
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Golden Faith Group Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

**GREATLY SUCCESS INVESTMENT
TRADING LIMITED**
大德投資貿易有限公司

(Incorporated in the Republic of Seychelles with limited liability)

**GOLDEN FAITH GROUP
HOLDINGS LIMITED**
高豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2863)

**COMPOSITE DOCUMENT RELATING TO
MANDATORY UNCONDITIONAL CASH OFFER BY
SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
GREATLY SUCCESS INVESTMENT TRADING LIMITED
FOR ALL THE ISSUED SHARES OF
GOLDEN FAITH GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND AGREED TO BE
ACQUIRED BY GREATLY SUCCESS INVESTMENT TRADING LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Capitalised terms used on this cover shall have the same meanings as those defined in this Composite Document unless the content requires otherwise.

A letter from Somerley, containing among other things, the details of the terms and conditions of the Offer, is set out on pages 7 to 16 of this Composite Document. A letter from the Board is set out on pages 17 to 23 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on pages 24 to 25 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer is set out on pages 26 to 49 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Offer must be received by the Registrar, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on Friday, 18 January 2019, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the section headed "Overseas Independent Shareholders" in the "Letter from Somerley" and Appendix I to this Composite Document before taking any action. It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions. Overseas Independent Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.goldenfaith.hk) as long as the Offer remains open.

28 December 2018

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EXPECTED TIMETABLE

All references to date and time contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong dates and time.

The expected timetable set out below is indicative only and may be subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

Despatch date of this Composite Document and
the accompanying Form of Acceptance and
commencement date of the Offer (*Note 1*) Friday, 28 December 2018

Latest time and date for acceptance of the Offer (*Notes 2 and 5*) 4:00 p.m. on
Friday, 18 January 2019

Closing Date (*Notes 3 and 5*) Friday, 18 January 2019

Announcement of the results of the Offer
(or its extension or revision, if any) as at
the Closing Date, to be posted on the website of
the Stock Exchange (*Notes 3 and 5*) no later than 7:00 p.m. on
Friday, 18 January 2019

Latest date for posting of remittances for the amount due in
respect of valid acceptances received under the Offer on or
before 4:00 p.m. on the Closing Date (*Notes 4 and 5*) Tuesday, 29 January 2019

Notes:

1. The Offer, which is unconditional, is open for acceptance on and from Friday, 28 December 2018, being the date of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date.
2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

EXPECTED TIMETABLE

3. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The Offer will initially remain open for acceptances until 4:00 p.m. on Friday, 18 January 2019 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror and the Company will jointly issue an announcement in relation to any extension of the Offer, in which the announcement will state either the next Closing Date or, a statement the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to the accepting Independent Shareholder(s) (to the address specified on the relevant Shareholder's Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid.

5. The latest time and date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal", in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances. In such cases, the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

IMPORTANT NOTICE

NOTICE TO THE OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions. Overseas Independent Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer.

It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, advisers and associates, agents or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders for any taxes as such person may be required to pay. Please see the paragraph headed “Overseas Independent Shareholders” in the “Letter from Somerley” and Appendix I to this Composite Document for details.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the Takeovers Code
“Authority”	West Kowloon Cultural District Authority
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“Closing Date”	18 January 2019, the closing date of the Offer, which is 21 days following the date on which this Composite Document is posted, or if the Offer is extended, any subsequent closing date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code
“Company”	Golden Faith Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board (stock code: 2863)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Share Purchase Agreement, which took place on 21 October 2018
“Composite Document”	this composite document issued, in accordance with the Takeovers Code and the Listing Rules, jointly by the Offeror and the Company in relation to the Offer
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Encumbrance”	any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, adverse interest, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any agreement or arrangement having a similar effect or any agreement to create any of the foregoing
“Excluded Shares”	32,500,000 Shares held by the Vendor and 40,000,000 Shares held by Mr. Cheung Kam Fai
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer in respect of the Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Yung, the sole legal and beneficial shareholder of the Vendor, who has agreed to provide the Offeror with guarantee and undertaking in accordance with the terms and conditions of the Share Purchase Agreement to ensure, inter alia, that the Vendor properly performs its obligations under the Share Purchase Agreement
“HCC”	Hsin Chong Construction Company Limited
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, namely Mr. Chan Cho Chak, Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung, formed for the purpose of advising the Independent Shareholders in respect of the Offer
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee in respect of the Offer
“Independent Shareholder(s)”	holder(s) of the Shares, other than the Offeror and the parties acting in concert with it
“Irrevocable Undertakings”	the irrevocable undertakings given by Mr. Cheung Kam Fai and Mr. Yung in favour of the Offeror that they will not, inter alia, tender the Excluded Shares for acceptance of the Offer
“Joint Announcement”	the joint announcement issued by the Offeror and the Company dated 22 October 2018 in relation to, among other things, the Share Purchase Agreement, the Offer and the Irrevocable Undertakings
“Last Trading Day”	19 October 2018, being the last trading day immediately prior to suspension of trading in the Shares pending the release of the Joint Announcement
“Latest Practicable Date”	24 December 2018, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board
“M+ Project”	M+ Museum construction project in the West Kowloon Cultural District of Hong Kong

DEFINITIONS

“Main Board”	the Main Board of the Stock Exchange
“Mr. Ko”	Mr. Ko Chun Hay Kelvin (高浚晞), the sole legal and beneficial shareholder and the sole director of the Offeror
“Mr. Yung”	Mr. Yung On Wah (翁安華), an executive Director, and the sole legal and beneficial shareholder and the sole director of the Vendor
“Offer”	a mandatory unconditional cash offer made by Somerley for and on behalf of the Offeror to acquire all of the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it (excluding the Excluded Shares) in accordance with the Takeovers Code
“Offer Period”	the period commencing from 22 October 2018, being the date of the Joint Announcement until the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer is being made, being HK\$0.5038 per Offer Share
“Offer Share(s)”	the issued Share(s), other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror” or “Greatly Success”	Greatly Success Investment Trading Limited (大德投資貿易有限公司), a company incorporated in the Republic of Seychelles on 17 August 2016 with limited liability and is wholly owned by Mr. Ko
“Overseas Independent Shareholder(s)”	Independent Shareholder(s) whose address(es) as stated in the register of members of the Company is/are outside Hong Kong

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Registrar”	Union Registrars Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Relevant Period”	the period commencing on 22 April 2018, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Sale Shares”	140,000,000 Shares sold by the Vendor to the Offeror pursuant to the terms of the Share Purchase Agreement, and a “Sale Share” means any of them
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 22 July 2017
“Share Purchase Agreement”	the share purchase agreement dated 21 October 2018 entered into among the Vendor, the Offeror and the Guarantor in relation to the sale and purchase of the Sale Shares
“Shareholder(s)”	holder(s) of the issued Share(s)

DEFINITIONS

“Somerley”	Somerley Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and acting as the financial adviser to the Offeror in respect of the Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“Vendor”	Superior Ace Investments Limited (佳優投資有限公司), a company incorporated in the British Virgin Islands on 5 July 2016 with limited liability and is wholly owned by Mr. Yung
“%”	per cent

LETTER FROM SOMERLEY



SOMERLEY CAPITAL LIMITED

20th Floor

China Building

29 Queen's Road Central

Hong Kong

28 December 2018

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
GREATLY SUCCESS INVESTMENT TRADING LIMITED
FOR ALL THE ISSUED SHARES OF
GOLDEN FAITH GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND AGREED TO BE
ACQUIRED BY GREATLY SUCCESS INVESTMENT TRADING LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Share Purchase Agreement, the Offer and the Irrevocable Undertakings.

Immediately prior to Completion, the Offeror and the parties acting in concert with it (excluding the Vendor) were in aggregate interested in a total of 160,000,000 Shares, representing approximately 29.63% of the total issued share capital of the Company as at the date of the Joint Announcement. Immediately after Completion, which took place immediately upon signing of the Share Purchase Agreement and as at the Latest Practicable Date, the Offeror and parties acting in concert with it (excluding the Vendor) were in aggregate interested in a total of 300,000,000 Shares, representing approximately 55.56% of the total issued share capital of the Company as at the Latest Practicable Date.

Upon Completion, the Offeror is required under Rule 26.1 of the Takeovers Code to make the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

LETTER FROM SOMERLEY

This letter forms part of this Composite Document and sets out, among other things, details of the Offer, information on the Offeror, and the Offeror's intentions in relation to the Company. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance. The Independent Shareholders are strongly advised to carefully consider the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Independent Financial Adviser", the appendices to this Composite Document and the accompanying Form of Acceptance, and to consult their own professional advisers before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Somerley, for and on behalf of the Offeror, hereby makes the Offer to all Independent Shareholders to acquire the Offer Shares on the following basis:

For each Offer Share HK\$0.5038 in cash

The Offer Price is the same as the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreement. As set out in the Joint Announcement, the purchase price per Sale Share was agreed between the Offeror and the Vendor after arm's length negotiations, taking into account (i) the then financial performance and business outlook of the Group; and (ii) the then prevailing market prices of the Shares. The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and acquired free from all Encumbrances and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document.

Further details of the terms of the Offer and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Offer Price

The Offer Price of HK\$0.5038 per Offer Share represents:

- (i) a premium of approximately 8.3% over the closing price of HK\$0.465 per Share quoted on the Stock Exchange on 19 October 2018, being the Last Trading Day;

LETTER FROM SOMERLEY

- (ii) a premium of approximately 6.7% over the average closing price of approximately HK\$0.472 per Share quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 6.0% over the average closing price of approximately HK\$0.476 per Share quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 0.9% to the average closing price of approximately HK\$0.509 per Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 4.9% to the closing price of HK\$0.53 per Share quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 46.0% over the audited consolidated net assets attributable to owners of the Company per Share of approximately HK\$0.345 as at 30 September 2018, calculated based on the Group's audited consolidated net assets attributable to owners of the Company of approximately HK\$186,482,000 as at 30 September 2018 and 540,000,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period:

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.85 per Share on 30 April 2018; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.46 per Share on 11 and 12 October 2018.

Irrevocable Undertakings

As at the Latest Practicable Date, Mr. Cheung Kam Fai held 40,480,000 Shares (representing approximately 7.50% of the issued share capital of the Company as at the Latest Practicable Date). Mr. Cheung Kam Fai has given an irrevocable undertaking in favour of the Offeror, pursuant to which he has undertaken that he (i) shall not accept the Offer in respect of the 40,000,000 Shares held by him as at the date of such undertaking; and (ii) shall not sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such Shares and/or otherwise make such Shares available for acceptance for the Offer.

LETTER FROM SOMERLEY

As at the Latest Practicable Date, the Vendor held 32,500,000 Shares (representing approximately 6.02% of the issued share capital of the Company as at the Latest Practicable Date). The Guarantor has given an irrevocable undertaking in favour of the Offeror, pursuant to which he has undertaken that he (i) shall not accept or procure the acceptance by the Vendor of the Offer in respect of these 32,500,000 Shares; (ii) will procure that the Vendor shall not, sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over these Shares and/or otherwise make these Shares available for acceptance for the Offer; and (iii) will not dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over the shares in the Vendor held by him.

The Irrevocable Undertakings will remain effective unless the Offer lapses or is withdrawn. Save for disclosed above, there are no other circumstances under which the Irrevocable Undertakings may cease to be binding.

Value of the Offer

As at the Latest Practicable Date, there were 540,000,000 Shares in issue and the Company did not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. The Company also had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares as at the Latest Practicable Date.

Excluding (a) the Excluded Shares held by the Vendor and Mr. Cheung Kam Fai which will not be tendered for acceptance of the Offer pursuant to the Irrevocable Undertakings; and (b) 300,000,000 Shares held by the Offeror and parties acting in concert with it (excluding the Vendor) as at the Latest Practicable Date, the number of Shares subject to the Offer is 167,500,000 Shares. In the event the Offer is accepted in full, the maximum amount payable by the Offeror under the Offer will be HK\$84,386,500, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

Confirmation of financial resources

The Offeror intends to finance the Offer with its own internal financial resources.

Somerley, as the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror in respect of full acceptance of the Offer.

LETTER FROM SOMERLEY

Condition to the Offer

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of the Shares or any other conditions.

