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## **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)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2019**

The board (the “**Board**”) of directors (the “**Directors**”) of Golden Faith Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 March 2019. These interim results have been reviewed by the Company’s audit committee.

### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 31 March 2019*

		<b>Six months ended</b>	
		<b>31 March</b>	
		<b>2019</b>	<b>2018</b>
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	<b>142,231</b>	180,566
Costs of sales		<b>(119,252)</b>	(150,989)
Gross profit		<b>22,979</b>	29,577
Other income	4	<b>633</b>	238
Other gains and losses	4	<b>(12)</b>	(9)
Administrative expenses		<b>(13,109)</b>	(9,769)
Finance costs	5	—	(2)
Profit before taxation		<b>10,491</b>	20,035
Taxation	6	<b>(3,023)</b>	(3,762)
Profit and total comprehensive income for the period	7	<b>7,468</b>	16,273

		<b>Six months ended</b>	
		<b>31 March</b>	
		<b>2019</b>	2018
	<i>NOTES</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		7,469	—
Non-controlling interest		<u>(1)</u>	<u>—</u>
		<u><b>7,468</b></u>	<u><b>—</b></u>
Earnings per share			
Basic ( <i>HK\$</i> )	8	<u><b>0.014</b></u>	<u>0.03</u>
Diluted ( <i>HK\$</i> )		<u><b>0.014</b></u>	<u>—</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2019

		31 March 2019	30 September 2018
	<i>NOTES</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	9	2,675	2,804
Deferred tax assets		108	108
Deposits and prepayments	12	228	207
		<u>3,011</u>	<u>3,119</u>
Current assets			
Trade receivables	11	21,480	46,804
Other receivables, deposits and prepayments	12	3,938	2,483
Amounts due from customers for contract work	13	62,692	66,002
Pledged bank deposits		20,138	20,049
Short term bank deposits		41,520	50,058
Bank balances and cash		69,789	46,227
		<u>219,557</u>	<u>231,623</u>
Current liabilities			
Trade payables	14	16,774	10,015
Other payables and accrued charges	15	8,686	23,068
Amounts due to customers for contract work	13	—	6,888
Tax liabilities		1,156	7,441
		<u>26,616</u>	<u>47,412</u>
Net current assets		<u>192,941</u>	<u>184,211</u>
Total assets less current liabilities		<u>195,952</u>	<u>187,330</u>
Non-current liabilities			
Provisions		<u>848</u>	848
		<u>848</u>	848
Net assets		<u><u>195,104</u></u>	<u><u>186,482</u></u>

		<b>31 March</b>	30 September
		<b>2019</b>	2018
	<i>NOTES</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
Capital and reserves			
Share capital	16	<b>5,400</b>	5,400
Reserves		<b>189,685</b>	181,082
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>195,085</b>	186,482
Non-controlling interests		<b>19</b>	—
		<hr/>	<hr/>
Total equity		<b>195,104</b>	186,482
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 March 2019*

## 1. GENERAL

The Company is incorporated and registered as an exempted company incorporated in the Cayman Islands on 12 October 2016 and its shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 11 August 2017. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is 15/F, Honest Building, 9–11 Leighton Road, Causeway Bay, Hong Kong. The immediate and ultimate holding company of the Company is Greatly Success Investment Trading Limited (“**Greatly Success**”) which is incorporated in the Republic of Seychelles. The ultimate controlling party is Mr. Ko Chun Hay Kelvin (“**Mr. Ko**”).

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

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

## 2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the group reorganisation (“**Reorganisation**”) detailed in note 2 of the published annual report of the Company for the year ended 30 September 2018, the Company has become the holding company of the companies now comprising the Group on 24 November 2016. The Company and its subsidiaries have been under the common control of Mr. Yung before and after the Reorganisation, or since their respective dates of incorporation, where there is a shorter period.

Accordingly, the condensed consolidated financial statements have been prepared using the principles of merger accounting in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (the “**Accounting Guideline 5**”) issued by Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The Group has consistently adopted all Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are effective for the Group’s accounting period beginning on 1 October 2016 for both current and prior period. In addition, the condensed consolidated financial statements include applicable disclosures required by the Rules Govern the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The condensed consolidated financial statements have been prepared on the historical cost which is generally based on fair value of the consideration given in exchange for goods or services.

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA.

Amendments to Hong Kong Accounting Standards (“HKAS”) 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	Annual Improvements to HKFRSs 2014–2016 Cycle

The application of the amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

### **Equity-settled share-based payment transactions**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 17 to the condensed consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straightline basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Company revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of share options granted is expensed immediately to profit or loss. When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services rendered, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the services.

