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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 ANNUAL AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

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 (collectively the “**Group**”) for the year ended 30 September 2024, together with the comparative figures for the year ended 30 September 2023, as follows:

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

*For the year ended 30 September 2024*

	<i>NOTES</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	<b>736,676</b>	671,466
Costs of sales		<u>(723,294)</u>	<u>(648,195)</u>
Gross profit		<b>13,382</b>	23,271
Other income	4	<b>3,549</b>	2,789
Other gains and losses, net	4	<b>7,000</b>	(2,054)
Impairment losses recognised on trade receivables and contract assets, net of reversal		<b>83</b>	(248)
Administrative expenses		<b>(39,846)</b>	(39,737)
Finance cost	5	<u>(341)</u>	<u>(146)</u>
Loss before taxation	6	<b>(16,173)</b>	(16,125)
Income tax expense	7	<u>(591)</u>	<u>(2,689)</u>
Loss and total comprehensive expense for the year		<b>(16,764)</b>	(18,814)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		<b>(6,313)</b>	(21,574)
Non-controlling interests		<u>(10,451)</u>	<u>2,760</u>
		<u><b>(16,764)</b></u>	<u>(18,814)</u>
Loss per share	9		
Basic (HK cents)		<u><b>(0.95)</b></u>	<u>(3.24)</u>
Diluted (HK cents)		<u><b>(0.95)</b></u>	<u>(3.24)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

	<i>NOTES</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		<b>957</b>	1,638
Right-of-use assets		<b>4,962</b>	1,975
Investment property		<b>2,000</b>	2,100
Deferred tax assets		<b>238</b>	252
Deposits	<i>11</i>	<b>528</b>	349
		<b>8,685</b>	6,314
Current assets			
Inventories		<b>9,833</b>	–
Trade receivables	<i>10</i>	<b>109,639</b>	88,536
Other receivables, deposits and prepayments	<i>11</i>	<b>3,486</b>	4,655
Contract assets	<i>12</i>	<b>59,996</b>	89,678
Financial assets at fair value through profit or loss ("FVTPL")		<b>10,148</b>	8,052
Short term bank deposits		<b>12,000</b>	5,000
Cash and cash equivalents		<b>123,905</b>	165,958
		<b>329,007</b>	361,879
Current liabilities			
Trade payables	<i>13</i>	<b>7,902</b>	27,676
Other payables and accrued charges	<i>14</i>	<b>22,401</b>	26,378
Contract liabilities	<i>12</i>	<b>26,719</b>	19,730
Provisions		<b>1,187</b>	–
Lease liabilities		<b>3,635</b>	2,285
Tax liabilities		<b>349</b>	2,748
		<b>62,193</b>	78,817
Net current assets		<b>266,814</b>	283,062
Total assets less current liabilities		<b>275,499</b>	289,376

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Provisions		–	1,272
Lease liabilities		<u>2,186</u>	<u>179</u>
		<u>2,186</u>	<u>1,451</u>
Net assets		<u>273,313</u>	<u>287,925</u>
Capital and reserves			
Share capital	15	6,668	6,668
Reserves		<u>271,742</u>	<u>275,903</u>
Equity attributable to owners of the Company		278,410	282,571
Non-controlling interests		<u>(5,097)</u>	<u>5,354</u>
Total equity		<u>273,313</u>	<u>287,925</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL

Golden Faith Group Holdings Limited (the “**Company**”) is incorporated and registered as an exempted company in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). The address of the registered office and principal place of business are stated in the “Corporate Information” section of the annual report. The parent 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 of the Company and its subsidiaries (the “**Group**”) are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company.

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

#### **New and amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 October 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and 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.

## 2.1 Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

## 2.2 Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in note 3 to the consolidated financial statements in the annual report 2024.

## **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:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2027

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

### **HKFRS 18 Presentation and Disclosure in Financial Statements**

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

#### Revenue from services

##### (i) *Disaggregation of revenue*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Types of services		
– Electric and maintenance engineering services in Hong Kong	<u>736,676</u>	<u>671,466</u>
Timing of revenue recognition		
– Over time	<u>736,676</u>	<u>671,466</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 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 relevant amount of contract asset is reclassified to trade receivables when the maintenance period expires. 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.

(iii) The transaction price allocated to the remaining performance obligations of electric and maintenance engineering services contracts (unsatisfied or partially unsatisfied) as at 30 September 2024 and 2023 and the expected timing of recognised revenue are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	318,634	409,993
More than one year	<u>396,861</u>	<u>861,966</u>
	<u><u>715,495</u></u>	<u><u>1,271,959</u></u>

### Segment information

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. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide discussions, major customers and geographic information are presented.

