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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: 8240)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This announcement, for which the directors (the “**Directors**”) of Goal Forward Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.cyfood.com.hk.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 30 JUNE 2018**

The unaudited condensed consolidated results of the Group for the three months ended 30 June 2018, together with the unaudited comparative figures for the corresponding period in 2017, are as follows:

	Note	Unaudited Three months ended 30 June	
		2018 HK\$'000	2017 HK\$'000
Revenue	3	44,243	41,626
Cost of sales		(35,393)	(31,921)
Gross profit		8,850	9,705
Other income		252	36
Selling and administrative expenses		(6,072)	(4,531)
Operating profit		3,030	5,210
Finance income		1	3
Finance costs		(104)	(110)
Finance costs – net		(103)	(107)
Share of loss of a joint venture		(20)	(51)
Profit before income tax		2,907	5,052
Income tax expense	4	(352)	(855)
Profit and total comprehensive income for the period attributable to equity holders of the Company		2,555	4,197
Basic and diluted earnings per share attributable to equity holders of the Company (expressed in HK cents per share)	5	0.20	0.33

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
FOR THE THREE MONTHS ENDED 30 JUNE 2018					
Balance at 1 April 2018 (Audited)	12,800	51,571	100	30,564	95,035
Total comprehensive income					
Profit for the period	–	–	–	2,555	2,555
Balance at 30 June 2018 (Unaudited)	12,800	51,571	100	33,119	97,590
FOR THE THREE MONTHS ENDED 30 JUNE 2017					
Balance at 1 April 2017 (Audited)	12,800	51,571	100	7,703	72,174
Total comprehensive income					
Profit for the period	–	–	–	4,197	4,197
Balance at 30 June 2017 (Unaudited)	12,800	51,571	100	11,900	76,371

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 PO Box 1350, Clifton House, 75 Fort Street, 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 and processing of food ingredients. The controlling shareholder of the Company is Mr. Liu Chi Ching (“**Mr. Liu**”) (the “**Controlling Shareholder**”).

The shares of the Company were listed on GEM of the Stock Exchange by way of placing (the “**Listing**”) on 13 October 2016.

This unaudited condensed consolidated financial statements is presented in Hong Kong dollars, unless otherwise stated.

2 BASIS OF PREPARATION

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

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

(a) The following new and amended standards have been adopted by the Group for the first time for the financial period beginning on or after 1 January 2018

Annual Improvements Project (Amendments) – HKFRS 1 and HKAS 28	Annual Improvements 2014-2016 Cycle
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Clarifications to HKFRS 15
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKAS 28	Investments in Associates and Joint Ventures
Amendments to HKAS 40	Transfers of Investment Property

- (b) **The following new standards and revisions to standards have been issued, but are not effective for the financial year beginning 1 January 2018 and have not been early adopted by the Group**

		Effective for accounting year beginning on or after
Amendments to HKFRS 9	Prepayment Features with Negative Compensation	1 January 2019
HKFRS 16	Leases	1 January 2019
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments	1 January 2019
Improvements to HKFRSs	Annual Improvements 2015-2017 Cycle	1 January 2019
Amendments to HKAS 28	Long-term interests in associates and joint ventures	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

3 REVENUE

Total revenue recognised during the period are as follows:

	Unaudited Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
Sales of goods	44,243	41,626

4 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 8.25% on the first HK\$2 million of the estimated assessable profit and 16.5% on the estimated assessable profit above HK\$2 million during the three months ended 30 June 2018 (2017: 16.5%).

No provision for Hong Kong profit tax has been made for the joint venture as it has no taxable profits for the three months ended 30 June 2018 (30 June 2017: Nil).

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

	Unaudited Three months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Current income tax		
– Current period	346	855
Deferred income tax	6	–
	<hr/>	<hr/>
Income tax expense	352	855

5 EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

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

	Unaudited Three months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Profit attributable to equity holders of the Company	2,555	4,197
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (in thousand)	1,280,000	1,280,000
	<hr/>	<hr/>
Earnings per share (expressed in HK cents per share)	0.20	0.33

6 DIVIDENDS

The board of Directors (the “**Board**”) does not recommend the payment of any dividend in respect of the three months ended 30 June 2018 (three months ended 30 June 2017: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a food ingredients supplier with a focus on the provision of vegetables and fruits to food service operators in Hong Kong. It supplies food ingredients to over 800 customer outlets and offers more than 1,300 types of food ingredients to the customer.

For the three months ended 30 June 2018, the Group recorded a net profit of approximately HK\$2.6 million as compared to net profit of approximately HK\$4.2 million for the same period in 2017. The Directors are of the view that the decrease in the Group's net profit during the three months ended 30 June 2018 was mainly attributable to increase in professional fees. In view of the latest negotiations with existing and potential new customers, the Directors are of the opinion that there has been no fundamental deterioration in the commercial and operational viability in the Group's business.

OUTLOOK

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 net proceeds from the placing will provide financial resources to the Group to meet and achieve its business opportunities and strategies which will further strengthen the Group's market position in the vegetables and fruits supply services industry.

