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

2017
ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yung On Wah *(Chairman)*
Mr. Li Kar Fai, Peter
Mr. Pu Li Wei

Independent Non-executive Directors

Mr. Chan Cho Chak
Mr. Chan Wing Fai
Ir. Yan Wai Yan
Mr. Yeung Wai Lung

AUDIT COMMITTEE

Mr. Yeung Wai Lung *(Chairman)*
Mr. Chan Wing Fai
Mr. Chan Cho Chak
Ir. Yan Wai Yan

REMUNERATION COMMITTEE

Mr. Chan Cho Chak *(Chairman)*
Mr. Yung On Wah
Mr. Li Kar Fai, Peter
Mr. Chan Wing Fai
Ir. Yan Wai Yan
Mr. Yeung Wai Lung

NOMINATION COMMITTEE

Mr. Yung On Wah *(Chairman)*
Mr. Li Kar Fai, Peter
Mr. Chan Wing Fai
Mr. Chan Cho Chak
Ir. Yan Wai Yan
Mr. Yeung Wai Lung

RISK MANAGEMENT COMMITTEE

Mr. Li Kar Fai, Peter *(Chairman)*
Mr. Yung On Wah
Mr. Chan Cho Chak
Mr. Chan Wing Fai
Ir. Yan Wai Yan
Mr. Yeung Wai Lung

COMPANY SECRETARY

Mr. Li Kar Fai, Peter (CPA)

AUTHORISED REPRESENTATIVES

Mr. Yung On Wah
Mr. Li Kar Fai, Peter

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Office B, 7/F, TLP132
Nos. 132–134 Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301–04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

COMPLIANCE ADVISER

Guoyuan Capital (Hong Kong) Limited

LEGAL ADVISER

As to Hong Kong Law
Hui & Lam LLP
Solicitors, Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

WEBSITE ADDRESS

www.goldenfaith.hk

STOCK CODE

2863

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of Golden Faith Group Holdings Limited (the "Company"), I am delighted to present the first annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 September 2017.

The shares of the Company were successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited on 11 August 2017. The net proceeds raised by the Company in respect of the sale of 90.0 million Shares after deducting relevant expenses was approximately HK$71.6 million. The Group has been providing electrical and mechanical engineering ("E&M engineering") services in Hong Kong since 1987. The Listing is a significant and notable milestone for the Group.

The Group are principally engaged in providing E&M engineering services in Hong Kong. The Group has expanded its E&M engineering business over the years and provided large-scale E&M engineering services to both the private and public sector. Our principal business activities are the provision of electrical and ELV system works. We act as a subcontractor of the main contractor or principal E&M contractor, who subcontracts electrical and ELV system works to us. We also act as the main contractor for two maintenance projects. During the year, the Group had strategically concentrated on the hospital-related projects which we have specialised requisite technical expertise and experience to monitor the work progress and optimise the design and construction effectiveness in a cost efficient manner.

The Group faces fierce competition in the E&M engineering services industry in Hong Kong. However, the construction industry and the E&M engineering services industry in Hong Kong continue to experience continuous spatial growth both in the public and private market sectors. The government has stepped up its efforts in matching resources. Public works projects have increased significantly due to the growth of public hospital improvement projects and the increase in various public community facilities projects, whereas the demand for private projects has benefited from the booming of the real estate market. Therefore, we are confident that with the market opportunities as well as our good reputation in the industry, rich experience and track record, the Group will be able to maintain its steady business growth in the future and is committed to adhering to the following core values:

(i) honesty and mutual trust (ii) industry excellence (iii) complementarity and (iv) mutual benefit.

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers, (main contractors and principal E&M contractors of the construction industry in Hong Kong) and business partners for their trust and support, and to our management and staff members for their diligence, effort and contribution to the growth of the Group.

Yung On Wah
Chairman and Executive Director
Hong Kong, 19 December 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 30 September 2017 ("FY2017"), the Group continued to engage in the provision of electrical and extra-low voltage system works in Hong Kong. As at 30 September 2017, our projects have encompassed hospitals, international school, government headquarter and museum in Kowloon West. Revenue from seven projects in progress during FY2017 amounted to approximately HK$266.0 million, accounted for 86.4% of total revenue for FY2017.

As disclosed on page 127 of the prospectus of the Company dated 31 July 2017 (the "Prospectus"), sufficient manpower has to be reserved for two significant projects with total contract sum of approximately HK$707.4 million and as a result, fewer tenders has been submitted during FY2017. The Group has been awarded two projects with a total contract sum of approximately HK$376.6 million in FY2017 and there are four potential projects three of them with tender submitted and one of them with tender under preparation with an estimated total contract sum of approximately HK$860.6 million.

FINANCIAL REVIEW

Results Analysis

The Group's revenue in FY2017 was approximately HK$308.0 million, representing an increase of approximately HK$115.9 million or 60.3% as compared to that in the corresponding period 2016 ("FY2016"). Such increase was mainly attributed to (a) an increase in revenue from projects in progress brought forward from FY2016 with an aggregated increase in revenue by approximately HK$221.2 million for work completed during FY2017; (b) one new project which commenced during FY2017 with revenue of approximately HK$7.5 million and (c) decrease in revenue from completed projects brought forward from 2016 of approximately HK$112.8 million.

The Group's gross profit for the FY2017 increased by approximately HK$11.6 million which was mainly due to the increase in revenue. Gross profit margin decreased from approximately 24.4% to approximately 19.0%, which is due to completion of projects with higher average gross profit margin of approximately 20% to approximately 30% in FY2016 and the remaining projects in progress brought forward from 2016 contributed a relatively lower average gross profit margin of 15% to 20%.

Other gains and losses

The Group recorded other gains of approximately HK$4.1 million, representing an increase of approximately HK$3.9 million as compared to that in FY2016, which was mainly due to gain on disposal of property, plant and equipment.

Administrative expenses

In FY2017, administrative expenses increased by approximately HK$8.3 million as compared to that in FY2016, which was mainly due to an increase in staff discretionary bonus of approximately HK$4.8 million, auditor's remuneration of approximately HK$1.0 million, donation to community chest of approximately HK$1.0 million, advertising expenses of approximately HK$0.3 million, rent and rates of approximately HK$0.4 million, business entertainment of approximately HK$0.6 million, insurance expenses of approximately HK$0.2 million.

Listing expenses

The total listing expenses incurred for FY2017 was approximately HK$14.2 million (2016: HK$0.7 million).

Finance costs

The Group's finance cost represented interest on finance lease and the decrease in amount was due to principal repayment.

Taxation

The effective tax rate was 25.5% (2016: 16.4%) due to non-deductible listing expenses of approximately HK$14.2 million (2016: HK$0.7 million).

Profit and total comprehensive income

Decrease in profit and total comprehensive income was due to increase in gross profit of approximately HK$11.6 million and increase in other gains and losses of approximately HK$3.9 million which was offset by increase in administrative expenses of approximately HK$8.3 million and listing expenses of approximately HK$13.5 million and increase in taxation of approximately HK$1.7 million.

FINANCIAL RESOURCES REVIEW

Liquidity, Financial Position and Capital Structure

As at 30 September 2017, the total number of issued Shares of the Company was 540,000,000.

The Company has successfully listed in the Stock Exchange of Hong Kong on 11 August 2017 and raised a net proceeds of approximately HK$71.6 million.

As at 30 September 2017, the Group has bank and cash balance of approximately HK$152.3 million (2016: HK$36.7 million).

As at 30 September 2017, total borrowings of the Group were approximately HK$0.1 million.

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 (2016: 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 2017, leasehold land and buildings with carrying amount of approximately HK$2,150,000 (2016: HK$4,314,000) has been pledged to secure a banking facility granted to the Group. The carrying value of motor vehicles included an amount of approximately HK$259,000 (2016: HK$373,000) in respect of assets held under finance lease as at 30 September 2017.

Performance Guarantee

As at 30 September 2016, performance guarantee of approximately HK$5,767,000 was given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and their customers. If the Group fails to provide satisfactory performance to their customers to whom performance guarantee have been given, such customers may demand the bank to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such bank accordingly. The performance guarantee will be released upon completion of the contract works. The performance guarantees were guaranteed by Mr. Yung. The directors of the Company do not consider it is probable that a claim will be made against the Group as at 30 September 2016. On 31 May 2017, the said performance guarantee was released by the bank and the Group had not entered into other performance guarantees during FY2017.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2017, the Group had a total of 261 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.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment.

COMMITMENTS

The contractual commitments of the Group were primarily related to the leases of its office premises. The Group's operating lease commitments amounted to approximately HK$0.5 million as at 30 September 2017 (30 September 2016: approximately HK$1.1 million). As at 30 September 2017, the Group did not have any capital commitment (30 September 2016: Nil).

CONTINGENT LIABILITIES

As at 30 September 2017, the Group did not have any significant contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, the Group did not hold any significant investments during the year ended 30 September 2017.

MATERIAL ACQUISITIONS OR DISPOSALS

As at 30 September 2017, the Group did not have any significant investment plans, material acquisitions or disposals.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing, after deducting listing related expenses and underwriting fees, were approximately HK$56.7 million. After the Listing, a part of these proceeds has been applied for the purposes in accordance with the "Future Plans and Use of Proceeds" as set out in the Prospectus.

An analysis of the intended application of net proceeds as stated in the Prospectus and the actual use of net proceeds from the Listing up to 30 September 2017 are set out below:

	Application of net proceeds as stated in the Prospectus up to 30 September 2017	**Actual use of net proceeds up to 30 September 2017**
	HK$'000	*HK$'000*
Provision of performance guarantee	39,800	–
Recruitment	9,700	–
Induction, tool box training and specific safety training	200	–
Computer training	100	–
Upgrading the computer system and software	1,500	69
Upgrading the quality management system obtained under ISO9001	1,500	91

As at 30 September 2017, the Group held unutilised net proceeds in licensed banks in Hong Kong.

PROSPECTS AND OUTLOOK

The Group's primary objective is to strengthen its market position in the electrical and mechanical engineering services industry and capitalise on expansion opportunities in Hong Kong with the following strategies:

(i) To further strengthen, the Group's market position in the electrical and mechanical engineering services industry by paying attention to electrical and mechanical engineering works the Group used to undertake to solidify its existing market share by deploying resources to tender for sizable and profitable electrical and mechanical engineering services projects in Hong Kong, particularly hospital-related projects which it has specialised requisite technical expertise and experience.

(ii) To further strengthen the Group's manpower which will increase its capacity to cope with expected business growth.

(iii) To further enhance the Group's work quality and quality management system which will improve competitiveness and brand image.

(iv) To enhance the Group's information technology capabilities which will improve the overall operational efficiency.

In addition, the Group will continue to look for strategic acquisitions and partnership opportunities which are in line with the Group's expansion strategy or provide synergy to its principal business activities. The Group will also consider whether any asset disposal, asset acquisition, fixed assets redeployment, business rationalization, business divestment and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 30 September 2017 and up to the date of this annual report.

CORPORATE GOVERNANCE PRACTICES

The Board has always recognized the importance of shareholders' accountability and transparency and is committed to maintaining high standards of corporate governance. The Company has, throughout the year ended 30 September 2017, 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 of Hong Kong Limited (the "Listing Rules") save and except for certain deviations as more specifically described below. The current practices will be reviewed and updated regularly so that the latest development in corporate governance can be followed and observed.

DIRECTORS' SECURITIES TRANSACTIONS

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, confirms that all Directors have fully complied with the Model Code throughout the FY2017.

BOARD OF DIRECTORS

The Board currently comprises seven Directors and their respective roles are set out as follows:

Executive Directors

Mr. Yung On Wah *(Chairman)*
Mr. Li Kar Fai Peter
Mr. Pu Li Wei

Independent Non-executive Directors

Mr. Chan Cho Chak
Mr. Chan Wing Fai
Ir. Yan Wai Yan
Mr. Yeung Wai Lung

During the year, the Board held four Board meetings. The company secretary of the Company (the "Company Secretary") assisted the Chairman and the Executive Directors in establishing the meeting agenda, and each Director was able to request inclusion of items in the agenda. All such meetings were convened in accordance with the articles of association of the Company (the "Articles"). 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. Adequate and appropriate information are circulated to the Directors normally three days in advance of the Board meetings or such period as accepted by them. In addition to regular Board meetings, the Chairman of the Board held a meeting with the Independent Non-executive Directors without the presence of other Executive Directors during the year.

During the year, the Board at all times met the requirements under Rule 3.10 of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the Independent Non-executive Directors the respective annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors are independent.

