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GOLDEN FAITH GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 2863)

ANNOUNCEMENT OF ANNUAL AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

The board (the “**Board**”) of directors (the “**Directors**”) of Golden Faith Group Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 30 September 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2017

	<i>NOTES</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Revenue	4	308,008	192,139
Cost of sales		<u>(249,523)</u>	<u>(145,302)</u>
Gross profit		58,485	46,837
Other income		5	5
Other gains and losses		4,112	206
Administrative expenses		(18,319)	(9,980)
Listing expenses		(14,236)	(700)
Finance costs	5	<u>(10)</u>	<u>(33)</u>
Profit before taxation		30,037	36,335
Taxation	6	<u>(7,674)</u>	<u>(5,967)</u>
Profit and total comprehensive income for the year	7	<u>22,363</u>	<u>30,368</u>
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		22,363	29,413
Non-controlling interests		<u>–</u>	<u>955</u>
		<u>22,363</u>	<u>30,368</u>
EARNINGS PER SHARE	9		
Basic (HK\$)		<u>0.05</u>	<u>0.29</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	NOTES	2017 HK\$'000	2016 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		3,146	5,625
Deferred tax assets		79	186
Deposits and prepayments	11	22	30
		<u>3,247</u>	<u>5,841</u>
Current assets			
Trade receivables	10	8,714	16,979
Other receivables, deposits and prepayments	11	7,640	3,897
Amounts due from customers for contract work		48,250	63,296
Pledged bank deposits		–	5,769
Bank balances and cash		152,330	36,728
		<u>216,934</u>	<u>126,669</u>
Current liabilities			
Trade payables	12	10,988	13,534
Other payables and accrued charges	13	19,214	7,321
Deposits from a customer	13	–	19,724
Amounts due to customers for contract work		13,883	1,530
Amount due to a shareholder		5,554	2,782
Tax liabilities		10,130	8,368
Obligation under a finance lease		112	142
		<u>59,881</u>	<u>53,401</u>
Net current assets		<u>157,053</u>	<u>73,268</u>
Total assets less current liabilities		<u>160,300</u>	<u>79,109</u>
Non-current liabilities			
Provisions		943	631
Obligation under a finance lease		–	112
		<u>943</u>	<u>743</u>
Net assets		<u>159,357</u>	<u>78,366</u>
CAPITAL AND RESERVES			
Share capital	14	5,400	–
Reserves		153,957	78,366
Equity attributable to owners of the Company		<u>159,357</u>	<u>78,366</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL

The Company is incorporated and registered as an exempted company with limited liability in the Cayman Islands on 12 October 2016 and its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 August 2017. The address of the registered office is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is Office B, 7/F, TLP132, Nos.132–134 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The immediate and ultimate holding company of the Company is Superior Ace Investments Limited (“**Superior Ace**”) which is incorporated in the British Virgin Islands (the “**BVI**”). The ultimate controlling party is Mr. Yung On Wah (“**Mr. Yung**”).

Pursuant to a special resolution of the Company dated 24 January 2017, the name of the Company has been changed from Goldman Faith Holdings Limited to Golden Faith Group Holdings Limited.

The Company is an investment holding company. The Group’s principal activity is the provision of electrical engineering services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company.

2. GROUP REORGANISATION AND BASIS OF PREPARATION

Pursuant to the group reorganisation (“**Reorganisation**”) detailed as stated in the “History, Development and Reorganisation” section of the Prospectus dated 31 July 2017, the Company has become the holding company of the companies now comprising the Group on 24 November 2016. The Company and its subsidiaries have been under the common control of Mr. Yung before and after the Reorganisation, or since their respective dates of incorporation, where there is a shorter period.

Historically, the Group’s two operating subsidiaries, Cornwall Contracting Company Limited (“**CCCL**”) and Cornwall Electrical Engineering Limited (“**CEEL**”), were directly wholly owned and controlled by Mr. Yung. In preparation of the listing of the Company’s shares on the Stock Exchange (the “**Listing**”), the companies comprising the Group underwent the Reorganisation involving steps which include the interspersing of certain investment holding companies between Mr. Yung and these operating subsidiaries, as well as the introduction of an independent investor as a non-controlling shareholder (the “**Pre-IPO Investor**”), while Mr. Yung retains control over the companies comprising the Group before and after the Reorganisation.

