

GOAL FORWARD HOLDINGS LIMITED
展程控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8240

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INTERIM REPORT



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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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” and 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 the GEM (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.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Chi Ching
Ms. Wu Shuk Kwan

Non-executive Director

Mr. Wong Chung Yeung

Independent non-executive Directors

Ms. Li On Lei
Mr. Ng Ki Man
Mr. Lo Siu Kit

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. Ng Ki Man
Mr. Lo Siu Kit
Mr. Liu Chi Ching

COMPLIANCE OFFICER

Ms. Wu Shuk Kwan

COMPANY SECRETARY

Ms. Yim Sau Ping (*CPA*)

AUTHORISED REPRESENTATIVES

Mr. Liu Chi Ching
Ms. Yim Sau Ping

COMPLIANCE ADVISER

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AUDITOR

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LEGAL ADVISOR

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REGISTERED OFFICE IN THE CAYMAN ISLANDS

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HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

OCBC Wing Hang Bank Limited
161 Queen's Road Central
Central
Hong Kong

China Construction Bank (Asia) Corporation Limited
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The Gateway, Harbour City
Kowloon, Hong Kong

COMPANY'S WEBSITE

www.cyfood.com.hk

STOCK CODE

8240

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 SEPTEMBER 2016**

Unaudited interim results

The unaudited condensed consolidated results of the Group for the three months and six months ended 30 September 2016, together with the unaudited comparative figures for the corresponding periods in 2015, are as follows:

	Note	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Revenue	6	40,742	40,134	83,023	79,091
Cost of sales	8	(32,544)	(35,695)	(65,916)	(69,148)
Gross profit		8,198	4,439	17,107	9,943
Other income	7	34	26	65	46
Selling and administrative expenses	8	(9,892)	(2,049)	(18,792)	(4,493)
Operating (loss)/profit		(1,660)	2,416	(1,620)	5,496
Finance income	9	-	1	-	1
Finance costs	9	(116)	(157)	(614)	(309)
Finance costs – net	9	(116)	(156)	(614)	(308)
(Loss)/profit before income tax		(1,776)	2,260	(2,234)	5,188
Income tax expense	10	(742)	(329)	(1,709)	(766)
(Loss)/profit and total comprehensive (loss)/income for the period attributable to the owners of the Company		(2,518)	1,931	(3,943)	4,422
(Loss)/earnings per share attributable to the owners of the Company for the period – Basic and diluted (expressed in HK cents per share)	11	N/A	N/A	N/A	N/A

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016**

	Note	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	17,205	17,583
Prepayments	14	200	200
Deferred income tax assets		124	117
Total non-current assets		17,529	17,900
Current assets			
Inventories		613	863
Trade receivables	14	23,472	26,955
Deposits and prepayments	14	197	1,478
Amount due from the Controlling shareholder		71	16,012
Cash and cash equivalents		9,723	9,479
Total current assets		34,076	54,787
Total assets		51,605	72,687
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	–	–
Merger reserves		100	–
Combined share capital		–	100
Retained earnings		350	21,293
Total equity		450	21,393

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

	Note	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	16	224	266
Deferred tax liabilities		580	584
		<hr/>	<hr/>
Total non-current liabilities		804	850
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current liabilities			
Trade payables	17	20,041	27,592
Accruals and other payables	17	7,965	2,902
Borrowings	16	18,966	18,771
Dividend payable to the Controlling Shareholder		1,035	–
Current income tax liabilities		2,344	1,179
		<hr/>	<hr/>
Total current liabilities		50,351	50,444
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		51,155	51,294
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Total equity and liabilities		51,605	72,687
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**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	Share capital HK\$'000	Attributable to Merger reserves HK\$'000	to owners of the Combined capital HK\$'000	Company Retained earnings HK\$'000	Total HK\$'000
Balance at 1 April 2015 (Audited)	-	-	-	10,222	10,222
Total comprehensive income					
Profit for the period	-	-	-	4,422	4,422
Transaction with owners in their capacity as owners					
Proceeds from share issued	-	-	100	-	100
Balance at 30 September 2015 (Unaudited)	-	-	100	14,644	14,744

