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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)

Placing Agent



Excellent Success Investments Limited

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 25th October 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent conditionally agreed to effect the Placing by procuring Placees (currently expected to be no fewer than six) to subscribe for a maximum of 40,000,000 Placing Shares at the Placing Price of HK\$0.530 per Placing Share on a best effort basis. The Placing Shares will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the Placing Shares represent (i) approximately 6.01% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.530 per Placing Share represents (i) a premium of approximately 17.78% to the closing price of HK\$0.450 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 14.22% to the average closing price of HK\$0.464 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$21.2 million and approximately HK\$20.5 million, respectively.

The Company intends to apply the net proceeds from the Placing to invest in a proposed joint venture company with Pangu Creation Network International Limited to engage in the business of the products and services of information technology and big data on finance and commerce. The Directors consider that the terms of the

Placing (including the Placing Price and the placing commission) are on normal commercial terms and are fair and reasonable based on the prevailing market conditions. Therefore, and also taking into account the reasons set out above, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

As the Completion is subject to the satisfaction of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

INTRODUCTION

On 25th October 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent conditionally agreed to effect the Placing by procuring Placees (currently expected to be no fewer than six) to subscribe for a maximum of 40,000,000 Placing Shares at the Placing Price of HK\$0.530 per Placing Share on a best effort basis. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date

25th October 2022

Parties

- (1) the Company as the issuer; and
- (2) Excellent Success Investments Limited as the Placing Agent.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Placing

Pursuant to the Placing Agreement, the Placing Agent conditionally agreed, on a best effort basis, to place, or procure the placing of, a maximum of 40,000,000 Placing Shares to currently expected to be not less than six independent professional, institutional or other investors who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules as the Placing Agent select at the Placing Price of HK\$0.530 per Placing Share (together with the Stock Exchange trading fee, SFC transaction levy, FRC transaction levy and Central Clearing and Settlement System stock settlement fee as may be payable by the Placees) in the capacity as the Company's agent.

Upon Completion, the Company will pay to the Placing Agent a placing commission of 2% of the aggregate amount equal to the Placing Price multiplied by the actual number of the Placing Shares being placed. The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the date of Completion, the Placing Shares represent (i) approximately 6.01% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 5.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The Placing Shares have an aggregate nominal value of HK\$400,000 based on the nominal value of HK\$0.01 per Share.

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares then in issue on the date of allotment and issue of the Placing Shares.

Placees

The Placing Agent undertakes to place the Placing Shares only to independent professional, institutional or other investors, who and whose ultimate beneficial owner(s) will be third parties independent of, not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholder(s) of the Company or its subsidiaries and their respective associates.

It is currently expected that the number of Placees will be no fewer than six.

Placing Price

The Placing Price of HK\$0.530 per Placing Share represents:

- (i) a premium of approximately 17.78% to the closing price of HK\$0.450 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a premium of approximately 14.22% to the average closing price of HK\$0.464 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and excluding the date of the Placing Agreement.

Taking into account all commissions and other expenses in relation to the Placing, the net issue price is approximately HK\$0.5125 per Placing Share.

The Placing Price was determined after arm's length negotiation between the the Company and the Placing Agent with reference to, among others, the recent trading performance of the Shares, the performance of the Group and the future business prospects of the Group.

Conditions Precedent

The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon the following conditions being fulfilled:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (either unconditionally or subject to conditions to which neither the Company nor the Placing Agent shall reasonably object) the listing of, and permission to deal in all of the Placing Shares;
- (ii) no warranties having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date.

If any of the above conditions precedent have not been fulfilled on or before the Long Stop Date, the Placing Agreement shall lapse immediately thereafter and be of no further effect and neither the Company nor the Placing Agent shall have any claim against or liability or obligation to each other under the Placing Agreement save for any rights or obligations which may accrue prior to the date of such termination.

Termination

If at any time prior to the Completion of the Placing Agreement, in the opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (a) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing); or
- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or

- (f) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (g) any change or deterioration in the conditions of local, national or international securities markets. The Placing Agent may terminate this Agreement without liability to the Company by giving notice in writing to the Company. Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches

Completion of the Placing

Completion shall take place at the principal place of business of the Company in Hong Kong on the Completion Date at 5:00 p.m. (unless otherwise agreed between the Placing Agent and the Company in writing) provided that all the conditions precedent have been fulfilled at the time of Completion.

The Placing Agent shall use its best endeavors to procure placees to subscribe for the Placing Shares.

