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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 2021**

#### **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 2021, together with the comparative figures for the year ended 31 March 2020.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the year ended 31 March 2021*

		<b>Year ended 31 March</b>	
	<i>Note</i>	<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
Revenue	3	<b>106,706</b>	154,078
Cost of sales	5	<b>(93,458)</b>	(134,853)
		<hr/>	
<b>Gross profit</b>		<b>13,248</b>	19,225
Other income and gain – net	4	<b>4,008</b>	88
Selling and administrative expenses	5	<b>(18,090)</b>	(21,456)
Impairment of trade receivables	5	<b>(6,866)</b>	(721)
		<hr/>	
<b>Operating loss</b>		<b>(7,700)</b>	(2,864)
		<hr style="border-top: 1px dashed black;"/>	
Finance income	6	<b>655</b>	463
Finance costs	6	<b>(1,071)</b>	(1,025)
		<hr/>	
Finance costs – net	6	<b>(416)</b>	(562)
Share of loss of a joint venture		<b>(444)</b>	(146)
		<hr style="border-top: 1px dashed black;"/>	
<b>Loss before income tax</b>		<b>(8,560)</b>	(3,572)
Income tax credit/(expense)	7	<b>316</b>	(1,174)
		<hr/>	
<b>Loss and total comprehensive expense for the year</b>		<b>(8,244)</b>	(4,746)
		<hr/>	
<b>Total comprehensive expense for the year is attributable to</b>			
Owners of the Company		<b>(8,240)</b>	(4,739)
Non-controlling interests		<b>(4)</b>	(7)
		<hr/>	
		<b>(8,244)</b>	(4,746)
		<hr/>	
Basic and diluted loss per share attributable to equity holders of the Company (expressed in HK cents per share)	9	<b>(0.65)</b>	(0.37)
		<hr/>	

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 March 2021*

		<b>As at 31 March</b>	
	<i>Note</i>	<b>2021</b>	2020
		<b>HK\$'000</b>	<i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>32,513</b>	33,622
Right-of-use assets		<b>46,985</b>	48,759
Deposits and prepayments	<i>10</i>	<b>17</b>	5
Interest in a joint venture		<b>275</b>	719
		<hr/>	
<b>Total non-current assets</b>		<b>79,790</b>	83,105
		<hr style="border-top: 1px dashed black;"/>	
<b>Current assets</b>			
Inventories		<b>553</b>	342
Trade receivables	<i>10</i>	<b>19,747</b>	31,902
Deposits and prepayments	<i>10</i>	<b>8,061</b>	9,275
Tax recoverable		<b>–</b>	3,120
Cash and cash equivalents		<b>37,431</b>	32,759
		<hr/>	
<b>Total current assets</b>		<b>65,792</b>	77,398
		<hr style="border-top: 1px dashed black;"/>	
<b>Total assets</b>		<b>145,582</b>	160,503
		<hr/>	
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	<i>11</i>	<b>12,600</b>	12,600
Share premium	<i>11</i>	<b>46,971</b>	46,971
Other reserve		<b>100</b>	100
Retained earnings		<b>33,611</b>	41,851
		<hr/>	
		<b>93,282</b>	101,522
Non-controlling interest		<b>(11)</b>	(7)
		<hr/>	
<b>Total equity</b>		<b>93,271</b>	101,515
		<hr/>	

		<b>As at 31 March</b>	
	<i>Note</i>	<b>2021</b>	2020
		<b>HK\$'000</b>	HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>2</b>	–
Deferred tax liabilities		<b>1,706</b>	2,379
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>1,708</b>	2,379
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current liabilities</b>			
Trade payables	12	<b>3,893</b>	3,425
Accruals and other payables	12	<b>3,190</b>	4,540
Borrowings		<b>43,395</b>	48,536
Current income tax liabilities		<b>105</b>	105
Lease liabilities		<b>20</b>	3
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>50,603</b>	56,609
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total liabilities</b>		<b>52,311</b>	58,988
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total equity and liabilities</b>		<b>145,582</b>	160,503
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the year ended 31 March 2021***Attributable to equity holders of the Company**