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Share capital HK\$'000	Attributable to Merger reserves HK\$'000	to owners of the Combined capital HK\$'000	Company Retained earnings HK\$'000	Total HK\$'000
Balance at 1 April 2016 (Audited)	-	-	100	21,293	21,393
Total comprehensive income					
Loss for the period	-	-	-	(3,943)	(3,943)
Transaction with owners in their capacity as owners					
Dividends declared (Note 12)	-	-	-	(17,000)	(17,000)
Reorganisation (Notes 1 and 15)	-	100	(100)	-	-
Balance at 30 September 2016 (Unaudited)	-	100	-	350	450

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

	Unaudited Six months ended 30 September	
	2016	2015
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from operations	2,903	4,776
Interest paid	(614)	(309)
Income tax paid	(555)	(123)
	<hr/>	<hr/>
Net cash generated from operating activities	1,734	4,344
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Cash flows from investing activities		
Purchases of property, plant and equipment	(51)	(36)
Amount due from the Controlling Shareholder	(24)	(3,473)
Interest received	-	1
	<hr/>	<hr/>
Net cash used in investing activities	(75)	(3,508)
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Cash flows from financing activities		
Proceeds from bank borrowings	19,200	-
Repayments of bank borrowings	(19,027)	(1,292)
Repayments of finance lease	(20)	(47)
Payment of listing expenses	(1,568)	-
	<hr/>	<hr/>
Net cash used in financing activities	(1,415)	(1,339)
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Net increase/(decrease) in cash and cash equivalents	244	(503)
Cash and cash equivalents at beginning of the period	9,479	17,054
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	9,723	16,551
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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 CORPORATION INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

(a) 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 registered office in Cayman Islands is Clifton House, 75 Fort Street, P.O. 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 food processing and supply of vegetables, fruits and other food ingredients in Hong Kong (the "Listing Business"). The controlling shareholder of the the Company is Mr. Liu Chi Ching ("Mr. Liu").

The shares of the Company (the "Share(s)") were listed on the GEM by way of placing (the "Listing") on 13 October 2016 (the "Listing Date").

This condensed consolidated interim financial information is presented in thousands of Hong Kong dollars ("HK\$000"), unless otherwise stated.

(b) Reorganisation

Prior to the completion of the reorganisation on 22 June 2016 (the "Reorganisation") as described below, the Listing Business was carried out by C.Y. Food Trading (HK) Company Limited, a company incorporated in Hong Kong (the "Operating Company").

In preparation for the Listing on the GEM, the Group underwent the Reorganisation to transfer the Listing Business to the Company principally through the following steps:

- a. On 8 January 2016, Classic Line Holdings Limited ("Classic Line") was incorporated in the British Virgin Islands ("BVI") with limited liability and is wholly-owned by Mr. Liu.
- b. On 10 March 2016, Eminent Ace Group Limited ("Eminent Ace") was incorporated in the BVI with limited liability. On the same date, one fully-paid share of Eminent Ace, representing its entire issued share capital was allotted and issued to Classic Line.
- c. On 6 April 2016, the Company was incorporated in the Cayman Islands with limited liability and with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares. On the same date, one nil-paid ordinary share was allotted and issued to the initial subscriber to the memorandum and articles of association of the Company, which was subsequently transferred to Classic Line.
- d. On 13 May 2016, Eminent Ace acquired the entire issued share capital of the Operating Company from Mr. Liu, in consideration of which the Company, at the direction of Mr. Liu, allotted and issued 9,999 nil-paid shares to Classic Line.
- e. On 16 May 2016, Classic Line, Mr. Liu and the Company entered into a share swap deed pursuant to which the Company acquired the entire issued share capital of Eminent Ace from Classic Line and as consideration, the Company credited 10,000 nil-paid shares held by Classic Line as fully paid.
- f. On 25 May 2016, Lion Metro Limited ("Lion Metro") was incorporated in the BVI with limited liability. On 1 June 2016, 100 fully-paid shares of Lion Metro, representing its entire issued share capital, were allotted and issued to Eminent Ace.