The Board members have no financial, business, family or other material or relevant relationship with each other. Given the nature and business objective of the Company, the Board has a balance of skill and experience appropriate for the requirements of the business of the Company. The list of current Directors and their respective biographical details are set out on pages 19 to 21 of this annual report.

Pursuant to the clause 40 of the Articles, at each annual general meeting of the Company, all Directors shall retire from office. All retiring Directors shall be eligible for re-election at the next annual general meeting. All Independent Non-executive Directors have been appointed for specific terms.

Pursuant to clause 38 of the Articles, any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board, shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election at such meeting.

While daily operation and administration are delegated to the management, the Board is responsible for the types of decisions relating to the following aspects:

— formulation of operational and strategic direction of the Group;

— monitoring the financial performance of the Group;

— overseeing the performance of the management;

— ensuring a prudent and effective framework of internal control is in place to enable risks to be assessed and managed; and

— setting the Company's values and standards.

The Board held meetings from time to time whenever necessary. Minutes of meetings of the Board, Audit Committee, Nomination Committee and Remuneration Committee are circulated to all Directors or relevant committee members for their perusal and comments and the approved minutes are kept by the Company and open for inspection by the Directors. The Board also ensures that the Directors are supplied, in a timely manner, with the agenda and all necessary information in a form and of a quality sufficient to enable them to discharge their duties.

The attendance record of individual Director at Board and committee meetings during the year is set out in the table below.

Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that Board procedures and all applicable rules and regulations are followed and he is also entitled to have full access to Board papers and related materials so that he is able to make an informed decision and to discharge his duties and responsibilities.

The Company has arranged appropriate and adequate Directors and Officers Liability Insurance to protect the Directors and officers of the Group against their potential legal liabilities.

DIRECTORS' ATTENDANCE

During the year, details of individual Director's attendance at the Board meetings, committee meetings are set out as follows:

	Number of attendance/Eligible to attend				
Name of Directors	**Board Meetings**	**Audit Committee Meetings**	**Remuneration Committee Meetings**	**Nomination Committee Meeting**	**Risk Management Committee Meeting**
Executive Directors					
Mr. Yung On Wah *(Chairman)*	5/5	N/A	1/1	1/1	1/1
Mr. Li Kar Fai Peter	5/5	N/A	1/1	1/1	1/1
Mr. Pu Li Wei	2/5	N/A	N/A	N/A	N/A
Independent Non-executive Directors					
Mr. Chan Cho Chak	5/5	1/1	1/1	1/1	1/1
Mr. Chan Wing Fai	5/5	1/1	1/1	1/1	1/1
Ir. Yan Wai Yan	5/5	1/1	1/1	1/1	1/1
Mr. Yeung Wai Lung	5/5	1/1	1/1	1/1	1/1

DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has provided relevant materials published by professional bodies or regulators to the Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Company has maintained a training record in order to assist the Directors to record the training that they have undertaken and they are requested to submit a training record to the Company on an annual basis.

During the year, all Directors have complied with code provision A.6.5 of the CG Code through attending training courses, workshops or reading materials relevant to their professional qualifications and/or duties of Directors.

CHAIRMAN AND CHIEF EXECUTIVE

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.

The Company did not officially have a position of chief executive officer and Mr. Yung On Wah, the Chairman of the Board, provides leadership to the Board to ensure that the Board works effectively and 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 collectively. 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 and develop in order to assess whether any changes, including the appointment of a chief executive officer, are necessary.

CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for performing the corporate governance duties as set out below:

(1) to develop and review the Company's policies and practices on corporate governance;

(2) to review and monitor the training and continuous professional development of Directors and senior management;

(3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and

(5) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board on a regular basis and making recommendations regarding any proposed changes, identifying and recommending individuals suitably qualified to become Board members, and assessing the independence of Independent Non-executive Directors. The Board adopted a board diversity policy which sets out the approach to achieve diversity on the Board with a view to achieving a sustainable and balanced development of the Company. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge and length of service of the Directors.

As at 30 September 2017, the Nomination Committee comprised two Executive Directors, namely Mr. Yung On Wah (Chairman) and Mr. Li Kar Fai, Peter, four Independent Non-executive Directors, namely Mr. Chan Cho Chak, Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung.

During the year, there was one meeting held by the Nomination Committee to (i) review the structure, size and composition of the Board; (ii) assess the independence of Independent Non-executive Directors; and (iii) make recommendations to the Board on nominating a new Director. The complete attendance record of individual committee member is set out in the table on page 12 of this annual report.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all Directors and senior management of the Company. No individual Director or any of his associates is involved in decisions relating to his own remuneration. The Remuneration Committee has adopted the model under code provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

As at 30 September 2017, the Remuneration Committee comprised two Executive Directors, namely Mr. Yung On Wah and Mr. Li Kar Fai, Peter and four Independent Non-executive Directors, namely Mr. Chan Cho Chak (Chairman), Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung.

During the year, there was one meeting held by the Remuneration Committee to (i) review the Company's policy and structure for the remuneration of all Directors and Senior Management of the Company and (ii) to recommend the said policy and structure to the Board for approval. The complete attendance record of individual committee member is set out in the table on page 12 of this annual report.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee is responsible for advising the Board on risk-related issues, overseeing the risk management framework for purposes of identifying and dealing with the risks encountered by the Company, including both business and financial risks, reviewing risk reports and breaches of risk management policies, and reviewing the effectiveness of the Company's intended risk control or mitigation measures.

As at 30 September 2017, the Risk Management Committee comprised two Executive Directors, Mr. Yung On Wah, Mr. Li Kar Fai, Peter (Chairman), four Independent Non-executive Directors, namely Mr. Chan Cho Chak, Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung.

During the year, there was one meeting held by the Risk Management Committee to (i) oversee the risk management framework for purposes of identifying and dealing with the risk encountered by the Company, including both business and financial risks, (ii) to review risk reports and breaches of the complete attendance record of individual member is set out in the table on page 12 of this annual report risk management policies and (iii) to review the effectiveness of the Company's intended risk control or mitigation measures.

AUDIT COMMITTEE

The Audit Committee is responsible for reviewing the accounting principles and practices adopted by the Group, as well as discussing and reviewing the risk management and internal control systems and financial reporting matters of the Company. The audit committee of the Company has reviewed the Group's consolidated financial statements for the FY2017, including the accounting principles and practices adopted by the Group.

As at 30 September 2017, the Audit Committee comprised four Independent Non-executive Directors, namely Mr. Yeung Wai Lung (Chairman), Mr. Chan Wing Fai, Mr. Chan Cho Chak and Ir. Yan Wai Yan. No member of the Audit Committee is a member of the former or existing auditor of the Company.

During the year, there was one meeting held by the Audit Committee to (i) review and discuss with the auditor on the audited financial statements for the year ended 30 September 2017, with recommendations to the Board for approval; (ii) review the risk management and internal control systems; (iii) review with the management of the Company the accounting principles and practices adopted by the Group; and (iv) review and make recommendations to the Board on the auditor's re-appointment and remuneration. The complete attendance record of individual committee member is set out in the table on page 12 of this annual report.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for the preparation of the financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the Group's financial position on a going concern basis and other inside information announcements and financial disclosures management provides the Board with the relevant information it needs to discharge these responsibilities.

The responsibilities of the auditor with respect to these financial statements are set out in the "Independent Auditor's Report" on pages 36 to 40 of this annual report.

AUDITOR'S REMUNERATION

During the year ended 30 September 2017, the fees paid/payable to the external auditor, Messrs. Deloitte Touche Tohmatsu, in respect of its audit and non-audit services provided to the Group were as follows:

Nature of services rendered	**Fee paid/payable**
	HK$'000
Audit services	1,000
Non-audit services	
Other services	4,038
	5,038

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective risk management and internal control systems to safeguard the Group's assets and the shareholders' interests. The risk management and internal control systems are designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

The Company has not established an internal audit department and the Directors are of the view that given the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professional firms to perform the internal audit function for the Group in order to meet its needs.

During the year, the Board has, through the Audit Committee, conducted review of the effectiveness of the risk management and internal control systems of the Group with the assistance of an independent internal control consultancy firm. The review covered the financial, operational and procedural compliance functions during the year. The review report with examination results and relevant improvement recommendations were duly reported to the Audit Committee and the Board for them to assess control of the Company and the effectiveness of the risk management system and any material failings or weaknesses in the internal control system, and to take appropriate actions to remedy any of these failings or weaknesses in a timely manner. All remedial actions will be regularly followed up where necessary to ensure that the failings and weaknesses have been duly addressed.

The Board considers that the risk management and internal control systems are effective and adequate and that the Company has complied with the code provisions relating to risk management and internal control of the CG Code.

The Company is aware of its obligation under the Securities and Futures Ordinance, the Listing Rules and the overriding principle that inside information should be announced on a timely manner and conducts its affairs in strict compliance with the applicable laws and regulations prevailing in Hong Kong. The Company has established disclosure mechanism regarding the procedures of identifying inside information and preserving its confidentiality until proper dissemination with the Board's approval through the electronic publication systems operated by the Stock Exchange and the Company.

COMPANY SECRETARY

Mr. Li Kar Fai Peter (CPA) is the Company Secretary of the Company. According to Rule 3.29 of the Listing Rules, he has taken no less than 15 hours of relevant professional training during the year ended 30 September 2017.

CORPORATE COMMUNICATION WITH SHAREHOLDERS/INVESTORS

The CG Code requires the Company to have a dialogue with shareholders and the Board recognises the importance of maintaining effective communications with shareholders. Annual reports and interim reports provide shareholders with comprehensive information on the Group's operational and financial performances while general meetings offer a platform for shareholders to state and exchange views with the Board directly.

The management communicates continually with analysts and institutional investors and provides them with up-to-date and comprehensive information regarding the Group's development. The Company practices timely dissemination of information including annual reports, interim reports, announcements and press releases, which are updated in a timely manner to ensure transparency.

SHAREHOLDERS' RIGHTS

Procedures for convening a special general meeting

Shareholders have the right to request the Board to convene a special general meeting (the "SGM") of the Company. Shareholders holding in aggregate of not less than one-tenth of the paid up capital of the Company may send a written request to the Board to request for the SGM.

The written requisition, duly signed by the shareholders concerned, must state the purposes of the meeting and must be deposited at the Company's head office and principal place of business in Hong Kong at Office B, 7/F, TLP132 Nos. 132–134, Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong or at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.

The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Section 74 of the Companies Act 1981 of Bermuda (the "Companies Act") once a valid requisition is received.

Procedures for shareholders to put forward proposals at general meetings

The following shareholders are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

(a) any number of members representing not less than one-twentieth of the total voting rights of the Company on the date of the requisition; or

(b) not less than 100 members holding shares in the Company.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement of not more than 1,000 words with respect to the matter referred to in the proposal must be deposited at the Company's head office and principal place of business in Hong Kong at Office B, 7/F, TLP132 Nos. 132–134, Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong or at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act once valid documents are received.

If a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, the shareholder should follow the "Procedures for shareholders to propose a person for election as a Director" which can be found on the website of the Company.

Procedures for sending enquiries to the Board

Shareholders may at any time send in their enquiries and concerns to the Board in writing via the following channels:

The Board of Directors/Company Secretary
Golden Faith Group Holdings Limited
Office B, 7/F, TLP132
Nos. 132–134
Tai Lin Pai Road
Kwai Chung
New Territories
Hong Kong
Email: peterli@goldenfaith.hk
Telephone: (852) 2420 0090
Facsimile: (852) 2485 0822

Shareholders may also make enquiries to the Board at general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

There was no significant change in the Company's constitutional documents during the year ended 30 September 2017.

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Yung On Wah (翁安華), aged 63, is our executive Director, Chairman and Managing Director. Mr. Yung is responsible for the overall strategic management and development of our Group's business operations, marketing, business development and finance. Mr. Yung has more than 25 years of experience in the E&M engineering services industry.

Mr. Yung commenced working as an apprentice and has gained extensive working experience. Eventually, he established and operated CCCL in June 1987, and CEEL in February 2010, respectively. Please refer to the section headed "History, Development and Reorganisation" in this prospectus for details.

During the Track Record Period, Mr. Yung was a director of Cornwall (Building Services) Engineering Limited, a company incorporated in Hong Kong on 11 March 2013 with an aim to conduct business operations in the field of E&M engineering commissioning and testing. The said company had not carried out business dealings previously, and was dissolved via deregistration on 11 March 2016. Our Directors (including our independent non-executive Directors) confirm that our Group had no previous business dealings with the said company, and has been operating independently from the said company.

