



展程控股有限公司

GOAL FORWARD HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 8240

Third Quarterly Report **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 report, 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 report 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 report misleading.*

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND NINE MONTHS ENDED 31 DECEMBER 2018

The unaudited condensed consolidated results of the Group for the three months and nine months ended 31 December 2018, together with the unaudited comparative figures for the corresponding periods in 2017, are as follows:

	Note	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
		2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Revenue	3	<b>48,807</b>	49,170	<b>138,676</b>	137,168
Cost of sales		<b>(36,816)</b>	(37,504)	<b>(107,343)</b>	(107,779)
<b>Gross profit</b>		<b>11,991</b>	11,666	<b>31,333</b>	29,389
Other income – net		<b>373</b>	29	<b>727</b>	232
Selling and administrative expenses		<b>(5,017)</b>	(3,754)	<b>(16,998)</b>	(12,435)
<b>Operating profit</b>		<b>7,347</b>	7,941	<b>15,062</b>	17,186
Finance income		<b>16</b>	64	<b>17</b>	130
Finance costs		<b>(151)</b>	(107)	<b>(358)</b>	(326)
Finance costs – net		<b>(135)</b>	(43)	<b>(341)</b>	(196)
Share of profit/(loss) of a joint venture		<b>(36)</b>	(81)	<b>98</b>	49
Profit before income tax		<b>7,176</b>	7,817	<b>14,819</b>	17,039
Income tax expense	4	<b>(1,439)</b>	(1,330)	<b>(2,907)</b>	(2,963)
<b>Profit and total comprehensive income for the period attributable to the owners of the Company</b>		<b>5,737</b>	6,487	<b>11,912</b>	14,076
Earnings per share attributable to equity holders of the Company for the period – Basic and diluted (expressed in HK cents per share)	5	<b>0.45</b>	0.51	<b>0.93</b>	1.10

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2018**

	Attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000
<b>Balance at 1 April 2017 (Audited)</b>	12,800	51,571	100	7,703	72,174
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	14,076	14,076
<b>Balance at 31 December 2017 (Unaudited)</b>	12,800	51,571	100	21,779	86,250
<b>Balance at 1 April 2018 (Audited)</b>	<b>12,800</b>	<b>51,571</b>	<b>100</b>	<b>30,564</b>	<b>95,035</b>
<b>Total comprehensive income</b>					
Profit for the period	-	-	-	11,912	11,912
<b>Balance at 31 December 2018 (Unaudited)</b>	<b>12,800</b>	<b>51,571</b>	<b>100</b>	<b>42,476</b>	<b>106,947</b>

## NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 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 Chapter 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. Each of Mr. Liu Chi Ching (“**Mr. Liu**”) and Classic Line Holdings Limited (“**Classic Line**”) is a controlling shareholder of the Company (the “**Controlling Shareholder(s)**”).

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

This unaudited condensed consolidated financial statements is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

### 2 BASIS OF PREPARATION

This unaudited condensed consolidated financial statement have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance Chapter 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

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

		<b>Effective for accounting year beginning on or after</b>
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
Annual Improvements Project (Amendments)	Annual Improvements 2015-2017 Cycle	1 January 2019
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement	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:

	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Sales of goods	<b>48,807</b>	49,170	<b>138,676</b>	137,168

#### 4 INCOME TAX EXPENSE

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

For the period ended 31 December 2018, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and 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.

Hong Kong profits tax is provided at 16.5% on the estimated assessable profits for the period ended 31 December 2017.

No provision for Hong Kong profits tax has been made for the joint venture as it has no taxable profits for the nine months ended 31 December 2018 (2017: Nil).

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

	Unaudited Three months ended 31 December		Unaudited Nine months ended 31 December	
	2018 HK\$'000	2017 HK\$'000	2018 HK\$'000	2017 HK\$'000
Current income tax				
– Current year	<b>1,242</b>	1,307	<b>2,387</b>	2,833
Deferred income tax	<b>197</b>	23	<b>520</b>	130
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Income tax expense	<b>1,439</b>	1,330	<b>2,907</b>	2,963
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## 5 EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

### (a) Basic

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

	Unaudited Three months ended 31 December 2018		Unaudited Nine months ended 31 December 2018	
	2018	2017	2018	2017
Profit for the period attributable to the equity holders of the Company (HK\$'000)	<b>5,737</b>	6,487	<b>11,912</b>	14,076
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (in thousand)	<b>1,280,000</b>	1,280,000	<b>1,280,000</b>	1,280,000
Earnings per share (expressed in HK cents per share)	<b>0.45</b>	0.51	<b>0.93</b>	1.10

### (b) Diluted

Diluted earning per share is the same as basic earnings per share due to the absence of dilutive potential ordinary shares during the respective periods.

