109,822
<b>Balance at 1 April 2020 (Audited)</b>	12,600	46,971	100	41,851	101,522	(7)	101,515
<b>Total comprehensive income</b>							
Profit for the period	–	–	–	165	165	(4)	161
<b>Balance at 30 September 2020 (Unaudited)</b>	12,600	46,971	100	42,016	101,687	(11)	101,676

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020**

	<b>Unaudited Six months ended 30 September 2020 HK\$'000</b>	2019 HK\$'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	<b>8,088</b>	3,138
Interest paid	<b>(644)</b>	(343)
Income tax paid	<b>(921)</b>	(1,078)
	<hr/>	<hr/>
Net cash generated from operating activities	<b>6,523</b>	1,717
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<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	<b>(118)</b>	(403)
Prepayment for property, plant and equipment	<b>-</b>	(1,784)
Interest received	<b>26</b>	23
	<hr/>	<hr/>
Net cash used in investing activities	<b>(92)</b>	(2,164)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Cash flows from financing activities</b>		
Repayments of bank borrowings	<b>(2,510)</b>	(845)
Repayments of finance lease	<b>-</b>	(46)
Principal elements of lease payments	<b>(10)</b>	-
	<hr/>	<hr/>
Net cash used in financing activities	<b>(2,520)</b>	(891)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net increase/(decrease) in cash and cash equivalents	<b>3,911</b>	(1,338)
Cash and cash equivalents at the beginning of the period	<b>32,759</b>	24,702
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	<b>36,670</b>	23,364
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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 ("**Classic Line**"), 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\$**"), 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 ("**HKFRSs**") 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 2020**

Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting
Amendments to HKAS 1 and HKAS 8	Definition of material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Hedge accounting
Amendments to HKFRS 3	Definition of a Business

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 2020 and have not been early adopted by the Group**

		<b>Effective for accounting year beginning on or after</b>
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 3, HKFRS 16 and HKAS 37	Narrow-scope amendments	1 January 2022
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS 16	COVID-19-Related Rent Concessions	1 June 2020
Amendments to HKAS 1	Classification of Liabilities as Current or Non- current	1 January 2023
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020 Cycle	1 January 2022

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

### 3 ESTIMATES

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

In preparing 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 2020.

### 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 2020.

There have been no changes in the risk management policies since the year ended 31 March 2020.

#### 4.2 Liquidity risk

Compared to the year ended 31 March 2020, 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 2020.

#### 4.3 Fair value estimation

As at 31 March 2020 and 30 September 2020, 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:

	<b>Unaudited Six months ended 30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
Sales of goods and services, recognised at point in time	<b>54,195</b>	84,374

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 2020, 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

	<b>Unaudited Six months ended 30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
Government grants (Note)	<b>2,682</b>	–
Sundry income	<b>44</b>	94
	<b>2,726</b>	94

Note: Amounts represented the governments grants received in relation to the outbreak of novel coronavirus ("COVID-19").

## 7 EXPENSES BY NATURE

	<b>Unaudited Six months ended 30 September</b>	
	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
Cost of inventories	<b>33,910</b>	54,078
Employee benefit expenses	<b>8,855</b>	11,990
Commission	<b>332</b>	448
Auditors' remuneration	<b>480</b>	600
Depreciation of property, plant and equipment (Note 12)	<b>1,665</b>	2,303
Depreciation of right-of-use assets	<b>920</b>	279
Provision for impairment of trade receivables	<b>277</b>	60
Lease expense (short-term and low-value leases)	<b>377</b>	–
Operating leases	<b>–</b>	404
Transportation expenses	<b>4,903</b>	8,428
Other expenses	<b>4,033</b>	6,664
	<b>55,752</b>	85,254