Effect of accepting the Offer

Acceptance of the Offer will constitute a warranty to the Offeror by each person accepting it that the Shares acquired under the Offer and sold by such person are free from all Encumbrances and are sold together with all rights attaching to them, including all rights to any dividend or other distribution declared, made, or paid on or after the date on which the Offer is made.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Overseas Independent Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Independent Shareholders. As the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions, the Overseas Independent Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders for any taxes as such persons may be required to pay.

LETTER FROM SOMERLEY

Any acceptance by any Overseas Independent Shareholders and overseas beneficial owners of the Shares will be deemed to constitute a representation and warranty from such Overseas Independent Shareholders or overseas beneficial owners of the Shares, as applicable, to the Offeror that the local laws and requirements have been complied with. Overseas Independent Shareholders and overseas beneficial owners of the Shares should consult their own professional advisers if in doubt.

Stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Procedures for acceptance

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Offer.

The duly completed and signed Form of Acceptance, should be sent by post or by hand, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, marked "Golden Faith Group Holdings Limited — Offer" on the envelope, in any event not later than 4:00 p.m., on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is drawn to "Further terms and procedures of acceptance of the Offer" as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM SOMERLEY

Settlement of the Offer

Remittances in respect of the cash consideration for the Offer Shares tendered under the Offer will be despatched to the accepting Shareholder(s) (to the address specified on the relevant Shareholder's Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder (as the case may be) who accepts the Offer will be rounded up to the nearest cent.

Nominee registration

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

Taxation advice

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the Republic of Seychelles with limited liability on 16 August 2016, which is principally engaged in investment holding. Other than the 300,000,000 Shares held by the Offeror, the Offeror did not have any other investments as at the Latest Practicable Date. The sole shareholder and director of the Offeror is Mr. Ko. The biography of Mr. Ko is set out in the section headed "Intentions of the Offeror in relation to the Group" below.

LETTER FROM SOMERLEY

INFORMATION ON THE GROUP

Your attention is drawn to the sections headed “Information on the Group” in the “Letter from the Board” as set out on pages 17 to 23 of this Composite Document.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Business

Following the close of the Offer, the Offeror intends to continue the existing principal business of the Group which is the provision of electrical and mechanical (E&M) engineering services in Hong Kong and will conduct a detailed review of the business operations and financial position of the Group for the purposes of developing a sustainable business development strategy for the Group. Subject to the results of this review, and should any appropriate investment or business opportunities arise in the future which may be beneficial to the Group’s development of its principal business, the Offeror may seek to expand the geographical coverage of the principal business of the Group in addition to the market of Hong Kong, and refine the business of the Group with a view to increasing its sources of income (such as integrating the Group’s business in the fields of electrical and mechanical (E&M) engineering and construction), as well as enhancing returns for the Shareholders as a whole. For the avoidance of doubt, however, the Offeror had not entered into any agreement, arrangements, understandings, intention or negotiation regarding any potential investment or business opportunities, nor with respect to any change in the business of the Group as a whole as at the Latest Practicable Date.

Save for the Offeror’s intention regarding the Group as set out above, the Offeror has no intention to make material changes to the business of the Group, to discontinue the employment of any employees (save for the proposed changes to the Board as set out below) or to dispose of or re-deploy any fixed assets of the Group other than those in its ordinary course of business.

Proposed change to the board composition of the Company

The Board is currently made up of seven Directors, comprising three executive Directors and four independent non-executive Directors. The Offeror intends to nominate Mr. Ko as an executive Director and a new candidate as a non-executive Director with effect from a date on or after the earliest time permitted under the Takeovers Code. It is intended that Mr. Yung shall be re-designated as a non-executive Director and each of Mr. Pu Li Wei and Ir. Yan Wai Yan be resigned as an executive Director and an independent non-executive Director, respectively with effect from the earliest time permitted under the Takeovers Code (i.e. the Closing Date). It is also intended that Mr. Yung shall continue to be the Chairman of the Board. The biography of Mr. Ko is set out below:

LETTER FROM SOMERLEY

Mr. Ko

Mr. Ko, aged 55, holds a Master of Science in Finance from the City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, and an associate member of the Chartered Institute of Management Accountants. Since October 2016, Mr. Ko has been appointed as an executive director of Super Strong Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8262) which operates as a main contractor in Hong Kong's construction industry, which is similar to the principal business of the Group. Mr. Ko was the chairman and an executive director of Brilliance Worldwide Holdings Limited (now known as China Hanya Group Holdings Limited) (a company listed on GEM of the Stock Exchange, stock code: 8312), which is an investment holding company principally engaged in the distribution of apparels, from March 2011 to May 2016.

Saved as disclosed above, as at the Latest Practicable Date, there was no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the proposed appointment of Mr. Ko as an executive Director that need to be brought to the attention of the Shareholders.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made accordingly.

The Offeror considers that the new Board will continue the business development of the Group and develop an appropriate development plan after the close of the Offer, which is expected to preserve and generate value of the Company in the long run.

Maintaining the listing status of the Company

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

Mr. Ko, being the sole director of the Offeror and a new director to be appointed to the Board, has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. Further announcement(s) will be issued as and when necessary in this regard.

LETTER FROM SOMERLEY

COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired pursuant to the Offer after the close of the Offer.

GENERAL

All documents and remittances in respect of cash consideration payable for the Offer Shares tendered under the Offer will be sent to the accepting Shareholders by ordinary post at such Shareholder's own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or in the case of joint Shareholders, to the Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of the Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offer will be responsible for any loss in postage or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" contained in this Composite Document.

Yours faithfully,
For and on behalf of
Somerley Capital Limited
M. N. Sabine
Chairman

LETTER FROM THE BOARD

GOLDEN FAITH GROUP HOLDINGS LIMITED

高豐集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2863)

Executive Directors:

Mr. Yung On Wah (*Chairman*)
Mr. Li Kar Fai, Peter
Mr. Pu Li Wei

Principal Place of Business in Hong Kong:

Room 205, Sun Fung Centre
88 Kwok Shui Road
Tsuen Wan, New Territories
Hong Kong

Independent non-executive Directors:

Mr. Chan Cho Chak
Mr. Chan Wing Fai
Ir. Yan Wai Yan
Mr. Yeung Wai Lung

Registered office in the Cayman Islands:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

28 December 2018

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
GREATLY SUCCESS INVESTMENT TRADING LIMITED
FOR ALL THE ISSUED SHARES OF
GOLDEN FAITH GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND AGREED TO BE
ACQUIRED BY GREATLY SUCCESS INVESTMENT TRADING LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Share Purchase Agreement, the Offer and the Irrevocable Undertakings.

Immediately prior to Completion, the Offeror and the parties acting in concert with it (excluding the Vendor) were in aggregate interested in a total of 160,000,000 Shares, representing approximately 29.63% of the total issued share capital of the Company as at the date of the Joint Announcement. Immediately after Completion which took place immediately upon signing of the Share Purchase Agreement and as at the Latest Practicable Date, the Offeror and parties acting in concert with it (excluding the Vendor) are in aggregate interested in a total of 300,000,000 Shares, representing approximately 55.56% of the total issued share capital of the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

Upon Completion, the Offeror is required under Rule 26.1 of the Takeovers Code to make the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

As at the Latest Practicable Date, there were 540,000,000 Shares in issue and the Company did not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. The Company also had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares as at the Latest Practicable Date.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) further information relating to the Group, the Offeror and the Offer; (ii) the “Letter from Somerley” containing details of the Offer; (iii) the “Letter from the Independent Board Committee” containing its recommendation to the Independent Shareholders in relation to the Offer; and (iv) the “Letter from the Independent Financial Adviser” containing its advice to the Independent Board Committee on whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and on acceptance in respect of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Chan Cho Chak, Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The Company has appointed Opus Capital as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer, in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in this Composite Document. **You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

LETTER FROM THE BOARD

THE OFFER

As disclosed in the “Letter from Somerley”, Somerley, for and on behalf of the Offeror, makes the Offer to all Independent Shareholders to acquire the Offer Shares on the following basis:

For each Offer Share HK\$0.5038 in cash

The Offer Price is the same as the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreement. As set out in the Joint Announcement, the purchase price per Sale Share was agreed between the Offeror and the Vendor after arm’s length negotiations, taking into account (i) the then financial performance and business outlook of the Group; and (ii) the then prevailing market prices of the Shares. The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and acquired free from all Encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document.

The Offer is unconditional in all respects and is not conditional upon acceptances being received in respect of a minimum number of the Shares or any other conditions.

Further details regarding the Offer, including the terms and procedures for acceptance of the Offer, are set out in the “Letter from Somerley” of this Composite Document and “Further terms and procedures of acceptance of the Offer” as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

IRREVOCABLE UNDERTAKINGS

As at the Latest Practicable Date, Mr. Cheung Kam Fai held 40,480,000 Shares (representing approximately 7.50% of the issued share capital of the Company as at the Latest Practicable Date). Mr. Cheung Kam Fai has given an irrevocable undertaking in favour of the Offeror, pursuant to which he has undertaken that he (i) shall not accept the Offer in respect of the 40,000,000 Shares held by him as at the date of such undertaking; and (ii) shall not sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such Shares and/or otherwise make such Shares available for acceptance for the Offer.

As at the Latest Practicable Date, the Vendor held 32,500,000 Shares (representing approximately 6.02% of the issued share capital of the Company as at the Latest Practicable Date). The Guarantor has given an irrevocable undertaking in favour of the Offeror, pursuant to which he

LETTER FROM THE BOARD

has undertaken that he (i) shall not accept or procure the acceptance by the Vendor of the Offer in respect of these 32,500,000 Shares; (ii) will procure that the Vendor shall not, sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over these Shares and/or otherwise make these Shares available for acceptance for the Offer; and (iii) will not dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over the shares in Vendor held by him.

The Irrevocable Undertakings will remain effective unless the Offer lapses or is withdrawn. Save for disclosed above, there are no other circumstances under which the Irrevocable Undertakings may cease to be binding.

INFORMATION ON THE GROUP

Principal activities

The Company was incorporated in the Cayman Islands with limited liability and the Shares have been listed on the Main Board since 11 August 2017. The Group is principally engaged in the provision of electrical and mechanical (E&M) engineering services in Hong Kong.

Financial Information

Set out below is a summary of the financial information of the Group for the three financial years ended 30 September 2018, 2017 and 2016, which is extracted from the 2017 annual report of the Company, and the annual results announcement of the Company for the financial year ended 30 September 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

	For the year ended 30 September		
	2018	2017	2016
	(audited)	(audited)	(audited)
	(HKD'000)	(HKD'000)	(HKD'000)
Revenue	375,023	308,008	192,139
Profit before taxation	32,872	30,037	36,335
Profit after taxation and attributable to owners of the Company	27,125	22,363	29,413

The audited consolidated total equity of the Group was approximately HK\$186,482,000, HK\$159,357,000 and HK\$78,366,000 as at 30 September 2018, 2017 and 2016, respectively.

LETTER FROM THE BOARD

Further details of the financial information of the Group are set out in Appendix II to this Composite Document.

Shareholding structure of the Company

As at the Latest Practicable Date, there were 540,000,000 Shares in issue, details of which are set out in the section headed “2. Share capital of the Company” in Appendix III to this Composite Document.

The shareholding structure of the Company as at the Latest Practicable Date was as follows:

Shareholders	As at the Latest Practicable Date	
	<i>No. of Shares</i>	<i>Approximate %</i>
	<i>(Note 1)</i>	
The Offeror and parties acting in concert with it (excluding the Vendor)	300,000,000	55.56
The Vendor	32,500,000	6.02
Fast Upward Investment Development Limited <i>(Note 2)</i>	32,500,000	6.02
Sub-total	365,000,000	67.60
Public Shareholders		
Mr. Cheung Kam Fai	40,480,000	7.50
Other public Shareholders	134,520,000	24.90
Total	540,000,000	100.00

Notes:

- (1) Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- (2) Fast Upward Investment Development Limited is wholly owned by Mr. Pu Li Wei, an executive Director, who is deemed to be interested in such 32,500,000 Shares under the SFO.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial and general information of the Group.

LETTER FROM THE BOARD

INFORMATION ON THE OFFEROR AND INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the sections headed “Information on the Offeror” and “Intentions of the Offeror in relation to the Group” in the “Letter from Somerley” of this Composite Document.