- g. On 22 June 2016, Lion Metro acquired the entire issued share capital of the Healthy Cheer International Limited (“Healthy Cheer”) from Mr. Liu, in consideration of which Eminent Ace allotted and issued 99 fully-paid shares in Eminent Ace to the Company.

Upon completion of the Reorganisation, the Company has become the holding company of the other companies comprising the Group.

2 BASIC OF PREPARATION AND PRESENTATION

This condensed consolidated interim financial information for the six months ended 30 September 2016 has been prepared in accordance with HKAS 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the GEM Listing Rules. The condensed consolidated interim financial information should be read in conjunction with the Company’s combined financial statements for the year ended 31 March 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA, as set out in the prospectus of the Company dated 30 September 2016 (the “Prospectus”).

The companies now comprising the Group, were under the control of Mr. Liu, immediately before and after the Reorganisation. For the purpose of this report, the financial results for the six months ended 30 September 2015 has been prepared on a combined basis.

Immediately prior to and after the Reorganisation, the Listing Business was carried out by the Operating Company. Pursuant to the Reorganisation, the Listing Business was transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The transaction is merely a reorganisation of the Listing Business with no change in management and the controlling shareholder of the Listing Business (the “Controlling Shareholder”) of such business. Accordingly, the combined financial statements of the companies now comprising the Group is presented using the carrying values of the Listing Business for all periods presented, as if the current group structure had been in existence throughout the periods or since the respective dates of establishments of the combining companies, whichever is earlier.

Inter-company transactions, balances and unrealised gains/(losses) on transactions between group companies are eliminated on consolidation.

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those used in the Company’s combined financial statements for the year ended 31 March 2016.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

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 2016:

HKFRS 10, HKFRS 12 and HKAS 28 (amendment)	Investment entities: applying the consolidation exception
HKFRS 11 (amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (amendment)	Disclosure initiative
HKAS 16 and HKAS 38 (amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (amendment)	Agriculture: Bearer Plants
HKAS 27 (amendment)	Equity Method in Separate Financial Statements
HKFRSs (amendment)	Annual Improvements to HKFRSs 2014 Cycle

The adoption of the above new or amended standards did not have a material impact on the Group's condensed consolidated interim financial information.

The following new standards and revisions to standards have been issued, but are not effective for the financial year beginning 1 April 2016 and have not been early adopted by the Group.

		Effective for accounting year beginning on or after
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by HKICPA

The Group is in the process of making an assessment on the impact of these standards, revisions to existing HKFRS and is not yet in a position to state whether they have a significant impact on the Group's results of operations and financial position.

4 ESTIMATES

The preparation of interim financial information 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 this condensed consolidated interim financial information, 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 combined financial statements for the year ended 31 March 2016.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The interim 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 combined financial statements as at 31 March 2016.

There have been no changes in the risk management policies since year end.

5.2 Liquidity risk

Compared to year end, there have been no material changes to the policies and practices for the Group's liquidity and funding risks management as described in the combined financial statements for the year ended 31 March 2016.

5.3 Fair value estimation

As at 31 March 2016 and 30 September 2016, 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.

6 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 food processing and supply of vegetables, fruits and other food ingredients in Hong Kong.

Total revenue recognised during the period are as follows:

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Sales of goods	40,742	40,134	83,023	79,091

The revenue from external parties is derived from numerous external customers and the revenue reported to the management is measured in a manner consistent with that in the condensed consolidated statements of comprehensive income.

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

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Customer A	4,905	5,305	10,013	10,374
Customer B	4,161	3,817	8,898	5,750
	9,066	9,122	18,911	16,124

7 OTHER INCOME

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Sundry income	34	26	65	46

8 EXPENSES BY NATURE

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost of inventories	24,983	27,944	49,367	54,122
Employee benefit expenses	4,042	3,908	9,204	7,812
Commission	278	318	499	539
Auditors' remuneration	288	50	575	100
Depreciation of property, plant and equipment (Note 13)	221	373	429	747
Operating leases	241	219	473	443
Transportation expenses	4,227	4,091	8,458	8,103
Listing expenses	6,378	–	12,268	–
Other expenses	1,778	841	3,435	1,775
	42,436	37,744	84,708	73,641

9 FINANCE COSTS – NET

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest expense on bank borrowings	112	147	606	299
Interest expense on finance leases	4	10	8	10
Finance costs	116	157	614	309
Interest income from bank deposits	–	1	–	1
Finance costs – net	116	156	614	308

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit during the six months ended 30 September 2016.

