
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your stockbroker, other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “13. Documents delivered to the Registrar of Companies” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

GoldenPower[®]

GOLDEN POWER GROUP HOLDINGS LIMITED

金力集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3919)

**RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD
ON THE RECORD DATE**

Financial Adviser to the Company

VEDA | CAPITAL
智略資本

Underwriter of the Rights Issue



太平基業證券有限公司
Pacific Foundation Securities Limited

Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 4 April 2023 to Friday, 14 April 2023 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Tuesday, 4 April 2023 to Friday, 14 April 2023 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, served prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These certain events are set out in the section headed “Termination of Underwriting Agreement” on pages 8 to 10 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Wednesday, 19 April 2023. The procedures for acceptance and payment for or transfer of the Rights Share are set out on pages 20 to 22 of this Prospectus.

31 March 2023

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable	6
Termination of the Underwriting Agreement	8
Letter from the Board	11
Appendix I — Financial Information of the Group	I-1
Appendix II — Unaudited Pro Forma Financial Information of the Group	II-1
Appendix III — General Information	III-1

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:

“Announcement”	the announcement of the Company dated 16 March 2023 relating to, among other things, the Rights Issue
“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no.8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning given to it under the Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented and modified from time to time)
“Company”	Golden Power Group Holdings Limited (金力集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3919)
“connected person”	has the meaning given to it under the Listing Rules
“controlled corporation(s)”	has the meaning given to it under the SFO
“controlling Shareholder(s)”	has the meaning given to it under the Listing Rules, and in the context of the Company, means Mr. Chu and Golden Villa
“Director(s)”	the director(s) of the Company
“EAF(s)”	excess application form(s) issued to and for use by the Qualifying Shareholder(s) who wish to apply for excess Rights Shares

DEFINITIONS

“Extreme Conditions”	the extreme conditions the government of Hong Kong may announce in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides, or large-scale power outage caused by super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department
“Golden Villa”	Golden Villa Ltd., a limited liability company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by Mr. Chu and is one of the controlling Shareholders of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Irrevocable Undertakings”	the irrevocable undertakings dated 16 March 2023 given by each of Golden Villa and Triumph Treasure in favour of the Company to subscribe for 79,900,000 Rights Shares and 21,800,000 Rights Shares, respectively, totaling 101,700,000 Rights Shares, which will be provisionally allotted to Golden Villa and Triumph Treasure under the Rights Issue
“Last Trading Day”	16 March 2023, the last day on which the Existing Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	24 March 2023, being the latest practicable date prior to printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 19 April 2023 or such other time and date as may be agreed between the Company and the Underwriter, being the latest time for application for, acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Thursday, 20 April 2023 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chu”	Mr. Chu King Tien, an executive Director, the Chairman and a controlling Shareholder
“Ms. Chu”	Ms. Chu Shuk Ching, an executive Director and chief executive officer of the Company
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s), to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“OEM”	acronym for original equipment manufacturing, whereby products are manufactured in accordance with the customer’s design and specification and are marketed and sold under the customer’s brand name
“Overseas Shareholders”	Shareholders whose address on the register of members of the Company are outside Hong Kong
“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China which, for the purpose of this Prospectus, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus issued by the Company to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 31 March 2023 (or such later date as may be agreed between the Underwriter and the Company) for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders

DEFINITIONS

“Record Date”	Thursday, 30 March 2023 or such other date as may be agreed between the Company and the Underwriter for determination of the entitlements under the Rights Issue
“Registrar”	the branch registrar of the Company in Hong Kong, being Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	180,000,000 new Shares proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.11 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Triumph Treasure”	Triumph Treasure Holdings Limited, a limited liability company incorporated in the British Virgin Islands, the issued share capital of which is owned as to 51% by Mr. Chu and 49% by Ms. Chu, respectively
“Undertaken Shares”	79,900,000 Rights Shares and 21,800,000 Rights Shares to be provisionally allotted to Golden Villa and Triumph Treasure under the Rights Issue, respectively, whereby both Golden Villa and Triumph Treasure had undertaken to subscribe

DEFINITIONS

“Underwriter”	Pacific Foundation Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO, whose ordinary course of business includes underwriting of securities and the ultimate beneficial owners of which are independent third parties
“Underwriting Agreement”	the underwriting agreement dated 16 March 2023 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	up to 78,300,000 Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%”	per cent

EXPECTED TIMETABLE

2023

First day of dealing in nil-paid Rights Shares	9:00 a.m., Tuesday, 4 April
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Tuesday, 11 April
Last day of dealing in nil-paid Rights Shares.	Friday, 14 April
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m., Wednesday, 19 April
Latest Time for Termination of the Underwriting Agreement and for the Rights Issue to become unconditional (if applicable).	4:00 p.m., Thursday, 20 April
Announcement of results of acceptance of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company.	Wednesday, 26 April
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful applications for excess Rights Shares	Thursday, 27 April
First day of dealings in the fully-paid Rights Shares.	Friday, 28 April

All times and dates specified in this Prospectus refer to Hong Kong local times and dates. Dates stated in this Prospectus for event mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as and when appropriate in accordance with the Listing Rules.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Wednesday, 19 April 2023 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or Extreme Conditions in force in Hong Kong, if such circumstances is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m., Wednesday, 19 April 2023, the dates mentioned in the expected timetable (including but not limited to the Latest Time for Termination) above may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriter, would materially and adversely affect the business or the financial or trading position of the Group as a whole or would be materially adverse in the context of the Rights Issue; or
 - (ii) (the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature (whether or not *ejusdem generis* with any of the foregoing), or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, would materially and adversely affect the business or the financial or trading position or prospect of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (b) in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs which in the reasonable opinion of the Underwriter are likely to materially and adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not *ejusdem generis* with any of the foregoing; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of any of the Underwriter, a material omission in the context of the Rights Issue; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement, the Prospectus Documents or other announcements or circulars in connection with the Rights Issue.

The Underwriter shall be entitled to (but not bound to) by notice in writing, served prior to the Latest Time for Termination, rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any event occurring or matter arising on or after the date the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter; or
- (c) the Company's application to the Listing Committee of the Stock Exchange for the permission for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange; or
- (d) any condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused; or
- (e) any statement contained in the Announcement or any Prospectus Document has been shown to be untrue, inaccurate, incomplete in any material respect or misleading with reference to the date on which such statement was made; or
- (f) the Company shall, after any event which rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

TERMINATION OF THE UNDERWRITING AGREEMENT

If prior to the Latest Time for Termination, any such notice referred to above is given by the Underwriter, all obligations of each of the parties to the Underwriting Agreement shall cease and no party shall have any claim against any other party for costs, damages, compensation or otherwise in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, but without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. An announcement will be made if the Underwriting Agreement is terminated by the Underwriter.



GOLDEN POWER GROUP HOLDINGS LIMITED

金力集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3919)

Executive Directors:

Mr. Chu King Tien (*Chairman*)
Ms. Chu Shuk Ching
Mr. Tang Chi Him
Mr. Chu Ho Wa

Registered Office:

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Independent non-executive Directors:

Mr. Hui Kwok Wah
Mr. Kan Man Kim
Mr. Chow Chun Hin Leslie

Principal place of business in Hong Kong:

Flat C, 20/F, Block 1
Tai Ping Industrial Centre
57 Ting Kok Road, Tai Po
New Territories
Hong Kong

31 March 2023

*To the Qualifying Shareholders; and
for information only, the Non-Qualifying Shareholders*

Dear Sir or Madam

**RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD
ON THE RECORD DATE**

INTRODUCTION

On 16 March 2023, the Board announced that the Company proposes to raise approximately HK\$19.8 million, before expenses, by issuing 180,000,000 Rights Shares by way of Rights Issue at the Subscription Price of HK\$0.11 per Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. Qualifying Shareholders will be entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess application. The Rights Issue is not available to the Non-Qualifying Shareholders.