The following is an analysis of the Group's revenue and results by operating and reportable segment:

#### For the year ended 30 September 2024

	<b>Consolidated <i>HK\$'000</i></b>
Segment revenue from electric and maintenance engineering services	<u><u>736,676</u></u>
Segment results from electric and maintenance engineering services	(15,475)
Interest income	2,014
Gain on disposal of a subsidiary	5,000
Rental income from investment property	42
Change in fair value of investment property	(100)
Change in fair value of financial assets at FVTPL	1,709
Corporate expenses	(9,362)
Unallocated finance cost	<u>(1)</u>
Loss before taxation	<u><u>(16,173)</u></u>



For the year ended 30 September 2023

	Consolidated <i>HK\$'000</i>
Segment revenue from electric and maintenance engineering services	<u>671,466</u>
Segment results from electric and maintenance engineering services	(4,666)
Interest income	594
Rental income from investment properties	839
Change in fair value of investment properties	(4,126)
Change in fair value of financial assets at FVTPL	1,499
Corporate expenses	(10,248)
Unallocated finance cost	<u>(17)</u>
Loss before taxation	<u>(16,125)</u>

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

The accounting policies of the operating and reportable segment is the same as the Group's accounting policies. Segment loss represents the loss incurred by the segment excluding certain interest income, rental income from investment properties, change in fair value of investment properties, change in fair value of financial assets at FVTPL, corporate 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*

	<b>Electric and maintenance engineering services</b>	<b>Unallocated</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>For the year ended 30 September 2024</i>			
<b>Interest income</b>	<b>1,112</b>	<b>2,014</b>	<b>3,126</b>
<b>Depreciation of property, plant and equipment</b>	<b>(395)</b>	<b>(157)</b>	<b>(552)</b>
<b>Depreciation of right-of-use assets</b>	<b>(3,829)</b>	<b>(4)</b>	<b>(3,833)</b>
<b>Impairment losses on trade receivables, net</b>	<b>(69)</b>	<b>–</b>	<b>(69)</b>
<b>Impairment losses on contract assets, net</b>	<b>152</b>	<b>–</b>	<b>152</b>
<b>Change in fair value of investment property</b>	<b>–</b>	<b>(100)</b>	<b>(100)</b>
<b>Change in fair value of financial assets at FVTPL</b>	<b>–</b>	<b>1,709</b>	<b>1,709</b>
<b>Finance cost</b>	<b>(340)</b>	<b>(1)</b>	<b>(341)</b>
	<b><u>(340)</u></b>	<b><u>(1)</u></b>	<b><u>(341)</u></b>

### *For the year ended 30 September 2023*

Interest income	554	594	1,148
Depreciation of property, plant and equipment	(598)	(265)	(863)
Depreciation of right-of-use assets	(1,873)	(257)	(2,130)
Impairment losses on trade receivables, net	(62)	–	(62)
Impairment losses on contract assets, net	(186)	–	(186)
Change in fair value of investment properties	–	(4,126)	(4,126)
Change in fair value of financial assets at FVTPL	–	1,499	1,499
Finance cost	(129)	(17)	(146)
	<b><u>(129)</u></b>	<b><u>(17)</u></b>	<b><u>(146)</u></b>

### *Geographical information*

All of the segment revenue reported above is from Hong Kong.

The Group's property, plant and equipment of HK\$957,000 (2023: HK\$1,638,000), right-of-use assets amounting to HK\$4,962,000 (2023: HK\$1,975,000) and investment property of HK\$2,000,000 (2023: HK\$2,100,000) as at 30 September 2024 are all located in Hong Kong by geographical 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 year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A ( <i>note</i> )	483,522	N/A
Customer B ( <i>note</i> )	N/A	233,470
Customer C	<u>155,739</u>	<u>384,319</u>

*Note:* The customer attributed less than 10% of revenue in respective year. All of above customers are derived from electric and maintenance engineering services segment.

#### **4. OTHER INCOME AND OTHER GAINS AND LOSSES, NET**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income:		
Bank interest income	3,126	1,148
Government grant ( <i>note</i> )	–	786
Rental income from investment properties	42	839
Others	<u>381</u>	<u>16</u>
	<u>3,549</u>	<u>2,789</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.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other gains and losses:		
Gain on disposal of a subsidiary	5,000	–
Change in fair value of investment properties	(100)	(4,126)
Change in fair value of financial assets at FVTPL	1,709	1,499
Loss on disposal of property, plant and equipment	(16)	–
Net exchange gain	401	566
Others	<u>6</u>	<u>7</u>
	<u>7,000</u>	<u>(2,054)</u>