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

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current income tax				
– Current period	747	377	1,720	863
Deferred income tax	(5)	(48)	(11)	(97)
Income tax expense	742	329	1,709	766

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these countries.

11 LOSS/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD – BASIC AND DILUTED

Loss/earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results for the six months ended 30 September 2015 on a combined basis as set out in Note 2.

12 DIVIDENDS

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	30 September		30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Dividends	–	–	17,000	–

No dividend was paid or proposed by the Company since its incorporation. In May 2016, the Operating Company, a wholly-owned subsidiary of the Company declared a special dividend in the sum of HK\$17,000,000 to its then shareholder, which was settled by way of offsetting its then outstanding amounts due from the Controlling Shareholder of approximately HK\$15,965,000, and with the remaining balance of approximately HK\$1,035,000 to be settled by cash.

The board of Directors (the "Board") does not recommend a payment of an interim dividend for the six months ended 30 September 2016.

13 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
Unaudited					
Six months ended					
30 September 2016					
Opening net book amount as at 1 April 2016	17,005	-	54	524	17,583
Additions	-	-	51	-	51
Depreciation (Note 8)	(275)	-	(11)	(143)	(429)
	16,730	-	94	381	17,205
Audited					
Year ended 31 March 2016					
Opening net book amount as at 1 April 2015	17,553	148	377	354	18,432
Additions	-	-	52	413	465
Depreciation	(548)	(148)	(375)	(243)	(1,314)
	17,005	-	54	524	17,583

14 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
Trade receivables (Note a)		
- Related parties	218	127
- Third parties	23,254	26,828
	23,472	26,955
Prepayment for property, plant and equipment	200	200
Prepayment of listing expenses	-	1,283
Other prepayments	100	100
Other receivables and deposits	97	95
	397	1,678
Less non-current portion: Deposits and prepayments	(200)	(200)
Deposits and prepayments included in current assets	197	1,478

(a) Trade receivables

The carrying amounts of trade receivables approximate their fair values.

The Group normally grants credit terms to its customers ranging from 0 to 90 days. The ageing analysis of the trade receivables based on invoice dates is as follows:

	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
1 to 30 days	13,726	15,052
31 to 60 days	7,699	8,543
61 to 90 days	830	1,988
91 to 120 days	321	276
Over 120 days	896	1,096
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Total	23,472	26,955

15 SHARE CAPITAL

The share capital balance as at 30 September 2016 in the 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:

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
As at 6 April 2016 (date of incorporation) (Note a)	38,000,000	380
Increase in authorised share capital (Note d)	1,962,000,000	19,620
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As at 30 September 2016	2,000,000,000	20,000
	<hr/>	<hr/>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
As at 6 April 2016 (date of incorporation)	–	–
Issue of shares to Classic Line (Note c)	10,000	–
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As at 30 September 2016	10,000	–

Notes:

- (a) On 6 April 2016, the Company was incorporated in the Cayman Islands with limited liability and with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares. On the same date, one nil-paid ordinary Share was allotted and issued to the initial subscriber to the memorandum and articles of association of the Company, which was subsequently transferred to Classic Line.
- (b) On 13 May 2016, Eminent Ace acquired the entire issued share capital of the Operating Company from Mr. Liu, in consideration of which the Company, at the direction of Mr. Liu, allotted and issued 9,999 nil-paid shares to Classic Line. Classic Line is a company incorporated in the BVI with limited liability and wholly-owned by Mr. Liu.
- (c) On 16 May 2016, Classic Line, Mr. Liu and the Company entered into a share swap deed pursuant to which the Company acquired the entire issued share capital of Eminent Ace from Classic Line and as consideration, the Company credited 10,000 nil-paid Shares held by Classic Line as fully paid.