The purpose of this Prospectus is to provide you with, among other things, details of the Rights Issue and the financial information and other general information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.11 per Rights Share
Number of existing Shares in issue as at the date of this Prospectus	:	360,000,000 Shares
Number of Rights Shares	:	180,000,000 Rights Shares
Number of Shares in issue immediately upon completion of the Rights Issue	:	540,000,000 Shares
Amount to be raised by the Rights Issue before expenses	:	Approximately HK\$19.8 million
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment
Underwriter	:	Pacific Foundation Securities Limited
Number of Rights Shares underwritten by the Underwriter	:	Up to 78,300,000 Rights Shares underwritten by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement, excluding the Undertaken Shares. Accordingly, taking into account the Undertaken Shares, the Rights Issue is fully underwritten.

As at the Latest Practicable Date, the Company did not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Based on the existing issued share capital of the Company as at the Latest Practicable Date and assuming there will be no change in the number of issued Shares from the Latest Practicable Date up to the Record Date, the 180,000,000 Rights Shares to be issued and allotted pursuant to the Rights Issue (i) represent 50% of the existing issue share capital of the Company; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$0.11 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 19.7% to the closing price of HK\$0.137 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 24.2% to the average closing price of approximately HK\$0.1452 per Share for the last five (5) consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (c) a discount of approximately 27.4% to the average closing price of approximately HK\$0.1515 per Share for the last ten (10) consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (d) a discount of approximately 6.6% to the theoretical ex-rights price of approximately HK\$0.128 per Share based on the closing price of HK\$0.137 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a discount of approximately 86.2% to the net assets value per Share of approximately HK\$0.798 based on the latest published audited net assets value attributable to owners of the Company of approximately HK\$287.4 million as at 31 December 2022 as set out in the annual results announcement of the Company for the year ended 31 December 2022 dated 23 March 2023 divided by the number of the issued Shares of 360,000,000 Shares as at the Latest Practicable Date; and
- (f) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 9.0% of the theoretical diluted price of HK\$0.1369 per Share to the benchmarked price of HK\$0.1504 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.137 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.1504 per Share).

During the 12-month period immediately preceding the date of this Prospectus, the Company had not undertaken (whether by reference to the date of agreement or announcement or the date of commencement of dealing of shares) any rights issue, open offer or specific mandate placing. The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

LETTER FROM THE BOARD

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price and trading liquidities of the Shares under the prevailing market conditions.

The Board considers that the Subscription Price and the above-mentioned discounts are fair and reasonable and in the interest of the Company and the Shareholders as a whole because:

- (a) in order to enhance the attractiveness of the Rights Issue, issuance of new shares by way of rights issue at a discount to the then market price has been commonly adopted by listed issuers in Hong Kong to encourage existing shareholders to take up their entitlements so as to participate in the potential growth of the listed issuers in the future;
- (b) the discount of the closing price of HK\$0.137 per Share as quoted on the Stock Exchange on the Last Trading Day to the audited consolidated net assets value per Share as at 31 December 2022 of approximately HK\$0.798 per Share; since the closing price of the Shares were between HK\$0.206 per Share and HK\$0.106 per Share in the past 12 months and the Shares have been continuously for more than 12 months traded at a substantial discount of not less than 70% to the audited consolidated net assets value per Share in the Stock Exchange, and in view of the amount of the imminent funding needs of not less than HK\$17 million as disclosed below, which is not readily available to the Company from other fund raising channels in light of the Group's net loss results for the year ended 31 December 2022 and the current market conditions, in particular the ongoing interest hike, balancing these considerations with the market price of the Shares prior to and including the Last Trading Day, the Subscription Price representing a further discount of approximately 86.2% with reference to the net assets value per Share is reasonable and enhances the attractiveness of the Rights Issue;
- (c) as all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Board considers that the discount of the Subscription Price would encourage the Qualifying Shareholders to participate in the Rights Issue so as to maintain their pro rata shareholdings in the Company and participate in the future growth of the Group; and
- (d) in considering the expected funding needs as stated in section headed "Reasons for the Rights Issue and use of proceeds" in this Prospectus, the Group requires this fund-raising exercise in order to strengthen its competitiveness and capital base and improve its financial position.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.104 per Rights Share.

LETTER FROM THE BOARD

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (c) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms;
- (d) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement not being terminated in accordance with the terms thereof on or before the Latest Time for Termination; and
- (e) the representation, warranties and undertakings of the Company as set out in the Underwriting Agreement remain true and accurate in all material respects.

The Company shall use all reasonable endeavours to procure the fulfilment or waiver (as the case may be) of all the above conditions precedent by the Latest Time for Termination or such other time and date as the Company and the Underwriter may agree.

The Underwriter may at any time by notice in writing to the Company waive the condition set out in paragraph (e) above. Save and except the condition set out in paragraph (e) above, the other conditions are incapable of being waived. If the conditions set out in paragraphs (a) to (e) above are not fulfilled and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate (save and except the provisions regarding fees, notices and governing law and jurisdiction which shall remain in full force and effect) and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

LETTER FROM THE BOARD

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Having made the enquiries, as at the Record Date, none of the Shareholders as recorded on the register of members of the Company had address(es) which is/are outside Hong Kong. Accordingly, there will be no Non-Qualifying Shareholder for the purpose of the Rights Issue.

Application for excess Rights Shares

Qualifying Shareholders may apply for, by way of excess application:

- (a) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholder(s) (if any);
- (b) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and
- (c) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares.

(collectively referred to as “**Untaken Rights**”).

LETTER FROM THE BOARD

Applications for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the full amount payable for the excess Rights Shares being applied for. The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (a) subject to availability of excess Rights Shares, any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (b) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (c) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (d) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any controlling Shareholder or its associates (the “**Relevant Shareholders**”), whether in their own names or through nominees.

The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares. Further, the controlling Shareholders of the Company, namely Mr. Chu and Golden Villa, and Mr. Chu’s associate, Triumph Treasure, have provided written confirmation confirming that they would not make any excess application under the Rights Issue.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for. Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company (the “**Registered Nominee**”) as a single Shareholder under the aforesaid arrangement in relation to the allocation of excess Rights Shares. Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date.

LETTER FROM THE BOARD

Investors whose Shares are held by a Registered Nominee and who would like to have their names registered on the register of members of the Company, must lodge any transfers of the Shares (together with the relevant share certificates and/or the instrument(s) of transfer) with the Registrar, namely Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 23 March 2023. The register of members of the Company would be closed from Friday, 24 March 2023 to Thursday, 30 March 2023, both dates inclusive.

In the event that the Directors note unusual patterns of excess Rights Shares applications, the Directors will review those applications and if the Directors have reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Directors.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Wednesday, 19 April 2023. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Golden Power Group Holdings Limited — Excess Application Account**" and crossed "Account Payee Only".

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Thursday, 27 April 2023. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies is also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his own risk by the Registrar on or before Thursday, 27 April 2023.

All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

LETTER FROM THE BOARD

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses as at the Record Date by the Registrar on the respective despatch dates. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" above is not fulfilled, and/or not waived (where applicable) at or before 4:00 p.m. on Thursday, 20 April 2023 (or such later time and date as may be agreed between the Company and the Underwriter), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 27 April 2023.

Fractions of the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

LETTER FROM THE BOARD

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for and paid for the Rights Shares on or before Thursday, 27 April 2023 by ordinary post at their own risk. If the Rights Issue is terminated or for unsuccessful application for Rights Issue, refund cheques in respect of the acceptance for Rights Shares are expected to be posted on or before Thursday, 27 April 2023 by ordinary post to the applicants at their own risk.

Procedures for acceptance and payment or transfer

PAL — Acceptance, payment and transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to them as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon with the Registrar, together with a remittance for the full amount payable on acceptance, so as to be received by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 19 April 2023 (or, under bad weather conditions, such later date as mentioned in the paragraph “Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares” in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Golden Power Group Holdings Limited — Rights Issue Account**” and crossed “Account Payee Only”.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 19 April 2023, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or transfer part of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Tuesday, 11 April 2023 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the

LETTER FROM THE BOARD

surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. You must pay the exact amount payable upon application for the Rights Shares, underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to you if the overpaid amount is HK\$100 or above.

Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the laws and regulations of all relevant territories and jurisdictions, including the obtaining of any governmental or other consents and to pay taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation or warranty. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights

LETTER FROM THE BOARD

Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any territory or jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement prior to the Latest Time for Termination and/or if any of the conditions of the Rights Issue is not fulfilled or waived by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the monies received in respect of the relevant provisional allotment, without interest, will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Thursday, 27 April 2023.