Mr. Li Kar Fai Peter (李嘉輝), aged 53, is our executive Director and the Group Chief Financial Officer of our Group. Mr. Li was appointed as our Director on 23 November 2016, was re-designated as our executive Director and Group Chief Financial Officer on 14 December 2016, and is responsible for the finance related matters of our Group. Mr. Li was appointed as our company secretary on 23 November 2016.

Mr. Li has over 20 years of experience in auditing, corporate finance and accounting. Prior to joining our Group, he worked as a Staff Accountant with Price Waterhouse Company in August 1987, and left Price Waterhouse Company as an Audit Manager in May 1995. While working for Price Waterhouse Company, he had an opportunity to familiarise himself with the auditing and accountancy procedures employed by a wide range of companies in Hong Kong. From November 1997 to June 2001, he worked with Asia Aluminum Manufacturing Company Limited as a senior financial manager and company secretary. From February 2002 to February 2006 and from March 2007 to October 2011, he worked with Inno-Tech Holdings Limited (a company listed on GEM, stock code: 8202) as a qualified accountant and company secretary. From January 2016 to March 2016, he worked as the financial controller of Glory Flame Holdings Limited (a company listed on GEM, stock code: 8059).

Mr. Li is, currently, an independent non-executive director of Asia Coal Limited (a company listed on the Main Board, stock code: 835) since March 2006. He was an independent non-executive director of China Hanya Group Holdings Limited (formerly known as Brilliance Worldwide Holdings Limited) (a company listed on GEM, stock code: 8312) from November 2010 to May 2016, and Super Strong Holdings Limited (a company listed on GEM, stock code: 8262) from March 2016 to March 2017. Mr. Li obtained a Bachelor of Arts degree in Accountancy from the City Polytechnic of Hong Kong in November 1992, and has become an associate member of the HKICPA (formerly known as the Hong Kong Society of Accountants) since September 1997.

Mr. Pu Li Wei (濮立偉), aged 44, holds a bachelor degree in accountancy from Zhejiang University in the PRC. Mr. Pu has more than 20 years of experience in accounting, finance and administration. Prior to joining the Group, he worked in several listed companies in Hong Kong playing key financial positions. From 1995 to 1997, Mr. Pu worked as a senior accounting officer in Asia Commercial Holdings Limited, (stock code 104). From 1998 to 2000, Mr. Pu acted as chief accountant in Perennial International Limited, (stock code 725). In 2001, Mr. Pu joined Philco Air-conditions (Hefei) Company Limited as the senior accountant. From 2002 to 2007, Mr. Pu joined Green Energy Group Limited, (stock code 979) as Group finance manager. From 2008 to 2015, Mr. Pu was a financial controller of China Hanya Group Holdings Limited, (stock code 8312). Mr. Pu is currently working in a supermarket group in Dongguan City of Guangdong Province as an assistant to its chairman taking charge on financial related matters.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Cho Chak (陳祖澤), aged 55, is our independent non-executive Director. Mr. Chan was appointed as our independent non-executive Director on 21 July 2017, and is responsible for attending to the supervision of, and provision of independent judgment to, our Board.

Mr. Chan obtained a Professional Diploma in Accountancy from Hong Kong Polytechnic in November 1986. He became an associate of the HKICPA (formerly known as the Hong Kong Society of Accountants) in April 1992, an associate of the Association of Chartered Certified Accountants (formerly known as the Chartered Association of Certified Accountants) in October 1989, and a fellow thereof in October 1994. He is, currently, a practising member of the HKICPA.

Mr. Chan has more than 20 years of professional experience in public accounting and company secretarial work. Prior to joining our Group, he worked as an Audit Assistant with Price Waterhouse Company in August 1986, and left Price Waterhouse Company as a Senior Consultant in July 1989. He founded Chan Fan & Co., Certified Public Accountants, in January 1995, and is currently a partner thereof.

Mr. Yeung Wai Lung (楊懷隆), aged 55, is our independent non-executive Director. Mr. Yeung was appointed as our independent non-executive Director on 21 July 2017, and is responsible for attending to the supervision of, and provision of independent judgment to, our Board.

Mr. Yeung obtained a Bachelor of Arts degree in Accountancy from the City Polytechnic of Hong Kong in December 1994, and a Diploma in Legal Studies from School of Professional and Continuing Education, the University of Hong Kong in July 2006. He became a member of the Institute of Internal Auditors in January 1997, and was designated as a Certified Fraud Examiner by the Association of Certified Fraud Examiners in November 1997.

Mr. Yeung has more than 25 years of experience in audit work. He worked as an audit assistant with KPMG Peat Marwick (then known as Peat Marwick Mitchell & Co.) in August 1987, and left KPMG Peat Marwick as an accountant in August 1990. From August 1990 to April 2007, he worked with 3M Hong Kong Limited as an Audit Manager. From December 2007 to January 2011, he worked with New Macau Landmark Management Limited as an internal audit manager. From September 2011 to August 2016, he worked with SML Group Limited as an internal audit director.

BIOGRAPHICAL DETAILS OF DIRECTORS

Mr. Chan Wing Fai (陳永輝), aged 40, is our independent non-executive Director. Mr. Chan was appointed as our independent non-executive Director on 21 July 2017, and is responsible for attending to the supervision of, and provision of independent judgment to, our Board.

Mr. Chan obtained a Bachelor of Business Administration degree (with honors) from Lingnan University in December 2001. He became a member of the Association of Chartered Certified Accountants in December 2004, a fellow thereof in December 2009, an associate of the HKICPA in April 2006, and an associate of the Taxation Institute of Hong Kong in July 2010. He is, currently, a practising member of the HKICPA, and a Member of the Taxation Institute of Hong Kong.

Mr. Chan has more than 15 years' professional experience in public accounting and secretarial work. He worked as an Audit Assistant with Anderson Li & Ho CPA in September 2001, and left Anderson Li & Ho CPA in August 2004 as an Audit Semi-Senior. From October 2004, he worked as an Audit Senior with CCIF CPA Limited. From July 2007, he worked as an Audit Senior with Moore Stephens Associates Limited. He rejoined CCIF CPA Limited as a Deputy Manager in January 2009. From January 2013 onwards. He worked as an Accountant with China Environmental Technology Holdings Limited (a company listed on the Main Board, stock code: 646). Mr. Chan started practicing under his own name Chan Wing Fai certified public accountant (practising), as a Certified Public Accountant from May 2014 onwards. From September 2014 to June 2015, he was the Company Secretary of Jin Bao Bao Holdings Limited (a company listed on the Main Board, stock code: 1239).

Mr. Chan is currently an independent non-executive director of China Financial Services Holdings Limited (a company listed on the Main Board, stock code: 605).

Ir. Yan Wai Yan (殷偉仁), aged 55, is our independent non-executive Director. Ir. Yan was appointed as our independent non-executive Director on 21 July 2017, and is responsible for attending to the supervision of, and provision of independent judgment to, our Board.

Ir. Yan obtained a Bachelor Degree in Mechanical Engineering from Sunderland Polytechnic in June 1989, and a Master of Science degree in Mechanical Engineering from the University of Hong Kong in December 2003.

Ir. Yan holds various professional qualifications in the engineering industry. He became a member of the Chartered Institution of Building Services Engineers in November 1993, a Chartered Engineer of the Engineering Council in February 1994, a member of the Hong Kong Institution of Engineers in April 1994, a Registered Professional Engineer of the Engineers Registration Board in July 1995, and a Registered Energy Assessor of the EMSD in June 2012. He is, currently, a Registered Professional Engineer under the Engineers Registration Board, and a Registered Energy Assessor of the EMSD.

Ir. Yan has been a director of Leading Consulting Engineers Ltd, a company he set up in September 2003.

The Directors present their annual report and the audited consolidated financial statements of the Company for the year ended 30 September 2017.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the electrical engineering business.

BUSINESS REVIEW

The business review of the Group for the year ended 30 September 2017 is provided in the section headed "Management Discussion and Analysis" on pages 5 to 9 of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 41 of this annual report.

The Board does not recommend the payment of a final dividend for FY2017 (FY2016: Nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past four financial years, as extracted from the audited consolidated financial statements, is set out on page 84 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 25 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 44 of this annual report.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company had no distributable reserve at 31st March 2017 and 31st March 2016 under The Companies Act 1981 of Bermuda.

EQUITY-LINKED AGREEMENTS

Save for the share option schemes of the Company as set out in note 27 to the consolidated financial statements, no equity-linked agreements were entered into by the Group during the year or subsisted at the end of the year.

MAJOR CUSTOMERS

During FY2017, the Group's five largest customers accounted for approximately 99.8% (2016: 99.5%) of the total revenue of the Group and the Group's largest customer amounted for approximately 40.2% (2016: 58.0%) of the total revenue.

MAJOR SUPPLIERS AND SUBCONTRACTORS

During FY2017, the Group's five largest suppliers accounted for approximately 49.0% (2016: 49.4%) of the total material cost and the Group's largest supplier accounted for approximately 19.6% (2016: 13.8%) of the total material cost.

During FY2017, the Group's five largest subcontractors accounted for approximately 79.8% (2016: 86.9%) of the total subcontracting fee and the Group's largest subcontractor accounted for approximately 41.5% (2016: 48.0%) of the total subcontracting fee.

None of the Directors, their close associates or any shareholders of the Company (which to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any interest in the Group's five largest suppliers, subcontractor or customers.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its suppliers, subcontractors and customers to fulfil its immediate and long-term goals. To maintain its competitiveness, the Group aims at delivering quality services to its customers. During the year, there was no material and significant dispute between the Group and its suppliers subcontractors and/or customers.

DIRECTORS

The Directors during the year and up to the date of this Directors' report were:

Executive Directors

Mr. Yung On Wah *(Chairman)*	(Appointed 12 October 2016)
Mr. Li Kar Fai Peter	(Appointed 23 November 2016)
Mr. Pu Li Wei	(Appointed 15 November 2017)

Independent Non-executive Directors

Mr. Chan Cho Chak	(Appointed 21 July 2017)
Mr. Chan Wing Fai	(Appointed 21 July 2017)
Ir. Yan Wai Yan	(Appointed 21 July 2017)
Mr. Yeung Wai Lung	(Appointed 21 July 2017)

In accordance with clause 40 of the Articles, all Directors will retire at the forthcoming annual general meeting and, being eligible, have offered themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2017, the interests of the Directors and chief executives and their associates of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

Long positions in ordinary shares of the Company

	Number of shares/underlying shares held			% of the total number of issued shares of the Company
Name of Directors	**Personal interests**	**Corporate interests**	**Total**	
Yung On Wah	292,500,000 (Note 1)	292,500,000	292,500,000	54.17

Notes:

1. These shares are held by Superior Ace Investments Limited which is wholly-owned by Mr. Yung On Wah.

Save as disclosed above, none of the Directors nor chief executives and their associates of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31st March 2017, as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by written resolutions of our then Shareholders on 22 July 2017.

(i) Purpose

The purpose of the Share Option Scheme is to provide Participants with the opportunity to acquire proprietary interests in our Company, and to encourage Participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and its Shareholders as a whole. The Share Option Scheme shall provide our Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Participants.

(ii) Who may join

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the Board shall be entitled to, at its absolute discretion and on such terms as it deems fit, grant Options to any Participant.

(iii) Maximum number of Shares subject to Options

The Shares which may be issued upon exercise of all Options to be granted under this Scheme and other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) shall not exceed 54,000,000 Shares (representing 10% of the aggregate of the Shares in issue on the date the Shares commence trading on the Stock Exchange) (the "**Scheme Mandate Limit**").

The overall limit on the number of Shares which shall be issued upon exercise of all outstanding options granted, and yet to be exercised, under the Share Option Scheme, and other share option schemes of our Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable), shall not exceed 30% of the Shares in issue from time to time ("**Scheme Limit**").

(iv) Limit for each participant

The total number of Shares issued, and to be issued, upon exercise of the Options granted to each Participant (including both exercised, cancelled and outstanding Options) in any twelve (12)-month period shall not exceed 1% of the Shares in issue (the "**Individual Limit**").

(v) Option period

The period within which the Shares shall be taken up under an Option shall be a period to be notified by the Board to each Grantee at the time of making an offer, which shall be determined by the Board in its absolute discretion at the date of grant of the relevant Option, but such period shall not expire later than 10 years from the date of grant of the relevant Option.