The Group is in the course of negotiation with existing customers and potential new customers, including groups with sizeable operations, who have expressed their intentions to invite us to expand the existing supply scope or to support the development of their new outlets. In addition, with the success of exploring new sources of vegetables and fruits supplies, the Group shall sustain its competitiveness within the market and shall continue to strive and 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 three months ended 30 June 2018 was approximately HK\$44.2 million, representing an increase of approximately 6.3% from approximately HK\$41.6 million for the three months ended 30 June 2017, which was primarily attributable to the increase in supplies to customer outlets and variations in product mix.

Cost of sales

The Group's cost of sales for the three months ended 30 June 2018 was approximately HK\$35.4 million, representing an increase of approximately 11.0% from approximately HK\$31.9 million for the three months ended 30 June 2017, primarily attributable to the rising cost of raw materials, driven by (i) the increase in sales of the Group; and (ii) unstable weather at the relevant time leading to a rise in vegetables and fruit costs.

Gross profit and gross profit margin

The Group's gross profit for the three months ended 30 June 2018 were approximately HK\$8.9 million, representing a decrease of approximately 8.2% from approximately HK\$9.7 million for the three months ended 30 June 2017. The Group's gross profit margin for the three months ended 30 June 2018 was approximately 20.0%, representing a decrease of approximately 3.3 percentage points as compared to approximately 23.3% for the three months ended 30 June 2017. The decrease in gross profit margin was mainly due to the Group maintaining a relatively stable and competitive pricing to its customers notwithstanding the fluctuation in vegetables and fruits cost as mentioned above during the three months ended 30 June 2018.

Selling and administrative expenses

The Group's selling and administrative expenses for the three months ended 30 June 2018 were approximately HK\$6.1 million, representing an increase of approximately 35.6% from approximately HK\$4.5 million for the three months ended 30 June 2017, primarily due to increase in professional fees.

Profit attributable to equity holders of the Company

As a result of the foregoing, the Group's profit attributable to equity holders of the Company for the three months ended 30 June 2018 amounted to approximately HK\$2.6 million, representing a decrease of approximately 38.1% as compared with profit of approximately HK\$4.2 million for the three months ended 30 June 2017.

DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2018.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, 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 (“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 Rules 5.46 to 5.67 of the GEM 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	Capacity/nature	Number of Shares held	Approximate percentage of shareholding
Mr. Liu (Note 1)	Interest of a controlled corporation	720,000,000	56.25%
Ms. Wu Shuk Kwan (Note 2)	Interest of spouse	720,000,000	56.25%

Note:

1. Mr. Liu beneficially owns the entire issued share capital of Classic Line Holdings Limited (“**Classic Line**”). Therefore, Mr. Liu is deemed, or taken to be, interested in all the shares held by Classic Line for the purpose of the SFO. Mr. Liu is the sole director of Classic Line.
2. Ms. Wu Shuk Kwan (“**Ms. Wu**”) has become the spouse of Mr. Liu on 29 June 2018. 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 June 2018, 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 required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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

So far as known to the Directors or chief executives of the Company, as at 30 June 2018, the following persons/entities (other than the Directors and chief executives of the Company) had or were deemed to have an interest or a short position in the shares or the underlying shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in ordinary shares and underlying shares of the Company

Name	Capacity/nature of interest underlying	Number of shares	Approximate percentage of shareholding
Classic Line (Note 1)	Beneficial owner	720,000,000	56.25%

Notes:

1. Mr. Liu beneficially owns the entire issued share capital of Classic Line. Therefore, Mr. Liu is deemed or taken to be interested in all the Shares held by Classic Line for the purpose of the SFO. Mr. Liu is the sole director of Classic Line.

Save as disclosed above, as at 30 June 2018, 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 three months ended 30 June 2018.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors, the Controlling Shareholder 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 GEM Listing Rules, or has or may have any other conflict of interests with Group during the three months ended 30 June 2018.

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 required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company (the "Code of Conduct"). Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the required standard of dealings and the Code of Conduct and there was no event of non-compliance during the three months ended 30 June 2018.

SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to it. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. The Company has adopted a Share Option Scheme on 26 September 2016. Further details of the Share Option Scheme are set in the section headed “Statutory and General Information – D. Share option scheme” in Appendix V to the Prospectus.

For the three months ended 30 June 2018, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Share Option Scheme.

INTERESTS OF THE COMPLIANCE ADVISER

As confirmed by the Group’s compliance adviser, Frontpage Capital Limited (the “**Frontpage Capital**”), save as the compliance adviser and other corporate finance services provided by Frontpage Capital, none of Frontpage Capital or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CORPORATE GOVERNANCE PRACTICE

We are committed to achieving and maintaining high standards of corporate governance, as our Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to promote the interests of its shareholders of the Company.

Accordingly, the Company has adopted sound corporate governance principles that emphasise a quality Board, effective internal control, stringent disclosure practices, transparency and accountability to all stakeholders.

The Company has applied the principles and code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code throughout the period.

AUDIT COMMITTEE

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 included Ms. Li On Lei and Mr. Lo Siu Kit, MH, 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 5.28 of the GEM 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 three months ended 30 June 2018 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 three months ended 30 June 2018 comply with applicable accounting standards, GEM 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, 7 August 2018

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, MH as independent non-executive Directors.