## 8 FINANCE COSTS – NET

	Unaudited Six months ended 30 September	
	2020	2019
	HK\$'000	HK\$'000
Interest expense on bank borrowings	642	330
Interest expense on finance leases	–	2
Interest expense on lease liabilities	2	11
	<hr/>	<hr/>
Finance costs	644	343
	<hr/>	<hr/>
Interest income from bank deposits	(26)	(23)
	<hr/>	<hr/>
Finance costs – net	618	320

## 9 INCOME TAX EXPENSE

For the six months ended 30 September 2020 and 2019, 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	
	2020	2019
	HK\$'000	HK\$'000
Current income tax		
– Current year	252	138
Deferred income tax	87	55
	<hr/>	<hr/>
Income tax expense	339	193

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

### (a) Basic

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

	<b>Unaudited Six months ended 30 September 2020</b>	2019
Profit/(loss) for the period attributable to the equity holders of the Company (HK\$'000)	<b>165</b>	(1,233)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share (in thousand)	<b>1,260,000</b>	1,280,000
Earnings/(loss) per share (expressed in HK cents per share)	<b>0.01</b>	(0.10)

### (b) Diluted

Diluted earnings/(loss) per share is the same as basic earnings/(loss) 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 2020 (six months ended 30 September 2019: 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
<b>Unaudited</b>					
<b>Six months ended</b>					
<b>30 September 2020</b>					
Opening net book amount as at 1 April 2020	17,774	11,359	3,688	801	33,622
Additions	–	–	118	–	118
Depreciation (Note 7)	(305)	(470)	(516)	(374)	(1,665)
	<hr/>				
Closing net book amount as at 30 September 2020	17,469	10,889	3,290	427	32,075
	<hr/>				
<b>Audited</b>					
<b>Year ended 31 March 2020</b>					
Opening net book amount as at 1 April 2019	67,684	9,730	4,190	1,577	83,181
Adjustment for change in accounting policy	(50,548)	–	–	–	(50,548)
Additions	1,209	2,233	557	–	3,999
Disposal	–	–	(60)	–	(60)
Depreciation	(571)	(604)	(1,009)	(776)	(2,960)
	<hr/>				
Closing net book amount as at 31 March 2020	17,774	11,359	3,688	801	33,622
	<hr/>				

## 13 INTEREST IN A JOINT VENTURE

	HK\$'000
<b>Unaudited</b>	
<b>Six months ended 30 September 2020</b>	
At 1 April 2020	719
Share of loss for the period	(51)
	<hr/>
At 30 September 2020	668
	<hr/>
<b>Audited</b>	
<b>Year ended 31 March 2020</b>	
At 1 April 2019	865
Share of loss for the year	(146)
	<hr/>
At 31 March 2020	719
	<hr/>

The following are the details of the investment in a joint venture as at 30 September 2020.

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 2020.

#### 14 TRADE RECEIVABLES, PREPAYMENTS, OTHER RECEIVABLES AND DEPOSITS

	<b>Unaudited 30 September 2020 HK\$'000</b>	Audited 31 March 2020 HK\$'000
Trade receivables (Note (a))		
– Related parties	81	45
– Third parties	<b>29,548</b>	31,857
	<b>29,629</b>	31,902
Other prepayments	<b>5,750</b>	9,012
Other receivables and deposits	<b>900</b>	268
	<b>6,650</b>	9,280
Less non-current portion: deposits and prepayments	<b>(28)</b>	(5)
Prepayments, other receivables and deposits included in current assets	<b>6,622</b>	9,275

(a) Trade receivables

	<b>Unaudited 30 September 2020 HK\$'000</b>	Audited 31 March 2020 HK\$'000
Trade receivables	<b>30,426</b>	32,450
Less: loss allowance	<b>(797)</b>	(548)
	<b>29,629</b>	31,902

The carrying amounts of trade receivables approximate their fair values.