(vi) Payment on acceptance of Option offer

An Option shall remain open for acceptance by the Participant concerned for a period of 14 days exclusive of the date on which the letter containing the offer is delivered to the Participant. HK$1 is payable by the Grantee to our Company on acceptance of the offer of the Option.

(vii) Subscription price

The subscription price shall be such price determined by the Board at its absolute discretion and notified to the Participant in the offer at the time of the offer, and shall be no less than the highest of:

(a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant of the relevant Option, which shall be a Business Day;

(b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the date of grant of the relevant Option (provided that, in the event that any Option is proposed to be granted within a period of less than five Business Days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Share Offer shall be used as the closing price for any Business Day falling within the period before listing of the Shares on the Stock Exchange); and

(c) the nominal value of a Share on the date of grant of the relevant Option.

(viii) Present status of the Share Option Scheme

As at the Latest Practicable Date, no Option had been granted or agreed to be granted under the Share Option Scheme.

Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options to be granted under the Share Option Scheme, being 54,000,000 Shares in total.

There was no outstanding share option throughout the year ended 30 September 2017 and as at 30 September 2017.

RELATED PARTY TRANSACTION

Details of the related party transactions undertaken by the Group are set out in note 33 to the consolidated financial statements. The Directors consider that those related party transactions did not fall under the definition of "connected transaction" or "continuing connected transaction" in Appendix 16 of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements. The Group has complied with the disclosure requirements in accordance with Appendix 16 of the Listing Rules.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS UNDER THE SFO

Save as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 30 September 2017, the following corporation, other than a Director or chief executive of the Company, had the following interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity	Long/Short position	Number of shares held	% of the total number of issued shares of the Company
Superior Ace Investments Limited (Note 1)	Beneficial owner	Long position	292,500,000	54.17
Greatly Success Investment Trading Limited (Note 2)	Beneficial owner	Long position	112,500,000	20.83

Notes:

1. Superior Ace Investments Limited is wholly-owned by Mr. Yung On Wah who is the Chairman and an Executive Director of the Company.

2. Greatly Success Investment Trading Limited is wholly-owned by Mr. Ko Chun Hay Kelvin.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 September 2017.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year and up to the date of this annual report, no Directors are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules, other than those businesses of which the Directors were appointed as directors to represent the interests of the Company.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

There was no transaction, arrangement or contracts of significance to which the Company, its holding company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, existed at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Cap. 622)) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation of their respective independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the Independent Non-executive Directors are independent.

EMOLUMENT POLICY

The Directors' fees are subject to shareholders' approval general meetings. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance and the results of the Group.

The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. The Company has adopted a share option scheme as an incentive to eligible participants, details of which are set out above in the section headed "Share Option Scheme".

Details of the emoluments of the Directors and five highest paid individuals are set out in note 11 to the consolidated financial statements.

Details of the retirement benefit scheme are set out in note 26 to the consolidated financial statement.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

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 FY2017.

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 Listing Rules as at the date of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Memorandum and Articles of Association or the Company Law of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUBSIDIARIES

The details of the Company's subsidiaries as at 30 September 2017 are set out in note 36 to the consolidated financial statements.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to approximately HK$1.0 million.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Yung On Wah
Chairman

Hong Kong, 19 December 2017

1. About this Report

The Environmental, Social and Governance ("ESG") Report published by Golden Faith Group Holdings Limited (the "Company") highlights the works to sustainable development initiatives and the performance of social governance of the Company and its subsidiaries (collectively, the "Group" or "We") for the year ended 30 September 2017.

1.1 Scope of the Report

The ESG report covers mainly the Group's environmental and social policies in providing electrical and ELV system works and its performance in environmental and social aspects. For details of corporate governance, please refer to the Corporate Governance Report on page 10 to 18 of the Company's Annual Report.

1.2 Reporting Framework

The ESG Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" set out in Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

1.3 Stakeholder Engagement

Thanks to the participation of colleagues from all departments, we have a clearer understanding of the Group's current level of environmental and social development in writing the ESG report. The information we have gathered summarizes the Group's environmental and social work as of 30 September 2017 and lays the foundation for our strategy for short-term and long-term sustainable development.

1.4 Comments and Feedback

For more information on the environment and corporate governance of the Company, please refer to the official website of Golden Faith Group Holdings Limited (http://www.goldenfaith.hk/) and the Annual Report. If you have any comments or suggestions on this report, please feel free to contact us at info@goldenfaith.hk.

2. Environmental Protection

The Group principally engaged in the provision of electrical and ELV system works, and undertakes subcontracting works of the main contractor or the principal E&M contractor. During the project, the Group pays close attention to the possible environmental impact and has always strictly complied with the applicable laws and regulations in Hong Kong relating to environmental protection and actively cooperated with the main contractor and the principal E&M contractor in the environmental protection requirements.

Cornwall Contracting Company Limited ("CCCL"), a subsidiary of the Group, has also set up a sound environmental management system on environmental protection and has obtained the ISO14001:2015 Environmental Management System Certification. By formulating relevant guidelines and targets, it systematically implements measures to protect the environment and continuously improves its business model.

2.1 Treatment of Emissions

The Group's waste mainly comes from the construction process and office operation, including harmless waste such as waste electric wires and domestic waste, respectively, and did not generate any hazardous waste. We will hire workers directly for the works we undertake or subcontract such works to subcontractors. Therefore, the project supervisor will request the subcontractor or workers-in-charge to clean up the waste generated during construction and deliver it to the waste collection location designated by the main contractor or the principal E&M contractor to keep the workplace clean. Our works do not involve wastewater discharge or exhaust emissions, wastewater mainly comes from domestic sewage in the office, while exhaust comes from the use of vehicles.

2.2 Effective Use of Resources

The Group is committed to reducing the negative impact of business activities on the environment so as to fulfil its responsibility of environmental protection. In the procurement of materials, we use the concept of making good use of resources to purchase the right amount of materials for different projects to avoid wasting resources. In project management, apart from confirming construction quality, we also value the environmental performance of subcontractors. We regularly check their work to ensure that our environmental protection requirements are met. Taking CCCL as an example, during the implementation of the environmental management system, CCCL regularly monitors and measures its work to properly control the environmental factors during operation and achieve the internal environmental goals. For instance, CCCL monitors subcontractors' use of resources and wastewater, exhaust and waste management and checks their implementation of emission reduction work. In the event of any non-compliance with environmental principles, CCCL will investigate the cause and take appropriate corrective and preventive actions to prevent the recurrence of such issue.

In addition to monitoring our internal emission reduction at construction sites and that of the subcontractors, the Group also implemented various energy saving measures in its office. We divide our offices into different lighting zones to provide independent control of the lighting system and switch off lighting and electronics when not needed. For places excessing the brightness requirement, we will cut down the number of lights to reduce electricity consumption. We advocate the use of energy efficient lighting fixtures and air-conditioners and regularly arrange cleaning and maintenance to maintain the energy efficiency of the equipment. At the same time, we avoid installing air-conditioners in direct sunlight and set the minimum temperature of the air-conditioning system to 25 degrees Celsius and seal the doors and windows to avoid the leakage of cold air. We allow our staff to wear lightweight clothing to work every Friday to reduce the use of air-conditioners. Monthly electricity statistics help us monitor the electricity usage and make appropriate improvements.

To reduce water consumption, we reduce the water pressure to the lowest possible level and post water-saving signs in the restroom to remind our staff to tighten the tap after use. The wash water we collect is recycled for cleaning and irrigation. We also regularly check meter readings and conduct concealed water pipe leakage tests. If hidden water leakage or tap dripping is found, we will arrange maintenance promptly to avoid wasting water resources.

2.3 Green Operation

The Group understands the importance of implementing sustainable development in its daily operations. Therefore, we promote green operation and strive to reduce carbon emissions. We post posters related to resource-saving at conspicuous places in our office and promote emission reduction measures to arouse environmental awareness of our employees through media such as email and intranet. For example, we remind employees to make good use of electronic systems for message distribution and archiving, and use double-sided printing and photocopying to reduce paper consumption. In the procurement of supplies, we will first carry out usage assessment to avoid excessive inventory. We also encourage staff to reuse single-sided paper, envelopes, binders and other kinds of stationery, reduce the use of disposable and non-recyclable products, and make good use of resources.

To reduce carbon emissions, we replaced non-essential overseas businesses with video conferencing. As for inevitable overseas businesses, we will choose direct flights. We conduct regular maintenance and inspection of vehicles such as inflating tires to maintain vehicle performance and ensure that there is no vehicle engine idling. We also encourage our employees to reduce carbon emissions from their daily lives, such as taking public transport and using stairways. When there is a need to organize any events, we choose places with easy access and advocate low-carbon or local ingredients to reduce carbon emissions during food deliveries.

3. Value our People

The Group's long-term development depends on our employees' contributions. Therefore, apart from complying with the laws and regulations on employment, occupational safety and labour standards in Hong Kong, we also attach importance to safeguarding the rights and benefits of our employees so as to provide them with a comfortable and positive working environment.

3.1 Employees' Interests

The Group has been hiring in a fair and equitable manner to recruit the right people. Regardless of race, colour, age, sex, creed, nationality, marital status and physical condition, the applicant is entitled to the same job offer during the recruitment process as long as the candidate's education, working experience and skills meet the job requirements. We require that applicants produce valid identification documents to ensure that applicants meet the legal working age to prevent the recruitment of child labour or illegal workers. Job titles and working hours are also clearly set out in the contract to avoid forced labour. Subcontractors are also required to recruit in accordance with the requirements of the Group. For the resigning employees, we will pay the remaining wages on schedule in accordance with the relevant laws and regulations, and we also hold exit interviews with the monthly rate employees.

The Group recognizes that the recruitment and retention of experienced staff is crucial to sustaining our business development and growth and therefore we provide attractive benefits and compensation to our staff. For example, we provide monthly rate employees with competitive salaries and MPF, as well as medical allowances, transport subsidies and long service awards in recognition of the hard work of our employees. Based on our annual performance assessment, we make pay adjustments for the monthly rate employees. Employees who performed well in the assessment are more likely to get promotion opportunities. Monthly rate staff also enjoys annual leave, maternity leave, paternity leave and public holidays to ensure adequate rest.

In order to enhance staff knowledge about positions, we encourage our employees to attend training courses and obtain professional qualifications. We also provide different trainings for our staff members, including induction training, vocational training and computer training so that they can understand the Group's business model and enhance their basic skills and expertise. To meet the needs of individual employees, we also provide education subsidies to help them improve their job skills and encourage their continuous learning. In addition to supporting employees in all kinds of training, we value the potential of our employees. Through the redeployment of posts, employees can draw on a wide range of experience in different fields of work while increasing their awareness of various positions in the Group.

3.2 Health and Safety

The Group believes that employees are valuable assets in conducting our business and we are committed to ensuring the safety of our employees. Generally, the main contractor develops a site safety plan for the construction project and requires compliance by all subcontractors. We strictly observe the safety plan provided by the main contractor. Apart from the safety officer of the main contractor, we also employ a registered safety officer and a qualified safety supervisor on our own to ensure that our employees and the staff of the subcontractors adhere to the safety plan. Our safety officer will confirm that the site staff have received basic safety training and hold a valid certificate before they can enter the site and work. In accordance with the safety requirements of the Labour Department and the main contractor, we provide the site staff with qualified safety equipment, including safety helmets, goggles and other necessary safety precautions to ensure the occupational safety of the staff. Subcontractors must also strictly comply with the safety requirements of the Labour Department and meet the safety requirements of the construction site to provide the staff with all safety equipment. To ensure the safety of our subcontractors' staff, we require subcontractors to submit sign records related to the safety and security of their employees for inspection. All site staff are required to attend full-day induction safety training on the first working day to understand the Group's occupational health and safety policy, work safety code, site-related laws and regulations and emergency procedures to protect the safety of the site staff.

In addition, the Group also sets up a safety management system to promote safety practices to the staff so as to avoid accidents on the project site. We regularly conduct safety-related meetings, seminars and activities to promote the message of site safety. At the beginning of each project and weekly safety conference, our safety officer also reminded the site staff to comply with the construction site rules and conduct annual training for such site staff and subcontractors on Hong Kong safety and construction rules and regulations. In the event of an accident or personal injury, the safety officer will conduct a thorough investigation of the cause and advise on long-term preventive measures against the cause of the accident to prevent the recurrence of such accident. CCCL has also established a safety and health management system and obtained OSHAS18001:2007 Occupational Safety and Health Management System certification to effectively implement health and safety-related measures.