## 5. FINANCE COST

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	<u>341</u>	<u>146</u>

## 6. LOSS BEFORE TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
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Loss before taxation has been arrived at after charging (crediting):

Staff costs (*note*):

Directors' remuneration	10,475	11,279
Other staff costs	346,365	300,432
Contributions to retirement benefits schemes for employees of the Group	1,154	1,252
Contributions to retirement benefits schemes for other short-term labour in construction site	10,110	8,695
	<u>368,104</u>	<u>321,658</u>

Auditor's remuneration	800	800
Depreciation of property, plant and equipment	552	863
Depreciation of right-of-use assets	3,833	2,130
Gross rental income from investment properties	(42)	(839)
Less: Direct operating expenses arising from investment properties that generated rental income	8	35
	<u>(34)</u>	<u>(804)</u>

Cost of inventories recognised as an expense	<u>2,957</u>	<u>–</u>
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*Note:* Staff costs of HK\$345,455,000 (2023: HK\$299,852,000) included in cost of sales and remaining HK\$22,649,000 (2023: HK\$21,806,000) included in administrative expenses.

## 7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax:		
– Current year	542	2,391
– Underprovision in prior years	<u>35</u>	<u>339</u>
	577	2,730
Deferred taxation charge (credit) for the year	<u>14</u>	<u>(41)</u>
	<u><b>591</b></u>	<u><b>2,689</b></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.

The income tax expense for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before taxation	<u><b>(16,173)</b></u>	<u><b>(16,125)</b></u>
Taxation at income rate of 16.5%	<b>(2,669)</b>	(2,661)
Tax effect of expenses not deductible for tax purposes	<b>400</b>	513
Tax effect of income not taxable for tax purposes	<b>(1,697)</b>	(622)
Tax effect of tax losses not recognised	<b>8,661</b>	5,285
Utilisation of tax losses previously not recognised	<b>(3,974)</b>	–
Underprovision in prior years	<b>35</b>	339
Income tax at concessionary rate	<u><b>(165)</b></u>	<u><b>(165)</b></u>
Income tax expense	<u><b>591</b></u>	<u><b>2,689</b></u>

## 8. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

## 9. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following data:

### Loss

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the purpose of calculating basic loss and diluted loss per share for the year attributable to owners of the Company	<u>(6,313)</u>	<u>(21,574)</u>

### Number of shares

	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of calculating basic loss for share	<u>666,801</u>	<u>666,174</u>
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<u>666,801</u>	<u>666,174</u>

The computation of diluted loss per share does not assume the exercise of the Company's share options since their assumed exercise would result in decrease in loss per share.

## 10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gross trade receivables	110,313	89,097
Less: allowance for credit losses	<u>(674)</u>	<u>(561)</u>
Total	<u>109,639</u>	<u>88,536</u>

As at 1 October 2022, the carrying amount of trade receivables is HK\$105,416,000.

The Group grants credit terms of 0 to 60 days to its customers from the date of invoices on progress payments of engineering service works. 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:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0 – 30 days	<b>64,677</b>	38,135
31 – 60 days	<b>44,962</b>	50,401
	<b><u>109,639</u></b>	<u>88,536</u>

As at 30 September 2023 and 30 September 2024, entire trade receivables were not past due at the reporting date.

#### **11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Rental and other deposits	<b>926</b>	780
Deposits for trading products/materials purchase	<b>1,902</b>	3,399
Prepayments and others	<b>1,186</b>	825
Total	<b><u>4,014</u></b>	<u>5,004</u>
Presented as non-current assets	<b>528</b>	349
Presented as current assets	<b>3,486</b>	4,655
Total	<b><u>4,014</u></b>	<u>5,004</u>

#### **12. CONTRACT ASSETS AND CONTRACT LIABILITIES**

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Contract assets		
– Engineering service contracts	<b>60,369</b>	90,247
Less: allowance for credit losses	<b>(373)</b>	(569)
	<b><u>59,996</u></b>	<u>89,678</u>
Contract liabilities		
– Engineering service contracts	<b>26,719</b>	19,730

As at 1 October 2022, the carrying amounts of contract assets and contract liabilities are HK\$69,402,000 and HK\$13,721,000, 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.

Retention monies withheld by customers of electric and maintenance engineering services are unsecured, interest-free and recoverable after the completion of maintenance 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 practical completion of respective electric and maintenance engineering services. The retention money, included in contract assets and contract liabilities, is to be settled, based on the completion of maintenance period, at the end of the reporting period as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	<b>39,144</b>	23,266
After one year	—	4,049
Total	<b><u>39,144</u></b>	<b><u>27,315</u></b>

The Group classified certain of contract assets, which are expected to be recovered more than 12 months, as current because the Group expects to realise them in its normal operating cycle.

