

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

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 ANNUAL AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

The board (the “**Board**”) of directors (the “**Directors**”) of Golden Faith Group Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 30 September 2021.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2021

	<i>NOTES</i>	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i> (re-presented)
Continuing operations			
Revenue	3	254,863	244,209
Costs of sales		<u>(211,035)</u>	<u>(191,325)</u>
Gross profit		43,828	52,884
Other income	4	4,691	5,905
Other gains and losses	4	6,340	505
Impairment losses (recognised) reversed on trade receivables and contract assets		(314)	66
Administrative expenses		(32,280)	(29,675)
Finance cost	5	<u>(125)</u>	<u>(89)</u>
Profit before taxation from continuing operations	6	22,140	29,596
Income tax expense	7	<u>(4,892)</u>	<u>(6,175)</u>
Profit and total comprehensive income from continuing operations for the year		17,248	23,421

	<i>NOTES</i>	2021 HK\$'000	2020 HK\$'000 (re-presented)
Discontinued operation			
Profit and total comprehensive income for the year from discontinued operation		—	15
Profit and total comprehensive income for the year		17,248	23,436
Profit and total comprehensive income for the year attributable to:			
Owners of the Company			
– from continuing operations		16,992	23,135
– from discontinuing operation		—	15
		16,992	23,150
Non-controlling interests			
– from continuing operations		256	286
		17,248	23,436
Earnings per share	9		
From continuing and discontinued operations			
Basic (HK cents)		2.61	4.13
Diluted (HK cents)		2.61	4.13
From continuing operations			
Basic (HK cents)		2.61	4.13
Diluted (HK cents)		2.61	4.13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	<i>NOTES</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,999	3,107
Right-of-use assets		3,032	1,666
Investment properties		54,970	53,000
Deferred tax assets		187	280
Deposits		331	422
		<u>60,519</u>	<u>58,475</u>
Current assets			
Trade receivables	<i>10</i>	24,132	594
Other receivables, deposits and prepayments	<i>11</i>	1,696	6,135
Contract assets	<i>12</i>	119,523	51,738
Financial assets at fair value through profit or loss ("FVTPL")		2,348	1,324
Tax recoverable		448	–
Short term bank deposits		5,220	–
Cash and cash equivalent		107,011	197,084
		<u>260,378</u>	<u>256,875</u>
Current liabilities			
Trade payables	<i>13</i>	9,210	8,366
Other payables and accrued charges	<i>14</i>	12,500	28,115
Contract liabilities	<i>12</i>	1,663	5,485
Lease liabilities		1,904	1,136
Tax liabilities		5,404	5,847
		<u>30,681</u>	<u>48,949</u>
Net current assets		<u>229,697</u>	<u>207,926</u>
Total assets less current liabilities		<u>290,216</u>	<u>266,401</u>

		2021	2020
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Provisions		1,070	296
Rental deposits received		345	345
Lease liabilities		<u>1,123</u>	<u>530</u>
		<u>2,538</u>	<u>1,171</u>
Net assets		<u>287,678</u>	<u>265,230</u>
Capital and reserves			
Share capital	15	6,562	6,436
Reserves		<u>280,556</u>	<u>258,490</u>
Equity attributable to owners of the Company		287,118	264,926
Non-controlling interests		<u>560</u>	<u>304</u>
Total equity		<u>287,678</u>	<u>265,230</u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL

Golden Faith Group Holdings Limited (the “**Company**”) is incorporated and registered as an exempted company in the Cayman Islands on 12 October 2016 and its shares are listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). The immediate and ultimate holding company of the Company is Greatly Success Investment Trading Limited, which is incorporated in the Republic of Seychelles.

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

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 October 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the “Amendments to References to the Conceptual Framework in HKFRS Standards” and the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ³
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021 ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ⁴
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁴
Amendments to HKAS 8	Definition of Accounting Estimates ⁴
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁴
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ³

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for annual periods beginning on or after 1 April 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

⁵ Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)”

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group’s outstanding liabilities as at 30 September 2021, the application of the amendments will not result in reclassification of the Group’s liabilities.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) *Disaggregation of revenue*

	2021	2020
	<i>HK\$’000</i>	<i>HK\$’000</i>
		(re-presented)
Types of services from continuing operations		
– Electric and maintenance engineering services in Hong Kong	<u>254,863</u>	<u>244,209</u>
Timing of revenue recognition		
– Over time	<u>254,863</u>	<u>244,209</u>

(ii) *Performance obligations for contracts with customers*

Electric and maintenance engineering services

Under the terms of contracts, the Group's performance creates or enhances the properties which the customers control during the course of work by the Group. Revenue from provision of electric and maintenance engineering services is therefore recognised based on the progress towards complete satisfaction of a performance obligation of contract using input method. The progress towards complete satisfaction of a performance obligation is determined as the proportion of the costs incurred for the works (i.e. direct labor costs, subcontracting costs and costs of materials incurred) performed to date relative to the estimated total costs to complete the satisfaction of these services and the margin of each project, to the extent that the revenue can be measured reliably and its recovery is considered probable.