No receipt will be issued in respect of any application monies received.

Application for listing of the Rights Shares

The Company has made an application to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 2,000 Shares per each board lot.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from purchase, holding or disposal of, or dealing in the Rights Shares.

UNDERWRITING ARRANGEMENT AND UNDERTAKING

Irrevocable Undertakings

As at the Latest Practicable Date, Golden Villa, which is wholly-owned by Mr. Chu, and Triumph Treasure, which is owned as to 51% by Mr. Chu and 49% by Ms. Chu, respectively held 159,800,000 Shares and 43,600,000 Shares, representing approximately 44.39% and approximately 12.11% respectively, totaling 56.50% of the issued share capital of the Company. Golden Villa and Triumph Treasure would therefore be entitled to subscribe for 79,900,000 Rights Shares and 21,800,000 Rights Shares respectively, totaling 101,700,000 Rights Shares. Golden Villa and Triumph Treasure have given the Irrevocable Undertakings in favour of the Company, among other things, that they shall subscribe for their respective pro rata entitlements totaling 101,700,000 Rights Shares.

Save for the Irrevocable Undertakings, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

The Underwriting Agreement

Date	:	16 March 2023 (after trading hours)
Issuer	:	The Company
Underwriter	:	Pacific Foundation Securities Limited
Number of Underwritten Shares	:	Up to 78,300,000 Rights Shares, representing all the Rights Shares to be issued pursuant to the Rights Issue other than the Undertaken Shares. Accordingly, taking into account the Undertaken Shares, the Rights Issue is fully underwritten.
Underwriting Commission	:	4% of the aggregate subscription amount in respect of the Underwritten Shares, being up to 78,300,000 Rights Shares for which the Underwriter has agreed to subscribe or procure subscription pursuant to the Underwriting Agreement.

LETTER FROM THE BOARD

The Underwriter is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry out Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO, whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are independent of the Company and its connected persons. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiations between the Company and the Underwriter with reference to (i) the existing financial position, in particular the increased loss and current liabilities of the Group in the year ended 31 December 2022 and the imminent funding needs of the Group, which necessitates the Rights Issue to be fully underwritten; (ii) the size of the Rights Issue, which on the basis of one (1) Rights Share for every two (2) existing Shares is relatively large considering the low trading volume and liquidity of the Shares; and (iii) current market condition which remains relatively volatile. The Company had also taken into account of the prevailing market rate of underwriting commission paid in the rights issue cases conducted in the six months prior to the date of the Underwriting Agreement as published on the website of the Stock Exchange, which ranged from 1% to 7%. The Directors noted that the terms of the underwriting agreements in the precedent cases of rights issues done in recent months depend on various factors, such as prevailing market sentiment, different historical share price performance and liquidity, and the different profile and industry of each company.

When negotiating the underwriting commission with the Underwriter, factors such as recent market volatility, the historical trading volume of the Shares, the discount of the Subscription Price of the Rights Share, the size of the Rights Issue, and the size of the commitment made by Golden Villa and Triumph Treasure by way of the Irrevocable Undertakings, are considered. In particular, the Directors considered the underwriting commission rate for the Rights Issue being roughly in the middle of the prevailing market range is justifiable due to:

- (i) Golden Villa and Triumph Treasure's Irrevocable Undertakings to subscribe for all of their pro rata entitlements under the Rights Issue, meaning the Rights Shares to which the Underwriter will be called upon to subscribe or procure subscription of will likely be less than the maximum number of the Underwritten Shares;
- (ii) the historical trading volume of the Shares in the Stock Exchange in the recent months on the Stock Exchange was not high, meaning a sizeable and reputable underwriter is required; and
- (iii) the credentials of the Underwriter acting as the underwriter in other rights issue cases which were under-subscribed by their shareholders demonstrating that the Underwriter would proceed with the underwriting and being able to introduce institutional investors to subscribed for the untaken Rights Shares.

LETTER FROM THE BOARD

The Company is further of the view that although underwriting is no longer a mandatory requirement under the Listing Rules, the underwriting arrangement for the Rights Issue would be beneficial to the Company by guaranteeing the size of the issue and providing certainty as to the size of the capital being raised in this Rights Issue exercise, which is in the interest of the Company and the Shareholders as a whole.

Given the factors set out above, the Directors consider that the underwriting commission payable by the Company, are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Underwriting Agreement.

The Company considered debt financing as an alternative before resolving to Rights Issue, but the increasing bank interest rate and the relatively high levered gearing ratio of the Group did not justify debt financing carrying the size comparable to the Rights Issue, while Rights Issue would better achieve the Group's funding needs and would have a lesser impact on the Group's financial position. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Company and the Shareholders are concerned.

The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter undertakes and shall ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be an independent third party; and (ii) none of the subscribers, together with any party(ies) acting in concert with it/them, will hold such number of Underwritten Shares which will trigger a mandatory general offer obligation under the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue.

The Underwriter has undertaken to the Company that, among other things, other than the transactions contemplated under the Underwriting Agreement and as disclosed (or will be disclosed) in the Announcement and/or the Prospectus Documents, save with the prior consent of the Company, the Underwriter or any of its associates will not deal in the Shares or other securities of the Company from the date of the Underwriting Agreement to the completion of the Rights Issue, provided that the Underwriter may, before completion of the Rights Issue, enter into agreement with any other person(s) in respect of (a) the sub-underwriting of the Rights Shares; and/or (b) the subscription of the Underwritten Shares not taken up, so long as such transactions are in compliance with applicable laws and regulations.

LETTER FROM THE BOARD

Subject to the fulfilment or waiver (where applicable) of all the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription for the Underwritten Shares pursuant to the terms and conditions of Underwriting Agreement.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the paragraph headed “Rights Issue — Conditions of the Rights Issue” above.

Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of certain events. For details, please refer to the section headed “Termination of the Underwriting Agreement” above.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders); and (iii) immediately after the Rights Issue (assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders, other than the subscription of the Undertaken Shares, and all Untaken Shares are subscribed for or through the Underwriter):

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders (other than the subscription of the Undertaken Shares) and all Untaken Shares are subscribed for by or through the Underwriter (Note 1)	
	<i>Approximate</i> No. of Shares	<i>Approximate</i> %	<i>Approximate</i> No. of Shares	<i>Approximate</i> %	<i>Approximate</i> No. of Shares	<i>Approximate</i> %
Mr. Chu and his controlled corporations (Note 2)	203,400,000	56.50	305,100,000	56.50	305,100,000	56.50
Underwriter (Note 3)	—	—	—	—	78,300,000	14.50
Public Shareholders	<u>156,600,000</u>	<u>43.50</u>	<u>234,900,000</u>	<u>43.50</u>	<u>156,600,000</u>	<u>29.00</u>
Total	<u><u>360,000,000</u></u>	<u><u>100</u></u>	<u><u>540,000,000</u></u>	<u><u>100</u></u>	<u><u>540,000,000</u></u>	<u><u>100</u></u>

LETTER FROM THE BOARD

Notes:

1. Assuming there are no excess applications made by Qualifying Shareholders.
2. Mr. Chu, an executive Director, chairman and a controlling Shareholder held the Shares through controlled corporations by Golden Villa, which is wholly and beneficially owned by Mr. Chu, and Triumph Treasure, which is owned as to 51% by Mr. Chu and 49% by Ms. Chu.
3. In the event that the Underwriting Agreement becoming unconditional and the Underwriter being called upon to subscribe for or procure subscriptions of the Underwritten Shares pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company that:
 - a. without affecting the Underwriter's obligation to procure underwriting for all the Underwritten shares (whether to underwrite the same by itself or procure sub-underwriting of the same), the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Rights Issue;
 - b. the Underwriter shall use all reasonable endeavours to ensure that each of the sub-underwriters or subscribers or purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the Listing Rules); and (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold such number of Underwritten Shares which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue; and
 - c. the Underwriter shall use all reasonable endeavours to procure that the minimum public float requirement under the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

The public float requirements under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 8.08 of the Listing Rules.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in the manufacture and sale of a broad range of batteries for various electronic devices to the PRC, Hong Kong and international markets both under its own brand "Golden Power" and the brands of its private label and OEM customers. The products are mainly categorised into two segments, namely (i) disposable batteries; and (ii) rechargeable batteries and other battery-related products. The disposable batteries are categorised into two sub-segments, namely (i) cylindrical batteries; and (ii) microbutton cells. Other battery-related products include battery chargers, battery power packs and electric fans.