To enhance the safety standards of projects undertaken by the Group, our safety supervisors and main contractors will maintain close communication to provide the staff and subcontractors with the latest safety information. At the same time, our safety supervisors and main contractors are responsible for monitoring the work safety and reporting to the main contractor when any safety issue is discovered. The project director also conducts regular inspections to ensure compliance with occupational health and safety laws and regulations. The main contractor regularly holds safety meetings with us to identify and address major safety issues. The Group will continue to invest sufficient resources and devote efforts to maintain and enhance safety management so as to reduce the risks involved in health and safety.

3.3 Development and Training

The Group aims to create an environment of continuous learning to facilitate their staff in developing careers and equipping the knowledge and skills to better fulfil their roles and responsibilities. External courses and seminars are provided on an ongoing basis throughout the year.

3.4 Labour Standards

The Group hires employees in accordance with the minimum working age with valid citizen identity in strict compliance with the requirements of the local employment law.

4. Operating Practices

The Group aims to provide excellent services to its customers. Therefore, in addition to complying with the laws and regulations on the services' health and safety, privacy and anti-corruption, we strictly manage the supply chain to reduce the potential risks brought by such supply chain and ensure the quality of service provided so as to maintain customers' confidence in us.

4.1 Supply Chain Management

The materials used by the Group are mainly pipes, cables and lighting accessories. In general, we select suitable suppliers based on factors such as material quality, delivery status and past performance from the list of pre-qualified suppliers if it is not our customer's request that we purchase the material from the designated supplier of the project. Upon completion of the tendering and bidding, materials will be formally procured, subject to approval by engineering consultants, architects and customers on such materials and samples. For the selection of subcontractors, we also select suitable skilled and licensed subcontractors from the list of pre-qualified subcontractors as required by the project. Through such careful selection process, the potential risks posed by the supply chain are effectively managed.

4.2 Project Quality Management

To ensure the compliance with customer requirements of our works and to ensure the safety of buildings, the Group attaches great importance to quality control. The quality management system of CCCL is applicable to the design, supply, installation and maintenance of "low voltage electrical system" and has achieved ISO9001:2015 quality management system certification.

For subcontractor management, the Group chooses only subcontractors holding valid business registration documents and carries out such projects by qualified engineering staff to ensure the quality of service. We require the subcontractor to strictly comply with the specifications of the main contractor in order to complete such projects and submit them to the satisfaction of the prospective owners, the architect and the Group for acceptance and delivery. Before delivery, the subcontractor shall conduct a test to confirm that the projects have been completed in accordance with the specifications, and refer relevant records to us. The Group's project management team is responsible for quality control of various projects. The project manager is responsible for monitoring the progress and quality of projects to ensure that such projects can be completed on schedule. The project director is responsible for closely monitoring the progress of various projects, ensuring that the projects meet the requirements of our customers, completing the project within the predetermined deadline, and complying with the project-related laws and regulations. For the purchase of materials, we generally procure the materials from pre-qualified suppliers, except that the client requests us to order from the designated suppliers. We obtain the customer's approval before purchasing the materials from the supplier to ensure that the quality of the materials meets the customer's requirements. Materials delivered to the site shall be tested before use. As the project progresses, customers can monitor our installation at all stages. Customer feedback helps us develop and continuously review quality objectives.

4.3 Customer First

The Group always strives to satisfy its customers and has been committed to provide its customers with quality services. Therefore, we value the opinions of our customers, stick to professional ethics and maintain a clean image of righteousness. If, during the project, any potential non-conforming process is identified or any customer complaint is received, we will take corrective action according to the circumstances so as to prevent the recurrence of the non-compliance. In response to customer complaints, we will conduct improvement work and review the working procedures. The Group has classified the business-related information as highly confidential and requires employees not to disclose confidential information to third parties to ensure that the data will not be leaked. To safeguard intellectual property rights, employees should also not use illegal computer software and should sign a letter of confirmation every year to undertake not to use pirated software. The Group has formulated an anti-money laundering policy and provide our staff members with relevant training to raise their anti-corruption awareness. We also support employees in reporting suspicious transactions to prevent money laundering.

4.4 Anti-Corruption

The Group regards fair play, honesty and integrity as our important commercial assets in business. Our anti-corruption policy sets out the basic standards of expected conduct of all staff members. Periodic seminars are arranged for our staff to reinforce the knowledge of recognizing and dealing with bribery and corruption. The Group has complied with relevant standards, rules and regulations on bribery, extortion, fraud and money laundering throughout the year. No whistleblowing case has been reported during the reporting period.

5. Community Involvement

While devoting ourselves to business development, the Group never forgets the importance of giving back to society. Therefore, we actively support the development of charities. During the year ended 30 September 2017, we donated a total of HK$1,000,000 to charities to help the underprivileged.

Deloitte. 德勤

TO THE MEMBERS OF GOLDEN FAITH GROUP HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Golden Faith Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 41 to 83, which comprise the consolidated statement of financial position as at 30 September 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Revenue and costs from engineering service contracts and amounts due from/to customers for contract work	

We identified the recognition of revenue and costs from engineering service contracts and amounts due from/to customers for contract work as a key audit matter due to the use of estimates by management in determining the contract revenue, contract costs and variation orders prepared for each engineering service contract in progress.
 	
During the year ended 30 September 2017, the Group generated revenue of HK$308,008,000 from engineering service contracts. As disclosed in note 18 to the consolidated financial statements, the carrying amounts of amounts due from and amounts due to customers for contract work of HK$48,250,000 and HK$13,883,000, respectively, were recorded in the consolidated statement of financial position as at 30 September 2017.
 	
The Group recognised contract revenue and direct costs of engineering service contracts by reference to the stage of completion of the contract activity at the end of the reporting period, as set out in note 4 to the consolidated financial statements. The recognition of revenue, direct costs and amounts due from/to customers for contract works therefore relies on the management's estimation of the progress and outcome of the project, which involves the exercise of significant management judgement, particularly in estimating the budgeted engineering service costs, which are prepared by the management of the Group on the basis of agreements, quotations or other correspondences from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the management of the Group conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. This includes the assessment of the profitability of on-going engineering service contracts.
 	
As disclosed in note 5 to the consolidated financial statements, the actual outcome of contracts in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit or loss to be recognised in future years as an adjustment to the amounts recorded to date, as well as the carrying amount of amounts due from/to customers for contract work.
	Our procedures in relation to recognition of revenue and costs from engineering service contracts and amounts due from/to customers for contract work included:
	
	• Understanding management's process in estimation of the contract revenue, budget cost and determination of completion status of the engineering service contracts;
	
	• Agreeing the total contract value to the contracts and variation orders, on a sample basis;
	
	• Discussing with the management of the Group to evaluate the reasonableness of their estimated total contract costs, taking into account of factors including the duration of the projects and the profit margin of similar completed projects, on a sample basis;
	
	• Evaluating the reasonableness of estimated total contract costs to be incurred by checking against the agreements, quotations or other correspondences from time to time provided by subcontractors, suppliers or vendors and the experience of the management, on a sample basis;
	
	• Evaluating the reasonableness of costs from engineering service recognised to date by:
	
	    • Checking to the supporting documents including the certificates and invoices issued by the subcontractors/suppliers/vendors and their correspondences issued to evaluate progress of respective projects, on a sample basis;
	
	    • Discussing with the management of the Group to understand the status of respective engineering service contracts, and to evaluate the reasonableness of contract costs recognised based on the size and duration of the projects, on a sample basis;
	
	• Evaluating the reasonableness of percentage of completion of engineering service contracts by comparing the percentage calculated based on costs incurred at the end of the reporting period against that calculated based on external certifications from main constructors, and investigating any significant differences identified.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chau Chi Ka.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 December 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2017

	NOTES	**2017** **HK$'000**	2016 HK$'000
Revenue	6	**308,008**	192,139
Costs of sales		**(249,523)**	(145,302)
Gross profit		**58,485**	46,837
Other income	7	**5**	5
Other gains and losses	7	**4,112**	206
Administrative expenses		**(18,319)**	(9,980)
Listing expenses		**(14,236)**	(700)
Finance costs	8	**(10)**	(33)
Profit before taxation		**30,037**	36,335
Taxation	9	**(7,674)**	(5,967)
Profit and total comprehensive income for the year	10	**22,363**	30,368
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**22,363**	29,413
Non-controlling interests		**–**	955
		22,363	30,368
Earnings per share	13		
Basic (HK$)		**0.05**	0.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	NOTES	**2017** **HK$'000**	2016 HK$'000
Non-current assets			
Property, plant and equipment	14	**3,146**	5,625
Deferred tax assets	15	**79**	186
Deposits and prepayments	17	**22**	30
		3,247	5,841
Current assets			
Trade receivables	16	**8,714**	16,979
Other receivables, deposits and prepayments	17	**7,640**	3,897
Amounts due from customers for contract work	18	**48,250**	63,296
Pledged bank deposits	19	**–**	5,769
Bank balances and cash	19	**152,330**	36,728
		216,934	126,669
Current liabilities			
Trade payables	20	**10,988**	13,534
Other payables and accrued charges	21	**19,214**	7,321
Deposits from a customer	21	**–**	19,724
Amounts due to customers for contract work	18	**13,883**	1,530
Amount due to a shareholder	22	**5,554**	2,782
Tax liabilities		**10,130**	8,368
Obligation under a finance lease	24	**112**	142
		59,881	53,401
Net current assets		**157,053**	73,268
Total assets less current liabilities		**160,300**	79,109
Non-current liabilities			
Provisions	23	**943**	631
Obligation under a finance lease	24	**–**	112
		943	743
Net assets		**159,357**	78,366

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	NOTES	**2017** **HK$'000**	2016 HK$'000
Capital and reserves			
Share capital	25	**5,400**	–
Reserves		**153,957**	78,366
Equity attributable to owners of the Company		**159,357**	78,366

The consolidated financial statements on pages 41 to 83 were approved and authorised for issue by the Board of Directors on 19 December 2017 and are signed on its behalf by:

Yung On Wa
DIRECTOR

Li Kar Fai Peter
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2017

	Attributable to owners of the Company					Non-	
	Share capital	**Share premium**	**Other reserves**	**Retained profits**	**Total**	**controlling interests**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 October 2015	5,000	–	–	38,498	43,498	–	43,498
Profit and total comprehensive income for the year	–	–	–	29,413	29,413	955	30,368
Dividends declared (note 12)	–	–	–	(10,500)	(10,500)	–	(10,500)
Deemed partial disposal of subsidiaries upon reorganisation stated in note 2(i)	–	–	(14,887)	–	(14,887)	14,887	–
Contribution from Superior Ace Investments Limited ("Superior Ace") (note 2(iii))	–	–	11,250	–	11,250	3,750	15,000
Transfer upon reorganisation stated in note 2(v)	(5,000)	–	24,592	–	19,592	(19,592)	–
At 30 September 2016	–	–	20,955	57,411	78,366	–	78,366
Profit and total comprehensive income for the year	**–**	**–**	**–**	**22,363**	**22,363**	**–**	**22,363**
Dividends declared (note 12)	**–**	**–**	**–**	**(23,000)**	**(23,000)**	**–**	**(23,000)**
Issuance of shares (note 2(vi))	**–**	**25,000**	**(15,000)**	**–**	**10,000**	**–**	**10,000**
Issuance of shares upon Listing (defined in note 2) (note 25)	**900**	**76,500**	**–**	**–**	**77,400**	**–**	**77,400**
Capitalisation Issue (note 25)	**4,500**	**(4,500)**	**–**	**–**	**–**	**–**	**–**
Transaction costs directly attributable to issuance of shares upon Listing	**–**	**(5,772)**	**–**	**–**	**(5,772)**	**–**	**(5,772)**
At 30 September 2017	**5,400**	**91,228**	**5,955**	**56,774**	**159,357**	**–**	**159,357**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2017

