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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 DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF CORNWALL CONTRACTING COMPANY LIMITED

Reference is made to the announcement of Golden Faith Group Holdings Limited (the “**Company**”) dated 4 June 2024 (the “**Announcement**”) in relation to the discloseable transaction relating to the disposal of the entire issued share capital of Cornwall Contracting Company Limited. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board wishes to provide the shareholders and potential investors of the Company with the following further information in relation to the Disposal.

BASIS OF DETERMINATION OF THE CONSIDERATION FOR THE DISPOSAL

The Consideration was determined after arm’s length negotiations between Champion Goal and the Purchaser, and the Board has taken into account the following in respect of the Consideration:

1. The Disposal Company’s financial positions

The unaudited net asset value of the Disposal Company was amounted to HK\$1,073,825 as at 31 March 2024. As the Consideration equals to the sum of HK\$5,000,000 and the NAV, assuming the net asset value of the Disposal Company does not change, the Consideration would be HK\$6,073,825 and the price to book (P/B) ratio of the Disposal Company would be approximately 5.66, which is substantially higher than the P/B ratio of the Company of approximately 0.73 as at the date of the Announcement. From this perspective, the Company considers that the Disposal Company is valued at a high premium above its net asset value and the Consideration is attractive.

In terms of business performance, the Disposal Company’s revenue decreased substantially from approximately HK\$64.5 million for the year ended 30 September 2022 to approximately HK\$12.4 million for the year ended 30 September 2023. The Disposal Company recorded a loss of approximately HK\$2.2 million for the year ended 30 September 2023. Should the Disposal Company cannot secure new construction contracts, it is likely that the Disposal Company will continue to be loss-making in the coming years.

2. *The Disposal Company's profile, experience and goodwill in carrying out electric and maintenance (E&M) engineering works in Hong Kong*

The Disposal Company was incorporated in 1987 and currently has several employees, including one qualified engineer. The Disposal Company is an Approved Electrical Installation Contractor holding Category "Electrical Installation Group III" on the list of "Specialist Contractors for Public Works" under the Development Bureau of the Government of Hong Kong. The latest project of the Disposal Company was awarded in February 2023, and the Disposal Company could not obtain any new contracts since then.

3. *Latest development of the Group*

The Company considers that the Consideration is a kind of compensation to the costs and effort made by the Group in obtaining and maintaining the qualifications and the team of the Disposal Company in the past decades.

As disclosed in the Announcement, the Group adopts a strategy of working with prestige main contractors in large construction projects. In the past years up to now, majority of the large construction projects of the Government of Hong Kong were awarded to the prestige main contractors and most of the main contractors have their own top-grade E&M installations contractors, holding a series of approvals being obtained from the Development Bureau, which are the direct competitors to the Disposal Company and it would be difficult for the Disposal Company (having an electrical installation approval) to get independent E&M contracts from the owners of the construction projects directly. In view of this industry situation and the Group's latest business strategy, the Company considers that the qualifications and value of the Disposal Company is limited to the Group.

Save as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board
Golden Faith Group Holdings Limited
Mr. Ko Chun Hay Kelvin
Chairman

Hong Kong, 12 July 2024

As at the date of this announcement, the executive Directors are Mr. Ko Chun Hay Kelvin and Ms. Ko Yung Lai Jackie; the non-executive Directors are Mr. Yung On Wah and Ms. Wong Cheuk Wai Helena; and the independent non-executive Directors are Mr. Chan Wing Fai, Mr. Yeung Wai Lung and Mr. Wong Chi Wing Jovi.