The Group's engineering service contracts include payment schedules which require stage payments over the construction period once certain specified milestones based on surveyors' assessment are reached.

Retention receivables, prior to expiration of maintenance period, which ranges from one to two years from the date of the practical completion of the engineering services, are classified as contract assets. The maintenance period serves as an assurance that the engineering services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the engineering services are performed representing the Group's right to consideration for the services performed and not billed because the rights are conditioned on the Group's future performance accepted by the customers. The contract assets are transferred to trade receivables when the rights become unconditional. If the progress payment exceeds the revenue recognised to date under the input method, the Group recognises a contract liability for the difference.

Segment information

An operating segment regarding the sales of electrical products was discontinued during the year ended 30 September 2021. Accordingly, certain comparative information related to the discontinued operation are re-presented in these consolidated financial statements.

Information reported to the executive directors of the Group, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of services provided. Upon the discontinuation of the sales of electrical products operation during the year ended 30 September 2021, the Group's operations are solely derived from electric and maintenance engineering services in Hong Kong.

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segments:

For the year ended 30 September 2021

	Consolidated HK\$'000
Segment revenue from electric and maintenance engineering services	<u><u>254,863</u></u>
Segment results from electric and maintenance engineering services	<u>27,956</u>
Interest income	65
Rental income from investment properties	1,398
Change in fair value of investment properties	1,970
Change in fair value of financial assets at FVTPL	113
Administrative expenses	(9,307)
Finance costs	<u>(55)</u>
Profit before taxation	<u><u>22,140</u></u>

For the year ended 30 September 2020 (re-presented)

	Consolidated <i>HK\$'000</i>
Segment revenue from electric and maintenance engineering services	<u>244,209</u>
Segment results from electric and maintenance engineering services	36,158
Interest income	1,360
Rental income from investment properties	115
Change in fair value of investment properties	(100)
Change in fair value of financial assets at FVTPL	336
Administrative expenses	(8,208)
Finance costs	<u>(65)</u>
Profit before taxation	<u>29,596</u>

All of the segment revenue reported above is from external customers.

Segment profit represents the profit earned by the segment excluding interest income, rental income from investment properties, fair value change of investment properties, fair value change of financial assets at FVTPL, certain administrative expenses, certain finance costs and income tax expense. This is the measure reported to the Group's management for the purpose of resource allocation and performance assessment.

No analysis of segment asset and segment liability is presented as the chief operating decision maker does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

	Electric and maintenance engineering services	Unallocated	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amounts included in the measure of segment results from continuing operations:			
<i>For the year ended 30 September 2021</i>			
Interest income	–	65	65
Depreciation of property, plant and equipment	754	–	754
Depreciation of right-of-use assets	729	914	1,643
Impairment losses on trade receivables, net	115	–	115
Impairment losses on contract assets, net	199	–	199
Increase in fair value of investment properties	–	1,970	1,970
Increase in fair value of financial assets at FVTPL	–	113	113
Gain on disposal of property, plant and equipment	4,145	–	4,145
Finance costs	70	55	125

For the year ended 30 September 2020 (re-presented)

Interest income	–	1,360	1,360
Depreciation of property, plant and equipment	562	46	608
Depreciation of right-of-use assets	175	799	974
Impairment losses reversed on trade receivables, net	56	–	56
Impairment losses reversed on contract assets, net	10	–	10
Decrease in fair value of investment properties	–	100	100
Increase in fair value of financial assets at FVTPL	–	336	336
Recovery of written off on other receivables	150	–	150
Gain on disposal of property, plant and equipment	64	–	64
Finance costs	24	65	89