	2017	2016
	HK$'000	HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**30,037**	36,335
Adjustments for:		
Interest income	**(1)**	(1)
Finance costs	**10**	33
Gain on disposal of property, plant and equipment	**(4,122)**	(116)
Depreciation	**609**	577
Impairment loss recognised on trade receivables	**44**	–
Operating cash flows before movements in working capital	**26,577**	36,828
Decrease (increase) in trade receivables	**8,221**	(4,936)
Increase in other receivables, deposits and prepayments	**(3,735)**	(2,650)
Decrease (increase) in amounts due from/to customers for contract work, net	**27,399**	(38,442)
(Decrease) increase in trade payables	**(2,546)**	5,529
Increase in other payables and accrued charges	**11,893**	3,009
(Decrease) increase in deposits from a customer	**(19,724)**	19,724
Increase in provisions	**312**	50
Cash generated from operations	**48,397**	19,112
Income tax paid	**(5,805)**	(4,660)
Income tax refunded	**–**	454
NET CASH FROM OPERATING ACTIVITIES	**42,592**	14,906
INVESTING ACTIVITIES		
Bank interest received	**1**	1
Purchase of property, plant and equipment	**(188)**	(660)
Proceeds from disposal of property, plant and equipment	**6,180**	143
Withdrawal of pledged bank deposits	**11,537**	5,768
Placement of pledged bank deposits	**(5,768)**	(5,769)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**11,762**	(517)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2017

	2017	2016
	HK$'000	HK$'000
FINANCING ACTIVITIES		
Interest paid	**(10)**	(33)
Repayment of bank borrowings	**–**	(1,266)
Repayment of obligation under a finance lease	**(142)**	(38)
Dividends paid	**(23,000)**	(10,500)
Advance from a shareholder	**49,339**	14,500
Repayment to a shareholder	**(46,567)**	(14,683)
Proceeds from issuance of shares	**10,000**	15,000
Proceeds from issuance of shares upon Listing	**77,400**	–
Payments of transaction costs attributable to issuance of shares upon Listing	**(5,772)**	–
NET CASH FROM FINANCING ACTIVITIES	**61,248**	2,980
NET INCREASE IN CASH AND CASH EQUIVALENTS	**115,602**	17,369
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**36,728**	19,359
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**152,330**	36,728

1. GENERAL

Golden Faith Group Holdings Limited (the "Company") is incorporated and registered as an exempted company incorporated in the Cayman Islands on 12 October 2016 and its shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 11 August 2017. The address of the registered office and principal place of business are stated in the ''Corporate Information" section of the annual report. The immediate and ultimate holding company of the Company is Superior Ace Investment Limited ("Superior Ace") which is incorporated in the British Virgin Islands (the "BVI"). The ultimate controlling party is Mr. Yung On Wah ("Mr. Yung").

Pursuant to a special resolution of the Company dated 24 January 2017, the name of the Company has been changed from Goldman Faith Holdings Limited to Golden Faith Group Holdings Limited.

The Company is an investment holding company. The Group's principal activity is the provision of electrical engineering services in Hong Kong.

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

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the group reorganisation (''Reorganisation") detailed below, the Company has become the holding company of the companies now comprising the Group on 24 November 2016. The Company and its subsidiaries have been under the common control of Mr. Yung before and after the Reorganisation, or since their respective dates of incorporation, where there is a shorter period.

Historically, the Group's two operating subsidiaries, Cornwall Contracting Company Limited (''CCCL") and Cornwall Electrical Engineering Limited (''CEEL"), were directly wholly owned and controlled by Mr. Yung. In preparation of the listing of the Company's shares on the Stock Exchange (the "Listing"), the companies comprising the Group underwent the Reorganisation involving steps which include the interspersing of certain investment holding companies between Mr. Yung and these operating subsidiaries, as well as the introduction of an independent investor as a non-controlling shareholder (the "Pre-IPO Investor"), while Mr. Yung retains control over the companies comprising the Group before and after the Reorganisation.

As a result of the Reorganisation, the Company became the holding company of the companies now comprising the Group, whereas Superior Ace, an entity controlled by Mr. Yung not forming part of the Group, became the Company's immediate and ultimate holding company.

Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting in accordance with the Accounting Guideline 5 ''Merger Accounting for Common Control Combinations" (the "Accounting Guideline 5") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years ended 30 September 2016 and 2017 include the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the years, or since their respective date of incorporation, where there is a shorter period. The consolidated statement of financial position of the Group as at 30 September 2016 has been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at those dates taking into account the respective dates of incorporation, where applicable.

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Accounting Guideline 5 was applied to account for the business combinations under common control effected for the purpose of the Reorganisation and the Group was treated as a continuation of existing business under merger accounting (see below for basic principles of Accounting Guideline 5 and accounting policy for merger accounting). According to Accounting Guideline 5, all equity interest attributable to parties other than controlling party, namely, Mr. Yung, is treated as non-controlling interests. Therefore, the increase in equity of the Group as a result of the funding from the Pre-IPO Investor which is not attributable to Mr. Yung, are treated as deemed non-controlling interest.

The Reorganisation steps are described below.

(i) On 5 July 2016, Superior Ace was incorporated in the BVI by Mr. Yung as a limited liability company. Superior Ace is authorised to issue 50,000 shares with a par value of United States dollar (''US$'') 1.00 each. On 8 August 2016, 7,500 shares of Superior Ace were allotted and issued to Mr. Yung. On the same date, Superior Ace issued 2,500 shares to Pre-IPO Investor at a subscription amount of HK$15,000,000 pursuant to the subscription agreement. As a result, Mr. Yung and Pre-IPO investor held 7,500 shares and 2,500 shares in Superior Ace, representing 75% and 25% of the entire issued share capital of Superior Ace respectively.

(ii) On 8 August 2016, Mr. Yung transferred the entire issued share capital of CCCL to Superior Ace for HK$1. On the same date, Mr. Yung transferred the entire issued share capital of CEEL to Superior Ace for HK$1. Upon the completion of transfer, CCCL and CEEL became the wholly-owned subsidiaries of Superior Ace.

(iii) Superior Ace contributed HK$15,000,000 to the Group on 18 August 2016.

(iv) On 21 September 2016, Champion Goal Investments Limited (''Champion Goal'') was incorporated as a limited liability company in the BVI with an authorised share capital of US$50,000 divided into 50,000 shares with a par value of US$1.00 each. 1 share of Champion Goal was issued and allotted to Superior Ace on the same date.

(v) On 29 September 2016, Superior Ace transferred the entire issued share capital of CCCL and CEEL to Champion Goal at cash consideration of HK$1 respectively, and CCCL and CEEL became the wholly-owned subsidiaries of Champion Goal.

(vi) The Company was incorporated in the Cayman Islands with limited liability on 12 October 2016 with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each. 1 share of the Company was allotted and issued to Superior Ace on the same date. On 23 November 2016, 9,999 shares of the Company were allotted and issued to Superior Ace at a cash consideration of HK$25,000,000, of which HK$15,000,000 were received on 18 August 2016 (as disclosed in note 2(iii) above).

(vii) On 24 November 2016, Superior Ace transferred the entire issued share capital of Champion Goal to the Company at a consideration of HK$1. Upon the transfer, Champion Goal became the wholly-owned subsidiary of the Company.

(viii) On 24 November 2016, Pre-IPO Investor transferred 2,500 shares in Superior Ace, representing 25% of the entire issued share capital of Superior Ace, to Greatly Success Investment Trading Limited (''Greatly Success''), which is wholly owned by the Pre-IPO Investor, at a cash consideration of HK$1.

(ix) On 5 December 2016, Superior Ace repurchased 2,500 shares of Superior Ace from Greatly Success in consideration of the transfer of 25% interest of the Company to Greatly Success. As a result, Mr. Yung holds 100% of the entire issued share capital of Superior Ace, and Superior Ace and Greatly Success hold 7,500 shares and 2,500 shares of the Company respectively, representing 75% and 25% of the issued share capital of the Company.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (''HKFRSs")

The Group has consistently adopted all HKFRSs issued by the HKICPA that are effective for the Group's accounting period beginning on 1 October 2016 for both current and prior years.

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

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and the related amendments[1]
HKFRS 16	Leases[2]
Amendments to HKAS 7	Disclosure initiative[3]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[3]
Amendments to HKAS 40	Transfers of investment property[1]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts[1]
Amendments to HKFRS 9	Prepayment features with negative compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014–2016 cycle[5]
HK(IFRIC)-Interpretation 22	Foreign currency transactions and advance consideration[1]
HK(IFRIC)-Interpretation 23	Uncertainty over income tax treatments[2]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after a date to be determined.
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including Hong Kong Accounting Standards (''HKAS") 18 ''Revenue", HKAS 11 ''Construction contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (''HKFRSs") *(Continued)*

HKFRS 15 "Revenue from contracts with customers" *(Continued)*

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future will not have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements in the future based on the existing business model of the Group as at 30 September 2017.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 ''Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments and finance lease payments as operating cash flows and financing cash flows respectively. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As set out in note 30, total operating lease commitment of the Group in respect of leased premises as at 30 September 2017 is amounted to HK$537,000. Upon the adoption of HKFRS 16, the directors of the Company expect that the commitments in the future in respect of leased premises with terms more than 12 months will be required to be recognised in the consolidated financial statements of the Group in future as right-of-use assets and lease liabilities and the directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (''HKFRSs") *(Continued)*

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets.

HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a ''fair value through other comprehensive income" measurement category for certain simple debt instruments.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In the opinion of the directors of the Company, based on the historical experience of the Group, the default rate of the outstanding balances with customers is low. Hence, the directors of the Company anticipate that the application of HKFRS 9 would not have material impact on the Group's future consolidated financial statements. It is also expected that the adoption of HKFRS 9 in the future may not have other significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's existing business model.

Amendments to HKAS 7 "Disclosure initiative"

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including changes arising from cash flows and non-cash changes. Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1 October 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

Except for the above, the directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's future consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with following accounting policies which conform with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost which is generally based on fair value of the consideration given in exchange for goods or services.

Fair value is the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 ''Share-based payment" and leasing transactions that are within the scope of HKAS 17 ''Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 ''Inventories" or value in use in HKAS 36 ''Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or business first came under common control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing carrying values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets and liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

Investment in a subsidiary

Investment in a subsidiary is included in the Company's statement of financial position at cost less any identified impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from engineering service contracts is based on the stage of completion at the end of the reporting period. The Group's policy for recognition of revenue from engineering services is described in the accounting policy for engineering service contracts below.

Service income is recognised when services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Engineering service contracts

Where the outcome of an engineering service contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract cost incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of an engineering service contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade receivables.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment loss on assets other than financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Property, plant and equipment

Property, plant and equipment held for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction on production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned at the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted for the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in finance costs in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (''MPF Scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits (such as long service payments) are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the end of the reporting period. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in term of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be insignificant.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, other receivables and deposits, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of loans and receivables below).

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of loans and receivables

Loans and receivables are assessed for indicators of impairment at the end of the reporting period. Loans and receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of trade receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments, observable changes in national or local economic conditions that correlate with default on trade receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a group entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis for debt instruments.

Financial liabilities

Financial liabilities (including trade payables, other payables and accrued charges and amount due to a shareholder) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Engineering service contracts

The Group reviews and revises the estimates of contract revenue, contract costs and variation orders prepared for each engineering service contract as the contract progresses. Budgeted engineering service costs are prepared by the management of the Group on the basis of agreements, quotations or other correspondences from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management of the Group. In order to keep the budget accurate and up-to-date, the management of the Group conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred. Such significant estimate may have impact on the profit or loss recognised in each period.

Recognised amounts of engineering service contract revenue and related receivables reflect management's best estimate of each contract's outcome and stage of completion, which are determined on the basis of a number of estimates. This includes the assessment of the profitability of on-going engineering service contracts. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit or loss to be recognised in future years as an adjustment to the amounts recorded to date.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the engineering services provided by the Group to external customers. The Group's operations is solely derived from engineering services in Hong Kong. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group, which are prepared based on same accounting policies set out in note 4. Accordingly, the Group presents only one single operating segment and no further analysis is presented.