For the contract liabilities as at 1 October 2022 and 30 September 2023 and 2024, the entire balances were/ expected to be recognised as revenue within twelve months after the end of the reporting period.

### 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:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	<b>6,416</b>	19,625
31 – 60 days	<b><u>1,486</u></b>	<u>8,051</u>
	<b><u>7,902</u></b>	<b><u>27,676</u></b>



#### 14. OTHER PAYABLES AND ACCRUED CHARGES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accrued charges for engineering service contracts	1,979	2,648
Accrued payroll and bonus	19,614	22,923
Other accrued charges	<u>808</u>	<u>807</u>
	<u><b>22,401</b></u>	<u><b>26,378</b></u>

#### 15. SHARE CAPITAL

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

	Number of shares	Amount <i>HK\$'000</i>
<b>Ordinary shares of HK\$0.01 each</b>		
Authorised:		
At 1 October 2022, 30 September 2023 and 2024	<u><b>10,000,000,000</b></u>	<u>100,000</u>
Issued and fully paid:		
At 1 October 2022	<b>665,701,000</b>	6,657
Issue of shares upon exercise of share options ( <i>note</i> )	<u><b>1,100,000</b></u>	<u>11</u>
At 30 September 2023 and 2024	<u><b>666,801,000</b></u>	<u>6,668</u>

*Note:*

During the year ended 30 September 2023, a total of 1,100,000 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 2024 (“FY2024”) the Group focused on the electric and maintenance (E&M) engineering service business. The Group continued to engage in providing large scale E&M engineering services in major construction projects mainly in the public sector in Hong Kong. Our project portfolio encompassed public hospitals, government office complex and departmental headquarter. During FY2024, we have substantially completed Hong Kong Sport Institute project and Immigration Headquarters project for the Hong Kong Government. By leveraging on our extensive experience and well reputation in the field together with well management in field work, the Group has successfully won a number of long-term contracts with contract sum totally over HK\$730 million, contributing to the Group’s stable income for the next few years. In coming years, we will focus on four major projects, namely engineering services for, completion work of Queen Mary Hospital, New Acute Hospital at Kai Tak, Grantham Hospital and District Court in Causeway Bay.

The Group has terminated the discussion on the investment in the electronic platform sales business project due to inadequate financial data provided for us to assess.

### **FINANCIAL REVIEW**

#### **Results Analysis**

The Group’s revenue in FY2024 was approximately HK\$736.7 million, representing an increase of approximately HK\$65.2million or 9.7% as compared to that in FY2023. During FY2024, the Group has substantially completed the projects in Hong Kong Sport Institute and Immigration Headquarters. Besides, the Group engaged in another two large scale engineering contracts in FY2024, namely, Queen Mary Hospital and New Acute Hospital at Kai Tak. After the end of the COVID-19 pandemic, all projects are in full swing, leading to an increase of the Group’s revenue.

The Group’s gross profit for FY2024 decreased by approximately HK\$10 million which was mainly due to the additional labour cost incurred during the period. The difficulties in employing adequate labours to complete those committed projects on time unavoidably increased labour costs and adversely affected the profitability of the projects. The Group’s gross profit ratio has decreased from 3.5% in FY2023 to 1.8% in FY2024 due to increase in material, labour costs and subcontracting charges given certain projects delayed caused by COVID-19 pandemic.

### **Other income**

The Group recorded other income of approximately HK\$3.5 million in FY2024, representing an increase of approximately HK\$0.8 million as compared to that in FY2023. The increase was mainly due to an increase of bank interest rate in FY2024.

### **Other gains and losses, net**

The Group recorded net other gains of approximately HK\$7.0 million in FY2024 while it recorded net other losses of approximately HK\$2.1 million in FY2023. The change was mainly due to increase in the recognised gains of fair value on the financial asset at FVTPL and a gain on disposal of a subsidiary in FY2024.

### **Impairment losses on trade receivables and contract assets**

The Group recognised an amount of approximately HK\$83,000 on reversal of impairment losses on trade receivables and contract assets in FY2024. (FY2023: impairment losses of approximately HK\$248,000).

### **Administrative expenses**

In FY2024, administrative expenses increased by approximately HK\$0.1 million or 0.3% as compared to that in FY2023, which was mainly due to an increase in staff costs.

### **Finance cost**

The Group's finance cost represented interest on lease liabilities and increased by approximately HK\$195,000 or 134% as compared to the corresponding period in 2023. The change was mainly due to a new leasing agreement of warehouse being entered.