### **3. REVENUE AND SEGMENT INFORMATION**

Revenue represents the fair value of amounts received and receivable from the engineering services provided by the Group to external customers. The Group’s operations is solely derived from engineering services in Hong Kong. Accordingly, the Group presents only one single operating segment and no further analysis is presented.

#### **Geographical information**

No geographical information is presented as the Group’s revenue are all derived from Hong Kong based on the location of services delivered and the Group’s property, plant and equipment are all located in Hong Kong by physical location of assets.

## Information about major customers

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

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Customer A	68,432	—
Customer B	44,383	41,644
Customer C	22,635	119,452

## 4. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Other income:		
Interest income	633	5
Other	—	233
	<u>633</u>	<u>238</u>

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Other gains and losses:		
Loss on disposal of property, plant and equipment	(1)	—
Net exchange loss	(11)	(9)
	<u>(12)</u>	<u>(9)</u>

## 5. FINANCE COSTS

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on finance lease	—	2

## 6. TAXATION

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax	<u>3,023</u>	<u>3,762</u>

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

## 7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit and total comprehensive income for the period has been arrived at after charging:		
Staff cost:		
Directors' remuneration	1,907	1,291
Other staff costs	46,223	19,385
Contribution to retirement benefit schemes	1,815	536
	<u>49,945</u>	<u>21,212</u>
Depreciation of property, plant and equipment	267	270
Minimum lease payments in respect of office premises	<u>642</u>	<u>518</u>

## 8. EARNINGS PER SHARE

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

### Earnings

	Six months ended 31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Earnings for the purpose of calculating basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u>7,469</u>	<u>16,273</u>

## Number of shares

	Six months ended 31 March	
	2019 '000 (Unaudited)	2018 '000 (Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	540,000	540,000
Shares deemed to be issued in respect of share option	<u>8</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>540,008</u>	<u>540,000</u>

## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months period ended 31 March 2019, the Group paid approximately HK\$139,000 (2018: HK\$106,000) for acquisition of furniture, equipment and motor vehicle.

## 10. DIVIDENDS

No dividends were paid, declared or proposed during the six months ended 31 March 2019. The directors of the Company do not recommend the payment of an interim dividend.

## 11. TRADE RECEIVABLES

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

	31 March 2019 HK\$'000 (Unaudited)	30 September 2018 HK\$'000 (Audited)
0–30 days	16,636	15,741
31–60 days	4,844	17,351
91–180 days	<u>—</u>	<u>13,712</u>
	<u>21,480</u>	<u>46,804</u>

## 12. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	<b>31 March 2019 <i>HK\$'000</i> (Unaudited)</b>	30 September 2018 <i>HK\$'000</i> (Audited)
Rental and other deposits	577	402
Deposits for materials purchase	3,303	1,520
Prepayments and others	<u>286</u>	<u>768</u>
Total	<u><b>4,166</b></u>	<u>2,690</u>
Presented as non-current assets	228	207
Presented as current assets	<u>3,938</u>	<u>2,483</u>
Total	<u><b>4,166</b></u>	<u>2,690</u>

## 13. AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	<b>31 March 2019 <i>HK\$'000</i> (Unaudited)</b>	30 September 2018 <i>HK\$'000</i> (Audited)
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus recognised profits less recognised losses	1,505,083	1,368,406
Less: Progress billings	<u>(1,442,391)</u>	<u>(1,309,292)</u>
Total	<u><b>62,692</b></u>	<u>59,114</u>
Analysed as:		
Amounts due from customers for contract work	62,692	66,002
Amounts due to customers for contract work	<u>—</u>	<u>(6,888)</u>
	<u><b>62,692</b></u>	<u>59,114</u>

#### 14. TRADE PAYABLES

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

	<b>31 March 2019 HK\$'000 (Unaudited)</b>	30 September 2018 HK\$'000 (Audited)
0–30 days	15,363	7,205
31–60 days	<u>1,411</u>	<u>2,810</u>
	<u><b>16,774</b></u>	<u><b>10,015</b></u>

#### 15. OTHER PAYABLES AND ACCRUED CHARGES

	<b>31 March 2019 HK\$'000 (Unaudited)</b>	30 September 2018 HK\$'000 (Audited)
Accrued charges for engineering service	1,597	989
Retention payables ( <i>Note</i> )	635	1,725
Accrued payroll and bonus	6,174	18,605
Other accrued charges	<u>280</u>	<u>1,749</u>
	<u><b>8,686</b></u>	<u><b>23,068</b></u>