LETTER FROM THE BOARD

The Company is seeking to conduct the Rights Issue to repay some of its outstanding banking facilities and replenish the future working capital of the Company so as to reduce the finance costs of the Group and improve the Group’s profitability and cash flow.

The gross proceeds from the Rights Issue will be approximately HK\$19.8 million. The net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$18.7 million. The Company intends to use the net proceeds from the Rights Issue as to (i) approximately HK\$16.8 million, representing approximately 90% of the net proceeds, for fully repaying certain bank facilities (the “**Relevant Loans**”); and (ii) the balance of HK\$1.9 million, representing 10% of the net proceeds, as general working capital of the Group.

Details of the Relevant Loans is as follows:

Lender <i>(Note 1)</i>	Type of Facility	Denomination	Loan amount	Next repayment date	Repayment amount	Basis of interest	Actual interest payable
Bank A	Revolving credit facility	HKD	2,000,000.00	15 May 2023	2,000,000.00	P-2.75% <i>(Note 2)</i>	3.13%
Bank A	Revolving credit facility	HKD	5,000,000.00	26 July 2023	5,000,000.00	P-2.75%	3.13%
Bank A	Revolving credit facility	HKD	7,000,000.00	3 July 2023	7,000,000.00	H+3.00% <i>(Note 3)</i>	6.29%
Bank A	Revolving credit facility	HKD	3,000,000.00	22 May 2023	<u>3,000,000.00</u>	H+3.00%	6.29%
Total					<u><u>17,000,000.00</u></u>		

Notes:

1. Bank A is a licensed bank operating in Hong Kong.
2. “P” denotes prime lending rate offered by Bank A, which was set at 5.875% per annum as at the Latest Practicable Date.
3. “H” denotes one month Hong Kong Interbank Offered Rate (HIBOR) announced by the Hong Kong Association of Bankers, which was set at 3.29071% per annum as at the Latest Practicable Date.

The Relevant Loans carry interest rates ranging from 3.13% per annum to 6.29% per annum. In light of the ongoing rate hike cycle, it is forecasted by the management of the Group that the finance costs of the Group’s current borrowings may further increase in the coming year. The Board considers that it is prudent to be prepared in advance and repay the Relevant Loans as soon as possible after receiving the proceeds from the Rights Issue. The Relevant Loans include a combination of revolving credit facilities of the Group that either carry the highest actual payable interest rate, that are repayable the soonest, or that may allow for re-utilisation and therefore would provide flexibility on the Group’s cash flow management. Repayment of the Relevant Loans is expected to reduce finance costs of the Group, improve the Group’s profitability and cash flow.

LETTER FROM THE BOARD

At the close of business on 28 February 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, details of the Company's bank facilities, apart from the Relevant Loans, that will fall due within the next 12 months from the date of the Prospectus (“Other Loans”) are as follows:

Lender (Note 1)	Type of Facility	Denomination	Loan amount	Next repayment date	Repayment amount	Basis of interest	Actual interest payable
Bank A	Import Trade Loan	HKD	3,804,485.20	29 Mar 2023	3,804,485.20	H + 2%	5.29%
Bank A	Import Trade Loan	HKD	1,812,595.00	14 Apr 2023	1,812,595.00	H + 2%	5.29%
Bank A	Import Trade Loan	HKD	2,173,272.52	22 Mar 2023	2,173,272.52	H + 2%	5.29%
Bank A	Installment Loan	HKD	1,497,273.67	1 Mar 2023	1,497,273.67	H + 1.5%	4.79%
Bank A	Installment Loan	HKD	9,992,423.48	9 Apr 2023	1,585,408.42	P-2.5%	3.38%
						(Note 3)	
Bank A	Machine Loan	HKD	4,972,484.54	20 May 2023	1,168,792.57	H + 2.7%	5.99%
Bank A	Machine Loan	HKD	1,816,385.66	23 May 2023	377,422.92	H + 2.7%	5.99%
Bank A	Machine Loan	HKD	2,771,409.27	23 May 2023	562,598.33	H + 2.7%	5.99%
Bank A	Machine Loan	HKD	2,955,832.64	19 May 2023	548,836.74	H + 2.7%	5.99%
Bank A	Machine Loan	HKD	5,179,788.34	12 May 2023	5,179,788.34	H + 2.375%	5.67%
Bank A	Revolving credit facility	HKD	2,000,000.00	1 Jun 2023	2,000,000.00	P-2.75%	3.13%
Bank A	Revolving credit facility	HKD	13,000,000.00	17 May 2023	13,000,000.00	P-2.75%	3.13%
Bank A	Revolving credit facility	HKD	4,000,000.00	8 May 2023	4,000,000.00	H + 2.375%	5.67%
Bank A	Revolving credit facility	HKD	2,000,000.00	10 May 2023	2,000,000.00	H + 2.375%	5.67%
Bank A	Revolving credit facility	HKD	5,000,000.00	29 May 2023	5,000,000.00	H + 2.375%	5.67%
Bank A	Revolving credit facility	HKD	2,000,000.00	1 Jun 2023	2,000,000.00	H + 2.375%	5.67%
Bank A	Revolving credit facility	HKD	2,000,000.00	21 Jun 2023	2,000,000.00	P-2.75%	3.13%
Bank A	Revolving credit facility	HKD	2,000,000.00	16 May 2023	2,000,000.00	H + 2.375%	5.67%
Bank A	Bridge Loan	HKD	10,000,000.00	22 May 2023	10,000,000.00	H + 3%	6.29%
Bank A	Revolving credit facility	HKD	2,000,000.00	28 Jun 2023	2,000,000.00	P-2.75%	3.13%
Bank A	Machine Loan	HKD	4,000,000.00	11 Dec 2023	110,796.20	H + 2.7%	5.99%
Bank A	Import Trade Loan	HKD	3,976,215.40	21 Jun 2023	3,976,215.40	H + 2%	5.29%
Bank B	Import Trade Loan	HKD	2,006,188.64	8 Jun 2023	2,006,188.64	H + 2%	5.29%
Bank B	Import Trade Loan	HKD	3,698,648.86	13 Jun 2023	3,698,648.86	H + 2%	5.29%
Bank B	Installment Loan	HKD	967,135.16	5 Oct 2023	967,135.16	H + 1.38%	4.67%
Bank B	Installment Loan	HKD	9,013,316.96	27 Oct 2023	3,626,888.04	H + 2%	5.29%
Bank B	Installment Loan	HKD	6,745,898.60	16 Oct 2023	3,036,824.83	H + 2%	5.29%
Bank B	Short Term Loan	HKD	5,786,500.00	2 May 2023	5,786,500.00	H + 2%	5.29%
Bank B	Short Term Loan	HKD	8,200,000.00	17 May 2023	8,200,000.00	H + 2%	5.29%
Bank B	Short Term Loan	HKD	1,471,000.00	14 Jun 2023	1,471,000.00	H + 2%	5.29%
Bank B	Short Term Loan	HKD	3,481,500.00	21 Apr 2023	3,481,500.00	H + 2%	5.29%
Bank B	Short Term Loan	HKD	3,491,700.00	25 Apr 2023	3,491,700.00	H + 2%	5.29%
Bank B	Short Term Loan	HKD	2,442,510.00	19 May 2023	2,442,510.00	H + 2%	5.29%
Bank B	Installment Loan	HKD	476,083.75	27 Oct 2023	476,083.75	H + 1.38%	4.67%
Bank B	Import Trade Loan	HKD	2,557,630.76	19 Jun 2023	2,557,630.76	H + 2%	5.29%
Bank B	Import Trade Loan	HKD	5,038,898.64	15 May 2023	5,038,898.64	H + 2%	5.29%
Bank B	Import Trade Loan	HKD	1,686,376.48	19 Jun 2023	1,686,376.48	H + 2%	5.29%
Bank B	Import Trade Loan	HKD	791,616.16	14 Apr 2023	791,616.16	H + 2%	5.29%
Bank C	Revolving credit facility	RMB	5,635,000.00	12 Jan 2024	5,635,000.00	1Y LPR + 0.05%	3.70%
						(Note 4)	