## 6 DIVIDENDS

The board of Directors (the “Board”) does not recommend the payment of any dividend in respect of the nine months ended 31 December 2018 (31 December 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 700 customers outlets and offers more than 1,300 types of food ingredients to customer.

For the nine months ended 31 December 2018, the Group recorded a net profit of approximately HK\$11.9 million as compared to net profit of approximately HK\$14.1 million for the same period in 2017. The Directors are of the view that the decrease of the Group’s net profit during the nine months ended 31 December 2018 was mainly attributable to the increase in professional fees of approximately HK\$3.0 million incurred for the proposed transfer of listing in 2018. Setting that aside, the adjusted profit of the Group for the nine months ended 31 December 2018 would have been approximately HK\$14.9 million as compared with approximately HK\$14.1 million in 2017.



## **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**"). 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 negotiating with existing customers and potential new customers, including groups with sizeable operations, who have expressed their intention to invite us to expand the existing supply scope or to parallel support the development of their new outlets. In addition, with the success of establishing new sources of vegetables and fruits supplies, the Group shall sustain its competitiveness within the market and continue to strive for achieving 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 nine months ended 31 December 2018 was approximately HK\$138.7 million, representing an increase of approximately 1.1% from approximately HK\$137.2 million for the nine months ended 31 December 2017.

### **Cost of sales**

The Group's cost of sales for the nine months ended 31 December 2018 was approximately HK\$107.3 million as compared with approximately HK\$107.8 million for the nine months ended 31 December 2017.

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

The Group's gross profit for the nine months ended 31 December 2018 were approximately HK\$31.3 million, representing an increase of approximately 6.5% from approximately HK\$29.4 million for the nine months ended 31 December 2017. The Group's gross profit margin for the nine months ended 31 December 2018 remained relatively stable at approximately 22.6% as compared to approximately 21.4% for the nine months ended 31 December 2017.

### **Selling and administrative expenses**

The Group's selling and administrative expenses for the nine months ended 31 December 2018 were approximately HK\$17.0 million, representing an increase of approximately 37.1% from approximately HK\$12.4 million for the nine months ended 31 December 2017, primarily due to the increase in professional fees.

## Profit for the period

For the nine months ended 31 December 2018, the Group recorded profit attributable to the equity holders of the Company of approximately HK\$11.9 million as compared to profit for the nine months ended 31 December 2017 of approximately HK\$14.1 million. Such decrease was mainly attributable to the professional fee incurred for the proposed transfer of listing in 2018.

## DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2018 (31 December 2017: Nil).

## OTHER INFORMATION

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

As at 31 December 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

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. 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 31 December 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 31 December 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**

<b>Name</b>	<b>Capacity/nature</b>	<b>Number of Shares held</b>	<b>Approximate percentage of shareholding</b>
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 31 December 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 position 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 nine months ended 31 December 2018.

## **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 GEM Listing Rules, or has or may have any other conflict of interests with Group during the nine months ended 31 December 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 "**Required Standard of Dealing**"). Based on specific enquiry with the Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and there was no event of non-compliance during the nine months ended 31 December 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 nine months ended 31 December 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 "**Compliance Adviser**"), saved as the compliance adviser agreement entered into between the Company and the Compliance Adviser, none of the Compliance Adviser 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 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 nine months ended 31 December 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 nine months ended 31 December 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, 4 February 2019

*As at the date of this report, the Board comprises Mr. Liu Chi Ching and Ms. Wu Shuk Kwan as executive Directors; Mr. Wong Chung Yeung as non-executive Director; and Ms. Li On Lei, Mr. Ng Ki Man and Mr. Lo Siu Kit, MH as independent non-executive Directors.*