	<b>Share capital</b> <i>(Note 11)</i> <i>HK\$'000</i>	<b>Share premium</b> <i>(Note 11)</i> <i>HK\$'000</i>	<b>Other reserve</b> <i>HK\$'000</i>	<b>Retained earnings</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>	<b>Non- controlling interest</b> <i>HK\$'000</i>	<b>Total equity</b> <i>HK\$'000</i>
<b>Balance at 1 April 2019</b>	12,800	51,571	100	46,590	111,061	–	111,061
<b>Loss for the year</b>	–	–	–	(4,739)	(4,739)	(7)	(4,746)
<b>Total comprehensive expense</b>	–	–	–	(4,739)	(4,739)	(7)	(4,746)
<b>Transaction with owners of the Company</b> Shares repurchased and cancelled	(200)	(4,600)	–	–	(4,800)	–	(4,800)
<b>Balance at 31 March 2020</b>	<b>12,600</b>	<b>46,971</b>	<b>100</b>	<b>41,851</b>	<b>101,522</b>	<b>(7)</b>	<b>101,515</b>
<b>Balance at 1 April 2020</b>	<b>12,600</b>	<b>46,971</b>	<b>100</b>	<b>41,851</b>	<b>101,522</b>	<b>(7)</b>	<b>101,515</b>
<b>Loss for the year</b>	–	–	–	(8,240)	(8,240)	(4)	(8,244)
<b>Total comprehensive expense</b>	–	–	–	(8,240)	(8,240)	(4)	(8,244)
<b>Balance at 31 March 2021</b>	<b>12,600</b>	<b>46,971</b>	<b>100</b>	<b>33,611</b>	<b>93,282</b>	<b>(11)</b>	<b>93,271</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 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 Windward 3, Regatta Office Park, PO Box 1350, 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 (the “**Shares**”) were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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

## 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 and amendments to standards**

The Group has adopted the following new standards and amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 April 2020:

<b>Standards</b>	<b>Subject of amendment</b>
Amendments to HKFRS 3	Definition of a Business
Amendment to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting 2018	Revised Conceptual Framework for Financial Reporting

The 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 and amendments to standards which are not yet effective**

Certain new accounting standards and amendments to existing standards have been published that are not mandatory for 31 March 2021 reporting period and have not been early adopted by the Group:

<b>Standards</b>	<b>Subject of amendment</b>	<b>Effective for annual periods beginning on or after</b>
Amendment to HKFRS	Annual Improvements to HKFRSs 2018-2020	1 January 2022
Amendment to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments	1 January 2022
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to HKFRS 16	Covid-19-Related Rent Concessions	1 June 2020
HKFRS 17	Insurance Contracts	1 January 2023
Amendment to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest rate benchmark reform	1 January 2021
HK Int 5 (2020)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
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.

### 3 SEGMENT INFORMATION

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

The Group is principally engaged in the sourcing, 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	
	2021	2020
	HK\$'000	HK\$'000
Revenue, recognised at a point in time	<b>106,706</b>	154,078

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.

Revenues from transactions with external customers accounting for 10% or more of Group's total revenue are as follows:

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Customer A	<b>10,966</b>	N/A

### 4 OTHER INCOME AND GAIN – NET

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Government grants (Note)	<b>3,844</b>	–
Sundry income	<b>164</b>	138
Loss on disposal of property, plant and equipment	–	(50)
	<b>4,008</b>	88

*Note:*

Government grants of approximately HK\$3,844,000 are grants from Employment Support Scheme (“**ESS**”) and other programs under Anti-Epidemic Fund, which is related to novel coronavirus (“**COVID-19**”). There are no unfulfilled conditions or other contingents attached to the grants.



## 5 EXPENSES BY NATURE

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Cost of inventories	69,297	100,139
Employee benefit expenses	16,969	21,860
Commission	641	845
Auditor's remuneration		
– Audit related services	918	960
– Non-audit services	79	98
Depreciation of property, plant and equipment	3,396	2,960
Depreciation on right-of-use assets	1,812	1,852
Operating leases (short-term lease)	206	583
Transportation expenses	9,549	15,599
Provision for impairment of trade receivables	6,866	721
Professional and consulting fees	2,265	2,556
Professional fees in relation to transfer of listing	–	1,243
Other expenses	6,416	7,614
	<b>118,414</b>	157,030

## 6 FINANCE COSTS – NET

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Interest expense on bank borrowings	1,070	1,022
Interest expense on lease liabilities	1	3
Finance costs	<b>1,071</b>	1,025
Interest income	<b>(655)</b>	(463)
Finance costs – net	<b>416</b>	562

## 7 INCOME TAX (CREDIT)/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 2021 (2020: 16.5%).

The amount of income tax (credit)/expense to the consolidated statement of comprehensive income represents:

	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Current income tax		
– Current year	–	77
– Under/(over) provision in prior years	<b>357</b>	(21)
	<b>357</b>	56
Deferred income tax	<b>(673)</b>	1,118
Income tax (credit)/expense	<b>(316)</b>	1,174