LETTER FROM THE BOARD

Lender (Note 1)	Type of Facility	Denomination	Loan amount	Next repayment date	Repayment amount	Basis of interest	Actual interest payable
Bank D	Installment Loan	USD	7,256,440.00	25 Mar 2023	7,256,440.00	L + 2.75% (Note 5)	7.55%
Bank E	Installment Loan	RMB	1,860,384.04	11 Oct 2024	1,094,894.56	5Y LPR + 1.285% (Note 6)	5.59%
Bank E	Installment Loan	RMB	3,034,366.85	11 Oct 2024	1,785,820.43	5Y LPR + 1.285%	5.59%
Bank E	Installment Loan	RMB	2,596,499.94	11 Oct 2024	1,451,567.92	5Y LPR + 1.285%	5.59%
Bank E	Import Trade Loan	RMB	4,249,643.82	17 May 2023	4,249,643.82	5.44%	5.44%
Bank E	Installment Loan	RMB	440,031.30	11 Oct 2024	259,068.28	5Y LPR + 1.285%	5.59%
Bank E	Import Trade Loan	RMB	2,224,888.78	14 Apr 2023	2,224,888.78	5.44%	5.44%
Bank E	Import Trade Loan	RMB	3,647,425.87	2 Jun 2023	3,647,425.87	5.44%	5.44%
Bank E	Import Trade Loan	RMB	3,887,222.88	16 Jun 2023	3,887,222.88	5.44%	5.44%
Bank E	Import Trade Loan	RMB	4,228,470.28	24 Jun 2023	4,228,470.28	5.44%	5.44%
Bank E	Import Trade Loan	RMB	3,732,285.00	30 May 2023	3,732,285.00	5.44%	5.44%
Bank E	Import Trade Loan	RMB	540,786.89	30 Jun 2023	540,786.89	5.44%	5.44%
Bank E	Import Trade Loan	RMB	3,014,643.02	15 Dec 2023	3,014,643.02	5.44%	5.44%
Bank E	Import Trade Loan	RMB	6,395,737.99	1 Jan 2024	6,395,737.99	5.44%	5.44%
Bank E	Import Trade Loan	RMB	1,859,618.98	16 Feb 2024	1,859,618.98	5.44%	5.44%
Bank E	Import Trade Loan	RMB	29,276.48	16 Feb 2024	<u>29,276.48</u>	5.44%	5.44%
Total					<u>166,849,777.83</u>		

Notes:

1. Banks A to E are licensed banks or financial institution operating in Hong Kong, PRC or Taiwan.
2. “H” denotes one month Hong Kong Interbank Offered Rate (HIBOR) announced by the Hong Kong Association of Bankers, which was set at 3.29071% per annum as at the Latest Practicable Date.
3. “P” denotes prime lending rate offered by Bank A, which was set at 5.875% per annum as at the Latest Practicable Date.
4. “1Y LPR” denotes one year China Loan Prime Rate (LPR) which was set as 3.65% as at 20 March 2023.
5. “L” denotes one month London Inter-Bank Offered Rate (LIBOR) which was set as 4.797% as at 22 March 2023.
6. “5Y LPY” denotes five years China Loan Prime Rate (LPR) which was set as 4.30% as at 20 March 2023.

LETTER FROM THE BOARD

Taking into account the Group's future outlook and anticipated improvement in business performance in the coming year, the Company expects the cash flow generated from its operations and its internal funding will be sufficient to meet the Company's repayment obligations in respect of the Other Loans. For details on future prospects of the Group, please refer to the section headed "Financial and trading prospect of the Group" below.

The table below summarises the breakdown of the intended use of proceeds and the estimated timeline for the use of the net proceeds:

	Estimated time for utilisation by 31 December 2023
(i) Fully repaying certain bank facilities	16,800,000
(ii) General working capital	<u>1,900,000</u>
	<u>18,700,000</u>

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.104 per Rights Share.

The Board is of the view that the Rights Issue will enable the Group to strengthen its competitiveness and capital base and improve its financial position. Despite the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, it is the intention of the Company to set the Subscription Price at a discount to the current market price of the Shares in order to encourage the Shareholders to participate in the Rights Issue and reduce the possible dilution of approximately 33.3% to the shareholding of the existing Shareholders in case they decide not to take up their entitlements under the Rights Issue. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.**

LETTER FROM THE BOARD

The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has from time to time approached banks and other financial institutions to obtain quotes and offers of banking facilities and borrowings. The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Although the Group has been approaching banks for renewing existing facilities and for maintaining a line of credit in the ordinary course of business, the Company considers that raising funds by way of debt financing is not desirable because of the increasing bank interest rate and the fact that the Group has utilised substantially all of its assets as collaterals to secure banking facilities. From the latest published audited financial results of the Company, the gearing ratio for the year ended 31 December 2022 was 0.87. The gearing ratio was considered high and further fund-raising exercise through debt financing would further increase the finance cost and expose the Company to greater financial risks, which in turn would drive down the profitability of the Company. In addition, debt financing may not be achievable on favourable terms in a timely manner. On the other hand, placing is relatively smaller in scale as compared to fund raising through rights issue, and it will inevitably lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

The Board considers that the Rights Issue would not worsen the Group's gearing ratio and would not dilute the existing shareholding interest of the Shareholders but would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considered that raising funds by way of the Rights Issue is beneficial to the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this Prospectus, Mr. Chu beneficially owns 203,400,000 Shares through Golden Villa and Triumph Treasure as his controlled corporations, representing 56.50% of the issued share capital of the Company, and is a controlling Shareholder. Therefore, each of Mr. Chu, Golden Villa and Triumph Treasure is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. According to Rule 14A.92(1) of the Listing Rules, the issue of the Rights Shares to Golden Villa and Triumph Treasure according to their pro rata entitlement under the Rights Issue constitutes an exempt connected transaction of the Company.

LETTER FROM THE BOARD

As the Rights Issue will not increase either the number of issued shares or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the date of this announcement, the Rights Issue is not conditional on approval by the Shareholders pursuant to Rule 7.19A(1) of the Listing Rules.

The Rights issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Wednesday, 22 March 2023. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 4 April 2023 to Friday, 14 April 2023 (both dates inclusive).

Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares and any dealings in the Rights Shares in their nil-paid form from Tuesday, 4 April 2023 to Friday, 14 April 2023 (both dates inclusive) will accordingly bear the risk that the Right Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By order of the Board
Golden Power Group Holdings Limited
Chu King Tien
Chairman and Executive Director

1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the years ended 31 December 2020, 31 December 2021 and 31 December 2022, including the notes thereto, have been published in:

- the annual report of the Company for the year ended 31 December 2020 published on 19 April 2021 (pages 66 to 130) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0419/2021041900206.pdf>

- the annual report of the Company for the year ended 31 December 2021 published on 21 April 2022 (pages 68 to 132) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042101269.pdf>

- the annual results announcement of the Company for the year ended 31 December 2022 published on 23 March 2023 (pages 2 to 22) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0323/2023032301158.pdf>

The said annual reports and annual results announcement of the Company are also available on the Company's website at www.goldenpower.com and the website of the Stock Exchange at www.hkexnews.hk.

2. STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 28 February 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group has total bank borrowings of approximately HK\$218.4 million comprising the following:

- (a) secured and guaranteed bank borrowings of approximately HK\$149.8 million; and
- (b) secured and guaranteed bank imports and other borrowings of approximately HK\$68.6 million.

These bank borrowings had interest rates ranging from 2.50% and 8.02%.

The bank borrowings of the Group are secured by prepaid land lease payments, leasehold land and buildings, plant and machinery and investment properties owned by the Group. In addition, the bank borrowings of the Group are guaranteed by unlimited cross corporate guarantees executed by the Group.

Lease liabilities

As at 28 February 2023, all lease liabilities of the Group amounting to approximately HK\$5.4 million are secured by motor vehicles owned by the Group and the refundable deposit.