- (d) Pursuant to the written resolutions of the shareholders of the Company passed on 26 September 2016, the authorised share capital of the Company was increased from HK\$380,000 to HK\$20,000,000 by the creation of an additional of 1,962,000,000 Shares of HK\$0.01 each, each ranking pari passu with the Shares then in issue in all respects.

Combined capital

Combined capital as at 31 March 2016 represented the combined share capital of the Operating Company and Healthy Cheer.

16 BORROWINGS

	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
Non-current, secured		
Finance lease liabilities (Note (i))	224	266
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Current, secured		
Portion of long-term bank borrowings due for repayment within 1 year (Note (ii))	-	62
Portion of long-term bank borrowings due for repayment after 1 year which contain a repayment on demand clause (Note (ii))	18,884	18,629
Finance lease liabilities (Note (i))	82	80
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	18,966	18,771
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Total borrowings	19,190	19,037

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

Note (i):

The finance lease are secured/guaranteed by:

- (i) a motor vehicle with net book value of approximately HK\$279,000 as at 30 September 2016 (31 March 2016: HK\$341,000); and
- (ii) a personal guaranteed executed by the Controlling Shareholder.

The rights to the leased asset are reverted to the lessor in the event of default of the lease liabilities by the Group.

Note (ii):

As at 31 March 2016, total bank borrowings of HK\$18,629,000 respectively are secured/guaranteed by:

- (i) joint guarantee executed by the Controlling Shareholder and Mr. Chan Kam Cheong;
- (ii) guarantee provided by a company within the Group; and
- (iii) properties held by the Group.

On 28 April 2016, these bank borrowings were early settled and the Group has refinanced the borrowings by entering into two 20-year loans totaled HK\$19,200,000. Such loans are secured/guaranteed by:

- (i) joint guarantee executed by the executive Directors; and

- (ii) properties with net book value of approximately HK\$16,730,000 as at 30 September 2016 (31 March 2016: HK\$17,005,000) held by the Group.

In October 2016, the above mentioned joint guarantee executed by the executive Directors were released and replaced with the corporate guarantee of the Company.

17 TRADE AND OTHER PAYABLES

	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
Trade payables (Note (a))		
– Related parties	42	26
– Third parties	19,999	27,566
	20,041	27,592
Other payables and accruals		
– Accruals for staff cost	3,370	2,365
– Commission payables	135	108
– Accruals for listing expenses	4,008	85
– Other accruals and other payables	452	344
	7,965	2,902

(a) Trade payables

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

	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
0 to 30 days	9,248	9,652
31 to 60 days	5,746	7,822
61 to 90 days	3,462	5,485
Over 90 days	1,585	4,633
	20,041	27,592

18 OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases in respect of production facilities, parking lots and director quarter are as follows:

	Unaudited 30 September 2016 HK\$'000	Audited 31 March 2016 HK\$'000
- No later than 1 year	491	478
- Later than 1 year and no later than 5 years	253	444
	744	922

The Group has no other material commitments as at 31 March 2016 and 30 September 2016.

19 RELATED PARTIES TRANSACTIONS

Other than as disclosed in elsewhere in the interim condensed consolidated financial information, the following transactions were carried out with related parties:

(a) Transactions with related parties

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Continuing related parties' transactions				
Sales of goods to a related company				
- China Land Restaurant Limited	165	158	329	314
- Winning Tender Limited	166	164	341	333
- Tang Palace (China) Holdings Limited	16	-	18	-
Rental expenses charged by a related company				
- Across Well Limited	84	84	168	168
Purchase of goods from a related party				
- Au Kit Ying	26	19	51	40
Discontinued related party's transactions				
Purchase of goods from a related company				
- Siberi Trading Company Limited	-	34	-	71

(b) Key management compensation

Key management includes Directors (executive and non-executive) of the Group. The compensation paid or payable to key management for employee services is disclosed as follows:

	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Wages, salaries and allowances	267	258	534	516
Retirement benefit costs	9	9	18	18
	276	267	552	534

(c) Guarantees from related parties

As at 31 March 2016 and 30 September 2016, bank and other borrowings of the Group of HK\$18,629,000 and HK\$18,884,000 respectively, were guaranteed by the executive Directors. In October 2016, this guarantee was released and replaced by the corporate guarantee of the Company.