The Board takes note of the intention of the Offeror in respect of the Company as disclosed and is willing to render reasonable co-operation with the Offeror which is in the interests of the Company and the Shareholders as a whole.

Proposed change to the Board composition of the Company

Your attention is drawn to the section headed “Proposed change to the board composition of the Company” in the “Letter from Somerley” of this Composite Document.

It is noted that the Offeror intended to nominate Mr. Ko as an executive Director and a new candidate as a non-executive Director with effect from a date on or after the earliest time permitted under the Takeovers Code. It is also noted that Mr. Yung shall be re-designated as a non-executive Director and each of Mr. Pu Li Wei and Ir. Yan Wai Yan be resigned as an executive Director and an independent non-executive Director, respectively with effect from the earliest time permitted under the Takeovers Code (i.e. the Closing Date). It is also intended that Mr. Yung shall continue to be the Chairman of the Board.

It is noted that the Offeror has no intention to make material changes to the existing operating and management structure of the Group or to terminate the employment of any employee of the Group (save for the proposed changes of the composition of the Board). The Board is pleased to note that the Offeror has no intention to make significant changes to the employment of the employees of the Group.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made accordingly.

Maintaining the listing status of the Company

Your attention is drawn to the section headed “Maintaining the listing status of the Company” in the “Letter from Somerley” of this Composite Document.

LETTER FROM THE BOARD

COMPULSORY ACQUISITION

As stated in the “Letter from Somerley”, the Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired pursuant to the Offer after the close of the Offer.

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 24 to 25 of this Composite Document, which contains its recommendation to the Independent Shareholders in respect of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 26 to 49 of this Composite Document, which contains, among other things, its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it before arriving at its recommendation. **The Independent Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.**

ADDITIONAL INFORMATION

You are also advised to read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is drawn to the additional information contained in the appendices to this Composite Document.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,
By order of the Board
Golden Faith Group Holdings Limited
Yung On Wah
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

GOLDEN FAITH GROUP HOLDINGS LIMITED

高豐集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2863)

28 December 2018

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
GREATLY SUCCESS INVESTMENT TRADING LIMITED
FOR ALL THE ISSUED SHARES OF
GOLDEN FAITH GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND AGREED TO BE
ACQUIRED BY GREATLY SUCCESS INVESTMENT TRADING LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

We refer to Composite Document dated 28 December 2018 issued jointly by the Offeror and the Company of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed to form the Independent Board Committee to consider the terms of the Offer and to give recommendation to the Independent Shareholders as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as they are concerned and as to the acceptance of the Offer. Opus Capital has been appointed as the Independent Financial Adviser to advise us in this respect. Details of its advice and the principal factors and reasons taken into consideration in arriving at its advice are set out in the “Letter from the Independent Financial Adviser” on pages 26 to 49 of the Composite Document.

We also wish to draw your attention to the “Letter from the Board”, the “Letter from Somerley” and the additional information set out in the appendices to the Composite Document.

We, being the members of the Independent Board Committee, have declared that, we are independent and do not have any conflict of interest in respect of the Offer and are therefore able to consider the terms of the Offer and to make recommendation to the Independent Shareholders.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having considered the terms of the Offer and the advice from Independent Financial Adviser, in particular the principal factors and reasons as well as the recommendation sections as set out in the “Letter from the Independent Financial Adviser”, we concur with the view of the Independent Financial Adviser and consider that the terms of the Offer to be fair and reasonable so far as the Independent Shareholders are concerned, and recommend the Independent Shareholders to accept the Offer.

Notwithstanding our recommendation, the Independent Shareholders are reminded that their decision to realise or to hold their investment in the Company depends on their own individual circumstances and investment objectives. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,

For and on behalf of the

Independent Board Committee

Mr. Chan Cho Chak	Mr. Chan Wing Fai	Ir. Yan Wai Yan	Mr. Yeung Wai Lung
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Opus Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of inclusion in this Composite Document.



18th Floor, Fung House
19-20 Connaught Road Central
Central, Hong Kong

28 December 2018

To: The Independent Board Committee of Golden Faith Group Holdings Limited

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY SOMERLEY CAPITAL LIMITED
FOR AND ON BEHALF OF GREATLY SUCCESS INVESTMENT TRADING LIMITED
FOR ALL THE ISSUED SHARES OF GOLDEN FAITH GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND
AGREED TO BE ACQUIRED BY GREATLY SUCCESS INVESTMENT
TRADING LIMITED AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee in connection with the Offer. Details of the Offer are set out in the Composite Document dated 28 December 2018, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Reference is made to the Joint Announcement. On 21 October 2018, the Vendor, the Offeror and the Guarantor entered into the Share Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares, representing approximately 25.93% of the total issued share capital of the Company as at the date of the Joint Announcement. Completion of the Share Purchase Agreement took place immediately upon the signing of the Share Purchase Agreement on 21 October 2018.

As at the Latest Practicable Date, the Company had 540,000,000 Shares in issue. Save for the aforesaid, the Company had no other outstanding securities, options, derivatives or warrants which were convertible or exchangeable into Shares or other types of equity interest or which confer

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

rights to require the issue of Shares, and had not entered into any agreement for the issue of such securities, options, derivatives or warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into Shares as at the Latest Practicable Date.

Immediately prior to Completion, the Offeror and the parties acting in concert with it (excluding the Vendor) were in aggregate interested in a total of 160,000,000 Shares (representing approximately 29.63% of the total issued share capital of the Company as at the date of the Joint Announcement). Immediately after Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it (excluding the Vendor) were in aggregate interested in a total of 300,000,000 Shares, representing approximately 55.56% of the total issued share capital of the Company as at the Latest Practicable Date.

Following Completion, the Offeror is required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all of the issued Shares not already owned or agreed to be acquired by it and parties acting in concert with it.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Chan Cho Chak, Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Our appointment as the Independent Financial Adviser to advise the Independent Board Committee has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any significant connection, financial or otherwise, with the Company, the Vendor, the Guarantor, the Offeror or any of their respective connected persons, or any party acting, or presumed to be acting, in concert with any of them, which would create or likely to create the perception of a conflict of interest or reasonably likely to affect the objectivity of our advice. During the past two years, apart from normal independent financial advisory fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, the Vendor, the Guarantor, the Offeror or any of their respective connected persons, or any party acting, or presumed to be acting, in concert with any of them that could reasonably be regarded as relevant to our independence. We therefore consider ourselves suitable to give independent advice to the Independent Board Committee in respect of the Offer pursuant to Rule 2.6 of the Takeovers Code and Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee, we have reviewed, amongst other things:

- (i) the Joint Announcement;
- (ii) the Company's annual results announcement for the year ended 30 September ("FY") 2018 (the "**2018 Annual Results Announcement**");
- (iii) the Company's annual report for FY2017 (the "**2017 Annual Report**"); and
- (iv) other information as set out in the Composite Document.

We have also discussed with and reviewed the information provided to us by the Company, the Directors and the management of the Group (collectively, the "**Management**") regarding the business and outlook of the Group.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations made to us by the Management. We have assumed that all information and representations contained or referred to in the Composite Document and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date pursuant to Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Composite Document were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any such statement contained in the Composite Document misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee solely in connection with and/or for their consideration of the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL TERMS OF THE OFFER

Somerley, as the financial adviser to the Offeror, is making the Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms set out in the Composite Document on the following basis:

1. The Offer

For each Offer Share HK\$0.5038 in cash

The Offer Price is the same as the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreement. As set out in the Joint Announcement, the purchase price per Sale Share was agreed between the Offeror and the Vendor after arm's length negotiations, taking into account (i) the then financial performance and business outlook of the Group; and (ii) the then prevailing market prices of the Shares. The Offer is extended to all Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and acquired free from all Encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

The Offer is unconditional in all aspects.

2. Irrevocable Undertakings

As at the Latest Practicable Date, Mr. Cheung Kam Fai held 40,480,000 Shares (representing approximately 7.50% of the issued share capital of the Company as at the Latest Practicable Date). Mr. Cheung Kam Fai has given an irrevocable undertaking in favour of the Offeror, pursuant to which he has undertaken that he: (i) shall not accept the Offer in respect of the 40,000,000 Shares

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

held by him as at the date of such undertaking; and (ii) shall not sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over such Shares and/or otherwise make such Shares available for acceptance for the Offer.

As at the Latest Practicable Date, the Vendor held 32,500,000 Shares (representing approximately 6.02% of the issued share capital of the Company as at the Latest Practicable Date). Mr. Yung, who is the sole shareholder of the Vendor, has given an irrevocable undertaking in favour of the Offeror, pursuant to which he has undertaken that he: (i) shall not accept or procure the acceptance by the Vendor of the Offer in respect of these 32,500,000 Shares; (ii) will procure that the Vendor shall not sell, transfer or otherwise dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over these Shares and/or otherwise make these Shares available for acceptance for the Offer; and (iii) will not dispose of, or charge, pledge or otherwise encumber, or grant any option or other right over the shares in the Vendor held by him.

The Irrevocable Undertakings will remain effective unless the Offer lapses or is withdrawn. Save for disclosed above, there are no other circumstances under which the Irrevocable Undertakings may cease to be binding.

3. Value of the Offer

Excluding: (a) the Excluded Shares held by the Vendor and Mr. Cheung Kam Fai which will not be tendered for acceptance of the Offer pursuant to the Irrevocable Undertakings; and (b) 300,000,000 Shares held by the Offeror and parties acting in concert with it (excluding the Vendor) as at the Latest Practicable Date, the number of Shares subject to the Offer was 167,500,000 Shares. In the event the Offer is accepted in full, the maximum amount payable by the Offeror under the Offer is HK\$84,386,500, assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the Offer, we have considered the following principal factors and reasons:

1. Business, financial performance and prospects of the Group

A. Business of the Group

The Company was incorporated in the Cayman Islands with limited liability and the Shares have been listed on the Main Board since 11 August 2017 (the “**Listing**”). The Group is principally engaged in the provision of electrical and mechanical (“**E&M**”) engineering services in Hong Kong, including electrical and extra-low voltage system works for both the private and public sectors. The Group acts as subcontractor for E&M works and main contractor for two maintenance projects. The Group’s projects comprise services provided to or works carried out at hospitals, government offices and museums.

B. Financial information of the Group

Set forth below is a summary of the audited consolidated financial information of the Group for FY2016, FY2017 and FY2018 as extracted from the 2017 Annual Report and the 2018 Annual Results Announcement:

Table 1: Audited financial information of the Group

	FY2018	FY2017	FY2016
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	375,023	308,008	192,139
Gross profit	53,030	58,485	46,837
Profit before tax	32,872	30,037	36,335
Profit attributable to the Shareholders	27,125	22,363	29,413
<i>Gross profit margin</i>	<i>14.1%</i>	<i>19.0%</i>	<i>24.4%</i>
<i>Net profit margin</i>	<i>7.2%</i>	<i>7.3%</i>	<i>15.3%</i>

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	As at 30 September		
	2018	2017	2016
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Non-current assets	3,119	3,247	5,841
Current assets	231,623	216,934	126,669
Current liabilities	47,412	59,881	53,401
Net current assets	184,211	157,053	73,268
Non-current liabilities	848	943	743
Net asset value (the “NAV”) attributable to the Shareholders	186,482	159,357	78,366

Sources: the 2018 Annual Results Announcement and the 2017 Annual Report

(i) FY2017

In FY2017, the Group recorded total revenue of approximately HK\$308.0 million, representing an increase of approximately HK\$115.9 million or approximately 60.3% compared to the total revenue of approximately HK\$192.1 million recorded in FY2016. Such increase was mainly attributable to: (i) an increase in revenue from work completed for projects in progress brought forward from FY2016; and (ii) one new project which commenced during FY2017 with revenue of approximately HK\$7.5 million. The Group also recorded gross profit of approximately HK\$58.5 million in FY2017, representing an increase of approximately HK\$11.7 million or 25.0% compared to gross profit in FY2016 of approximately HK\$46.8 million. The Group recorded a decrease in gross profit margin from approximately 24.4% in FY2016 to approximately 19.0% in FY2017 as a result of the completion of projects with higher average gross profit margins in FY2016.