Save as aforesaid or otherwise disclosed herein, and apart from intragroup liabilities and normal trade payables in the ordinary course of business, as at the close of business on 28 February 2023, the Group did not have any debt securities authorised or created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowings including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, other recognised lease liabilities or lease commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

Save as disclosed above, the Directors confirm that there has been no material change in the indebtedness and contingent liabilities of the Group since 28 February 2023.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the estimated net proceeds from the Rights Issue and the present available financial resources, including internally generated funds and existing banking facilities, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the manufacture and sale of a broad range of batteries for various electronic devices to the PRC, Hong Kong and international markets both under its own brand “Golden Power” and the brands of its private label and OEM customers. The products are mainly categorised into two segments, namely (i) disposable batteries; and (ii) rechargeable batteries and other battery-related products. The disposable batteries are categorised into two sub-segments, namely (i) cylindrical batteries; and (ii) microbutton cells. Other battery-related products include battery chargers, battery power packs and electric fans.

Revenue for the year ended 31 December 2022 had decreased by approximately 4.89% to approximately HK\$330.25 million from approximately HK\$347.22 million in the previous year.

As a result of the COVID-19 pandemic and the national-wide lock-downs and travel restrictions, and the Russia-Ukraine War which further caused fluctuation of exchange rates, interest rate, material price, energy price and cost of delivery of goods, the year 2022 was a challenging year for the Group.

As a future outlook of 2023, under the policy of coexistence with COVID-19 in the PRC and most of the countries, the resumption of international transportation and logistics allows the Group to rebuild its connections with international customers. In addition, the Group will endeavour to catch up the recovery of PRC and Hong Kong market. It is expected that commodity prices and logistics costs will gradually go down in 2023, as its downward trend has started to reflect at the end of 2022. The Group will also continue to improve its financial performance by tightening cost control, upgrading production automation and enhancing production efficiency.

On the other hand, with the continuation of the military hostilities between Russia and Ukraine causing inflations in global economy, potential raising energy and commodity prices, hikes in interest rates, volatility of the exchange rates of foreign currencies, which cumulated into a slowdown of the global economy and may continue to cause some uncertainties in the market in 2023. It is expected that the hikes of inflation and interest rates will remain in 2023 globally, especially in European and American markets, which would result in dissipation of purchasing power of consumers in European and American markets. This will be a potential threat which drives down the Group's turnover in 2023 from the European and American markets. With the interest rates hike, the Group also face an increase of interest expense. The Board will focus on taking actions to minimise the negative impact brought by the said unfavourable factors.

Despite the challenging condition of the market in 2022, the Group has continued to strive for enhancing the production efficiency of disposable batteries. The Board believes that the demand from the Group's OEM customers for disposable batteries will grow steadily as the market demand for disposable batteries is generally increasing. The Group will also continue to improve product performance, broadening private label customer base, and expanding its retail market in 2023. The Group will also strive to expand its product portfolio and upgrade the quality, reliability and durability of products.

In 2023, the Group will continue to streamline its operation structure in the PRC to maintain its competitiveness. The Group will continue to implement the restructuring of its subsidiaries to achieve cost control over the cost of sales. The synergy effect is expected to bring better efficiency and save costs as a whole to the Group.

The Group will continue its strategy of investing in production facilities and automation to increase cost efficiency and productivity, so that the Group will be allowed to allocate more resources to enhance research and development capability, which will contribute to the expansion and ensure the sustainability of the Group. A newly designed automatic production line for producing cylindrical battery is expected to commence its trial-run in the first half of 2023 and the Group expects that commercial production can commence in late 2023.

With the newly acquired production lines commencing commercial production, the Group is ready to capture the rebound of demand over battery products brought by the recovery of global economy upon the coexistence with COVID-19 globally in 2023. While the management is prudently optimistic about the business outlook in 2023 and the general economic recovery, the Group will closely monitor the possible fluctuation of interest rates and exchange rates, increase in materials and labour costs and the change in market demand over battery products, in order for the Group to take timely and appropriate measures to minimize the possible negative impact which may be brought to the business of the Group.

To achieve a wider sustainability, the Group keeps putting effort on the Environmental, Social and Governance (ESG) aspect in the manufacturing process. The Group will continue to enforce to decrease the carbon emission and energy consumption. In order to diversify revenue streams and strengthen the Group's performance under the current challenging environment of the Group's manufacturing business, the Board will continue to explore other business opportunities and potential investment opportunities. The Board believes that a more diversified revenue stream is expected to deliver long term sustainable value to Shareholders.

For further details on the future prospects and development of the Group, please refer to the paragraphs headed "Review and Outlook" and "Future Development" in the annual results announcement of the Company for the year ended 31 December 2022 dated 23 March 2023.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS

	Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2022 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company after the completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 31 December 2022 <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company after the completion of the Rights Issue <i>HK\$'000</i> <i>(Note 4)</i>
Rights Issue of 180,000,000					
Rights Shares to be issued at subscription price of HK\$0.11 per Rights Share	287,257	18,700	305,957	0.80	0.57

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2022 is based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2022 of HK\$287,367,000, as extracted from the published annual results announcement of the Company for the year ended 31 December 2022 after deducting intangible assets of approximately HK\$110,000.
- The estimated net proceeds from the Rights Issue are based on 180,000,000 Offer Shares to be issued (in the proportion of one Rights Share for every two existing Shares held on the Record Date) at the subscription price of HK\$0.11 per Rights Share and after deduction of the underwriting fees and related expenses of approximately HK\$1.1 million.

	<i>HK\$'000</i>
Estimated net proceeds 180,000,000 Rights Shares* HK\$0.11 per Rights Share	19,800
Estimated underwriting fees and related expenses	<u>(1,100)</u>
	<u>18,700</u>

3. The unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 31 December 2022 of HK\$0.80 was based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2022 of HK\$287,257,000 and 360,000,000 Shares in issue as at 31 December 2022.

HK\$'000

Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company	287,257
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Number of shares	<u>360,000,000</u>
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Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share	<u>HK\$0.80</u>
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4. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived after aggregating the audited consolidated net tangible assets of the Group of HK\$287,257,000 as at 31 December 2022 (Note 1) and the estimated net proceeds of HK\$18,700,000 from the Rights Issue (Note 2) and on the basis that 360,000,000 Shares were in issue as at 31 December 2022 and 180,000,000 Rights Shares were issued under the Rights Issue assuming the Rights Issue has been completed on 31 December 2022, but does not take into account of any Shares which may be issued upon the exercise of options granted under the Share Option Scheme or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

HK\$'000

Unaudited consolidated net tangible assets of the Group attributable Rights Issue	305,957
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Number of shares	<u>540,000,000</u>
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Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share	<u>HK\$0.57</u>
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5. No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2022, and because of its nature, it may not give a true picture of the Group's financial position or results.

The following is the text of the independent reporting accountants' assurance report dated 31 March 2023, prepared for the sole purpose of inclusion in this prospectus, received from independent reporting accountants, PKF Hong Kong Limited, in respect of the unaudited pro forma financial information of the Group.



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18 Whitfield Road
Causeway Bay
Hong Kong

大信梁學濂(香港)會計師事務所有限公司

香港
銅鑼灣
威非路18號
萬國寶通中心26樓

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF GOLDEN POWER GROUP HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Golden Power Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2022, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-2 of the Company's prospectus dated 31 March 2023 (the “**Prospectus**”), in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-1 and II-2.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group's financial position as at 31 December 2022 as if the proposed rights issue had taken place at 31 December 2022, and because of its nature, it may not give a true picture of the Group's financial position or results. As part of this process, information about the Group's financial position as at 31 December 2022 has been extracted by the Directors from the published annual results announcement for the Company for the year ended 31 December 2022.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 31 December 2022 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PKF Hong Kong Limited
Certified Public Accountants

Hong Kong, 31 March 2023

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

(a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares	<u>20,000,000</u>
<i>Issued and fully-paid or credited as fully paid:</i>		
<u>360,000,000</u>	Shares in issue	<u>3,600,000</u>

(b) Immediately following completion of the Rights Issue, assuming no Shares are allotted and issued or repurchased by the Company from the Latest Practicable Date up to completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares	<u>20,000,000</u>
<i>Issued and fully-paid:</i>		
360,000,000	Shares in issue	3,600,000
180,000,000	Rights Shares to be allotted and issued upon the completion of the Rights Issue	1,800,000
<u>540,000,000</u>	Shares in issue immediately after the completion of the Rights Issue	<u>5,400,000</u>

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into Shares or any agreement or arrangement to issue Shares.