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

## 16. SHARE CAPITAL

	Number of shares '000 (Unaudited)	Amount HK\$'000 (Unaudited)
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2019	<u>10,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 31 March 2019	<u>540,000</u>	<u>5,400</u>

## 17. SHARE-BASED PAYMENTS TRANSACTIONS

Details of the movements of share options during the six months period and outstanding as at 31 March 2019 are as follows:

Date of grant	Exercise price HK\$	Exercise period (both dates inclusive)	At 1 October 2018	Granted during the period	Lapsed during the period	At 31 March 2019
19 March 2019	0.50	19 March 2019 to 18 March 2024	—	5,370,000	—	5,370,000

Movement of the Company's Share Options during the Reporting Period are as follows:

	2019 Average exercise price per share option HK\$	Number of share options
At 1 October 2018	—	—
Granted during the period	0.50	5,370,000
Lapsed during the period	—	—
At 31 March 2019	<u>0.50</u>	<u>5,370,000</u>

The fair values were calculated by Norton Appraisals Holdings Limited using the Binomial Option Pricing Model at the date of grant.

For the six months ended 31 March 2019, the total expenses for share options granted amounted to approximately HK\$1.1 million (2018: Nil) had been recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the six months ended 31 March 2019, the Group continued to engage in the provision of engineering services in Hong Kong. As at 31 March 2019, our projects have encompassed a number of governmental projects. Revenue from projects in progress during the six months ended 31 March 2019 amounted to approximately HK\$142.2 million.

As at 31 March 2019, the Group submitted two tenders for potential projects.

### **FINANCIAL REVIEW**

#### **Results Analysis**

The Group's revenue for the six months ended 31 March 2019 was approximately HK\$142.2 million, representing a decrease of approximately HK\$38.3 million or 21.3% as compared to that in the corresponding period in 2018. The decrease was the net effect of (i) an extension of completion date of a project contributing a decrease in revenue of approximately HK\$48.2 million and (ii) an increase in revenue for other projects in progress of approximately HK\$9.9 million.

The Group's gross profit for the six months ended 31 March 2019 decreased by approximately HK\$6.6 million which was mainly due to decrease in revenue of one project with an extension of completion date. The average gross profit ratio was maintained at approximately 16.4% (2018: 16.2%).

#### **Administrative expenses**

For the six months ended 31 March 2019, the administrative expense increased by approximately HK\$3.3 million as compared to the corresponding period in 2018 was mainly due to (i) an increase in professional fee of approximately HK\$1.2 million (ii) an increase in donation of HK\$0.8 million and (iii) an increase in a share based payment expense of HK\$1.1 million.

#### **Finance costs**

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

## **Profit and total comprehensive income**

For the six months ended 31 March 2019, the decrease in profit and total comprehensive income was the net effect of (i) a decrease in gross profit of approximately HK\$6.6 million; (ii) an increase in other income and other gains and losses of approximately HK\$0.4 million; (iii) an increase in administrative expenses of approximately HK\$3.3 million; and (v) a decrease in taxation of approximately HK\$0.7 million.

## **FINANCIAL RESOURCES REVIEW**

### **Liquidity, Financial Position and Capital Structure**

As at 31 March 2019, the total number of issued Shares of the Company was 540,000,000.

As at 31 March 2019, the Group has bank and cash balance of approximately HK\$131.4 million (30 September 2018: HK\$116.3 million).

The gearing ratio, defined as the ratio of total borrowings less bank and cash balances to equity attributable to owners of the Company was a net cash position (30 September 2018: net cash position).

### **Foreign Exchange Risk Management**

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

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

### **Charges on Assets**

As at 31 March 2019, leasehold land and buildings with carrying amount of approximately HK\$2.0 million (30 September 2018: HK\$2.1 million) has been pledged to secure a banking facility granted to the Group.

### **Performance Guarantee**

As at 31 March 2019, performance guarantee of approximately HK\$19.1 million (2018: HK\$5.8 million) was given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and their customers.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2019, the Group had 84 long term employees and 129 short term employees. The Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are offered to qualified employees based on individual and the Group's performance.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

## **COMMITMENTS**

The contractual commitments of the Group were primarily related to the leases of its office premises. As at 31 March 2019, the Group's operating lease commitments amounted to approximately HK\$1.7 million (30 September 2018: approximately HK\$0.9 million). As at 31 March 2019, the Group did not have any capital commitments (30 September 2018: Nil).