In FY2017, the Group recorded net profit attributable to the Shareholders of approximately HK\$22.4 million, representing a decrease of approximately HK\$7.0 million or 23.8% compared to that of approximately HK\$29.4 million in FY2016. The reduction was mainly attributable to the one-off listing expenses of approximately HK\$14.2 million (FY2016: HK\$0.7 million) incurred for the Listing. The Group’s net profit before the non-recurring listing expenses in FY2017 was approximately HK\$36.6 million, representing an increase of approximately HK\$5.5 million or 17.7% compared to that of approximately HK\$31.1 million in FY2016 (after adjustment of listing expenses).

The total assets of the Group increased by approximately HK\$87.7 million or 66.2% from approximately HK\$132.5 million as at 30 September 2016 to approximately HK\$220.2 million as at 30 September 2017. The significant increase was the receipt of net proceeds of approximately

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HK\$71.6 million from the Listing. The total liabilities of the Group also increased by approximately HK\$6.7 million or 12.4% from approximately HK\$54.1 million as at 30 September 2016 to approximately HK\$60.8 million as at 30 September 2017. The moderate increase in liabilities was mainly attributable to payables and amount due to customers for contract work. The NAV attributable to the Shareholders increased by approximately HK\$81.0 million or 103.3% from approximately HK\$78.4 million as at 30 September 2016 to approximately HK\$159.4 million as at 30 September 2017, as a result of the net effects arising from the above.

(ii) FY2018

In FY2018, the Group recorded total revenue of approximately HK\$375.0 million, representing an increase of approximately HK\$67.0 million or approximately 21.8% compared to the total revenue of approximately HK\$308.0 million recorded in FY2017. Such increase was mainly attributable to, among others, the net effect of: (i) an increase in revenue from projects in progress brought forward; and (ii) a decrease in revenue from completed projects brought forward, from FY2017. The Group also recorded gross profit of approximately HK\$53.0 million in FY2018, representing a decrease of approximately HK\$5.5 million or 9.4% compared to gross profit in FY2017 of approximately HK\$58.5 million. The Group recorded a decrease in gross profit margin from approximately 19.0% in FY2017 to approximately 14.1% in FY2018 as a result of the low gross profit ratio from government offices projects ranging from 5.0% to 15.0%. Net of listing expenses, the net profit attributable to the Shareholders increased from approximately HK\$22.4 million in FY2017 to approximately HK\$27.1 million in FY2018, representing an increase of approximately HK\$4.7 million or 21.0% compared to the previous year. Nevertheless, by adding back the listing expenses incurred in FY2017 of approximately HK\$14.2 million (FY2018: nil), the Company recorded a reduced net profit attributable to the Shareholders from approximately HK\$36.6 million in FY2017 to approximately HK\$27.1 million in FY2018, representing a drop of approximately HK\$9.5 million or 26.0%.

The total assets of the Group increased by approximately HK\$14.5 million or 6.6% from approximately HK\$220.2 million as at 30 September 2017 to approximately HK\$234.7 million as at 30 September 2018. The total liabilities of the Group decreased by approximately HK\$12.5 million or 20.6% from approximately HK\$60.8 million as at 30 September 2017 to approximately HK\$48.3 million as at 30 September 2018. The decrease in liabilities was mainly attributable to: (i) the reduction of the amount due to customers for contract work; and (ii) the settlement of the amount due to a shareholder. Owing to above, the NAV attributable to the Shareholders increased by approximately HK\$27.1 million or 17.0% from approximately HK\$159.4 million as at 30 September 2017 to approximately HK\$186.5 million as at 30 September 2018.

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(iii) Analysis

Although the revenue of the Group has been increasing since FY2016, the taking up of new government offices projects and other lower gross profit margin projects have continuously squeezed the Group's gross profit margin.

It is worth noting that the Company has published inside information announcements on 23 August 2018 and 18 October 2018 (the "**Termination Announcements**") in respect of the termination (the "**Termination**") of employment of Hsin Chong Construction Company Limited ("**HCC**") by the West Kowloon Cultural District Authority (the "**Authority**") in respect of the M+ Museum construction project (the "**M+ Project**") in the West Kowloon Cultural District of Hong Kong. The Termination is of significance to the Company as the Group provides electrical works services as a subcontractor to an associate of HCC for the M+ Project, which is regarded as one of the key projects of the Group for FY2018 and FY2019. The first of the Termination Announcements dated 23 August 2018 stated that should the Termination be concluded and the subcontracting to the Company be validly terminated, the recoverability of the relevant trade and retention receivables of the Group may be adversely affected. Subsequently, as set out in the latter of the Termination Announcements dated 18 October 2018, the Board approved the Group entering into a deed of transfer and assignment on 18 October 2018 with Blue Poles Limited ("**Blue Poles**"), a wholly-owned subsidiary of the Authority, in which the Group has accepted the appointment by Blue Poles to continue its sub-contract works in the M+ Project. We also referred to the press statement (the "**Authority Press Statement**") released by the Authority on 1 November 2018, where the Authority stated that it intended to use best endeavours to ensure that the subcontractors, which the Authority did not have contractual relation with, would receive their outstanding payment for certified work done for the M+ Project. Based on the disclosures set out in the Termination Announcements and the Authority Press Statement and the discussions with the Management, we understood that the sub-contract works in the M+ Project has resumed and the recoverability of the relevant trade and retention receivables have not been adversely impacted by the Termination. We are told by the Management that should there be any major changes to the current status of the Termination which will have a material impact on the Group, the Company will release further announcement(s) in compliance with Rule 9.1 of the Takeovers Code as and when appropriate. As advised by the Management, the audited balances of trade receivable and retention receivable as at 30 September 2018 in relation to the associate of HCC for the M+ Project were approximately HK\$13.7 million and HK\$10.4 million respectively.

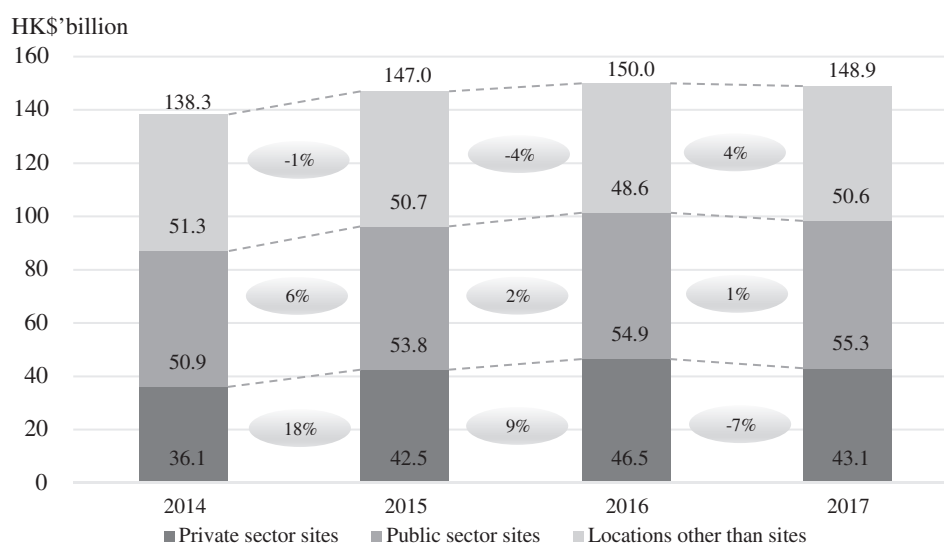
C. Business prospects of the Group

The growth of construction market in Hong Kong has been deteriorating in recent years and turned negative in 2017. According to the Census and Statistics Department of Hong Kong as shown in the chart below, the inflation adjusted gross value of construction works performed by

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main contractors rose from approximately HK\$138.3 billion in 2014 to a plateau of approximately HK\$150.0 billion in 2016, then dropped to approximately HK\$148.9 billion in 2017. Private sector sites contributed to the largest drop in terms of gross value, decreasing from approximately HK\$46.5 billion in 2016 to approximately HK\$43.1 billion in 2017, representing a decline of approximately 7.3%. The value from public sector sites, however, generally remained steady, from approximately HK\$54.9 billion in 2016 to approximately HK\$55.3 billion in 2017.

Chart 1: 2014 – 2017 gross value of construction works performed by main contractors by broad trade group in Hong Kong (at constant (2000) market prices)

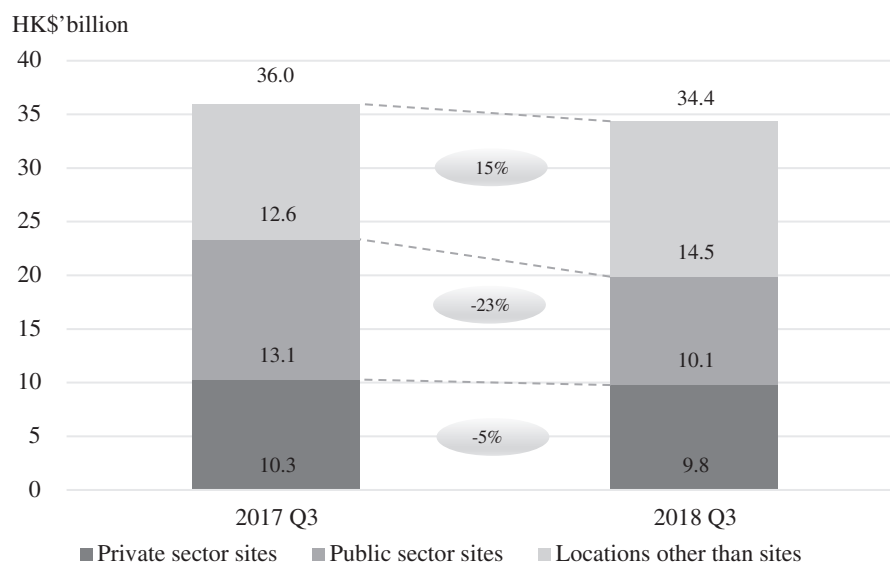


Source: the Census and Statistics Department of Hong Kong

The Hong Kong Government has also released the quarterly results up to the 3rd quarter (“Q3”) of 2018 for a more updated overview of the industry performance. As shown in the chart below, the provisional 2018 Q3 gross value of construction works performed by main contractors reached approximately HK\$34.4 billion, representing a drop of approximately 4.4% from the 2017 Q3 value at approximately HK\$36.0 billion. The gross values of construction works of both the private and public sector sites have dropped by approximately 4.9% and 22.9% respectively. With the shrinking of construction works of both the private and public sector sites, the prospects of the Group may be adversely affected.

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Chart 2: 2017 Q3 and 2018 Q3 gross value of construction works performed by main contractors by broad trade group in Hong Kong (at constant (2000) market prices)

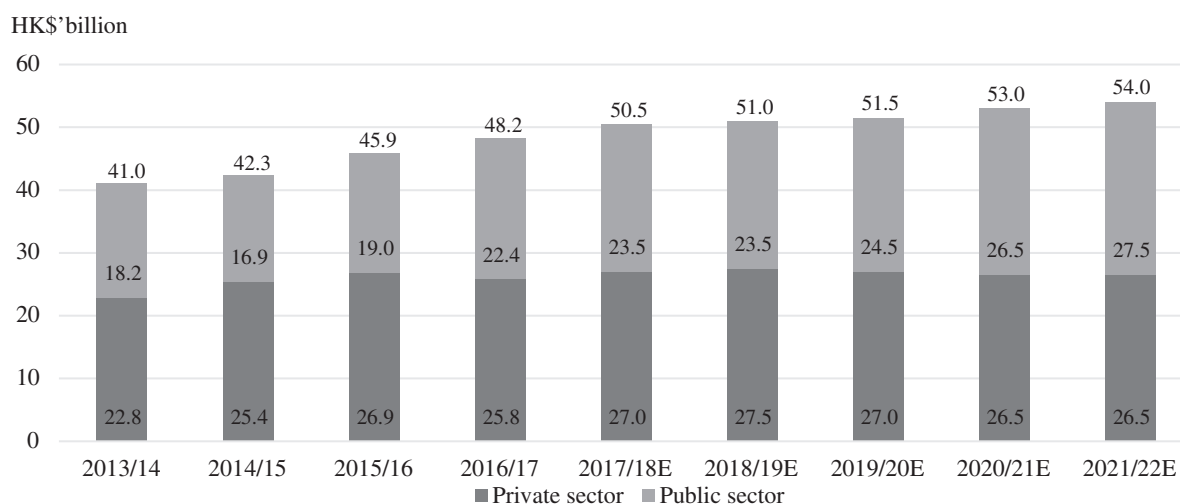


Source: the Census and Statistics Department of Hong Kong

In August 2018, the Construction Industry Council of Hong Kong released a forecast on the overall construction expenditure of Hong Kong depicted in the chart below. Based on its mid-term forecast, the average expenditure in E&M works would grow from approximately HK\$50.5 billion for 2017/18 to approximately HK\$54.0 billion for 2021/22, representing a compound annual growth rate (“CAGR”) of approximately 1.7%, which is significantly lower than a CAGR of approximately 5.3% for the 4-year period between 2013/14 of approximately HK\$41.0 billion and 2017/18. Such diminishing expected growth rate points to a saturating E&M works market in which the Group’s principal activities are based upon.