As a result of the Reorganisation, the Company became the holding company of the companies now comprising the Group, whereas Superior Ace, an entity controlled by Mr. Yung not forming part of the Group, became the Company’s immediate and ultimate holding company.

Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (the “**Accounting Guideline 5**”) issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years ended 30 September 2016 and 2017 include the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the years, or since their respective date of incorporation, where there is a shorter period. The consolidated statement of financial position of the Group as at 30 September 2016 has been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at that date taking into account the respective dates of incorporation, where applicable.

Accounting Guideline 5 was applied to account for the business combinations under common control effected for the purpose of the Reorganisation and the Group was treated as a continuation of existing business under merger accounting. According to Accounting Guideline 5, all equity interest attributable to parties other than controlling party, namely, Mr. Yung, is treated as non-controlling interests. Therefore, the increase in equity of the Group as a result of the funding from the Pre-IPO Investor which is not attributable to Mr. Yung, are treated as deemed non-controlling interest.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has consistently adopted all HKFRSs issued by the HKICPA that are effective for the Group’s accounting period beginning on 1 October 2016 for both current and prior years.

The Group has not early applied the following new and amendments to HKFRSs and interpretations (the “**new and revised HKFRSs**”) that have been issued but are not yet effective:

HKFRS 9	Financial instruments ¹
HKFRS 15	Revenue from contracts with customers and the related amendments ¹
HKFRS 16	Leases ²
Amendments to HKAS 7	Disclosure initiative ³
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses ³
Amendments to HKAS 40	Transfers of investment property ¹
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts ¹
Amendments to HKFRS 9	Prepayment features with negative compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to HKFRSs	Annual improvements to HKFRSs 2014–2016 cycle ⁵
HK(IFRIC)–Int 22	Foreign currency transactions and advance consideration ¹
HK(IFRIC)–Int 23	Uncertainty over income tax treatments ²

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after 1 January 2017.

⁴ Effective for annual periods beginning on or after a date to be determined.

⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the engineering services provided by the Group to external customers. The Group’s operations is solely derived from engineering services in Hong Kong. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group, which are prepared based on same accounting policies. Accordingly, the Group presents only one single operating segment and no further analysis is presented.

Geographical information

No geographical information is presented as the Group’s revenue are all derived from Hong Kong based on the location of services delivered and the Group’s property, plant and equipment amounting to HK\$3,146,000 (2016: HK\$5,625,000) as at 30 September 2017 are all located in Hong Kong by physical location of assets.

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Customer A	123,688	N/A*
Customer B	77,551	35,079
Customer C	67,669	27,552
Customer D	37,182	111,524

* Contributed to less than 10% of the Group's total revenue for the relevant year

5. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on bank borrowings	–	21
Interest on finance lease	10	12
	10	33

6. TAXATION

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong Profits Tax:		
— Current tax	7,438	6,205
— Under (over) provision in prior years	129	(309)
	7,567	5,896
Deferred taxation	107	71
	7,674	5,967

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Profit and total comprehensive income for the year has been arrived at after charging:		
Staff costs:		
Directors' remuneration	1,710	1,213
Other staff costs	40,115	26,123
Contribution to retirement benefit schemes	1,053	883
	<u>42,878</u>	<u>28,219</u>
Auditor's remuneration	1,000	380
Depreciation of property, plant and equipment	609	577
Minimum lease payments in respect of office premises	1,413	763
	<u>1,413</u>	<u>763</u>

8. DIVIDEND

During the year ended 30 September 2017, Champion Goal Investments Limited (“**Champion Goal**”), the wholly-owned subsidiary of the Company upon completion of Reorganisation, declared dividends of HK\$23,000,000 to the then shareholders. During the year ended 30 September 2016, CCCL declared dividends of HK\$10,500,000 to Mr. Yung. The rate of dividends and number of shares ranking for the above dividends are not presented as such information is not meaningful having regard to the purpose of this report.

Other than disclosed above, no dividend was paid or declared by the Company since its incorporation or by other group entities during both years. The Board did not recommend the payment of a final dividend for the year ended 30 September 2017.

9. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Earnings		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	<u>22,363</u>	<u>29,413</u>
	2017 '000	2016 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	<u>440,384</u>	<u>101,434</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and the Capitalisation Issue (as defined in note 14) had been effective on 1 October 2015.

No diluted earnings per share is presented as there is no potential ordinary shares outstanding during both years.