Geographical information

No geographical information is presented as the Group's revenue are all derived from Hong Kong based on the location of services delivered and the Group's property, plant and equipment amounting to HK$3,146,000 (2016: HK$5,625,000) as at 30 September 2017 are all located in Hong Kong by physical 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:

	2017	2016
	HK$'000	HK$'000
Customer A	**123,688**	N/A*
Customer B	**77,551**	35,079
Customer C	**67,669**	27,552
Customer D	**37,182**	111,524

* Contributed to less than 10% of the Group's total revenue for the relevant year

7. OTHER INCOME AND OTHER GAINS AND LOSSES

	2017	2016
	HK$'000	HK$'000
Other income:		
Interest income	**1**	1
Others	**4**	4
	5	5
Other gains and losses:		
Impairment loss recognised on trade receivables (note 16)	**(44)**	–
Gain on disposal of property, plant and equipment	**4,122**	116
Net exchange gain	**34**	90
	4,112	206

8. FINANCE COSTS

	2017	2016
	HK$'000	HK$'000
Interest on bank borrowings	**–**	21
Interest on finance lease	**10**	12
	10	33

9. TAXATION

	2017	2016
	HK$'000	HK$'000
Hong Kong Profits Tax:		
— Current tax	**7,438**	6,205
— Under(over)provision in prior years	**129**	(309)
	7,567	5,896
Deferred taxation (note 15)	**107**	71
	7,674	5,967

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

9. TAXATION *(Continued)*

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

	2017 HK$'000	2016 HK$'000
Profit before taxation	**30,037**	36,335
Taxation at Hong Kong Profits Tax rate of 16.5%	**4,956**	5,995
Tax effect of expenses not deductible for tax purposes	**3,269**	162
Tax effect of income not taxable for tax purposes	**(680)**	–
Tax effect of tax losses not recognised	**–**	54
Under(over)provision in prior years	**129**	(309)
Others	**–**	65
Taxation for the year	**7,674**	5,967

10. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2017 HK$'000	2016 HK$'000
Profit and total comprehensive income for the year has been arrived at after charging:		
Staff cost:		
Directors' remuneration (note 11)	**1,720**	1,213
Other staff costs	**40,115**	26,123
Contribution to retirement benefit schemes	**1,053**	883
	42,888	28,219
Auditor's remuneration	**1,000**	380
Depreciation of property, plant and equipment	**609**	577
Minimum lease payments in respect of office premises	**1,413**	763

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

The emoluments paid or payable to the directors and chief executive of the Company (including emoluments for services as director of the group entities prior to becoming the director of the Company) by entities comprising the Group for both years as follows:

	Executive directors		Independent non-executive directors				
	Mr. Yung HK$'000 (Note i)	**Mr. Li Kar Fai Peter ("Mr. Li")** HK$'000 (Note iv)	**Mr. Chan Cho Chak** HK$'000 (Note v)	**Mr. Chan Wing Fai** HK$'000 (Note v)	**Ir. Yan Wai Yan** HK$'000 (Note v)	**Mr. Yeung Wai Lung** HK$'000 (Note v)	**Total** HK$'000
As at 30 September 2017							
Fees	**–**	**–**	**24**	**24**	**24**	**24**	**96**
Other emoluments							
Salaries and other benefits	**1,071**	**340**	**–**	**–**	**–**	**–**	**1,411**
Performance and discretionary bonus (Note ii)	**185**	**–**	**–**	**–**	**–**	**–**	**185**
Retirement benefit schemes contributions	**18**	**10**	**–**	**–**	**–**	**–**	**28**
Total emoluments	**1,274**	**350**	**24**	**24**	**24**	**24**	**1,720**
As at 30 September 2016							
Other emoluments							
Salaries and other benefits	1,035	–	–	–	–	–	1,035
Performance and discretionary bonus (Note ii)	160	–	–	–	–	–	160
Retirement benefit schemes contributions	18	–	–	–	–	–	18
Total emoluments	1,213	–	–	–	–	–	1,213

Notes:

(i) Mr. Yung acts as chief executive of the Company. He was appointed as executive director of the Company on 12 October 2016.

(ii) The performance and discretionary bonus is determined by reference to the duties and responsibilities of Mr. Yung within the Group and the Group's performance.

(iii) The emoluments of the executive directors shown above were for his services in connection with the management of the affairs of the Group. The emoluments of the independent non-executive directors shown above were for their services as directors of the Company.

(iv) Mr. Li was appointed as executive director of the Company on 23 November 2016. He is not an employee or a director of the group entities prior to 23 November 2016.

(v) Mr. Chan Cho Chak, Mr. Chan Wing Fai, Ir. Yan Wai Yan and Mr. Yeung Wai Lung were appointed as independent non-executive directors of the Company on 21 July 2017.

No remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2016: nil). There is no arrangement under which a director has waived or agreed to waive any remuneration.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Employees' emoluments

The five highest paid individuals included Mr. Yung (2016: Mr. Yung) whose emoluments is included in the disclosures above. The emoluments of the remaining four individuals for both years were as follows:

	2017	2016
	HK$'000	HK$'000
Salaries and other benefits	**4,454**	4,227
Performance and discretionary bonus	**885**	748
Retirement benefit scheme contributions	**69**	72
	5,408	5,047

Their emoluments are within the following bands:

	2017 Number of employees	2016 Number of employees
HK$1,000,001 to HK$1,500,000	**4**	4

The performance and discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

No emoluments was paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2016: nil).

12. DIVIDEND

During the year ended 30 September 2017, Champion Goal declared dividends of HK$23,000,000 to the then shareholders. During the year ended 30 September 2016, CCCL declared dividends of HK$10,500,000 to Mr. Yung. The rate of dividends and number of shares ranking for the above dividends are not presented as such information is not meaningful having regard to the purpose of these consolidated financial statements.

Other than disclosed above, no dividend was paid or declared by the Company since its incorporation or by other group entities during both years. The Board did not recommend the payment of a final dividend for the year ended 30 September 2017 (2016: nil).

13. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

Earnings

	2017	2016
	HK$'000	HK$'000
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	**22,363**	29,413

Number of shares

	2017	2016
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**440,384**	101,434

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation and the Capitalisation Issue (as defined in note 25) had been effective on 1 October 2015.

No diluted earnings per share is presented as there is no potential ordinary shares outstanding during both years.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST					
At 1 October 2015	6,755	1,004	2,333	844	10,936
Additions	–	–	213	739	952
Disposals	–	–	(9)	(340)	(349)
At 30 September 2016	6,755	1,004	2,537	1,243	11,539
Additions	–	–	188	–	188
Disposals/written-off	(3,649)	(301)	–	–	(3,950)
At 30 September 2017	3,106	703	2,725	1,243	7,777
DEPRECIATION					
At 1 October 2015	2,271	906	1,983	499	5,659
Provided for the year	170	55	157	195	577
Eliminated on disposals	–	–	(9)	(313)	(322)
At 30 September 2016	2,441	961	2,131	381	5,914
Provided for the year	106	39	187	277	609
Eliminated on disposals/written-off	(1,591)	(301)	–	–	(1,892)
At 30 September 2017	956	699	2,318	658	4,631
CARRYING AMOUNTS					
At 30 September 2017	**2,150**	**4**	**407**	**585**	**3,146**
At 30 September 2016	4,314	43	406	862	5,625

The above property, plant and equipment are depreciated on the straight-line basis over their estimated useful lives, at the following rates per annum:

Leasehold land and buildings	Over the shorter of the terms or 50 years
Leasehold improvements	20%
Furniture, fixtures and equipment	20%
Motor vehicles	25%

As at 30 September 2016, the Group has pledged two premises with aggregate carrying amounts of HK$4,314,000, to secure a banking facility granted to the Group. During the year ended 30 September 2017, the pledge of one of the premises was released by the bank and the carrying amount of the pledged premise to secure a banking facility granted to the Group as at 30 September 2017 is HK$2,150,000.

The carrying value of motor vehicles included an amount of approximately HK$259,000 (2016: HK$373,000) in respect of assets held under finance lease as at 30 September 2017.

15. DEFERRED TAX ASSETS

The following are the deferred tax assets recognised by the Group and movements thereon during the current and prior years.

	Accelerated accounting depreciation
	HK$'000
At 1 October 2015	257
Charge to profit or loss (note 9)	(71)
At 30 September 2016	186
Charge to profit or loss (note 9)	(107)
At 30 September 2017	79

16. TRADE RECEIVABLES

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. An ageing analysis of the trade receivables, presented based on the invoice date at the end of the reporting period, is as follows:

	2017	2016
	HK$'000	HK$'000
0 – 30 days	**5,350**	16,910
31 – 60 days	**3,344**	5
Over 180 days	**20**	64
	8,714	16,979

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly. Approximately 61% (2016: 99%) of trade receivables as at 30 September 2017, that are neither past due nor impaired have good credit quality. These customers have no default of payment in the past.

The Group has a policy for allowance of bad and doubtful debts which is based on the evaluation of collectibility and ageing analysis of the accounts of each customers and on management's judgement including the creditworthiness and the past collection history of each customers.

16. TRADE RECEIVABLES *(Continued)*

Movement in the allowance for doubtful debts

	2017	2016
	HK$'000	HK$'000
At 1 October	**–**	–
Impairment losses recognised on receivables	**44**	–
Amounts written off as uncollectible	**(44)**	–
At 30 September	**–**	–

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$3,364,000 (2016: HK$69,000) which are past due at the end of the reporting period, for which the Group has not provided for impairment loss as there has not been a significant change in credit quality of the customers and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 46 days (2016: 171 days).

Ageing of trade receivables which are past due but not impaired

	2017	2016
	HK$'000	HK$'000
31 – 60 days	**3,344**	5
Over 180 days	**20**	64
Total	**3,364**	69

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the customers from the date credit was initially granted up to the end of the reporting period. The trade receivables that are past due but not provided for as at the end of the reporting period are either subsequently settled or no historical default of payments is noted by the respective customers and the directors of the Company believe that no further impairment is required.

17. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2017 HK$'000	2016 HK$'000
Rental and other deposits	**251**	235
Deposits for materials purchase	**5,212**	115
Prepayments and others	**2,199**	690
Prepaid and deferred listing expenses	**–**	2,887
Total	**7,662**	3,927
Presented as non-current assets	**22**	30
Presented as current assets	**7,640**	3,897
Total	**7,662**	3,927

18. AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	2017 HK$'000	2016 HK$'000
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus recognised profits less recognised losses	**1,129,952**	881,383
Less: Progress billings	**(1,095,585)**	(819,617)
Total	**34,367**	61,766
Analysed as:		
Amounts due from customers for contract work	**48,250**	63,296
Amounts due to customers for contract work	**(13,883)**	(1,530)
	34,367	61,766

Unbilled retention receivables of HK$34,202,000 (2016: HK$20,748,000) are included in the above contracts in progress as at 30 September 2017. Retention monies withheld by customers 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.

The unbilled retention receivables are expected to settle, based on the expiring of the defect liability period, at the end of the reporting period as follows:

	2017 HK$'000	2016 HK$'000
On demand or within one year	**14,154**	11,611
After one year	**20,048**	9,137
Total	**34,202**	20,748

19. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Bank balances and cash comprise of cash on hand and short term bank deposits with an original maturity of three months or less, and carry interest at prevailing market rate from 0.01% to 0.05% (2016: 0.01% to 0.05%) per annum.

As at 30 September 2016, pledged bank deposits represented balances pledged to banks to secure the banking facilities (including the bank borrowings and performance guarantee) granted to the Group, and carried interest at prevailing market rate ranging 0.01% per annum.

20. 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:

	2017	2016
	HK$'000	HK$'000
0 – 30 days	**7,036**	11,245
31 – 60 days	**3,144**	1,400
61 – 90 days	**806**	718
Over 90 days	**2**	171
	10,988	13,534

21. OTHER PAYABLES AND ACCRUED CHARGES AND DEPOSITS FROM A CUSTOMER

	2017	2016
	HK$'000	HK$'000
Accrued charges for engineering service	**1,119**	1,261
Retention payables (note)	**2,361**	2,461
Accrued payroll and bonus	**12,838**	3,180
Other accrued charges	**2,896**	419
	19,214	7,321

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.

Deposits from a customer

Deposits from a customer represent deposits received from a customer in relation to an engineering service contract for the supply and installation of electrical system. As at 30 September 2016, service has yet to be rendered by the Group.

22. AMOUNT DUE TO A SHAREHOLDER

During both years, Mr. Yung has from time to time, made short-term advances to the Group for its working capital requirement in respect of its operations. Details of amount due to a shareholder, which are non-trade nature, unsecured, interest-free and repayable on demand, are as follows:

	2017	2016
	HK$'000	HK$'000
Mr. Yung	**5,554**	2,782

All the amount due to a shareholder was subsequently settled in October 2017.

23. PROVISIONS

	Onerous contracts	**Long service payments and annual leave**	**Total**
	HK$'000	HK$'000	HK$'000
	(note a)	(note b)	
At 1 October 2015	48	533	581
Utilised for the year	(48)	–	(48)
Provided for the year	–	98	98
At 30 September 2016	–	631	631
Provided for the year	–	312	312
At 30 September 2017	–	943	943

Notes:

(a) Amount represents the management's best estimate on the onerous engineering service contract in relation to installation of mechanical ventilation and air-conditioning system of the Group as management of the Group considers the unavoidable costs of meeting the obligations under such non-cancellable engineering service contract exceed the economic benefits expected to be received under such contract. These amounts have not been discounted for the purpose of measuring the provision because the effect is insignificant.