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Chart 3: Construction expenditure and forecast — E&M works in Hong Kong (2013/14–2021/22E)



Source: the Construction Industry Council of Hong Kong

In summary, the construction industry in Hong Kong may start to face a downturn after years of prosperity. Taking into account the factors as mentioned above, we are of the opinion that the future performance of the Group remains uncertain.

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2. Principal terms of the Offer

The Offer Price of HK\$0.5038 represents:

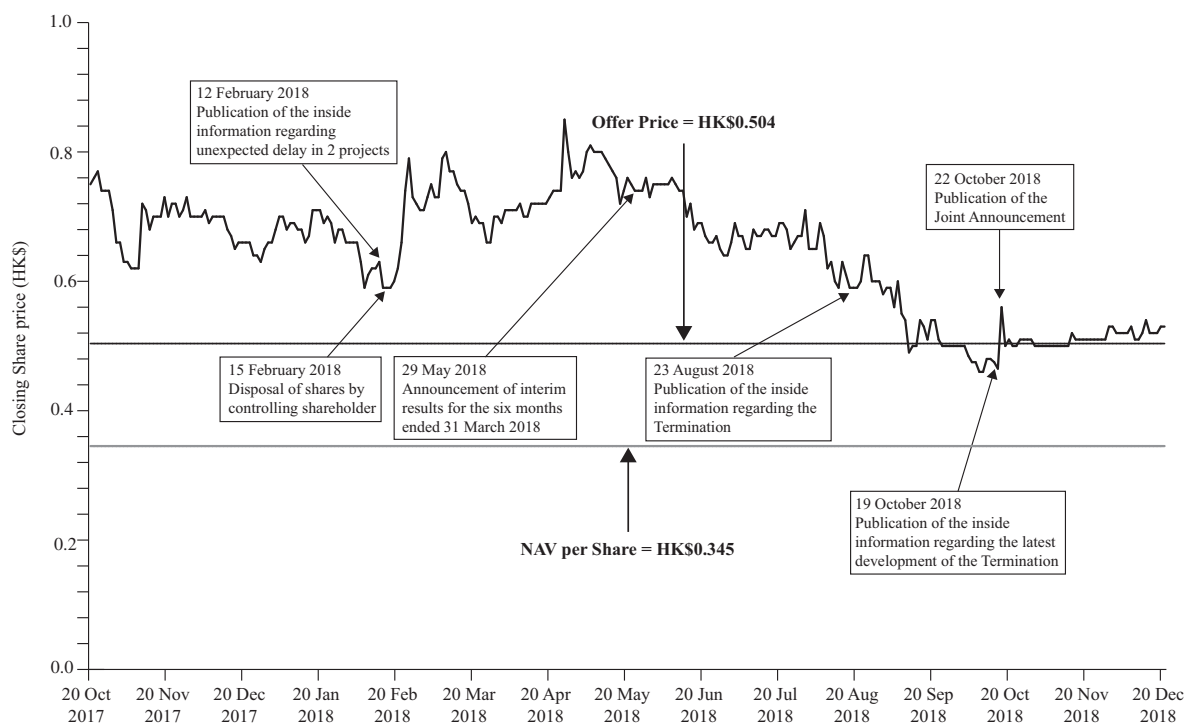
- (a) a premium of approximately 8.3% over the closing price of HK\$0.465 per Share quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 6.7% over the average closing price of approximately HK\$0.472 per Share quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 6.0% over the average closing price of approximately HK\$0.476 per Share quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a discount of approximately 0.9% to the average closing price of approximately HK\$0.509 per Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a discount of approximately 4.9% to the closing price of HK\$0.53 per Share quoted on the Stock Exchange on the Latest Practicable Date; and
- (f) a premium of approximately 46.0% over the audited consolidated NAV attributable to the Shareholders per Share of approximately HK\$0.345 as at 30 September 2018, calculated based on the Group's audited consolidated NAV attributable to the Shareholders of approximately HK\$186.5 million as at 30 September 2018 and 540,000,000 Shares in issue as at the Latest Practicable Date.

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A. Historical price performance of the Shares

Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 20 October 2017, being the twelve-month period prior to the Last Trading Day, up to and including the Latest Practicable Date (the “**Review Period**”):

Chart 4: Share price performance during the Review Period



Source: the Stock Exchange

Notes:

1. Trading in the Shares was suspended on 22 October 2018 pending the publication of the Joint Announcement.
2. NAV per Share refers to the NAV attributable to the Shareholders per share of approximately HK\$0.345 as at 30 September 2018.

As illustrated in the chart above, during the Review Period, the closing price of the Shares ranged from the lowest closing price of HK\$0.46 per Share as recorded on 11 October 2018 to the highest closing price of HK\$0.85 per Share as recorded on 30 April 2018, with an average price of approximately HK\$0.65 per Share. The Offer Price is higher than the closing price as at the Last

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Trading Day, and represents premiums of approximately 8.3% and 46.0% over the closing Share price on the Last Trading Day and the NAV per Share as at 30 September 2018 respectively and a discount of approximately 4.9% to the closing Share price as at the Latest Practicable Date.

During the period commencing from 20 October 2017 to 30 April 2018, the closing price of the Shares first demonstrated a downward trend by falling from HK\$0.75 per Share on 20 October 2017 and reached a bottom of HK\$0.59 per Share on 15 February 2018. From this date onwards and up to and including 30 April 2018, the closing price of the Shares demonstrated an upward trend and attained the highest point of HK\$0.85 per Share on 30 April 2018. We have reviewed the Share price movement during this period and noted the following notable events: (i) the release of the annual results announcement for FY2017 on 19 December 2017; (ii) the release of an inside information announcement in relation to unexpected delay in two of the Group's projects which would have a major impact to its revenue and profit on 12 February 2018; and (iii) the release of the announcement on 15 February 2018 where the Vendor disposed of approximately 14.81% of the then total issued Shares to the Offeror for a cash consideration of HK\$25,000,000.

After reaching the aforesaid highest point of HK\$0.85 per Share on 30 April 2018, the closing price of the Shares spiralled downward over the course of five months and gradually reached its lowest point at HK\$0.46 per Share on 11 October 2018. We have reviewed the Share price movement during the period commencing from 1 May 2018 to the Last Trading Day (the "**Pre-announcement Period**") and noted the following notable events: (i) the release of the interim results announcement of the Company for the six months ended 31 March 2018 on 29 May 2018; and (ii) the release of the Termination Announcements on each of 23 August 2018 and 18 October 2018. The Management is not aware of any particular reason for the declining Share price movement during the Pre-announcement Period. Apart from the abovementioned events, we note there had been a range of macro-economic events that created broader negative sentiments in the capital market worldwide including, among others, the intensifying trade war between China and the United States (the "**US**") and the US Federal Reserve raised the federal funds rate by 25 basis points, to a range of 2% to 2.25%, which was the highest recorded since April 2008. During the Pre-announcement Period, the Hang Seng Index fell by 17.0% from 30,808 on 30 April 2018 to 25,561 on the Last Trading Day.

At the request of the Company, trading in the Shares was suspended on 22 October 2018 and the Joint Announcement was published on the same day. Upon the resumption of trading in the Shares, the closing price of the Shares surged by approximately 20.4% to HK\$0.56 per Share on 23 October 2018 (being the first trading day after the publication of the Joint Announcement, the "**First Trading Day**") as compared to HK\$0.465 per Share on the Last Trading Day. The closing price of the Shares returned to HK\$0.50 per Share the next day on 24 October 2018 and, in general, traded within a narrow band of HK\$0.50 to HK\$0.54 during this period until the Latest Practicable Date. As at the Latest Practicable Date, the closing price of the Shares was HK\$0.53.

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Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the Share prices may increase or decrease from its closing price after the Latest Practicable Date.

B. Historical trading volume of the Shares

The following table sets out the trading volume of the Shares during the Review Period:

Table 2: Trading volume of the Shares during the Review Period

	Total trading volume <i>(No. of Shares)</i>	No. of trading days	Average daily trading volume	Average daily trading volume to the total number of Shares in issue <i>(Approximate %)</i> <i>(Note 1)</i>	Average daily trading volume to the number of Shares held by public Shareholders <i>(Approximate %)</i> <i>(Note 2)</i>
2017					
October (From 20 October)	7,212,000	8	901,500	0.17	0.67
November	19,674,000	22	894,273	0.17	0.66
December	6,120,000	19	322,105	0.06	0.24
2018					
January	7,656,000	22	348,000	0.06	0.26
February	7,872,000	18	437,333	0.08	0.32
March	5,721,000	21	272,429	0.05	0.20
April	6,234,000	19	328,105	0.06	0.24
May	8,493,000	21	404,429	0.07	0.30
June	3,630,000	20	181,500	0.03	0.13
July	1,254,000	21	59,714	0.01	0.04
August	2,028,000	23	88,174	0.02	0.07
September	1,758,000	19	92,526	0.02	0.07
October <i>(Note 3)</i>	50,598,000	20	2,529,900	0.47	1.87
November	20,581,000	22	935,500	0.17	0.69
December (up to the Latest Practicable Date)	5,970,000	16	373,125	0.07	0.28

Source: the Stock Exchange and Bloomberg

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Notes:

1. The calculation is based on the average of the daily trading volume of the Shares divided by the total Shares in issue in the relevant period.
2. The calculation is based on the average daily trading volume of the Shares divided by the number of Shares held by public Shareholders as in the relevant period.
3. Trading in the Shares was suspended on 22 October 2018 pending the publication of the Joint Announcement.

As illustrated in the table above, the average daily trading volume for the respective month/period during the Review Period ranged from approximately 60,000 Shares to 2,530,000 Shares, representing: (i) approximately 0.01% to approximately 0.47% of the total number of issued Shares; and (ii) approximately 0.04% to approximately 1.87% of the number of Shares held by public Shareholders.

The average daily trading volume for the first seven months (from 20 October 2017 to 30 April 2018, when the Share price fluctuated and hit its peak at HK\$0.85 on 30 April 2018) of the Review Period was approximately 468,907 Shares which was approximately 3.0 times of the average daily trading volume for the Pre-announcement Period (from 1 May 2018 to 19 October 2018) of approximately 155,410 Shares. The trading volume demonstrated a downward trend and was relatively thin in general throughout the Review Period and in particular during the Pre-announcement Period.

On the First Trading Day, the trading volume of the Shares increased to approximately 39,357,000 Shares. We believe such increase in trading volume of the Shares was likely to be the result of the market reaction to the Joint Announcement. Although the trading volume of the Shares was active on the First Trading Day, the average daily trading volume reduced to approximately 935,500 Shares and 373,125 Shares in November and December up to the Latest Practicable Date respectively, representing: (i) approximately 0.17% to approximately 0.07% of the total number of issued Shares; and (ii) approximately 0.69% to approximately 0.28% of the number of Shares held by public Shareholders.

Given the generally thin liquidity of the Shares during the Review Period, it is uncertain whether there would be sufficient liquidity in the trading of the Shares for the Independent Shareholders to dispose of a significant number of the Shares in the open market without depressing the Shares price. We therefore consider that the Offer provides the Independent Shareholders, particularly those who hold a large number of Shares, with an assured exit to dispose of part or all of their Shares at the Offer Price if they wish to.