20 SUBSEQUENT EVENTS

The following significant events took place subsequent to 30 September 2016:

- (a) The Company successfully listed its Shares on GEM on 13 October 2016.
- (b) On 12 October 2016, the placing of 320,000,000 ordinary Shares of the Company of HK\$0.01 each at the placing price of HK\$0.225 per placing Share were allotted and issued (the "Placing").
- (c) Upon completion of the Placing, the issue of 959,990,000 ordinary Shares of the Company at par to the shareholders of the Company on a pro-rata basis by way of capitalising an amount of HK\$9,599,900 from the share premium account of the Company which was approved by the shareholders of the Company on 26 September 2016 has become unconditional.
- (d) The net proceeds received by the Company from the Placing, after deducting the underwriting fees and other listing expenses borne by the Company were approximately HK\$49.3 million.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in food processing and supply of vegetables, fruits and other food ingredients in Hong Kong. It supplies food ingredients to over 700 customer outlets and offers more than 1,300 types of food ingredients to the customers.

For the six months ended 30 September 2016, the Group recorded a net loss of approximately HK\$3.9 million as compared to a net profit of approximately HK\$4.4 million for the same period in 2015. The Directors are of the view that the net loss was mainly attributable to the non-recurring listing expenses incurred during 2016. Set aside the listing expenses, the Group's net profit for the six months ended 30 September 2016 would be HK\$8.3 million. In view of the steady revenue growth for the six months ended 30 September 2016 as compared to the same period in 2015, and 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 Shares of the Company were listed on GEM on 13 October 2016 by way of placing. 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 negotiations with several existing customers and potential new customers, including chain restaurant groups, dining groups and catering groups, expressing intentions for inviting us to expand the existing supply scope or supply processed vegetables and fruit. In addition, the Group is negotiating with a Japanese food ingredients supplier in relation to process their vegetables and fruits from Japan to customers such as local supermarket chains. The Group shall continue to strive and achieve the business objectives as stated in the Prospectus.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 5.0% from approximately \$79.1 million for the six months ended 30 September 2015 to approximately \$83.0 million for the six months ended 30 September 2016, primarily attributable to the increase in sales of vegetable products driven by the increased portion of heavier processed and specialty vegetables sales such as unskinned, cutted or customized packaging of vegetables which were of higher prices.

Cost of sales

The Group's cost of sales for the six months ended 30 September 2016 was approximately \$65.9 million, representing a decrease of approximately 4.7% from approximately \$69.1 million for the six months ended 30 September 2015, primarily attributable to the increased efforts in procurement and better purchase cost management, including (i) closely monitor products that were of higher purchase volume among the Group and review with the suppliers more frequently; and (ii) procure a wider variety of products directly from overseas' farms or suppliers.

Gross profit and gross profit margin

The Group's gross profit for the six months ended 30 September 2016 were approximately HK\$17.1 million, representing an increase of approximately 72.1% from approximately HK\$9.9 million for the six months ended 30 September 2015. The Group's gross profit margin for the six months ended 30 September 2016 was approximately 20.6%, representing an increase of approximately 8.0 percentage points as compared to approximately 12.6% for the six months ended 30 September 2015. The increase in gross profit was mainly due to the combined effect of (i) the increased portion of heavier processed and specialty vegetables sales; and (ii) the increased efforts in procurement and better purchase cost management as explained above.

Selling and administrative expenses

The Group's selling expenses for the six months ended 30 September 2016 were approximately HK\$18.8 million, representing an increase of approximately 318.3% from approximately HK\$4.5 million for the six months ended 30 September 2015, primarily due to the non-recurring listing expenses incurred during 2016 and the higher employee benefit expenses to support the business growth.