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

	<b>Unaudited 30 September 2020 HK\$'000</b>	Audited 31 March 2020 HK\$'000
1 to 30 days	<b>9,120</b>	7,787
31 to 60 days	<b>3,396</b>	4,598
61 to 90 days	<b>2,187</b>	5,300
91 to 120 days	<b>2,907</b>	2,876
Over 120 days	<b>12,816</b>	11,889
Total	<b>30,426</b>	32,450

15 SHARE CAPITAL

The share capital balance as at 30 September 2020 in the unaudited condensed consolidated statement of financial position represented the issued share capital of the Company. Details of the authorised and issued and fully paid share capital of the Company are summarised as follows:

	<b>Number of shares (in thousand)</b>	<b>Amount HK\$'000</b>
<b>Ordinary shares of HK\$0.01 each</b>		
<b>Authorised:</b>		
At 31 March 2020 and 30 September 2020	2,000,000	20,000
<b>Issued and fully paid:</b>		
At 31 March 2020 and 30 September 2020	1,260,000	12,600

16 BORROWINGS

	<b>Unaudited 30 September 2020 HK\$'000</b>	Audited 31 March 2020 HK\$'000
<b>Current, secured</b>		
Bank borrowings due for repayment within 1 year which contain a repayment on demand clause (Note)	<b>5,230</b>	4,970
Bank borrowings due for repayment after 1 year which contain a repayment on demand clause (Note)	<b>40,796</b>	43,566
<b>Total borrowings</b>	<b>46,026</b>	48,536

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

Note:

As at 30 September 2020, the total bank borrowings of approximately HK\$46,026,000 (31 March 2020: approximately HK\$48,536,000) are secured/guaranteed by:

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

## 17 TRADE AND OTHER PAYABLES

	<b>Unaudited 30 September 2020 HK\$'000</b>	Audited 31 March 2020 HK\$'000
Trade payables (Note (a))		
– Related parties	<b>16</b>	7
– Third parties	<b>3,823</b>	3,418
	<b>3,839</b>	3,425
Other payables and accruals		
– Accruals for staff cost	<b>2,503</b>	2,716
– Commission payables	<b>50</b>	87
– Other accruals and other payables	<b>1,202</b>	1,737
	<b>3,755</b>	4,540
	<b>7,594</b>	7,965

Note:

### (a) Trade payables

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

	<b>Unaudited 30 September 2020 HK\$'000</b>	Audited 31 March 2020 HK\$'000
0 to 30 days	<b>3,203</b>	2,481
31 to 60 days	<b>535</b>	635
61 to 90 days	<b>78</b>	309
Over 90 days	<b>23</b>	–
	<b>3,839</b>	3,425

## 18 COMMITMENTS

### Operating lease commitments

From 1 April 2019, the Group has recognised right-of-use assets for these leases, except for short-term lease and low-value leases. The operating lease commitment presented below represents the future aggregate minimum lease payments under all non-cancellable operating leases:

	<b>Unaudited 30 September 2020 HK\$'000</b>	Audited 31 March 2020 HK\$'000
- No later than 1 year	87	102
- Later than 1 year and no later than 5 years	40	-
	<b>127</b>	<b>102</b>

The Group has no other material commitments as at 31 March 2020 and 30 September 2020.

## 19 RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

	<b>Unaudited Six months ended 30 September 2020 HK\$'000</b>	2019 HK\$'000
<b>Continuing related parties' transactions</b>		
Sales of goods to a related company		
- Winning Tender Limited	269	354
Purchase of goods from a related party		
- Au Kit Ying	33	49

### (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:

	<b>Unaudited Six months ended 30 September 2020 HK\$'000</b>	2019 HK\$'000
Wages, salaries and allowances	1,612	1,600
Retirement benefit costs	18	18
	<b>1,630</b>	<b>1,618</b>



## 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 2020, the Group recorded a net profit of approximately HK\$0.2 million as compared to the net loss of approximately HK\$1.2 million for the six months ended 30 September 2019. The Directors consider that such turnaround from net loss to net profit was primarily attributable to the grants received from the Hong Kong Government in relation to the outbreak of COVID-19, which was partially offset by the effect of lower revenue and gross profit resulted from 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 of the Group further. The Group would further expand and optimise its products and services, as well as creating long-term value to its shareholders.