10. TRADE RECEIVABLES

The Group grants credit terms of 0–30 days to its customers from the date of invoices on progress payments of engineering service works. An ageing analysis of the trade receivables, presented based on the invoice date at the end of the reporting period, is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0–30 days	5,350	16,910
31–60 days	3,344	5
Over 180 days	20	64
	<u>8,714</u>	<u>16,979</u>

11. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Rental and other deposits	251	235
Deposits for materials purchase	5,212	115
Prepayments and others	2,199	690
Prepaid and deferred listing expenses	–	2,887
	<u>7,662</u>	<u>3,927</u>
Total	<u>7,662</u>	<u>3,927</u>
Presented as non-current assets	22	30
Presented as current assets	<u>7,640</u>	<u>3,897</u>
	<u>7,662</u>	<u>3,927</u>
Total	<u>7,662</u>	<u>3,927</u>

12. TRADE PAYABLES

The credit period on purchases and subcontracting of contract work services is 30 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0–30 days	7,036	11,245
31–60 days	3,144	1,400
61–90 days	806	718
Over 90 days	2	171
	<u>10,988</u>	<u>13,534</u>

13. OTHER PAYABLES AND ACCRUED CHARGES AND DEPOSITS FROM A CUSTOMER

Other payables and accrued charges

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Accrued charges for engineering service	1,119	1,261
Retention payables (<i>note</i>)	2,361	2,461
Accrued payroll and bonus	12,838	3,180
Other accrued charges	2,896	419
	<u>19,214</u>	<u>7,321</u>

Note:

Retention payables to subcontractors of contract works are unsecured, interest-free and recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 1 to 2 years from the date of completion of respective engineering service projects.

Deposits from a customer

Deposits from a customer represent deposits received from a customer in relation to an engineering service contract for the supply and installation of electrical system. As at 30 September 2016, service has yet to be rendered by the Group.

14. SHARE CAPITAL

The issued share capital as at 1 October 2015 represented the combined share capital of CCCL and CEEL. On 29 September 2016, Superior Ace transferred the entire issued share capital of CCCL and CEEL to Champion Goal. The share capital as at 30 September 2016 represented the share capital of Champion Goal. The share capital as at 30 September 2017 represented the share capital of the Company.

Details of the share capital of the Company are disclosed as follows:

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 12 October 2016 (date of incorporation) (<i>note i</i>)	38,000,000	380
Increase on 22 July 2017 (<i>note iii</i>)	9,962,000,000	99,620
	<u>10,000,000,000</u>	<u>100,000</u>
At 30 September 2017	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 12 October 2016 (date of incorporation) (<i>note i</i>)	1	–
Issue of new shares on Reorganisation (<i>note ii</i>)	9,999	–
Capitalisation Issue (<i>note iv</i>)	449,990,000	4,500
Issue of new shares upon Listing (<i>note v</i>)	90,000,000	900
	<u>540,000,000</u>	<u>5,400</u>
At 30 September 2017	<u>540,000,000</u>	<u>5,400</u>

Notes:

- (i) On 12 October 2016, the Company was incorporated in the Cayman Islands with limited liability. The initial authorised share capital of the Company was HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. 1 share of the Company was allocated and issued to Superior Ace on the same date.
- (ii) On 23 November 2016, 9,999 shares of the Company were allotted and issued to Superior Ace.
- (iii) Pursuant to the written resolutions passed by the shareholders on 22 July 2017, the authorised share capital of the Company was increased from HK\$380,000 to HK\$100,000,000 by creation of additional 9,962,000,000 ordinary shares of HK\$0.01 each which, upon issue, shall rank pari passu in all aspects with the existing issued ordinary shares.
- (iv) On 11 August 2017, a sum of HK\$4,499,900 standing to the credit of the share premium account of the Company was capitalised by paying up in full at par a total of 449,990,000 new shares (the “Capitalisation Issue”).
- (v) On 11 August 2017, 90,000,000 new shares of the Company were issued at HK\$0.86 per share for a total consideration of HK\$77,400,000.

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the year ended 30 September 2017 (“FY2017”), the Group continued to engage in the provision of electrical and extra-low voltage system works in Hong Kong. As at 30 September 2017, our projects have encompassed hospitals, international school, government headquarter and museum in Kowloon West. Revenue from seven projects in progress during FY2017 amounted to approximately HK\$266.0 million, accounted for 86.4% of total revenue for FY2017.