Geographical information

Geographical information on the Group's revenue are disclosed under the sub-heading of "Revenue" in this note. The Group's property, plant and equipment of HK\$1,999,000 (2020: HK\$3,107,000), right-of-use assets amounting to HK\$3,032,000 (2020: HK\$1,666,000), investment properties of HK\$54,970,000 (2020: HK\$53,000,000) and deposits of HK\$331,000 (2020: HK\$422,000) as at 30 September 2021 are all located in Hong Kong by geographical location of assets.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (re-presented)
Continuing operations		
Other income:		
Bank interest income	65	1,336
Interest income from rental deposits	–	24
Government grant (<i>note</i>)	2,919	3,671
Rental income from investment properties	1,398	115
Others	309	759
	<u>4,691</u>	<u>5,905</u>

Note: The government grant represented the government subsidies received under Employment Support Scheme and the Employment Support Scheme for the construction section (casual employees) launched by the Government of the Hong Kong Special Administrative Region.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (re-presented)
Continuing operations		
Other gains and losses:		
Change in fair value of investment properties	1,970	(100)
Change in fair value of financial assets at FVTPL	113	336
Recovery of written off on other receivables	–	150
Gain on disposal of property, plant and equipment	4,145	64
Net exchange gain	112	55
	<u>6,340</u>	<u>505</u>

5. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (re-presented)
Continuing operations		
Interest on lease liabilities	<u>125</u>	<u>89</u>

6. PROFIT BEFORE TAXATION FROM CONTINUING OPERATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (re-presented)
Profit before taxation from continuing operations has been arrived at after charging (crediting):		
Staff costs:		
Directors' remuneration	12,462	7,868
Other staff costs	111,435	55,281
Contributions to retirement benefits schemes for other staff	3,834	979
	<u>127,731</u>	<u>64,128</u>
Auditor's remuneration	950	950
Depreciation of property, plant and equipment	754	608
Depreciation of right-of-use assets	1,643	974
Gross rental income from investment properties	(1,398)	(115)
Less: Direct operating expense arising from investment properties that generated rental income	11	1
	<u>(1,387)</u>	<u>(114)</u>

7. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (re-presented)
Continuing operations		
Hong Kong Profits Tax:		
– Current year	4,799	6,188
– Over-provision in prior years	–	(40)
	4,799	6,148
Deferred taxation charge for the year	93	27
	<u>4,892</u>	<u>6,175</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualified for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax for the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

8. DIVIDEND

The directors of the Company do not recommend the payment of a final dividend for the year ended 30 September 2021 (2020: nil).

9. EARNINGS PER SHARE

From continuing operations

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

Earnings

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i> (re-presented)
Profit for the year attributable to owners of the Company	16,992	23,150
Less: profit for the year from discontinued operation	<u>—</u>	<u>(15)</u>
Profit for the purpose of calculating basic earnings per share from continuing operations	<u>16,992</u>	<u>23,135</u>

Number of shares

	2021 <i>'000</i>	2020 <i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings for share	650,215	559,864
Effect of dilutive potential ordinary shares – share options	<u>407</u>	<u>146</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>650,622</u>	<u>560,010</u>

From continuing and discontinued operations

The calculation of the basic earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>16,992</u>	<u>23,150</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing operations.

From discontinued operation

Basic earnings per share for the discontinued operation is HK0.00 cent per share (2020: HK0.00 cent per share) for the year ended 30 September 2021, based on the profit for the year from the discontinued operation of nil (2020: HK\$15,000) and the denominators detailed above for both basic and diluted earnings per share from continuing operations.

10. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Gross trade receivables	24,250	597
Less: allowance for credit losses	<u>(118)</u>	<u>(3)</u>
Total	<u><u>24,132</u></u>	<u><u>594</u></u>

As at 1 October 2019, the carry amount of trade receivables is HK\$33,400,000.

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 and 90 days to its customer from the date of invoices on sales of electrical products. An ageing analysis of the trade receivables, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period, is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 30 days	24,132	–
31 – 60 days	–	–
61 – 90 days	–	511
91 – 180 days	<u>–</u>	<u>83</u>
Total	<u><u>24,132</u></u>	<u><u>594</u></u>

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Rental and other deposits	503	469
Deposits for trading products/materials purchase	593	2,528
Prepayments and others	<u>931</u>	<u>3,560</u>
Total	<u><u>2,027</u></u>	<u><u>6,557</u></u>
Presented as non-current assets	331	422
Presented as current assets	<u>1,696</u>	<u>6,135</u>
Total	<u><u>2,027</u></u>	<u><u>6,557</u></u>

Included in others of HK\$1,500,000 represented the receivables from Employment Support Scheme and the Employment Support Scheme for the construction section (causal employees) as at 30 September 2020. The amount has already received by the Group subsequent to the end of the reporting period.

12. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Contract assets		
– Engineering service contracts	120,631	57,001
Less: allowance for credit losses	<u>(1,108)</u>	<u>(5,263)</u>
	<u>119,523</u>	<u>51,738</u>
Contract liabilities		
– Engineering service contracts	<u>1,663</u>	<u>5,485</u>

As at 1 October 2019, the carrying amounts of contract assets and contract liabilities are HK\$87,630,000 and HK\$4,478,000 respectively.

The Group has rights to considerations from customers for the electric and maintenance engineering services. Contract assets arise when the Group has right to consideration for completion of electric and maintenance engineering services and not yet billed under the relevant contracts, and their right is conditioned on factors other than passage of time. Any amount previously recognised as a contract asset is reclassified to trade receivables when such right becomes unconditional. Remaining rights and performance obligations in a particular contract is accounted for and presented on a net basis, as either a contract asset or a contract liability. If the progress payment exceeds the revenue recognised to date under the input method, then the Group recognises a contract liability for the difference.

13. 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 – 30 days	7,738	7,100
31 – 60 days	<u>1,472</u>	<u>1,266</u>
	<u>9,210</u>	<u>8,366</u>

14. OTHER PAYABLES AND ACCRUED CHARGES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Accrued charges for engineering service contracts	1,870	9,897
Retention payables (<i>note</i>)	771	1,279
Accrued payroll and bonus	8,732	15,533
Other accrued charges	<u>1,127</u>	<u>1,406</u>
	<u>12,500</u>	<u>28,115</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.

15. SHARE CAPITAL

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

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 October 2019, 30 September 2020 and 2021	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 October 2019	543,621,000	5,436
Issue of shares upon acquisition of a subsidiary (<i>note i</i>)	<u>100,000,000</u>	<u>1,000</u>
At 30 September 2020	643,621,000	6,436
Issue of shares upon exercise of share options (<i>note ii</i>)	<u>12,570,000</u>	<u>126</u>
At 30 September 2021	<u>656,191,000</u>	<u>6,562</u>

Notes:

- (i) During the year ended 30 September 2020, a total of 100,000,000 new ordinary shares of HK\$0.01 each were issued upon acquisition of a subsidiary. The new shares rank pari passu with the existing shares in all respects.
- (ii) During the year ended 30 September 2021, a total of 12,570,000 new ordinary shares of HK\$0.01 each were issued upon exercises of the share options of the Company. The new shares rank pari passu with the existing shares in all respects.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 30 September 2021 (“FY2021”), the Group focused on the electric and maintenance (E&M) engineering service business and property investment. The Group continued to engage in providing large scale E&M engineering services in major construction projects both in the private and public sector in Hong Kong. Our project portfolio has encompassed hospitals, government office complex and departmental headquarter and museum in West Kowloon. In coming 2 years, we will focus on five major projects, including Mplus, Kwong Wah Hospital, new Inland Revenue Tower, Queen Mary Hospital and Immigration Headquarters during the year which has contributed approximately HK\$228.0 million, accounted for 89.5% of total revenue for FY2021. During FY2021, due to COVID-19 communication with the trading parties is difficult, there is no trading business transaction (FY2020: approximately HK\$8.6 million). During FY2021, rental income from property investment amounted to approximately HK\$1.4 million.

FINANCIAL REVIEW

Results Analysis

The Group’s revenue in FY2021 was approximately HK\$254.9 million, representing an increase of approximately HK\$10.7 million or 4.4% as compared to that in the year ended 30 September 2020 (“FY2020”). During FY2021, the Group has substantially completed the projects in M+ Museum and Gleneagles HK Hospital and has started the other four new projects in the second half of the year.

The Group’s gross profit for FY2021 decreased by approximately HK\$9.1 million which was mainly due to increase in cost of sales from E&M engineering service business. The Group’s gross profit ratio has decreased from 21.7% FY2020 to 17.2% FY2021 due to increase in material, labour cost and subcontracting charge being affected by COVID-19.

Other income

The Group recorded other income of approximately HK\$4.7 million, representing a decrease of approximately HK\$1.2 million as compared to that in FY2020 due to decrease in bank interest income, government subsidies received under Employment Support Scheme and an increase of rental income from investment properties.