As at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option.

All issued Shares rank *pari passu* in all respects with each other, including, in particular, as to rights to dividends, voting rights and return of capital.

The Rights Shares to be allotted and issued will, when issued, rank *pari passu* in all respects with the Shares then in issue. Holders of the Rights Shares will be entitled to receive all dividends and distributions which may be declared, made or paid on or after the date of issue of Rights Shares. As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

No part of the share capital or any other securities of the Company has been listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and the Company's associated corporations

Interests in the Company

As at Latest Practicable Date, the interests or short positions of the Directors or the chief executive of the Company in the Shares, underlying Shares or debentures of the Company (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to in the Listing Rules, were as follows:

Long positions in the Shares

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. Chu	Interest in a controlled corporation (<i>Note 1</i>)	203,400,000	56.50%
Ms. Chu	Interest in a controlled corporation (<i>Note 2</i>)	43,600,000	12.11%
	Beneficial owner	3,000,000	0.83%

Notes:

1. These Shares are held by Golden Villa, which is wholly and beneficially owned by Mr. Chu, and Triumph Treasure, which is owned as to 51% by Mr. Chu. By virtue of the SFO, Mr. Chu is deemed to be interested in all the Shares held by Golden Villa and Triumph Treasure in the Company.
2. These Shares are held by Triumph Treasure, which is owned as to 49% by Ms. Chu. By virtue of the SFO, Ms. Chu is deemed to be interested in all the Shares held by Triumph Treasure.

Interests in the Company's associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by the Directors as referred to in, were as follows:

Long positions in the shares of the associated corporations

Name	Name of associated corporation	Nature of interest	Total number of shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. Chu	Golden Villa	Beneficial owner	50,000	100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by the Directors as referred to in the Listing Rules.

(b) Substantial Shareholders' interests and short positions in the Shares, underlying Shares and debentures of the Company

So far as the Directors are aware, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had or deemed or taken to have an interest and/or short position in the Shares, the underlying Shares or debentures of the Company which were required to be recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Long positions in the Shares

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Golden Villa	Beneficial owner	159,800,000	44.39%
Ms. Mo Yuk Ling (Note)	Interest of spouse	203,400,000	56.50%
Triumph Treasure	Beneficial owner	43,600,000	12.11%

Note:

Ms. Mo Yuk Ling is the spouse of Mr. Chu. Under the SFO, Ms. Mo Yuk Ling is deemed to be interested in the same number of shares in which Mr. Chu is interested.

Save as disclosed above, as at Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

4. DISCLOSURE OF OTHER INTERESTS**(a) Service Agreements**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).

(b) Competing interests

As at the Latest Practicable Date, none of the Directors, controlling Shareholders and their respective close associates had any interest in any business which competes or might compete, either directly or indirectly, with the businesses of the Group.

(c) Directors' interests in contracts and arrangements

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

(d) Directors' interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated accounts of the Company were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

5. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**Executive Directors****Mr. Chu King Tien**

House No. 16, 27th Street
Hong Lok Yuen
Tai Po, New Territories
Hong Kong

Ms. Chu Shuk Ching

House No. 25, 26th Street
Hong Lok Yuen
Tai Po, New Territories
Hong Kong

Mr. Tang Chi Him

Flat D, 33/F
Block 3, Ma On Shan Centre
Ma On Shan, Shatin, New Territories
Hong Kong

Mr. Chu Ho Wa

House No. 16, 27th Street
Hong Lok Yuen
Tai Po, New Territories
Hong Kong

Independent non-executive Directors**Mr. Hui Kwok Wah**

Flat G, 4/F
Block 46, City One Shatin
2 Tak Po Street
Sha Tin, New Territories
Hong Kong

Mr. Kan Man Kim

A1, 8/F, Block A
Kingsford Garden
202 Tin Hau Temple Road
North Point
Hong Kong

Mr. Chow Chun Hin Leslie

Flat C, 59/F, Tower 2
Phase 1, Banyan Garden
863 Lai Chi Kok Road
Cheung Sha Wan
Kowloon
Hong Kong

The business address of Mr. Liang Tao, Ms. Chu Suk Man, Ms. Wong In San, Mr. Wong Kai Hung, Ms. Fung Ching Yee and Mr. Chan Ka Shing, being members of the senior management, is at Flat C, 20/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, New Territories, Hong Kong.

Audit Committee	Mr. Hui Kwok Wah (<i>Chairman</i>) Mr. Kan Man Kim Mr. Chow Chun Hin Leslie
Remuneration Committee	Mr. Hui Kwok Wah (<i>Chairman</i>) Mr. Chu King Tien Mr. Kan Man Kim
Nomination Committee	Mr. Chu King Tien (<i>Chairman</i>) Mr. Hui Kwok Wah Mr. Kan Man Kim
Registered Office	Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Headquarters and principal place of business	Flat C, 20/F, Block 1 Tai Ping Industrial Centre 57 Ting Kok Road, Tai Po New Territories Hong Kong
Company Secretary	Mr. Chan Po Man <i>Solicitor, Hong Kong</i>
Compliance Officer	Ms. Chu Shuk Ching
Authorised representatives	Ms. Chu Shuk Ching House No. 25, 26th Street Hong Lok Yuen Tai Po, New Territories Hong Kong Mr. Chan Po Man 19th Floor, Three Exchange Square 8 Connaught Place Central Hong Kong

Principal Share Registrar	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Hong Kong branch share registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Bankers	DBS Bank (Hong Kong) Limited 16th Floor, The Center 99 Queen's Road Central Hong Kong Shanghai Commercial Bank Limited Shanghai Commercial Bank Tower 12 Queen's Road Central Hong Kong
Underwriter	Pacific Foundation Securities Limited Suite 4409, 44/F, COSCO Tower 183 Queen's Road Central Hong Kong
Legal Adviser to the Company as to Hong Kong laws	ONC Lawyers <i>Solicitors, Hong Kong</i> 19th Floor, Three Exchange Square 8 Connaught Place Central Hong Kong
Financial Adviser to the Company	Veda Capital Limited Suite 1001, 10/F 299QRC, 299 Queen's Road Central Hong Kong
Auditors	PKF Hong Kong Limited <i>Certified Public Accountants</i> 26/F, Citicorp Centre 18 Whitfield Road Causeway Bay Hong Kong

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims of material importance to the Group and there was no litigation, arbitration or claims of material importance to the Group known to the Directors to be pending or threatened against any members of the Group.

7. MATERIAL CONTRACTS

During the two years immediately preceding the date of this prospectus, the following contracts (not being contract entered into in the ordinary course of business of the Company) has been entered into by the Group and is or may be material:

- (a) the Underwriting Agreement entered into between the Company and the Underwriter dated 16 March 2023 for the underwriting arrangement in respect of 180,000,000 Rights Shares at an underwriting commission of 4% of the aggregate Subscription Price in respect of the Underwritten Shares. Detailed particulars of the Underwriting Agreement have been set out in the paragraph headed “Underwriting arrangement and Undertaking” in the Letter from the Board in this Prospectus; and
- (b) the Underwriting Agreement entered into between the Company and Raffaello Securities (HK) Limited dated 9 April 2021 for the underwriting arrangement in respect of 120,000,000 rights shares at an underwriting commission in the sum of HK\$2.8 million, in connection with the rights issue exercise conducted and completed by the Company in 2021. Please refer to the prospectus published by the Company on 14 May 2021 for details of said underwriting agreement.

8. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Chu King Tien, aged 68, an executive Director and chairman of the Group, was appointed as a Director on 7 June 2012, the date of incorporation of the Company, and has been serving as the executive Director and chairman of the Company since 1 April 2013. He is responsible for the overall corporate development and strategic planning of the Group. Mr. Chu has extensive experience in the disposable battery industry and has been engaged in such business for over 47 years.

In January 1983, Mr. Chu became a director of Golden Power Industries Limited (“**Golden Power Industries**”), an indirect wholly-owned subsidiary of the Company, and has been holding the position since then. From May 1993 to April 2000, Mr. Chu had been the executive director of China Oil and Gas Group Limited, the holding company of Golden Power Industries at the time, which was listed on the Stock Exchange, and was mainly responsible for assisting in corporate planning, marketing

and overall administration. In July 2003, Mr. Chu, together with an independent third party, acquired Golden Power Investments (B.V.I.) Limited and its subsidiaries through Golden Villa.