## 8 DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2021 (2020: Nil).

## 9 LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE YEAR – BASIC AND DILUTED

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

	Year ended 31 March	
	2021	2020
Loss attributable to equity holders of the Company (in thousand)	<b>(8,240)</b>	(4,739)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (in thousand)	<b>1,260,000</b>	1,270,481
Loss per share (expressed in HK cents per share)	<b>(0.65)</b>	(0.37)

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	
	2021	2020
	HK\$'000	HK\$'000
Trade receivables (Note a)		
– Related parties (Note 13(b))	<b>54</b>	45
–Third parties	<b>19,693</b>	31,857
	<b>19,747</b>	31,902
Other prepayments	<b>7,792</b>	9,012
Other receivables and deposits	<b>286</b>	268
	<b>8,078</b>	9,280
Less non-current portion: prepayments and deposits	<b>(17)</b>	(5)
Deposits and prepayments included in current assets	<b>8,061</b>	9,275

**(a) Trade receivables**

	<b>As at 31 March</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
Trade receivables	<b>25,907</b>	32,450
Less: loss allowance	<b>(6,160)</b>	(548)
	<b>19,747</b>	31,902

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 (2020: 0 to 120 days). The ageing analysis of the trade receivables based on invoice date is as follows:

	<b>As at 31 March</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
1 to 30 days	<b>9,220</b>	7,787
31 to 60 days	<b>3,991</b>	4,598
61 to 90 days	<b>1,538</b>	5,300
91 to 120 days	<b>1,289</b>	2,876
Over 120 days	<b>9,869</b>	11,889
Total	<b>25,907</b>	32,450

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>
<b>Authorised share capital</b>			
Ordinary shares of HK\$0.01 each			
As at 31 March 2020, 1 April 2020 and 31 March 2021	2,000,000	20,000	–
<b>Issued and fully paid</b>			
Ordinary shares of HK\$0.01 each			
As at 1 April 2019	1,280,000	12,800	51,571
Repurchase of shares	(20,000)	(200)	(4,600)
As at 31 March 2020 and 2021	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 are 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

	<b>As at 31 March</b>	
	<b>2021</b>	2020
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables (Note (a))		
– Related parties (Note 13(b))	7	7
– Third parties	3,886	3,418
	<b>3,893</b>	3,425
Other payables and accruals		
– Accruals for staff costs	1,960	2,716
– Commission payables	18	87
– Other accruals and other payables	1,212	1,737
	<b>3,190</b>	4,540
	<b>7,083</b>	7,965

## (a) Trade payables

As at 31 March 2021 and 31 March 2020, the ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 March	
	2021	2020
	HK\$'000	HK\$'000
0 to 30 days	3,144	2,481
31 to 60 days	684	635
61 to 90 days	65	309
	<b>3,893</b>	<b>3,425</b>

The carrying amounts of the Group's trade payables approximate 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 2020 and 2021:

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

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	
	2021	2020
	HK\$'000	HK\$'000
<b>Continuing related parties' transactions</b>		
Sales of goods to related companies		
– Winning Tender Limited	570	707
Purchase of goods from a related party		
– Au Kit Ying	48	62

**(b) Balances with related parties**

	<b>As at 31 March</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	<i>HK\$'000</i>
Amount due from Winning Tender Limited	<b>54</b>	45
Amount due to Au Kit Ying	<b>7</b>	7

The carrying amounts of balances with related parties approximate 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 2021:

<b>Company name</b>	<b>Country/place of incorporation/ establishment</b>	<b>Registered/ issued and paid-up capital</b>	<b>Principal activities</b>	<b>Proportion of ordinary shares directly held by parent</b>	<b>Proportion of ordinary shares held by the Group</b>
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 2021, the Group recorded a net loss of approximately HK\$8.2 million as compared to net loss of approximately HK\$4.7 million for the same period in 2020. The Directors are of the view that the loss for the year ended 31 March 2021 was mainly attributable to the (i) the decrease in revenue and (ii) decrease in gross profit.

### OUTLOOK

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 and 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 2021 was approximately HK\$106.7 million, representing a decrease of approximately 30.8% from approximately HK\$154.1 million for the year ended 31 March 2020, 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 2021 was approximately HK\$93.5 million, representing a decrease of approximately 30.7% from approximately HK\$134.9 million for the year ended 31 March 2020, primarily attributable to the lower demand of food ingredients from food service operators, which was in tandem with the revenue decrease over the same year.