In addition, with the success of developing new sources of vegetables and fruits supplies, as well as the commencement of operation of the Kwai Chung Factory, the Group shall sustain its market competitiveness and 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 2020 was approximately HK\$54.2 million, representing a decrease of approximately 35.8% from approximately HK\$84.4 million for the six months ended 30 September 2019.

## Cost of sales

The Group's cost of sales for the six months ended 30 September 2020 was approximately HK\$46.1 million, representing a decrease of approximately 36.6% from approximately HK\$72.7 million for the six months ended 30 September 2019, which was in line with the revenue drop for the same period.

## Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2020 were approximately HK\$8.1 million, representing a decrease of approximately 30.8% from approximately HK\$11.7 million for the six months ended 30 September 2019. The Group's gross profit margin for the six months ended 30 September 2020 was approximately 14.9%, representing an increase of approximately 1.0 percentage points as compared to approximately 13.9% for the six months ended 30 September 2019, primarily attributable to 1) the results of costs management measures such as adjustments in inventory controls to adapt to the current operations needs; and 2) rearrangements made to the operations staff resources amid the outbreak of COVID-19.

## Other income

The Group's other income for the six months ended 30 September 2020 was approximately HK\$2.7 million as compared to approximately HK\$94,000 for the six months ended 30 September 2019. Such increase was primarily attributable to the government grants received in relation to the outbreak of COVID-19.

## Selling and administrative expenses

The Group's selling and administrative expenses for the six months ended 30 September 2020 were approximately HK\$9.4 million, representing a decrease of approximately 24.8% from approximately HK\$12.5 million for the six months ended 30 September 2019, primarily due to the effect of professional fee of approximately HK\$1.2 million for the six months ended 30 September 2019 in relation to the Transfer of Listing, and rearrangements made to staff resources amid the outbreak of COVID-19.

## Profit/(loss) for the period

For the six months ended 30 September 2020, the Group recorded a profit of approximately HK\$0.2 million as compared to a loss of approximately HK\$1.2 million for the six months ended 30 September 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 30 September 2020 in which the net proceeds from Listing have not been fully utilised in these business plans.

### Business plan as set out in the Prospectus

### Progress up to 30 September 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 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 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 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 Company 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 Company 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 2020, the net proceeds from the Listing had been applied as follows:

	Planned use of proceeds from Listing Date to 30 September 2020 HK\$ million	Actual use of proceeds from Listing Date to 30 September 2020 HK\$ million	Unutilised net proceeds up to 30 September 2020 HK\$ million	Expected timeline for utilising the unutilised net proceeds
Acquisition of new processing base, facilities and equipment	23.7	23.7	–	N/A
Further strengthening the manpower	9.1	9.1	–	N/A
Expansion of logistic team	9.7	9.4	0.3	31 March 2021
Enhancement of sales channels	0.5	0.2	0.3	30 September 2021
General working capital	4.8	4.8	–	N/A
Total	47.8	47.2	0.6	

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.

During the six months ended 30 September 2020, the net proceeds from the Listing were utilised and expected to be utilised in the manners as disclosed in the Prospectus and there has been no change in the use of proceeds.

As at 30 September 2020, approximately HK\$47.2 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. There has been no change in the capital structure of the Group during the six months ended 30 September 2020 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 2020, the Group had borrowings of approximately HK\$46.0 million which was denominated in Hong Kong dollars (31 March 2020: approximately HK\$48.5 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.