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C. Comparison with other comparable companies

In assessing the fairness and reasonableness of the Offer Price, we attempted to compare the Offer Price against the market valuation of other comparable companies using commonly used valuation multiples including price-to-earnings ratio (“**P/E ratio**”) and price-to-book ratio (“**P/B ratio**”). We have shortlisted comparable companies (the “**Industry Comparables**”) with the following selection criteria as at the Latest Practicable Date:

- (i) listed on the Main Board;
- (ii) falls under the construction business category according to Bloomberg and money18.on.cc, a financial media website in Hong Kong owned and operated by Oriental Press Group Limited (stock code: 18). As stated in its website, Oriental Press Group is the largest press group in Hong Kong and is the owner of “Oriental Daily News” and other related online portals;
- (iii) with over 50% of its latest reported annual revenue generated from the provision of E&M works in Hong Kong; and
- (iv) with positive earnings.

Based on the above selection criteria, set out below are 5 Industry Comparables together with the relevant P/E ratios and P/B ratios, the information of which we consider, to the best of our knowledge and ability, to be an exhaustive, appropriate and representative sample for the purpose of arriving at a meaningful comparison to the Offer Price.

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Table 3: Details of the Industry Comparables

No	Company (stock code)	Company description	Market capitalisation (HK\$' million) <i>(Note 1)</i>	Net profit (HK\$' million) <i>(Note 2)</i>	NAV attributable to shareholders (HK\$' million) <i>(Note 3)</i>	P/E ratio (x)	P/B ratio (x)
1	FSE Services Group Limited (331)	The company provides electrical and mechanical engineering, environmental engineering, waste management, and other services.	1,436	237	637	6.1	2.3
2	SH Group (Holdings) Limited (1637)	The company provides electrical and mechanical engineering services including mechanical ventilation, air-conditioning, electrical system installation, and maintenance services in Hong Kong.	200	36	220	5.6	0.9
3	Gold-Finance Holdings Limited (1462)	The company provides building services, such as electrical installation, air-conditioning installation, and fire services installation.	1,454	159	466	9.1	3.1
4	Lap Kei Engineering (Holdings) Limited (1690)	The company provides engineering service for building services systems. It mainly installs and maintains MVAC system, electrical system, plumbing and drainage system, and fire services system.	288	27	137	10.5	2.1

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No	Company (stock code)	Company description	Market capitalisation (HK\$' million) <i>(Note 1)</i>	Net profit (HK\$' million) <i>(Note 2)</i>	NAV attributable to shareholders (HK\$' million) <i>(Note 3)</i>	P/E ratio (x)	P/B ratio (x)
5	Man Shun Group (Holdings) Limited (1746)	The company provides heating ventilation, air conditioning, and electrical and mechanical engineering in Hong Kong.	260	23	40	11.1	6.5
	Maximum					11.1	6.5
	Minimum					5.6	0.9
	Average					8.5	3.0
	Median					9.1	2.3
	The Company (2863)		272 <i>(Note 4)</i>	27	186	10.0	1.5

Sources: Bloomberg and the Stock Exchange

Notes:

1. The market capitalisations as at the Latest Practicable Date.
2. The net profits were the net profits attributable to the shareholders extracted from the respective latest published annual reports of the Industry Comparables.
3. The NAV attributable to shareholders were extracted from the respective latest published interim reports or annual reports of the Industry Comparables.
4. The implied market capitalisation of the Company under the Offer is calculated by multiplying the Offer Price and the number of issued Shares of 540,000,000 Shares as at the Latest Practicable Date.

As shown in the table above, the P/E ratios of the Industry Comparables range from approximately 5.6 times to approximately 11.1 times, with average and median P/E ratios of approximately 8.5 times and 9.1 times, respectively. The P/B ratios of the Industry Comparables range from approximately 0.9 times to approximately 6.5 times, with average and median P/B ratios of approximately 3.0 times and 2.3 times.

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We note that the implied P/E ratio of the Company under the Offer of approximately 10.0 times is higher than the average and median P/E ratios of the Industry Comparables of approximately 8.5 times and 9.1 times respectively. Although the implied P/B ratio of the Company under the Offer of approximately 1.5 times is below the average and the median of P/B ratios of the Industry Comparables, it nevertheless falls within the range of P/B ratios of the Industry Comparables. As such, we consider that the Offer Price to be fair and reasonable so far as the Independent Shareholders are concerned.

3. Information of the Offeror and the intention of the Offeror in relation to the Group

A. Information on the Offeror

As stated in the “Letter from Somerley” contained in the Composite Document, the Offeror is an investment holding company incorporated in the Republic of Seychelles with limited liability on 16 August 2016, which is principally engaged in investment holding. Other than the 300,000,000 Shares held by the Offeror, the Offeror did not have any other investments as at the Latest Practicable Date. The sole shareholder and director of the Offeror is Mr. Ko.

Mr. Ko, aged 55, holds a Master of Science in Finance from the City University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, and an associate member of the Chartered Institute of Management Accountants. Since October 2016, Mr. Ko has been appointed as an executive director of Super Strong Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8262) which operates as a main contractor in Hong Kong’s construction industry. Mr. Ko was the chairman and an executive director of Brilliance Worldwide Holdings Limited (now known as China Hanya Group Holdings Limited) (a company listed on GEM of the Stock Exchange, stock code: 8312) which is an investment holding company principally engaged in the distribution of apparels, from March 2011 to May 2016.

B. Intentions of the Offeror in relation to the Group

As stated in the paragraph headed “Intentions of the Offeror in relation to the Group” in the “Letter from Somerley” contained in the Composite Document, the Board is currently made up of seven Directors, comprising three executive Directors and four independent non-executive Directors. The Offeror intends to nominate Mr. Ko as an executive Director and a new candidate as a non-executive Director with effect from a date on or after the earliest time permitted under the Takeovers Code. It is intended that Mr. Yung shall be re-designated as a non-executive Director and each of Mr. Pu Li Wei and Ir. Yan Wai Yan be resigned as an executive Director and an independent non-executive Director, respectively with effect from the earliest time permitted under

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the Takeovers Code (i.e. the Closing Date). It is also intended that Mr. Yung shall continue to be the Chairman of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcements will be made accordingly.

Following the close of the Offer, the Offeror intends to continue the existing principal business of the Group which is the provision of E&M engineering services in Hong Kong and will conduct a detailed review of the business operations and financial position of the Group for the purposes of developing a sustainable business development strategy for the Group. Subject to the results of this review, and should any appropriate investment or business opportunities arise in the future which may be beneficial to the Group's development of its principal business, the Offeror may seek to expand the geographical coverage of the principal business of the Group in addition to the market of Hong Kong, and refine the business of the Group with a view to increasing its sources of income (such as integrating the Group's business in the fields of E&M engineering and construction), as well as enhancing returns for the Shareholders as a whole. For the avoidance of doubt, however, the Offeror had not entered into any agreement, arrangements, understandings, intention or negotiation regarding any potential investment or business opportunities, nor with respect to any change in the business of the Group as a whole as at the Latest Practicable Date.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to make material changes to the business of the Group, to discontinue the employment of any employees (save for the proposed changes to the Board as mentioned above) or to dispose of or re-deploy any fixed assets of the Group other than those in its ordinary course of business.

C. Maintaining the listing status of the Company

The Offeror intends for the Company to remain listed on the Stock Exchange after the close of the Offer. As stated in the "Letter from Somerley" contained in the Composite Document, the Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

Mr. Ko, being the sole director of the Offeror and a new director to be appointed to the Board, has undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

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RECOMMENDATION

In view of the above and having considered in particular that:

- (i) the Group's uncertain financial performance as discussed in the paragraph headed "B. Financial information of the Group" under the section headed "1. Business, financial performance and prospects of the Group" above;
- (ii) there are likely uncertainties in the future performance and financial position of the Group as discussed in the paragraph headed "C. Business prospects of the Group" under the section headed "1. Business, financial performance and prospects of the Group" above;
- (iii) the Offer Price is higher than the closing price of the Shares as at the Last Trading Day, and represents premiums of approximately 8.3% and 46.0% over the closing Share price on the Last Trading Day and the NAV per Share as at 30 September 2018 respectively and a discount of approximately 4.9% to the closing Share price as at the Latest Practicable Date;
- (iv) the fact that the closing prices of the Shares displayed a persistent decreasing trend throughout the Pre-announcement Period and the Shares had been trading at or around the Offer Price since the publication of the Joint Announcement until the Latest Practicable Date;
- (v) the implied P/E ratio of the Company under the Offer of approximately 10.0 times is higher than the average and media P/E ratios of the Industry Comparables while the implied P/B ratio of the Company under the Offer of approximately 1.5 times falls within the range of the P/B ratios of the Industry Comparables; and
- (vi) the trading volume of Shares was low and had been decreasing during the Review Period. It is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of the Shares in the open market without depressing the Share price,

we consider that the terms of the Offer to be fair and reasonable so far as the Independent Shareholders are concerned. On such basis, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer. In view of the volatility of market conditions, those Independent Shareholders who intend to accept the Offer are strongly reminded to closely monitor the market price and the liquidity of the Shares during the Offer Period and

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should consider selling their Shares in the open market, instead of accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer after having regard to the market price and the liquidity of the Shares.

For those Independent Shareholders who are attracted by and confident in the future prospects of the Group, given the background and future intention of the Offeror as detailed in the “Letter from Somerley” contained in the Composite Document, and notwithstanding that no detailed business plan has been laid by the Offeror and save for the nomination of new directors to the Company, they may consider to retain their Shares in full or in part. We would like to remind the Independent Shareholders that if they consider retaining their Shares or tendering less than all their Shares under the Offer, they should carefully consider the potential difficulties they may encounter in disposing of their investments in the Shares after the close of the Offer in view of the historical low liquidity of the Shares and there is no guarantee that the prevailing level of the Share price will sustain during and after the Offer Period. The Independent Shareholders are strongly advised that the decision to realise or to continue to hold their investments in the Shares is subject to individual circumstances and investment objectives.

We have not considered the tax and regulatory implications of the Independent Shareholders of their acceptances or non-acceptances of the Offer since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are residents outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the Offer and, if in doubt, should consult their own professional advisers.

Yours faithfully,
For and on behalf of
Opus Capital Limited
Koh Kwai Yim
Executive Director

Ms. Koh Kwai Yim is the Executive Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Koh has over 17 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

1. PROCEDURES FOR ACCEPTANCE

- (a) If you accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares, the duly completed and signed Form of Acceptance should be sent, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, marked "Golden Faith Group Holdings Limited — Offer" on the envelope, in any event not later than 4:00 p.m., on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares in full or in part, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked "Golden Faith Group Holdings Limited — Offer" the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer to the Registrar; or

- (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “Golden Faith Group Holdings Limited — Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC to accept the Offer on your behalf on or before the deadline set out by HKSCC. In order to meet the deadline set by HKSCC, you should check your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant stock account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited (which is normally one Business Day before the Closing Date on which acceptances of the Offer must be received by the Registrar).

- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked “Golden Faith Group Holdings Limited — Offer” to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an authority to the Offeror and/or Somerley or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (e) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are not readily available or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked “Golden Faith Group Holdings Limited — Offer” to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer

receipt(s) and/or any other document(s) of title in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

- (f) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code), and the Registrar has recorded that the Form of Acceptance and any relevant documents as required under this paragraph have been so received and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Offer Shares; or
 - (ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Offer Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (g) If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

- (h) Seller's ad valorem stamp duty for transfer of Offer Shares arising in connection with acceptances of the Offer will be payable by the accepting Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. An amount equivalent to the aforesaid stamp duty will be deducted from the cash amount payable by the Offeror to such Independent Shareholder who accepts the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (i) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (j) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (k) In making their decision, Independent Shareholders must rely on their own examination of the Group and the terms of the Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, Somerley, Opus Capital or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.

2. ACCEPTANCE PERIOD AND REVISION

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive and in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Registrar by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance and the Offer will close on the Closing Date. The Offer is unconditional.
- (b) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code and the Listing Rules through the website of the Stock Exchange no later than 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been extended or revised or has expired.

- (c) If the Offer is extended, the announcement of such extension will state the next Closing Date or a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given to the Independent Shareholders before the Offer is closed to those Independent Shareholders who have not accepted the Offer.
- (d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document(s) are posted and shall not close earlier than the Closing Date. The execution by or on behalf of any Independent Shareholder who has previously accepted the Offer shall be deemed to constitute acceptance of the revised Offer unless such holder becomes entitled to withdraw his/her/its acceptance and duly does so.
- (e) If the Closing Date is extended, any references in this Composite Document and the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

3. ANNOUNCEMENT

- (a) By 6:00 p.m. on a Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement on the Stock Exchange's website in accordance with the requirements of the Takeovers Code and the Listing Rules by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised or extended or has expired.