Loss for the period

For the six months ended 30 September 2016, the Group recorded loss attributable to the owners of the Company of approximately HK\$3.9 million as compared to profit for the six months ended 30 September 2015 of approximately HK\$4.4 million. The loss was mainly attributable to the non-recurring listing expenses. By excluding the listing expenses, the Group's net profit for the six months ended 30 September 2016 would be HK\$8.3 million.

Comparison between Business Objectives with Actual Business Progress

The Company has become listed on GEM since 13 October 2016. The period prior to the Listing Date (that is, from 22 September 2016, being the latest practicable date as defined in the Prospectus, to 30 September 2016 (the "Relevant Period")) was relatively short and no proceeds was available during the Relevant Period. The Group is in its preliminary stage of implementing its business objectives and strategies as disclosed in the Prospectus. The Group will strive to achieve the milestone events as stated in the Prospectus.

USE OF PROCEEDS FROM PLACING

The net proceeds from the Listing (after deducting the underwriting fees and other listing expenses borne by the Company) amounted to approximately HK\$49.3 million which will be used for the intended purposes as set out in the section headed "Business Objectives and Future Plans" of the Prospectus.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group finances its liquidity and capital requirements primarily through cash generated from operations, bank borrowings and equity contribution from shareholders.

As at 30 September 2016, the Group had cash and cash equivalents of approximately HK\$9.7 million (31 March 2016: HK\$9.5 million).

As at 30 September 2016, the Group's total equity attributable to the owners of the Company amounted to approximately HK\$450,000 (31 March 2016: HK\$21.4 million). As of the same date, the Group's total debt, comprising bank borrowings and liability of the finance lease obligations, amounted to approximately HK\$19.2 million (31 March 2016: HK\$19.0 million).

On 13 October 2016, the Company was listed on the GEM by way of placing and completed the placing of 320,000,000 Shares at placing price of HK\$0.225 per Share. The net proceeds from the Listing amounted to approximately HK\$49.3 million. The Directors believe that with the new capital from the Placing, the Group is in a healthy financial position to expand its business and achieve its business objectives.

BORROWINGS AND GEARING RATIO

As at 30 September 2016, the Group had borrowings of approximately HK\$19.2 million which was denominated in Hong Kong Dollars (31 March 2016: HK\$19.0 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations and purchase of the existing premises, while the liability of the finance lease obligations was for the acquisition of motor vehicles to support its operations.

As at 30 September 2016, the gearing ratio of the Group, calculated as the total debt divided by the total equity, was approximately 4,264.4% (31 March 2016: 89.0%).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

In preparation for the Listing, the Company underwent corporate reorganisation, the detail of which are set out in the section headed "History, Development and Reorganisation" of the Prospectus.

Save as disclosed herein, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the six months ended 30 September 2016.

FOREIGN EXCHANGE EXPOSURE

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is principally engaged in food processing and supply of vegetables, fruits and other food ingredients in Hong Kong, with most of its transactions 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 POLICIES

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.

CHARGE ON GROUP ASSETS

As at 30 September 2016, the Group has pledged its properties and motor vehicle with net book value amounted to approximately HK\$16,730,000 (31 March 2016: HK\$17,005,000) and approximately HK\$279,000 (31 March 2016: HK\$341,000), respectively, for certain banking facilities granted to the Group.

CONTINGENT LIABILITIES

As at 30 September 2016, the Group did not have any material contingent liabilities (31 March 2016: Nil).

COMMITMENTS

The contract commitments mainly involve rental payable by the Group in respect of the processing facilities, parking lots and Director quarter under non-cancellable operating leases. As at 30 September 2016, the Group's operating lease commitments were approximately HK\$744,000 (31 March 2016: HK\$922,000).

SEGMENT INFORMATION

The Group principally operates in one business segment, which is the sale of food ingredients in Hong Kong.

INFORMATION ON EMPLOYEES

As at 30 September 2016, the Group had 68 employees working in Hong Kong (31 March 2016: 66). 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 2016 amounted to approximately HK\$9.2 million (31 March 2016: HK\$7.8 million).

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended 30 September 2016.