GENERAL MANDATE OF THE ISSUE OF THE PLACING SHARES

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting held on 28th January 2022 subject to the limit of up to 20% of the total number of Shares in issue as at the date of the annual general meeting (that is, 131,238,200 new Shares, representing 20% of 656,191,000 Shares in issue as at the date of the annual general meeting). Up to the date of this announcement, no Shares have been issued under the General Mandate. Accordingly, the General Mandate is sufficient for the issue of the Placing Shares and therefore the issue of the Placing Shares is not subject to a separate Shareholders' approval.

APPLICATION

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in provision of electrical engineering services in Hong Kong. As disclosed in the Company's interim report for the six months ended 31 March 2022, looking forward, associated with the global trade friction, geopolitical uncertainties and global epidemic of COVID-19, the Group will look for diversification of business so as to minimize business risk and will consider other business opportunities which may be beneficial to the Group's development in the long run.

The Company has entered into a non-legally binding memorandum of understanding (the "MOU") on 2 September 2022, in relation to a proposed joint venture with Pangu

Creation Network International Limited (“**Pangu Creation**”) to engage in the business of the products and services of information technology and big data on finance and commerce. Pursuant to the MOU, the Company and Pangu Creation intends to subscribe for the shares of the proposed joint venture company (“**JV Company**”), which shall manage and develop the business of “Mango Hearing Finance Platform”, which is an audio financial channel mainly designed for Hong Kong and China. For details, please refer to the announcement of the Company dated 2 September 2022.

After signing the MOU and as at the date of this announcement, the Company has been negotiating with the Pangu Creation on the terms of joint venture agreement and for the details of the future operation of the joint venture business. According to the current discussion between the parties, it is currently expected that the Company will invest not less than HK\$[20.0] million in the JV Company for the next 3 years. The Directors suggest to have equity fund raising in the market to fund the Company’s investment in the JV Company.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Placing will be in an aggregate of HK\$21.2 million. The net proceeds from the Placing, after the deduction of the relevant commission and other related expenses, are estimated to be in an aggregate of approximately HK\$20.5 million. The net price per Placing Share will be approximately HK\$0.5125. The net proceeds from the Placing are intended to invest in the JV Company.

The Directors consider that the terms of the Placing (including the Placing Price and the placing commission) are on normal commercial terms and are fair and reasonable based on the prevailing market conditions. Therefore, and also taking into account the reasons set out above, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement up to the Completion, set out below, for the purpose of illustration only, is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after the Completion.

	As at the date of this announcement		Immediately after the Completion	
	<i>Number of Shares</i>	<i>Approx. % of shareholding</i>	<i>Number of Shares</i>	<i>Approx. % of shareholding</i>
<i>Director</i>				
Mr. Ko Chun Hay, Kelvin <i>(note)</i>	420,405,000	63.15%	420,405,000	59.57%
Mr. Yung On Wah	39,424,000	5.92%	39,424,000	5.59%
Mr. Li Kar Fai, Peter	12,801,000	1.92%	12,801,000	1.81%
<i>Public Shareholders</i>				
The Placees	-	-	40,000,000	5.67%

Others	193,071,000	29.00%	193,071,000	27.36%
Total	<u>665,701,000</u>	<u>100.00%</u>	<u>705,701,000</u>	<u>100.00%</u>

Note : These Shares includes 302,747,000 Shares held by Greatly Success Investment Trading Limited which is wholly-owned by Mr. Ko Chun Hay, Kelvin.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

There has not been any equity fund raising activity conducted by the Company in the past 12 months immediately preceding the date of this announcement.

As the Completion is subject to the satisfaction of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“Company”	Golden Faith Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange (stock code: 2863)
“Completion”	the completion of the Placing
“Completion Date”	the date of completion of the Placing

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 28th January 2022 to issue and allot up to new 131,238,200 Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the said meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	11th November 2022 or any other later date as agreed between the parties
“Placees”	individuals, corporate, institutional investors and other investors selected and procured by or on behalf of the Placing Agent to subscribe for the Placing Shares pursuant to the provisions as contemplated by the Placing Agreement
“Placing”	the placing by or on behalf of the Placing Agent of the Placing Shares on the terms and subject to the conditions referred to in the Placing Agreement
“Placing Agent”	Excellent Success Investments Limited, a company incorporated in Hong Kong with limited liability and licensed by the SFC to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter

	571 of the Laws of Hong Kong), being the placing agent under the Placing Agreement
“Placing Agreement”	the placing agreement dated 25th October 2022 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.530 per Placing Share
“Placing Share(s)”	a maximum of 40,000,000 new Shares to be issued and allotted to the Placees by the Company through the Placing
“Share(s)”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

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

Hong Kong, 25 October 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.