Such announcement must state the following:

- (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
- (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or the parties acting in concert with it before the Offer Period;
- (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or the parties acting in concert with it during the Offer Period;

- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any party acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold; and
 - (v) the percentages of the relevant classes of issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.
- (b) In computing the total number of Shares represented by acceptances, acceptances may only be included where they fulfill the acceptance conditions under paragraph (1) of this Appendix.
- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.goldenfaith.hk).

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.
- (b) If the Offeror is unable to comply with any of the requirements set out in the paragraph headed “3. Announcement” above, the Executive may, pursuant to Rule 19.2 of the Takeovers Code, require that the Independent Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements under Rule 19 of the Takeovers Code can be met.

In such case, when the Independent Shareholder(s) withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post and at his/her/its own risk, the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholder(s).

5. SETTLEMENT

- (a) If you accept the Offer, provided that the accompanying Form of Acceptance, together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order in all respects and have been received by the Registrar by no later than 4:00 p.m. on the Closing Date, settlement of the consideration, less seller's ad valorem stamp duty, will be made by cheque as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all relevant documents which render such acceptance complete and valid. Each cheque will be despatched by ordinary post to the address specified on the relevant Shareholder's Form of Acceptance at his/her/its own risk.
- (b) Settlement of the consideration to which any accepting Independent Shareholders is entitled under the Offer will be implemented by the Offeror in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty) set out in this Composite Document (including this Appendix) and the accompanying Form of Acceptance without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholders.
- (c) No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

6. OVERSEAS INDEPENDENT SHAREHOLDERS

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Independent Shareholders. As the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws and regulations of the relevant jurisdictions, Overseas Independent Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer.

It is the responsibility of the Overseas Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be

required or the compliance with other necessary formalities or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions.

The Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar, the company secretary of the Company or any of their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Independent Shareholders for any taxes as such persons may be required to pay.

Acceptance of the Offer by any Overseas Independent Shareholders will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is recommended to seek professional advice on deciding whether or not to accept the Offer.

7. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

8. TAX IMPLICATIONS

None of the Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any other person involved in the Offer is in a position to advise the Independent Shareholders on their individual tax implications. Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. It is emphasised that none of the Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance or rejection of the Offer.

9. GENERAL

All communications, notices, the Form of Acceptance, share certificates, transfer receipts, any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to the Independent Shareholders at their addresses specified on the relevant Form of Acceptance. None of the Offeror and the parties acting in concert with it, the Company, Somerley, Opus Capital, the Registrar or any of their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any other person involved in the Offer, accepts any liability for any loss in postage or delay in transmission or such other liabilities whatsoever which may arise as a result.

- (a) If no number of Shares is specified in the Form of Acceptance or the number of Shares specified by the acceptor in the Form of Acceptance is greater than the number of Shares registered in the name of the acceptor as holder or the number of Shares represented by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) that are forwarded by the acceptor to the Registrar, the Form of Acceptance will be returned to the acceptor for correction and re-submission. Any corrected Form of Acceptance must be re-submitted and received by the Registrar on or before the latest time of acceptance of the Offer in order for it to be counted towards fulfilling the acceptance condition.
- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, Somerley, Opus Capital and the Company that the Shares acquired under the Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the posting of this Composite Document.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares it has indicated in the Form of Acceptance is the aggregate number of Shares for which such nominee has received authorisations from the beneficial owners to accept the Offer on their behalf.
- (d) The provisions set out in the Form of Acceptance form part of the terms of the Offer.

- (e) The accidental omission to despatch this Composite Document and/or the Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (f) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of an Independent Shareholder will constitute such Independent Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offer.
- (g) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror and/or Somerley (or such person or persons as the Offeror and/or Somerley may direct) to complete and execute any document on behalf of the person accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in either the Offeror or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.
- (h) The Offer is made in accordance with the Takeovers Code.
- (i) References to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (j) In making their decision, Independent Shareholders must rely on their own examination of the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, Somerley, Opus Capital or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.
- (k) The English text of this Composite Document and of the accompanying Form of Acceptance shall prevail over the Chinese text for the purpose of interpretation.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the financial information of the Group for the three financial years ended 30 September 2016, 2017 and 2018, which is extracted from the annual reports of the Company for the two financial years ended 30 September 2016 and 2017 and annual results announcement of the Company for the financial year ended 30 September 2018.

The auditor's report issued by Deloitte Touche Tohmatsu in respect of the Group's audited consolidated financial statements for the three financial years ended 30 September 2016, 2017 and 2018 did not contain any qualifications.

	For the year ended 30 September		
	2018	2017	2016
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	375,023	308,008	192,139
Costs of sales	<u>(321,993)</u>	<u>(249,523)</u>	<u>(145,302)</u>
Gross profit	53,030	58,485	46,837
Other income	514	5	5
Other gains and losses	(509)	4,112	206
Administrative expenses	(20,161)	(18,319)	(9,980)
Listing expenses	—	(14,236)	(700)
Finance costs	<u>(2)</u>	<u>(10)</u>	<u>(33)</u>
Profit before taxation	32,872	30,037	36,335
Taxation	<u>(5,747)</u>	<u>(7,674)</u>	<u>(5,967)</u>
Profit and total comprehensive income for the year	<u><u>27,125</u></u>	<u><u>22,363</u></u>	<u><u>30,368</u></u>

	For the year ended 30 September		
	2018	2017	2016
	(audited) (HK\$'000)	(audited) (HK\$'000)	(audited) (HK\$'000)
Profit and total comprehensive income attributable to:			
— Owners of the Company	27,125	22,363	29,413
— Non-controlling interest	—	—	955
	<u>27,125</u>	<u>22,363</u>	<u>30,368</u>
Earnings per Share			
— Basic (HK\$)	<u>0.05</u>	<u>0.05</u>	<u>0.29</u>

For the year ended 30 September 2016, the Group declared and paid dividends of HK\$10.5 million to Mr. Yung and for the year ended 30 September 2017, the Group declared and paid dividends of HK\$23.0 million to the then Shareholders. For the year ended 30 September 2018, no dividend has been declared by the Group, and there were no exceptional items because of size, nature or incidence in respect of the consolidated financial statements of the Group during each of the three years ended 30 September 2016, 2017 and 2018.

2. AUDITED CONSOLIDATED FINANCIAL INFORMATION

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in (i) the audited consolidated financial statements of the Group for the year ended 30 September 2018 (the “**2018 Financial Statements**”) and (ii) the audited consolidated financial statements of the Group for the year ended 30 September 2017 (the “**2017 Financial Statements**”), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2018 Financial Statements are set out on pages 1 to 11 of the annual results announcement of the Company for the year ended 30 September 2018, which was published on 21 December 2018. The annual results announcement of the Company for the year ended 30 September 2018 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1221/LTN201812211341.pdf>

The 2017 Financial Statements are set out on pages 41 to 83 of the annual report of the Company for the year ended 30 September 2017, which was published on 12 January 2018. The annual report of the Company for the year ended 30 September 2017 is posted on the websites of the Stock Exchange and the Company. Please also see below a direct link:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0112/LTN20180112261.pdf>

The 2018 Financial Statements and the 2017 Financial Statements (but not any other part of the annual results announcement of the Company for the year ended 30 September 2018 and the annual report of the Company for the year ended 30 September 2017 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. INDEBTEDNESS

As at the close of business on 30 September 2018, being the latest practicable date for the purpose of this statement of indebtedness prior to the despatch of the Composite Document, there were no bank and other borrowings.

As at 30 September 2018, performance guarantee of approximately HK\$19,060,000 (2017: 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 its customers. If the Group fails to provide satisfactory performance to its 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 the bank accordingly. The performance guarantee will be released upon completion of the contract works.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business as of 30 September 2018 or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that, save as the following:

the replacement of HCC to Blue Poles Limited (“Blue Poles”) for the completion of the M+ Project. The M+ Project is the construction of M+ Museum construction project in the West Kowloon Culture District and the Group was previously a subcontractor to a subsidiary of HCC. As disclosed in the Company’s announcement dated 23 August 2018, among others, the Authority had terminated the employment with HCC under the contract for the M+ Project. Subsequently on 18 October 2018, the Company announced that, among others, the Authority has entrusted the completion of the M+ Project to Blue Poles in accordance with the terms of an entrustment agreement dated 24 September 2018; and the Group had accepted Blue Poles’ appointment to continue its subcontract works in the M+ Project by entering into a deed of transfer and assignment on 18 October 2018,

there had been no material change in the financial or trading position or outlook of the Group since 30 September 2018, the date to which the latest published audited financial statements of the Group were made up and up to the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer, the Offeror and the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and the parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

The sole director of the Offeror, accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the Company had authorised ordinary share capital of HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each. The authorised and issued ordinary share capital of the Company as at the Latest Practicable Date were as follows:

<i>As at the Latest Practicable Date</i>	<i>HK\$</i>
<i>Authorised:</i>	
<u>10,000,000,000</u> Shares	<u>100,000,000.00</u>
<i>Issued and fully paid:</i>	
<u>540,000,000</u> Shares	<u>5,400,000.00</u>

All the existing Shares in issue are fully paid up and rank *pari passu* in all respects with each other, including rights to dividends, voting and return of capital.

Since 30 September 2018 (being the date to which the Company's latest published audited financial statements were made up) and up to the Latest Practicable Date, no new Shares had been issued by the Company.

As at the Latest Practicable Date, the Company did not have any outstanding options, derivatives, warrants, or securities which are convertible or exchangeable into Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, and the Company had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

3. MARKET PRICES

The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share HK\$
2018	
30 April	0.85
31 May	0.74
29 June	0.67
31 July	0.66
31 August	0.6
28 September	0.5
19 October (Last Trading Day) ^(Note 1)	0.465
31 October	0.51
30 November	0.51
24 December (Latest Practicable Date)	0.53

Notes:

- Trading of the Shares was suspended with effect from 9:00 a.m. on 22 October 2018 pending the release of the Joint Announcement and was resumed from 9:00 a.m. on 23 October 2018.

4. DISCLOSURE OF INTERESTS

(i) Interests and short positions in the securities of the Company and its associated corporations of the Directors and chief executive

As at the Latest Practicable Date, the following Directors and chief executives had, or were deemed to have, interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are (i) 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 and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”), to be notified to the Company and the Stock Exchange; or (iv) required to be disclosed under the Takeovers Code:

Long position in the Shares

Name of Director	Capacity/Nature of interest	No. of Shares held/ interested in	Approximate percentage of the total issued share capital of the Company
Mr. Yung (<i>Note 1</i>)	Interest in controlled corporation	32,500,000	6.02%
Mr. Pu Li Wei (<i>Note 2</i>)	Interest in controlled corporation	32,500,000	6.02%

Notes:

1. These Shares are held by the Vendor which is wholly owned by Mr. Yung
2. These Shares are held by Fast Upward Investment Development Limited which is wholly owned by Mr. Pu Li Wei.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company and any of their associates had any interest or short position 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 were required (i) 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 are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange; or (iv) to be disclosed under the Takeovers Code.

(ii) Interests and short positions of substantial Shareholders

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the issued share capital of any class carrying rights to vote in all circumstances at general meetings of any other member of the Group, or which would be required to be disclosed pursuant to the requirements of the Takeovers Code.

Long position in the Shares

Name of Shareholders	Capacity/nature of interest	No. of Shares held/ interested in	Approximate percentage of the total issued share capital of the Company (Note 1)
The Offeror	Beneficial owner	300,000,000	55.56%
The Vendor	Beneficial owner	32,500,000	6.02%
Fast Upward Investment Development Limited (Note 2)	Beneficial owner	32,500,000	6.02%
Mr. Cheung Kam Fai	Beneficial owner	40,480,000	7.50%

Notes:

1. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

2. Fast Upward Investment Development Limited is wholly owned by Mr. Pu Li Wei, an executive Director, who is deemed to be interested in such 32,500,000 Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the issued share capital of any class carrying rights to vote in all circumstances at general meetings of any member of the Group, or which would be required to be disclosed pursuant to the requirements of the Takeovers Code.