As disclosed on page 127 of the prospectus of the Company dated 31 July 2017 (the “Prospectus”), sufficient manpower has to be reserved for two significant projects with total contract sum of approximately HK\$707.4 million and as a result, fewer tenders has been submitted during FY2017. The Group has been awarded two projects with a total contract sum of approximately HK\$376.6 million in FY2017 and there are four potential projects three of them with tender submitted and one of them with tender under preparation with an estimated total contract sum of approximately HK\$860.6 million.

Financial Review

Results Analysis

The Group’s revenue in FY2017 was approximately HK\$308.0 million, representing an increase of approximately HK\$115.9 million or 60.3% as compared to that in the corresponding period 2016 (“FY2016”). Such increase was mainly attributed to (a) an increase in revenue from projects in progress brought forward from FY2016 with an aggregated increase in revenue by approximately HK\$221.2 million for work completed during FY2017; (b) one new project which commenced during FY2017 with revenue of approximately HK\$7.5 million and (c) decrease in revenue from completed projects brought forward from 2016 of approximately HK\$112.8 million.

The Group’s gross profit for the FY2017 increased by approximately HK\$11.6 million which was mainly due to the increase in revenue. Gross profit margin decreased from approximately 24.4% to approximately 19.0%, which is due to completion of projects with higher average gross profit margin of approximately 20% to approximately 30% in FY2016 and the remaining projects in progress brought forward from 2016 contributed a relatively lower average gross profit margin of 15% to 20%.

Other gains and losses

The Group recorded other gains of approximately HK\$4.1 million, representing an increase of approximately HK\$3.9 million as compared to that in FY2016, which was mainly due to gain on disposal of property, plant and equipment.

Administrative expenses

In FY2017, administrative expenses increased by approximately HK\$8.3 million as compared to that in FY2016, which was mainly due to an increase in staff discretionary bonus of approximately HK\$4.8 million, auditor's remuneration of approximately HK\$1 million, donation to community chest of approximately HK\$1 million, advertising expenses of approximately HK\$0.3 million, rent and rates of approximately HK\$0.4 million, business entertainment of approximately HK\$0.6 million, insurance expenses of approximately HK\$0.2 million.

Listing expenses

The total listing expenses incurred for FY2017 was approximately HK\$14.2 million (2016: HK\$0.7 million).

Finance costs

The Group's finance cost represented interest on finance lease and the decrease in amount was due to principal repayment.

Taxation

The effective tax rate was 25.5% (2016: 16.4%) due to non-deductible listing expenses of approximately HK\$14.2 million (2016: HK\$0.7 million).

Profit and total comprehensive income

Decrease in profit and total comprehensive income was due to increase in gross profit of approximately HK\$11.6 million and increase in other gains and losses of approximately HK\$3.9 million which was offset by increase in administrative expenses of approximately HK\$8.3 million and listing expenses of approximately HK\$13.5 million and increase in taxation of approximately HK\$1.7 million.

Liquidity, Financial Position and Capital Structure

As at 30 September 2017, the total number of issued Shares of the Company was 540,000,000.

The Company has successfully listed in the Stock Exchange of Hong Kong on 11 August 2017 and raised a net proceeds of approximately HK\$71.6 million.

As at 30 September 2017, the Group has bank and cash balance of approximately HK\$152.3 million (2016: HK\$36.7 million).

Total borrowings of the Group were approximately HK\$0.1 million.

The gearing ratio, defined as the ratio of total borrowings less bank and cash balances to equity attributable to owners of the Company was a net cash position (2016: net cash position).

Foreign Exchange Risk Management

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars. The Group is not significantly exposed to foreign currency risk arising from monetary assets and liabilities that are denominated in currencies other than the functional currencies of the respective group entities.

The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered to be insignificant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and will consider hedging significant foreign exchange exposure when necessary.

Charges on Assets

As at 30 September 2017, leasehold land and buildings with carrying amount of approximately HK\$2,150,000 (2016: HK\$4,314,000) has been pledged to secure a banking facility granted to the Group. The carrying value of motor vehicles included an amount of approximately HK\$259,000 (2016: HK\$373,000) in respect of assets held under finance lease as at 30 September 2017.