### **Loss and total comprehensive expenses**

The decrease in loss and total comprehensive expenses of approximately HK\$2.1 million was mainly arisen from the net effect of a decrease in gross profit of approximately HK\$10 million, an increase in other income of approximately HK\$0.8 million, an increase in other gains and losses, net of approximately HK\$9.1 million, an increase in administrative expenses of approximately HK\$0.1 million and a decrease in income tax expense of approximately HK\$2.1 million.

## **FINANCIAL RESOURCES REVIEW**

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

As at 30 September 2024, the total number of issued shares of the Company was 666,801,000 (30 September 2023: 666,801,000) shares.

As at 30 September 2024, the Group had bank and cash balances and short term bank deposits of approximately HK\$136 million (30 September 2023: HK\$171 million).

As at 30 September 2024, there was no bank borrowing (30 September 2023: Nil).

The gearing ratio, defined as the ratio of total borrowings less bank and cash balances to equity attributable to owners of the Company represented a net cash position (2023: 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 exposed to significant 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.

### **PROSPECTS AND OUTLOOK**

Supported by Hong Kong government continuing to invest heavily in various construction projects, as a major and an experienced subcontractor for electrical engineering projects in public sector, we win a few contracts on hand with contract sum over HK\$730 million. We are confident about future sales orders and will continue to impose cost control measures.

On the other hand, the Group has been actively seeking new business opportunities from time to time in order to broaden the source of income, to diversify its business, and to enhance the long-term growth potential of the Group and its shareholder's value. Looking forward, the Group will strive to enhance its profitability and focus on lucrative business opportunities in pursuing a sustainable and stable growth.

### **HUMAN RESOURCES**

As at 30 September 2024, the number of employees of the Group includes 86 of long-term employees (FY2023: 84) and 1,022 of short-term employees (FY2023: 864). 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. 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.

## **OTHER INFORMATION**

### **SIGNIFICANT INVESTMENTS HELD**

Except for investments in its subsidiaries and in blue chip equity securities in Hong Kong, the Group did not hold any significant investments during the year ended 30 September 2024.

### **MATERIAL ACQUISITIONS OR DISPOSALS**

On 4 June 2024, Champion Goal Investments Limited (an direct wholly-owned subsidiary of the Company, as the vendor) and Cheung Ho Electric Co., Limited (as the purchaser) entered into a sale and purchase agreement, pursuant to which the vendor has conditionally agreed to sell, and the purchaser has conditionally agreed to purchase the entire issued share capital of Cornwall Contracting Company Limited (“CCC”, an indirect wholly-owned subsidiary of the Company), at the consideration equal to the sum of HK\$5,000,000 and the net asset value. The unaudited net asset value of the CCC was amounted to HK\$1,073,825 as at 31 March 2024, which was mainly comprised of trade receivables, trade payables and cash and bank balances. On 28 June 2024, the disposal of CCC was completed. Please refer to the Company’s announcements of 4 June 2024 and 12 July 2024 for details.

Save as disclosed above, the Group did not have any material acquisitions or disposals during the FY2024.

### **CHARGES ON ASSETS**

As at 30 September 2024 and 2023, the Group did not have any charges on its assets.

### **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 30 September 2024, the Group did not have any significant capital commitments or contingent liabilities (FY2023: Nil).

### **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 FY2024.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as at the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company has, throughout FY2024, applied the principles and complied with the requirements of the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix C1 to the Listing Rules except for the following deviations.

### **Code Provision C.5.3**

Code provision C.5.3 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 C.5.3 of the CG Code in the future.

## **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 C3 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 FY2024.

## **REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE**

The audit committee of the Company has reviewed the Group’s consolidated financial statements for FY2024, 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 2024 and up to the date of this announcement.

## **DIVIDEND**

No dividend was paid or proposed for ordinary Shareholders of the Company during FY2024, nor has any dividend been proposed since the end of the reporting period.

## **ANNUAL GENERAL MEETING**

The AGM of the Company will be held on Friday, 28 March 2025. A notice convening the AGM will be published on the respective websites of the Company and HKEXnews and despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

In order to determine entitlements of shareholders of the Company attend and vote at the annual general meeting to be held on Friday, 28 March 2025, the register of members of the Company will be closed from Tuesday, 25 March 2025 to Friday, 28 March 2025, both days inclusive, during which period no transfer of 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 March 2025.

## **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 year ended 30 September 2024 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 audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 19 December 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion 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](http://www.hkexnews.hk) and on the website of the Company at [www.goldenfaith.hk](http://www.goldenfaith.hk). The annual report of the Company for the FY2024 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, 19 December 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 Jovi Chi Wing.*