OTHER INFORMATION

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

The Shares of the Company were only listed on the GEM on 13 October 2016 and therefore, the respective Division 7 and 8 of Part XV of the Securities and Futures Ordinance ("SFO"), Section 352 of the SFO and Rules 5.46 to 5.67 of the GEM Listing Rules ("Model Code") were not applicable as at 30 September 2016.

As at the date of this report, the interests or short positions of the Directors or 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 the SFO which are required 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 in which they are taken or deemed to have under such provisions), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Long positions in ordinary Shares of associated corporation

Name	Capacity/nature	Number of Shares held	Approximate percentage of shareholding
Mr. Liu Chi Ching	Interest of a controlled corporation	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.

As at the date of this report, none of the Directors or chief executive of the Company had any interests in the underlying Shares in respect of physically settled, cash settled or other equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as at the date of this report, none of the Directors or chief executives of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company under Section 352 of the SFO, 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

As at 30 September 2016, the Shares were not listed on the GEM. The respective Division 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable.

As at the date of this report, 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 of the Company which would be required to be disclosed to the Company under the provisions of Divisions 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 the Shares

Name	Capacity/nature	Number of Shares held	Approximate percentage of shareholding
Classic Line Holdings Limited (Note 1)	Beneficial owner	720,000,000	56.25%
Good Vision Limited (Note 2)	Beneficial owner	144,000,000	11.25%
Hong Kong Tang Palace Food & Beverage Group Company Limited (Note 2)	Interest of a controlled corporation	144,000,000	11.25%
Tang Palace (China) Holdings Limited (Note 3)	Interest of a controlled corporation	144,000,000	11.25%

Notes:

1. Mr. Liu Chi Ching beneficially owns the entire issued share capital of Classic Line Holdings Limited. Therefore, Mr. Liu Chi Ching is deemed or taken to be interested in all the Shares held by Classic Line Holdings Limited for the purpose of the SFO. Mr. Liu Chi Ching is the sole Director of Classic Line Holdings Limited.
2. Hong Kong Tang Palace Food & Beverage Group Company Limited ("Tang Palace") owns the entire issued share capital of Good Vision Limited. Therefore, Tang Palace is deemed or taken to be interested in all the Shares held by Good Vision Limited for the purpose of the SFO. Mr. Chan Man Wai is the sole director of Good Vision Limited.
3. Tang Palace (China) Holdings Limited (Stock Code: 1181), a company listed on the Main Board of the Stock Exchange, beneficially owns the entire issued share capital of Tang Palace. Therefore, Tang Palace (China) Holdings Limited is deemed, or taken to be, interested in all the Shares in which Tang Palace is interested for the purpose of the SFO.

Save as disclosed above, as at the date of this report, none of the substantial or significant shareholders or other persons, other than the Directors and chief executives of the Company whose interests are set out in the section "Other information – 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 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

The Shares were successfully listed on GEM on 13 October 2016. Save as disclosed in the Prospectus, 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 2016.

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 any other conflict of interests with Group during the six months ended 30 September 2016.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by the Directors from the Listing Date up to the date of this report.

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 six months ended 30 September 2016, 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"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 27 September 2016, none of the Compliance Adviser or its directors, employees or 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

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the "CG Code") and in relation to, among others, the Directors, Chairman and Chief Executive Officer, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communications with the shareholders of the Company.

The Company was listed on GEM on 13 October 2016. To the best knowledge of the Board, the Company has complied with the code provisions in the CG Code from the Listing Date up to the date of this report.

AUDIT COMMITTEE

The audit committee was established on 26 September 2016 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The audit committee currently comprises three independent non-executive Directors and is chaired by Mr. Ng Ki Man. The other members are Ms. Li On Lei and Mr. Lo Siu Kit. The written terms of reference of the audit committee are posted on the GEM website and on the Company's website.

The primary duties of the audit committee are to review and supervise the financial information and reporting process, internal control procedures and risk management system of the Group.

The audit committee has reviewed the unaudited condensed consolidated financial statements and the results for the six months ended 30 September 2016 with the management and is of the view that such results comply with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, 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, 9 November 2016

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.