Performance Guarantee

As at 30 September 2016, performance guarantee of approximately HK\$5,767,000 was given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and their customers. If the Group fails to provide satisfactory performance to their customers to whom performance guarantee have been given, such customers may demand the bank to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such bank accordingly. The performance guarantee will be released upon completion of the contract works. The performance guarantees were guaranteed by Mr. Yung. The directors of the Company do not consider it is probable that a claim will be made against the Group as at 30 September 2016. On 31 May 2017, the said performance guarantee was released by the bank and the Group had not entered into other performance guarantees during FY2017.

PROSPECTS AND OUTLOOK

The Group will continue to look for strategic acquisitions and partnership opportunities which are in line with the Group's expansion strategy or provide synergy to its principal business activities. The Group will also consider whether any asset disposal, asset acquisition, fixed assets redeployment, business rationalization, business divestment and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group.

HUMAN RESOURCES

As at 30 September 2017, the Group had a total of 261 employees. The Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are offered to qualified employees based on individual and the Group's performance.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The principal activities of the Group are provision of electrical and extra-low voltage system works in Hong Kong. The major resources deployed are purchase of material and labour which do not give rise to any material adverse influence to the environment. The Group will take appropriate measures and action as and when necessary to deal with or otherwise minimize any possible emission of hazardous materials which may arise from its business activities.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the FY2017.

CORPORATE GOVERNANCE

The Company has, throughout the FY2017, applied the principles and complied with the requirements of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules except for the following deviations.

Code Provision A.1.3

Code provision A.1.3 of the CG Code requires that notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend. During the year, certain regular Board meetings were convened with less than 14 days' notice in order to enable the Board members to react timely and carry out expeditious decision making in respect of certain business matters which were significant to the Group's business. As a result, the aforesaid regular Board meetings were held with a shorter notice period than required with the consent of the Directors. The Board will do its best endeavor to meet the requirement of code provision A.1.3 of the CG Code in the future.

Code Provision A.2.1

Code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

The Company did not officially have a position of chief executive officer and Mr. Yung On Wah, the Chairman of the Board, provides leadership to the Board to ensure that the Board works effectively and all important issues are discussed in a timely manner. The day-to-day management of the Group's business is handled by the Executive Directors collectively. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's business operations. The Board will continue to review the effectiveness of the Group's structure as business continues to grow and develop in order to assess whether any changes, including the appointment of a chief executive officer, are necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transaction by Directors. The Company, having made specific enquiry, confirms that all Directors have fully complied with the Model Code throughout the FY2017.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's consolidated financial statements for the FY2017, including the accounting principles and practices adopted by the Group.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing, after deducting listing related expenses and underwriting fees, were approximately HK\$56.7 million. After the Listing, a part of these proceeds has been applied for the purposes in accordance with the "Future Plans and Use of Proceeds" as set out in the Prospectus.

An analysis of the intended application of net proceeds as stated in the Prospectus and the actual use of net proceeds from the Listing up to 30 September 2017 are set out below:

	Application of net proceeds as stated in the Prospectus up to 30 September 2017 <i>HK\$'000</i>	Actual use of net proceeds up to 30 September 2017 <i>HK\$'000</i>
Provision of performance guarantee	39,800	–
Recruitment	9,700	–
Induction, tool box training and specific safety training	200	–
Computer training	100	–
Upgrading the computer system and software	1,500	69
Upgrading the quality management system obtained under ISO9001	1,500	91
	<u>1,500</u>	<u>91</u>

As at 30 September 2017, the Group held unutilised net proceeds in licensed banks in Hong Kong.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 30 September 2017 and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for FY2017 (FY2016: Nil).

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlements of shareholders of the Company to attend and vote at the AGM to be held on Monday, 12 February 2018, the register of members of the Company will be closed from Wednesday, 7 February 2018 to Monday, 12 February 2018, both days inclusive, during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 6 February 2018.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.goldenfaith.hk. The annual report of the Company for the FY2017 will be dispatched to the shareholders of the Company and will be published on the same websites in due course.

By Order of the Board
Golden Faith Group Holdings Limited
Yung On Wah
Executive Director

Hong Kong, 19 December 2017

As at the date of this announcement, the Board comprises Mr. Yung On Wah, Mr. Li Kar Fai Peter and Mr. Pu Li Wei, as executive directors; and Mr. Chan Cho Chak, Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung as independent non-executive directors.