## **CONTINGENT LIABILITIES**

As at 31 March 2019, the Group did not have any significant contingent liabilities.

## **SIGNIFICANT INVESTMENTS HELD**

Except for investments in its subsidiaries, the Group did not hold any significant investments as at 31 March 2019.

## **MATERIAL ACQUISITIONS OR DISPOSALS**

The Group did not have any significant material acquisitions or disposals during the six months ended 31 March 2019.

## **USE OF NET PROCEEDS FROM LISTING**

The net proceeds from the Listing, after deducting listing related expenses and underwriting fees, were approximately HK\$56.7 million. After the Listing, part of these proceeds has been applied for the purposes in accordance with the "Future Plans and Use of Proceeds" of the prospectus of the Company dated 31 July 2017 (the "**Prospectus**").

An analysis of the intended application of net proceeds as stated in the Prospectus and the actual use of net proceeds from the Listing up to 31 March 2019 are set out below:

	<b>Application of net proceeds</b> <i>HK\$'000</i>	<b>Actual use of net proceeds</b> <i>HK\$'000</i>	<b>Unused net proceeds</b> <i>HK\$'000</i>
Provision of performance guarantee	42,751	19,060	23,691
Recruitment	10,450	7,895	2,555
Induction, tool box training and specific safety training	215	215	—
Computer training	108	108	—
Upgrading the computer system and software	1,588	645	943
Upgrading the quality management system obtained under ISO9001	1,588	768	820
	<u>          </u>	<u>          </u>	<u>          </u>

As at 31 March 2019, the Group held unutilised net proceeds as deposits in licensed banks in Hong Kong.

The unused amounts of the net proceeds will be applied in the manner consistent with that mentioned in the Prospectus.

The Directors do not anticipate any change to the plan of the use of proceeds as disclosed above.

## **PROSPECTS AND OUTLOOK**

On 21 October 2018, a joint announcement has been released in relation to the disposal of shares of the Company and a General Offer (the “Offer”) to the public. Following the close of the Offer, the Offeror, Greatly Success Investment Limited, intends to continue the existing principal business of the Group 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 up to the date of this report.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 31 March 2019.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed in this announcement, the board is not aware of any significant events after the reporting period that requires disclosure.

## **CORPORATE GOVERNANCE PRACTICES**

The Board has always recognized the importance of shareholders' accountability and transparency and is committed to maintaining high standards of corporate governance. The Company has, throughout the six months ended 31 March 2019, applied the principles and complied with the requirements of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules except for the following deviations.

Although the Company does not officially have a position of chief executive, the executive Director has effectively performed the role of chief executive leading the Board to work effectively. All important issues are discussed in the regular monthly Board meeting. The day-to-day management of the Group's business is handled by the executive Directors. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's business operations. The Board will continue to review the effectiveness of the Group's structure as business continues to grow in order to assess whether any changes, including the appointment of a chief executive, are necessary.

Code provisions C.2.5 of the CG Code requires that the Company should have an internal audit function. The Company does not establish a standalone internal audit department. However, the Board has put in place adequate measures to perform the internal audit function in relation to different aspects including (i) the Board has established formal arrangements to apply financial reporting and internal control principles in accounting and financial matters to ensure compliance with the Listing Rules and all relevant laws and regulations; (ii) the Board has assigned specific staff to perform internal control review in different areas of operation of the Group regularly and were directly reported to the Board and (iii) the Company has appointed an external consultant to perform periodic review of the internal control system of the Company. The current practices will be reviewed and updated regularly so that the latest development in corporate governance can be followed and observed.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transaction by Directors. The Company, having made specific enquiry, confirms that all Directors have complied with the Model Code throughout the six months ended 31 March 2019.

## **REVIEW OF INTERIM RESULTS**

The interim results of the Group for the six months ended 31 March 2019 have not been audited, but have been reviewed by the audit committee of the Company.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.goldenfaith.hk](http://www.goldenfaith.hk). The interim report of the Company for the six months ended 31 March 2019 will be dispatched to the shareholders of the Company and will be published on the same websites in due course.

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

Hong Kong, 30 May 2019

*As at the date of this announcement the executive Directors are Mr. Ko Chun Kay Kelvin and Mr. Li Kar Fai, Peter; the non-executive Directors are Mr. Yung On Wah and Ms. Wong Cheuk Wai Helena and the independent non-executive Directors are Mr. Chan Cho Chak, Mr. Chan Wing Fai, and Mr. Yeung Wai Lung.*