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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)

SUPPLEMENTAL ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

RELATING TO FORMATION OF A JOINT VENTURE COMPANY

Reference is made to the announcement issued by Golden Faith Group Holdings Limited (the “**Company**”) dated 5 November 2022 in relation to the formation of a joint venture company (the “**Announcement**”). Unless otherwise specified in this announcement, terms used herein shall have the same meanings as those defined in the Announcement. The Company wishes to provide further information on the JV Agreement and related matters.

Channel Authorisation

The JV Company has obtained the agency licence right of Mango Hearing Finance Channel as at the date of the Announcement indirectly from Party B and such licence right will expire on 1 May 2023. Party B represented that the Channel Authorisation was expected to be received within 3 months from the date of the JV Agreement.

Party B’s contribution

Party B’s contributions to the capital of the JV Company are expected to be satisfied by Party B’s efforts :

- (i) to obtain the Channel Authorisation;
- (ii) to be responsible for business development and marketing of the JV Company; and
- (iii) to recruit an operation team to liaise with the content provider for daily operations of the channel.

Party B’s above contributions are important to the success of the business of the JV Company. Given that this financial media business is a new business to the Company, the Company has adopted a cautious approach in making the investment by stages. Stage investment of the Company will be based on the certainty of the revenue generated by the JV Company such as the amount of advertisement and sponsorship revenue. By controlling the risk of the investment, the Directors believe that it will be a profitable business if the marketing role can be performed well.

The Company also considered that the value of the Mango Hearing Finance Channel has justified the Company's investment with strong support from Hunan Mango Hearing Technology Company Limited. Further, it is a good opportunity for the Company to invest and to diversify its business to financial media field. In view of the above, the Directors are of the view that such terms of JV Agreement are on normal commercial terms and fair and reasonable.

Party A's investment in JV Company

Party A's investment in JV Company is up to HK\$20.5 million which represents the expected operation cost, contents costs and other expenses to be incurred by the JV Company in the next 3 years with the breakdown as follows :

Party A's investment are intended to be used as follows:

<i>Expected use</i>	HK\$ million
Setting up office costs, and office furniture and equipment	2.0
Office expenses including rental deposits and rental for 3 years	3.6
Staff costs for 3 years	6.0
Operation expenses including preparation and purchasing programs, and launching of a few special projects	8.0
Other working capital	<u>0.9</u>
Total	<u><u>20.5</u></u>

Party A expects that the initial office of the JV Company will be located in Hong Kong. The HK\$3 million represents the minimum start-up costs for the JV Company including setting up office and recruiting staff and initial launching of the Mango Hearing Finance Channel in Hong Kong, before the JV Company has obtained the Channel Authorisation. Party A will consider to invest into the JV Company stage by stage in accordance with the content development, advertisement and amount of sponsorship of the JV Company in the next 3 years.

Party A will periodically review the confirmed advertisement and or sponsorship for the programs. If the return of advertisement and or sponsorship is considered by Party A to be satisfactory with reasonable profit to operate, Party A will make further investment. In this way, Party A can minimize the risk of investment. On the other hand, the JV Company's business can grow stage by stage. As the JV Company has not started to operate and both

cost of operation and related advertisement and sponsorship have not been fixed, the amount of investment by Party A at each stage has not been fixed as at the date of the Announcement.

The business plan of JV Company

The JV Company will manage and develop the business of Mango Hearing Finance Channel, which will provide users with contents such as 24-hours daily financial news, variety shows, hot dramas, and will regularly carry out special programs relating to the financial markets. The JV Company plans to purchase the readily available financial news from outsiders and release in the Mango Hearing Finance Channel. The JV Company will invest in certain special programs depending on the amount of sponsorship being obtained by Party B. The first special program under discussion is introduction of the outstanding people with their achievements in the society both in Hong Kong and China. In Hong Kong, we plan to invite some local celebrities to share their success stories to the public and to spread and to stimulate a positive thought, in particularly, to the youth.

Other major terms of JV Agreement

Given that the JV Company is incorporated under the Companies Ordinance (chapter 622 of the laws of Hong Kong), profit distribution and dissolution are governed by the laws of Hong Kong. As such, Party A and Party B will share the profit of JV Company in the shareholding ratios of 40 : 60 and the shareholders can resolve to wind-up the company by special resolution with certificate of solvency. Regarding the issue of termination of JV Agreement, the agreement is expected to be terminated whenever one of the parties thereto is no longer a shareholder of the JV Company.

Reasons for diversification into financial media business

The Company considers that Hong Kong as a Global Financial Center and a hub for international investors to access China, update financial news will affect the daily life of people and will be a popular and valuable product in the market. With the support of Hunan Mango Hearing Technology Company Limited, the Mango Hearing Finance Channel is expected to have updated financial news in China and will attract a large group of audiences, which in turn, will generate advertisement and sponsorship income for the JV Company. Further, the brand name of “Mango Hearing” is a famous brand name in China. The Company considers that it should be a profitable business which will bring in additional profits to the Company. The Company’s main business is provision of electrical and engineering services in construction field. As disclosed in the Company’s annual report, the Group plans to diversify its businesses so as to improve the profitability of the Group. The Company considers that this new business is a viable and will become one of the profitable businesses in the Group.

Save as disclosed in this announcement, all information in the Announcement remains unchanged.

By Order of the Board
Golden Faith Group Holdings Limited
Ko Chun Hay Kelvin
Chairman

Hong Kong, 2 December 2022

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