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

The Group's gross profit for the year ended 31 March 2021 was approximately HK\$13.2 million, representing a decrease of approximately 31.3% from approximately HK\$19.2 million for the year ended 31 March 2020. The Group's gross profit margin for the year ended 31 March 2021 was approximately 12.4%, which remained relatively stable as compared to approximately 12.5% for the year ended 31 March 2020.

## **Impairment of trade receivables**

During the year ended 31 March 2021, the COVID-19 was still adversely affected the catering business environment, impairment of approximately HK\$6.9 million in respect of trade receivables has been recognised during the year ended 31 March 2021 (31 March 2020: approximately HK\$0.7 million).

## **Selling and administrative expenses**

The Group's selling and administrative expenses for the year ended 31 March 2021 were approximately HK\$18.1 million, representing a decrease of approximately 15.8% from approximately HK\$21.5 million for the year ended 31 March 2020, primarily due to the effect of professional fee of approximately HK\$1.2 million in relation to the Transfer of Listing for the year ended 31 March 2020 and rearrangements made to staff resources amid the outbreak of COVID-19.

## **Finance costs**

Finance costs of the Group slightly increased from approximately HK\$1.0 million for the year ended 31 March 2020 to approximately HK\$1.1 million for the year ended 31 March 2021. The increase in finance costs was mainly attributable to increase in average bank borrowings balance during the year ended 31 March 2021.

## **Share of loss of a joint venture**

During the year ended 31 March 2021, the Group recorded a share of loss of a joint venture of approximately HK\$444,000 as compared with loss of approximately HK\$146,000 for the year ended 31 March 2020.

## Loss 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 2021 amounted to approximately HK\$8.2 million, as compared with loss of approximately HK\$4.7 million for the year ended 31 March 2020.

## 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 2021 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 31 March 2021

#### 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 Company at the time of its Listing on the Listing Date 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 31 March 2021, the net proceeds from the Listing had been applied as follows:

	Planned use of proceeds from Listing Date to 31 March 2021 <i>HK\$ million</i>	Actual use of proceeds from Listing Date to 31 March 2021 <i>HK\$ million</i>	Unutilised net proceeds up to 31 March 2021 <i>HK\$ million</i>	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	9.7	–	N/A
				30 September
Enhancement of sales channels	0.5	0.3	0.2	2021
General working capital	4.8	4.8	–	N/A
Total	47.8	47.6	0.2	

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

During the year ended 31 March 2021, the net proceeds from the Listing were utilised and expected to be utilised in the manners disclosed in the Prospectus and there has been no change in the use of proceeds.

As at 31 March 2021, approximately HK\$47.6 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**

There has been no change in the capital structure of the Group during the year ended 31 March 2021 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 2021, the Group had bank borrowings of approximately HK\$43.4 million which was denominated in Hong Kong dollars (31 March 2020: approximately HK\$48.5 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 2021, the Group had bank balance and cash of approximately HK\$37.4 million (31 March 2020: approximately HK\$32.8 million), which were denominated in Hong Kong dollars. The Group had no bank overdraft as at 31 March 2021 (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 31 March 2021, the gearing ratio of the Group was approximately 46.5% (31 March 2020: approximately 47.8%). The decrease in gearing ratio was due to periodic repayment of 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 2021, the Group has pledged its leasehold land under right-of-use assets and buildings with net book value amounted to approximately HK\$57.3 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 announcement, there was no significant investment held, material acquisition and disposal of subsidiaries and associated companies by the Company during the year ended 31 March 2021. There is no other plans for material investments or capital assets as at 31 March 2021.

## **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 2021 (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. 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 2021, the Group did not has any lease commitment (31 March 2020: lease commitment of approximately HK\$102,000).

As at 31 March 2021, the Group did not have any material capital commitments (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.

## **FINAL DIVIDENDS**

The Board does not recommend the payment of final dividend for the year ended 31 March 2021 (31 March 2020: Nil).

## **INFORMATION ON EMPLOYEES**

As at 31 March 2021, the Group had 81 employees working in Hong Kong (31 March 2020: 77). 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 2020 and 2021 amounted to approximately HK\$21.9 million and HK\$17.0 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 Listing Rules. In the opinion of the Board, the Company has complied with the CG Code throughout the year.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2021.

## **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 year.

## **AUDIT COMMITTEE**

The 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 the Group. The Audit Committee comprises three members, all are the 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 2021.

## **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 2021 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 2021. 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 2021 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, 22 June 2021

*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.*