5. ADDITIONAL DISCLOSURE BY THE OFFEROR AS REQUIRED BY THE TAKEOVERS CODE

- (a) As at the Latest Practicable Date, save for the 300,000,000 Shares already held by the Offeror and the parties acting in concert with it (excluding the Vendor), and the 32,500,000 Shares held by the Vendor, none of the Offeror, its sole director, the ultimate beneficial owner of the Offeror, nor any person acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) Save for the Vendor's disposal of the Sale Shares to the Offeror at HK\$0.5038 per Share and the disposal of 40,000,000 Shares to Mr. Cheung Kam Fai at HK\$0.3333 per Share on 21 October 2018 and 26 July 2018, respectively, none of the Offeror, its sole director, the ultimate beneficial owner of the Offeror, nor any person acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (c) As at the Latest Practicable Date, save for the Irrevocable Undertakings, none of the Offeror, the ultimate beneficial owner of the Offeror, nor any person acting in concert with any of them had received any irrevocable commitment to accept or reject the Offer. Details of the Irrevocable Undertakings, including the shareholdings of the Vendor, the Guarantor and Mr. Cheung Kam Fai in the Company, are set out in the "Letter from Somerley" of this Composite Document and the section headed "4. Disclosure of interests" in this Appendix III;

- (d) Save for (i) the Share Purchase Agreement; (ii) the sale and purchase of 40,000,000 Shares between the Vendor (as seller) and Mr. Cheung Kam Fai (as purchaser) at HK\$0.3333 per Share on 26 July 2018; and (iii) the on-market purchase of 360,000 Shares and 120,000 Shares at HK\$0.51 per Share on 13 November 2018 and 30 November 2018, respectively, by Mr. Cheung Kam Fai, none of the Vendor, the Guarantor, Mr. Cheung Kam Fai or parties acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (e) As at the Latest Practicable Date, there was no arrangement of any kind referred to in Note 8 to Rule 22 of the Takeovers Code between the Offeror or person acting in concert with it and any other person, in relation to the shares of the Offeror or the Shares;
- (f) As at the Latest Practicable Date, none of the Offeror, nor any person acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (g) As at the Latest Practicable Date, the Offeror had no intention to enter into, nor had it entered into any agreement, arrangement or understanding, to transfer, charge or pledge the Shares acquired in pursuance of the Offer to any other persons unless otherwise required by the Listing Rules or the Stock Exchange with regard to the minimum public float requirements;
- (h) As at the Latest Practicable Date, save for the Irrevocable Undertakings and the Share Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any of the parties acting in concert with it and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Offer; and
- (i) As at the Latest Practicable Date, there was no agreement or arrangement to which the Offeror, the ultimate beneficial owner of the Offeror, or any person acting in concert with them, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

6. ADDITIONAL DISCLOSURE BY THE COMPANY AS REQUIRED BY THE TAKEOVERS CODE

- (a) The Company did not have any beneficial interest in the shares, convertible securities, warrants, options and derivatives of the Offeror as at the Latest Practicable Date, and the Company had not dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror during the Relevant Period;
- (b) Save for the interests of the Directors as disclosed in the paragraph headed “4. Disclosure of interests” above, none of the Directors had any interest in any shares, convertible securities, warrants, options or other derivatives of the Offeror and the Company as at the Latest Practicable Date, and save for the Share Purchase Agreement and the disposal of 40,000,000 Shares to Mr. Cheung Kam Fai by the Vendor at HK\$0.3333 per Share on 26 July 2018, none of the Director had dealt for value in any shares, convertible securities, warrants, options or other derivatives of the Company or the Offeror during the Relevant Period;
- (c) No Shares or convertible securities, warrants, options or derivatives in respect of any Shares was owned or controlled by a subsidiary of the Company or by a pension fund (if any) of any member of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or by an adviser to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code (but excluding the exempt principal traders and exempt fund managers), and no such person had dealt for value in any Shares or convertible securities, warrants, options or derivatives in respect of any Shares during the Offer Period and up to the Latest Practicable Date;
- (d) No person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, and no such person had dealt for value in any Shares or convertible securities, warrants, options or derivatives in respect of any Shares during the Offer Period and up to the Latest Practicable Date;

- (e) No Shares, convertible securities, warrants, options or derivatives in respect of any Shares were managed on a discretionary basis by any fund managers (other than exempt fund manager) connected with the Company and no such person had dealt in any Shares, convertible securities, warrants, options or derivatives in respect of any Shares during the Offer Period and up to the Latest Practicable Date;
- (f) As at the Latest Practicable Date, (i) Mr. Yung had undertaken that he should not accept the Offer; and (ii) Mr. Pu Li Wei, an executive Director, had indicated that he did not intend to accept the Offer in respect of his own beneficial shareholding in the Shares;
- (g) As at the Latest Practicable Date, none of the Company nor any of its Directors had borrowed or lent any Shares or convertible securities, warrants, options or derivatives in respect of any Shares;
- (h) No benefit (other than statutory compensation) had been or would be given to any Director as compensation for loss of office in any members of the Group or otherwise in connection with the Offer;
- (i) As at the Latest Practicable Date, save for the Share Purchase Agreement and the Irrevocable Undertakings, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (j) Save for the Share Purchase Agreement, there was no material contract entered into by the Offeror in which any Director has a material personal interest.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service agreements and letters of appointment with the Directors:

- (a) the service agreement dated 22 July 2017 entered into between the Company and Mr. Yung, pursuant to which Mr. Yung was appointed as an executive Director for a period of three years commencing from 11 August 2017 and renewable automatically for successive terms of three years each commencing from the day next after the expiry of the then current term (unless terminated in accordance with the terms of the agreement) and entitled to receive an annual Director's fee of HK\$1,500,000 and additional benefits as the Board in its absolute discretion deems appropriate;

- (b) the service agreement dated 22 July 2017 entered into between the Company and Mr. Li Kar Fai, Peter, pursuant to which Mr. Li Kar Fai, Peter was appointed as an executive Director for a period of three years commencing from 11 August 2017 and renewable automatically for successive terms of three years each commencing from the day next after the expiry of the then current term (unless terminated in accordance with the terms of the agreement) and entitled to receive an annual Director's fee of HK\$480,000 and additional benefits as the Board in its absolute discretion deems appropriate;
- (c) the service agreement dated 15 November 2017 entered into between the Company and Mr. Pu Li Wei, pursuant to which Mr. Pu Li Wei was appointed as an executive Director for a period of three years commencing from 15 November 2017 and renewable automatically for successive terms of three years each commencing from the day next after the expiry of the then current term (unless terminated in accordance with the terms of the agreement) and entitled to receive an annual Director's fee of HK\$200,000 and additional benefits as the Board in its absolute discretion deems appropriate;
- (d) the letter of appointment dated 21 July 2017 entered into between the Company and Mr. Chan Cho Chak, pursuant to which Mr. Chan Cho Chak was appointed as an independent non-executive Director for a period of two years with effect from 21 July 2017 and entitled to receive a Director's fee of HK\$120,000 per annum;
- (e) the letter of appointment dated 21 July 2017 entered into between the Company and Mr. Chan Wing Fai, pursuant to which Mr. Chan Wing Fai was appointed as an independent non-executive Director for a period of two years with effect from 21 July 2017 and entitled to receive a Director's fee of HK\$120,000 per annum;
- (f) the letter of appointment dated 22 July 2017 entered into between the Company and Ir. Yan Wai Yan, pursuant to which Ir. Yan Wai Yan was appointed as an independent non-executive Director for a period of two years with effect from 21 July 2017 and entitled to receive a Director's fee of HK\$120,000 per annum; and
- (g) the letter of appointment dated 22 July 2017 entered into between the Company and Mr. Yeung Wai Lung, pursuant to which Mr. Yeung Wai Lung was appointed as an independent non-executive Director for a period of two years with effect from 21 July 2017 and entitled to receive a Director's fee of HK\$120,000 per annum.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing service contracts with any members of the Group or any associated companies of the Group:

- (h) which (including both continuous and fixed contracts) have been entered into or amended within the Relevant Period;
- (i) which are continuous contracts with a notice period of 12 months or more; or
- (j) which are fixed term contracts with more than 12 months to run irrespective of the notice period.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by the members of the Group within two years immediately preceding the date on which the Offer Period commenced, which are or may be material:

- (a) the deed of non-competition dated 22 July 2017 executed by Mr. Yung and the Vendor in favour of the Company (for itself and as trustee for its subsidiaries);
- (b) the deed of indemnity dated 22 July 2017 executed by Mr. Yung and the Vendor in favour of the Company (for itself and as trustee for its subsidiaries) in respect of taxation and other indemnities;
- (c) the public offer underwriting agreement dated 26 July 2017 entered into among the Company, the executive Directors, the controlling Shareholders, the Vendor, the sole sponsor, the joint bookrunners and the joint lead managers; and
- (d) the placing underwriting agreement dated 2 August 2017 entered into among the Company, the executive Directors, the controlling Shareholders, the Vendor, the sole sponsor, the joint bookrunners, the joint lead managers and the placing underwriters.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance were known to the Directors to be pending or threatened by or against any member of the Group.

10. EXPERTS' QUALIFICATIONS AND CONSENTS

The following are the qualifications of the experts whose letter or opinion are contained in this Composite Document:

Name	Qualification
Somerley	a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Opus Capital	a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities

Each of Somerley and Opus Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter or opinion, as the case may be, and reference to its name in the form and context in which they are respectively included.

11. DOCUMENTS AVAILABLE FOR INSPECTION AND DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection (i) on the website of the Company (www.goldenfaith.com.hk); (ii) on the website of the SFC (www.sfc.hk); and (iii) during normal business hours from 9:00 a.m. to 5:00 p.m. on any Business Day at the principal place of business in Hong Kong of the Company at Room 205, Sun Fung Centre, 88 Kwok Shui Road, Tsuen Wan, New Territories, Hong Kong, from the date of this Composite Document up to and including the Closing Date:

- (i) the memorandum and articles of association of the Company;
- (ii) the memorandum and articles of association of the Offeror;
- (iii) the annual report of the Company for the year ended 30 September 2017;
- (iv) the interim report of the Company for the six months ended 31 March 2018;
- (v) the annual results announcement of the Company for the year ended 30 September 2018;

- (vi) the letter from Somerley, the text of which is set out on pages 7 to 16 of this Composite Document;
- (vii) the letter from the Board, the text of which is set out on pages 17 to 23 of this Composite Document;
- (viii) the letter from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this Composite Document;
- (ix) the letter from the Independent Financial Adviser to the Independent Board Committee, the text of which is set out on pages 26 to 49 of this Composite Document;
- (x) the written consents referred to under the paragraph headed “10. Experts’ qualifications and consents” in this Appendix III;
- (xi) the service contracts and letters of appointment referred to under the paragraph headed “7. Directors’ service contracts” in this Appendix III;
- (xii) the material contracts referred to under the paragraph headed “8. Material contracts” in this Appendix III; and
- (xiii) the Irrevocable Undertakings.

12. MISCELLANEOUS

- (i) The principal share registrar and transfer office of the Company in the Cayman Islands is Conyers Trust Company (Cayman) Limited, which is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is situated at Room 205, Sun Fung Centre, 88 Kwok Shui Road, Tsuen Wan, New Territories, Hong Kong.
- (ii) The branch share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited, which is situated at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong.
- (iii) The Offeror is an investment holding company which is wholly owned by Mr. Ko. Other than Mr. Ko and the Vendor, there are no other principal members in the Offeror’s concert group.

- (iv) The sole legal and beneficial shareholder and the sole director of the Vendor is Mr. Yung.
- (v) The registered office of the Offeror is situated at 306 Victoria House, Victoria, Mahe, Seychelles. The correspondence address of the Offeror and its sole director, Mr. Ko, is situated at Room 1001, 10/F, Golden Gate Commercial Building, 136-138 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (vi) The registered office of the Vendor is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of the Vendor is situated at House G19, Marina Cove, 380 Hiram's Highway, Sai Kung, New Territories, Hong Kong.
- (vii) The registered office of Somerley is situated at 20/F, China Building, 29 Queen's Road Central, Hong Kong.
- (viii) The registered office of Opus Capital is situated at 18/F, Fung House, 19-20 Connaught Road Central, Central, Hong Kong.

The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese text in case of inconsistency.