Other gains and losses

The Group recorded other gains and losses of approximately HK\$6.3 million, representing an increase of approximately HK\$5.8 million as compared to that in FY2020. The increase was due to gain on disposal of property, plant and equipment and fair value gain on investment property.

Impairment losses reversed on trade receivables and contract assets

The Group recognised an amount of approximately HK\$0.3 million on impairment losses on trade receivables and contract assets (FY2020: reversed impairment losses of approximately HK\$0.1 million).

Administrative expenses

In FY2021, administrative expenses increased by approximately HK\$2.6 million as compared to that in FY2020, which was mainly due to increase in staff costs.

Profit and total comprehensive income

The decrease in profit and total comprehensive income of approximately HK\$6.2 million was mainly arose from the net effect of a decrease in gross profit of approximately HK\$9.1 million, a decrease in other income of approximately HK\$1.2 million, an increase in other gains and losses of approximately HK\$5.8 million, recognised impairment losses on trade receivables and contract assets of approximately HK\$0.3 million, an increase in administrative expenses of approximately HK\$2.6 million and a decrease in income tax expense of approximately HK\$1.2 million.

FINANCIAL RESOURCES REVIEW

Liquidity, Financial Position and Capital Structure

As at 30 September 2021, the Group has bank and cash balance, and short term bank deposits of approximately HK\$112.2 million (FY2020: HK\$197.1 million).

As at 30 September 2021, there was no bank borrowing (FY2020: Nil).

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 (FY2020: net cash position).

Foreign Exchange Risk Management

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

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

Charges on Assets

As at 30 September 2020, a premise with carrying amount of approximately HK\$1.9 million has been pledged to secure a banking facility granted to the Group. The pledge of the premise was released by the Group during the year ended 30 September 2021.

PROSPECTS AND OUTLOOK

Associated with global trade frictions, geopolitical uncertainties, social instabilities together with the global lockdown with the epidemic of COVID-19, construction projects are deeply affected in the past years. Due to its strong technical team and high quality reputation in the market, the Group can maintain its turnover and (profitability) at a satisfactory level during FY2021. The tendered confirmed project orders on hand is about HK\$1,171.3 million and the completion dates of the projects spreading to FY2023.

During the year, in October 2020, the Group purchased the exclusive development, production and distribution rights of a drug Ad-SGE-REIC/dkk-3 (code: MTG-201), for registration in the Greater China Region. The Drug is a product from the development of cancer therapeutics by gene therapy, using Reduced Expression in Immortalized Cell (“REIC”) gene, which was discovered in Japan in 2000. However, due to failure of reaching an agreement on the investment amount and plan for the development of the drugs with the Vendor, we have mutually agreed to cancel the deal on 6 January 2021 and announcement dated 6 January 2021 has been issued accordingly. The Board will continue to explore new opportunities in other business sectors and to diversify its business so as to minimize business risk and maximize return of shareholders.

HUMAN RESOURCES

As at 30 September 2021, the Group had a total of 287 employees (FY2020: 138 employees). The Group believes its success and long-term growth depend primarily on the quality, performance and commitment of its employees. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Discretionary bonuses and share options are offered to qualified employees based on individual and the Group’s performance.

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

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

There was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries during the FY2021.

CORPORATE GOVERNANCE

The Company has, throughout the FY2021, applied the principles and complied with the requirements of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) except for the following deviations.

Code Provision A.1.3

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

Code Provision A.2.1

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

Although the Company does not officially have a position of chief executive, the executive Directors have 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 Provision A.1.8

Code provision A.1.8 requires that there should be appropriate insurance cover in respect of legal action against its directors. The Company has not made appropriate insurance cover as it is in the Director’s opinion that the possibility of legal action against the Directors is remote.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transaction by Directors. The Company, having made specific enquiry, obtained written confirmations from all Directors that they have fully complied with the Model Code throughout the FY2021.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's consolidated financial statements for the FY2021, including the accounting principles and practices adopted by the Group.

EVENT AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 30 September 2021 and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for FY2021 (FY2020: Nil).

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlements of shareholders of the Company to attend and vote at the AGM to be held on Friday, 28 January 2022, the register of members of the Company will be closed from Tuesday, 25 January 2022 to Friday, 28 January 2022, both days inclusive, during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Monday, 24 January 2022.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the FY2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.goldenfaith.hk. The annual report of the Company for the FY2021 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
Ko Chun Hay Kelvin
Chairman

Hong Kong, 23 December 2021

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