(b) The Group provides for the probable future long service payments and annual leave payments expected to be made to employees under the Hong Kong Employment Ordinance. The provision represents management's best estimate of probable future payments which have been earned by the employees from their services to the group entities up to the end of the reporting period.

24. OBLIGATION UNDER A FINANCE LEASE

	2017	2016
	HK$'000	HK$'000
Analysed for reporting purpose as:		
Non-current	**–**	112
Current	**112**	142
	112	254

The Group has leased a motor vehicle under a finance lease. The lease term was two years. Interest rates underlying the obligation under finance lease were fixed at 2.75% per annum.

	Minimum lease payments		**Present value of minimum lease payments**	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amounts payable under finance lease:				
Within one year	**114**	152	**112**	142
In more than one year but within two years	**–**	114	**–**	112
	114	266	**112**	254
Less: Future finance charges	**(2)**	(12)	**–**	–
Present value of lease obligation	**112**	254	**112**	254
Less: Amount due for settlement within one year (shown under current liabilities)			**(112)**	(142)
Amount due for settlement after 12 months			**–**	112

The Group's obligation under a finance lease was secured by the motor vehicle of the Group and was guaranteed by a key management personnel of the Group up to HK$288,000.

25. SHARE CAPITAL

The issued share capital as at 1 October 2015 represented the combined share capital of CCCL and CEEL. On 29 September 2016, Superior Ace transferred the entire issued share capital of CCCL and CEEL to Champion Goal. The share capital as at 30 September 2016 represented the share capital of Champion Goal. The share capital as at 30 September 2017 represented the share capital of the Company.

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

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 12 October 2016 (date of incorporation) (note i)	38,000,000	380
Increase on 22 July 2017 (note iii)	9,962,000,000	99,620
At 30 September 2017	10,000,000,000	100,000
Issued and fully paid:		
At 12 October 2016 (date of incorporation) (note i)	1	–
Issuance of new shares on Reorganisation (note ii)	9,999	–
Capitalisation Issue (note iv)	449,990,000	4,500
Issuance of new shares upon Listing (note v)	90,000,000	900
At 30 September 2017	540,000,000	5,400

Notes:

(i) On 12 October 2016, the Company was incorporated in the Cayman Islands with limited liability. The initial authorised share capital of the Company was HK$380,000 divided into 38,000,000 shares of HK$0.01 each. 1 share of the Company was allocated and issued to Superior Ace on the same date.

(ii) On 23 November 2016, 9,999 shares of the Company were allotted and issued to Superior Ace.

(iii) Pursuant to the written resolutions passed by the shareholders on 22 July 2017, the authorised share capital of the Company was increased from HK$380,000 to HK$100,000,000 by creation of additional 9,962,000,000 ordinary shares of HK$0.01 each which, upon issue, shall rank pari passu in all aspects with the existing issued ordinary shares.

(iv) On 11 August 2017, a sum of HK$4,499,900 standing to the credit of the share premium account of the Company was capitalised by paying up in full at par a total of 449,990,000 new shares (the "Capitalisation Issue").

(v) On 11 August 2017, 90,000,000 new shares of the Company were issued at HK$0.86 per share for a total consideration of HK$77,400,000.

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

26. RETIREMENT BENEFITS SCHEMES

The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions. Except for voluntary contribution, no forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The cap of contribution amount is HK$1,500 per employee per month.

The retirement benefits schemes contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

During the year ended 30 September 2017, total contribution to retirement benefit schemes charged to profit or loss amounted to HK$1,071,000 (2016: HK$901,000).

27. SHARE OPTIONS SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 22 July 2017 for the primary purpose of providing incentives to directors and eligible employees. Unless otherwise terminated or amended, the Scheme will remain in force for 10 years. Details are stated in the "Share Option Scheme" section of the annual report.

No share options were granted, exercised, cancelled or lapsed under the Scheme during the year nor outstanding as at the end of the reporting period.

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group represents equity attributable to owners of the Company, comprising issued share capital, share premium, other reserves and retained profits.

Management of the Group reviews the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and raise of new borrowings.

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2017	2016
	HK$'000	HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**161,567**	59,484
Financial liabilities		
Amortised cost	**35,756**	23,637

(b) Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, pledged bank balances, bank balances and cash, trade payables, other payables and accrued charges and amount due to a shareholder. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group has limited currency exposure as both the sales and direct costs were denominated in the functional currency of the respective group entities. Accordingly, the management of the Group considers that the Group's exposure to foreign currency risk is minimal.

As at 30 September 2017, the bank balances of HK$1,271,000 (2016: HK$390,000) are denominated at British Pound (''GBP"). GBP is a currency other than the functional currency of the respective group entities. Sensitivity analysis of strengthening 10% in functional currency of the Company (i.e. HK$) against GBP resulted a decrease in post-tax profit of HK$106,000 (2016: HK$33,000). For a 10% weakening of HK$ against GBP, there would be an equal and opposite impact on the results.

29. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

Interest rate risk

The Group's cash flow interest rate risk primarily relates to the bank balances as at 30 September 2017 and 2016 and pledged bank deposits as at 30 September 2016 (note 19). The Group's fair value interest rate risk primarily relates to the obligation under a finance lease (note 24).

The Group has not used any interest rate hedging policy to mitigate its exposure associated with interest rate risk. However, the management of the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

In the opinion of management of the Group, the expected change in interest rate will not have significant impact on the interest income on pledged bank deposits and bank balances, hence sensitivity analysis is not presented.

Credit risk

As at 30 September 2017, the Group's credit risk is primarily attributable to trade receivables, deposits and bank balances (2016: trade receivables, bank balances and pledged bank deposits).

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying each amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of the reporting period.

Management of the Group adopted a policy on providing credit facilities to new customers. A credit investigation, including assess to financial information, advice from business partners in relation to potential customers and credit search, would be required to be launched. The level of credit granted must not exceed a predetermined level set by the management of the Group. Credit evaluation is performed on a regular basis.

The Group has credit risks with exposure concentrated to certain customers. As at 30 September 2017, the carrying amount of the Group's largest debtor is HK$5,255,000 (2016: HK$7,409,000), comprised approximately 60% (2016: 44%) of the Group's trade receivables. The management of the Group closely monitors the subsequent settlement of the customers. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group's credit risk is also concentrated on bank balances as at 30 September 2017 and 2016 and pledged bank deposits as at 30 September 2016 but it is considered not material as such amounts are placed in banks with good reputations.

29. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management of the Group to finance the Group's operations and mitigate the effects of unexpected fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Effective interest rate %	On demand HK$'000	1–3 months HK$'000	3 months to 1 year HK$'000	Over 1 year HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
As at 30 September 2017							
Non-derivative financial liabilities							
Trade payables	**N/A**	**–**	**10,988**	**–**	**–**	**10,988**	**10,988**
Other payables and accrued charges	**N/A**	**–**	**19,214**	**–**	**–**	**19,214**	**19,214**
Amount due to a shareholder	**N/A**	**5,554**	**–**	**–**	**–**	**5,554**	**5,554**
Obligation under a finance lease	**5.2**	**–**	**38**	**76**	**–**	**114**	**112**
		5,554	**30,240**	**76**	**–**	**35,870**	**35,868**
As at 30 September 2016							
Non-derivative financial liabilities							
Trade payables	N/A	–	13,534	–	–	13,534	13,534
Other payables and accrued charges	N/A	–	7,321	–	–	7,321	7,321
Amount due to a shareholder	N/A	2,782	–	–	–	2,782	2,782
Obligation under a finance lease	5.2	–	38	114	114	266	254
		2,782	20,893	114	114	23,903	23,891

(c) Fair value

The management of the Group estimates the fair values of its financial assets and financial liabilities measured at amortised cost using discounted cash flows analysis. Management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

30. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases for office premises with independent third parties, which fall due as follows:

	2017	2016
	HK$'000	HK$'000
Within one year	**418**	937
After one year but within five years	**119**	120
	537	1,057

The Group leases its office premises under operating lease arrangements. Leases for office premises are negotiated for fixed terms ranged from 1 to 3 years during the years.

A lease agreement entered into between the landlord and the Group include a renewal option at the discretion of the Group of a further one year from the end of the existing lease without fixed rental being agreed at the moment. Accordingly, this is not included in the above commitment.

31. PLEDGE OF ASSETS

As at 30 September 2017, the Group has pledged one premise (2016: two premises and certain bank balances) to secure the bank borrowings and banking facilities granted to the Group. Details are disclosed in notes 14 and 19 respectively.

32. PERFORMANCE GUARANTEE

As at 30 September 2016, performance guarantee of approximately HK$5,767,000 was given by a bank in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and their customers. If the Group fails to provide satisfactory performance to their customers to whom performance guarantee have been given, such customers may demand the bank to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate the bank accordingly. The performance guarantee will be released upon completion of the contract works. The performance guarantees were guaranteed by Mr. Yung. The directors of the Company do not consider it is probable that a claim will be made against the Group as at 30 September 2016. On 31 May 2017, the performance guarantee was released by the bank.

33. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group has entered into the following related party transactions:

	2017	2016
	HK$'000	HK$'000
Consulting fee paid to Mr. Yung's spouse	**323**	70
Video production service fee paid to a son of Mr. Yung	**–**	95

As at 30 September 2017 and 2016, personal guarantee of approximately HK$13,368,000 was given by Mr. Yung in favour of the Group's customer directly for the due performance of the Group's obligation under the contracts entered into between the Group and its customer.

Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended 30 September 2017 and 2016 are as follows:

	2017	2016
	HK$'000	HK$'000
Salaries and other benefits	**5,961**	5,262
Performance and discretionary bonus	**1,070**	908
Retirement benefit scheme contributions	**87**	90
	7,118	6,260

34. NON-CASH TRANSACTION

During the year ended 30 September 2016, the Group entered into a finance lease arrangement in respect of a motor vehicle with a total capital value at the inception of the lease of HK$292,000.

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2017 HK$'000
Non-current assets	
Investment in a subsidiary	–*
Current assets	
Other receivables	1,415
Amounts due from subsidiaries	1,212
Bank balances and cash	85,163
	87,790
Current liabilities	
Other payables and accrued charges	3,792
Amount due to shareholder	5,554
	9,346
Net current assets	78,444
Total assets less current liabilities	78,444
Capital and reserves	
Share capital	5,400
Reserves	73,044
	78,444

* The amount is less than HK$1,000

Movement in the Company's reserves

	Share premium HK$'000	Accumulated loss HK$'000	Total HK$'000
At 12 October 2016 (date of incorporation)	–	–	–
Loss and total comprehensive expense for the period	–	(18,184)	(18,184)
Issuance of shares (note 2(vi))	25,000	–	25,000
Issuance of shares upon Listing (defined in note 2) (note 25)	76,500	–	76,500
Capitalisation Issue (note 25)	(4,500)	–	(4,500)
Transaction costs directly attributable to issuance of shares upon Listing	(5,772)	–	(5,772)
At 30 September 2017	91,228	(18,184)	73,044

36. PARTICULARS OF THE SUBSIDIARIES

Particulars of the Company's subsidiaries are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and paid-up capital	Proportion of ownership interest attributable to the Company Directly 2017	Directly 2016	Indirectly 2017	Indirectly 2016	Principal activities
Champion Goal	BVI	US$1	**100%**	100%	**–**	–	Investment holding
CCCL	Hong Kong	HK$5,000,000	**–**	–	**100%**	100%	Electric and maintenance engineering business in Hong Kong
CEEL	Hong Kong	HK$1	**–**	–	**100%**	100%	Electric and maintenance engineering business in Hong Kong

None of the subsidiaries had any debt securities outstanding at the end of the reporting period.

A summary of the results and assets and liabilities of the Group for the last three financial years, as extracted from the audited consolidated financial statements and the Prospectus is set out below:

RESULTS

	For the year ended 30 September			
	2017	2016	2015	2014
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**308,008**	192,139	180,760	132,884
Profit attributable to owners of the Company	**22,363**	29,413	28,064	11,693

ASSETS AND LIABILITIES

	At 30 September			
	2017	2016	2015	2014
	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**220,181**	132,510	67,954	80,964
Total liabilities	**(60,824)**	(54,144)	(24,456)	(58,230)
Total equity	**159,357**	78,366	43,498	22,734