As at 30 September 2020, the Group had approximately HK\$36.7 million in bank balance and cash (31 March 2020: approximately HK\$32.8 million). The Group had no bank overdraft as at 30 September 2020 (31 March 2020: 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 2020, the gearing ratio of the Group remained relatively stable at approximately 45.4% as compared with approximately 47.8% as at 31 March 2020. 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 2020, the Group has pledged its leasehold land under right-of-use assets and buildings with net book value amounted to approximately HK\$58.8 million (31 March 2020: approximately HK\$59.9 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 report, 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 2020. There are no other plans for material investments or capital assets as at 30 September 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 30 September 2020 (31 March 2020: 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 2020, the Group's lease commitments were approximately HK\$127,000 (31 March 2020: approximately HK\$102,000).

As at 30 September 2020, there are no capital commitments in respect of acquisition of property, plant and equipment (31 March 2020: 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 2020, the Group had 83 employees working in Hong Kong (30 September 2019: 90). 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 2020 amounted to approximately HK\$8.9 million (30 September 2019: approximately HK\$12.0 million).

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2020 (30 September 2019: Nil).

## EVENT AFTER REPORTING PERIOD

Save as disclosed in this report, there is no other important event affecting the Group since 30 September 2020 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 2020, 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	57.14%
Ms. Wu Shuk Kwan (Note 2)	Interest of spouse	720,000,000	57.14%

Notes:

1. Mr. Liu beneficially owns all the issued shares of Classic Line. Therefore, Mr. Liu is deemed, or taken to be, interested in all the shares of the Company 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 2020, 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 2020, 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**

<b>Name</b>	<b>Capacity/Nature of interest</b>	<b>Number of underlying shares</b>	<b>Approximate percentage of shareholding</b>
Classic Line	Beneficial owner	720,000,000	57.14%

Save as disclosed above, as at 30 September 2020, 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 2020.

### **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 2020.

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 2020.

## SHARE OPTION SCHEME

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to resolutions passed on 26 September 2016 as to attract and retain the best available personnel, to provide additional incentive to employees (fulltime and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of the Group and to promote the success of the business of the Group.

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or services provider of the Group, options to subscribe for shares of the Company. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

The subscription price shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's shares on the date of grant of the option.

Under the Share Option Scheme, the maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the adoption date must not in aggregate exceed 10% of all the shares in issue upon the date on which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by obtaining approval of the Company's shareholders in general meeting provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such 30% limit being exceeded.

The total number of shares issued and which may fall to be issued upon exercise of the options and the options granted under the Share Option Scheme (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company. Where any further grant of options to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant requires approval of the shareholders of the Company in general meeting with such grantee and his/her associates abstaining from voting.

The maximum number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each of any eligible persons (including those cancelled, exercised and outstanding options), in any 12 months period up to the date of the latest grant shall not exceed 1% of the Company's shares in issue provided that the number of shares issued and to be issued upon exercise of all options granted and to be granted to each of the independent non-executive directors or substantial shareholders of the Company or any of their respective associates in the 12 months period up to the date of such grant in excess of 0.1% of the Company's shares in issue and with a value in excess of HK\$5 million must be approved in advance by the Company's independent shareholders. Any further grant of options in excess of such limit requires the approval of the shareholders in general meeting in accordance with the requirements of the Listing Rules.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

The Share Option Scheme will remain in force for a period of ten years commencing on 26 September 2016 and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by the shareholders of the Company in general meeting.

For the six months ended 30 September 2020, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

#### **UPDATE ON DIRECTOR'S INFORMATION**

Pursuant to Rule 13.51B(1) of the Listing Rules, an update on the information of a Director is set out below:

Mr. Wong Chung Yeung, the non-executive Director, has been appointed as an executive director of Tang Palace (China) Holdings Limited (stock code: 1181), a company listed on the Stock Exchange, with effect from 1 July 2020.

#### **CORPORATE GOVERNANCE PRACTICE**

The Company 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 the 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 and to the best knowledge of the Directors, 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 2020 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 2020 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, 24 November 2020

*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.*