Mr. Chu and Golden Villa, which is wholly-owned by Mr. Chu, are the controlling Shareholders of the Company. Mr. Chu also serves as a director of all the subsidiaries of the Group. Mr. Chu is the father of Mr. Chu Ho Wa, an executive Director of the Company.

Ms. Chu Shuk Ching, aged 60, an executive Director and chief executive officer of the Company, was appointed as a Director on 7 June 2012, the date of incorporation of the Company, and has been serving as an executive Director and the chief executive officer of the Company since 1 April 2013. She is responsible for the overall management, administration and implementation of policy of the Group. Ms. Chu has been engaging in the disposable battery industry for over 35 years.

Ms. Chu graduated from the York University in Canada with a bachelor degree of Administrative Studies in 1985. Ms. Chu had served as the general manager of Golden Power Industries from March 2000 to March 2005 and she has become a director of Golden Power Industries since July 2003. Ms. Chu has also become the director and general manager of Golden Power Corporation since April 2005.

Ms. Chu is currently the director of twelve subsidiaries of the Company, namely Best Kind Holdings Limited, Golden Power Corporation (Hong Kong) Limited (“**Golden Power Corporation**”), Gain Smart Limited, Giant Moral Limited, Golden Power Industries, Champ Profit Development Limited, Big Power Limited, Golden Pilot Limited, Pointway Corporation Limited, Ample Top Enterprises Limited, Golden Power Properties Limited and Merchant Port Limited. She is also the younger sister of Ms. Chu Suk Man, the deputy general manager of Golden Power Corporation.

Mr. Tang Chi Him, aged 51, an executive Director, has been serving as an executive Director since 1 April 2013 and is also the general manager of the Group. He is mainly responsible for overseeing the overall management of the Group’s production facilities located in Dongguan and Jiangmen and administrating the manufacturing operations of the production facility in Dongguan and Jiangmen as well.

Mr. Tang graduated from The Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in 1994 with a higher diploma in manufacturing engineering. He further acquired a bachelor degree of manufacturing engineering in 1999 and a master of science in engineering management in 2005 from the City University of Hong Kong. Mr. Tang joined Golden Power Industries in 1995 as an engineer and assistant superintendent. He left the Group in 2000 and rejoined Golden Power Industries in 2005 as a manager and was later transferred and become the general manager of Golden Power Corporation since 2012.

Mr. Chu Ho Wa, aged 38, an executive Director, has been serving as an executive Director since 1 April 2013 and responsible for the overall corporate development and strategic planning of the Group. Mr. Chu is currently the director of a subsidiary of the Company, namely Merchant Port Limited. Mr. Chu is also responsible for overseeing the environmental social and governance (ESG) aspect of the Group, as he is the chairman of the ESG Committee of the Group.

Mr. Chu acquired the bachelor of science degrees in Mathematics and Chemistry from the Imperial College of Science, Technology and Medicine of the University of London in the United Kingdom in 2006 and 2009, respectively. Mr. Chu joined the Group in 2009 as an assistant to director in Golden Power Corporation and had been its senior marketing executive from 2011 to 2014 and a manager of its corporate business development department since 2013.

Mr. Chu Ho Wa is the son of Mr. Chu King Tien.

Independent Non-executive Directors

Mr. Hui Kwok Wah, aged 50, an independent non-executive Director, was appointed as an independent non-executive Director on 15 May 2015, and serves as the chairman of the audit committee and remuneration committee of the Company. He is responsible for giving independent advice to the Group. Mr. Hui has extensive experience in the accountancy field and has been engaging in such profession for over 25 years.

Mr. Hui obtained a bachelor of arts degree in accountancy from the City University of Hong Kong in 1996. After graduation, Mr. Hui worked for international accounting firms, including Moores Rowland and KPMG. He founded Kenny K. W. Hui & Co., CPA in May 2013 and has been its sole proprietor since then.

Mr. Hui is a member of the Hong Kong Institute of Certified Public Accountants since 2000 and has been a practicing member since May 2013. Being a certified tax adviser, Mr. Hui is also a fellow member of the Taxation Institute of Hong Kong since 2010.

Mr. Kan Man Kim, aged 64, an independent non-executive Director, was appointed as an independent non-executive Director on 31 May 2022, and is responsible for giving independent advice to the Group. Mr. Kan is an experienced human resources management professional with over 30 years of experience.

Mr. Kan obtained a bachelor degree in Business Administration from The Chinese University of Hong Kong in 1981 and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010. He was the vice-president of human resources of Top Glory Insurance Company (Bermuda) Ltd, an insurance company, from August 1996 to July 1998. He also work in Arthur Andersen and later PriceWaterhouseCoopers from August 1998 to June 2003 and his last position was senior manager of human resources. He worked in South China Holdings Company Limited, a company whose

shares are listed on the Stock Exchange (stock code: 413), from December 2003 to February 2020 as the group human resources director. Mr. Kan is currently a consultant focusing in human resources management. Mr. Kan is a chartered member of the Chartered Institute of Personnel & Development, UK and a fellow member of the Hong Kong Institute of Director.

Mr. Chow Chun Hin Leslie, aged 39, an independent non-executive Director, was appointed as an independent non-executive Director on 15 May 2015. He is responsible for giving independent advice to the Group. Mr. Chow has extensive experience in financial advising and has been engaging in such profession for over 16 years.

Mr. Chow graduated from the University of California in the United States in 2005 with a bachelor of arts degree in business economics. Mr. Chow is currently the chief financial officer of Phase Scientific International Limited, and his responsibilities include planning, implementing, managing and controlling all financial-related activities of the company, which includes accounting, finance, forecasting, strategic planning, investor and public relationships, and private and institutional financing functions.

Mr. Chow was an independent non-executive director of PPS International (Holdings) Limited (a company listed on GEM of the Stock Exchange, stock code: 8201) from 23 September 2015 to 25 April 2016.

Senior Management

Mr. Liang Tao, aged 56, is currently the general manager of Goldtium Energy, an indirect wholly-owned subsidiary of the Company. He is responsible for overseeing all the production and quality control matters of the Group's production facility in Jiangmen as well as the management, PRC compliance and research and development of the Group.

Mr. Liang has over 27 years' experience in the disposable battery industry. He became the general manager and quality control and production superintendent of Goldtium Energy since 2011 and has been holding this position in the Group since then.

Ms. Chu Suk Man, aged 63, has been the deputy general manager of Golden Power Corporation since 2005. She is responsible for overseeing the global sourcing department and carrying out strategic planning for procurement of raw materials and semi-finished products to meet the production needs of the Group.

Ms. Chu was the accounting manager of Golden Power Industries from 1989 to 2000. She then left the Group and rejoined Golden Power Industries in 2002. She was transferred to Golden Power Corporation on 1 April 2005 and has been a deputy general manager since then.

Ms. Chu Suk Man is the elder sister of Ms. Chu Shuk Ching, an executive Director and the chief executive officer of the Group.

Ms. Wong In San, aged 58, has been the general manager of Golden Power Corporation since 2018. She is responsible for managing the human resources and administration department to formulate and execute human resources management policies and procedures of the Group.

Ms. Wong graduated from The Chinese University of Hong Kong in 1987 with a bachelor degree in social sciences. She joined the Group in 1988 and had served as an export manager and then a deputy general manager of Golden Power Industries. She was transferred to Golden Power Corporation on 1 April 2005 and has become the general manager in 2018.

Mr. Wong Kai Hung, aged 58, has been the deputy general manager of Golden Power Corporation since 2008. He is responsible for planning, developing and implementing the strategic sales and marketing plans as well as leading and managing a team of salespersons of the Group.

Mr. Wong joined the Group in 1992 as a trading executive of Golden Power Industries. He was transferred to Golden Power Corporation and promoted to be a senior sales and marketing manager of the Group and has subsequently become the deputy general manager of the Group since April 2008.

Ms. Fung Ching Yee, aged 45, has been the deputy general manager of Golden Power Corporation. She is responsible for planning, developing and implementing the strategic sales and international marketing as well as leading and managing an international marketing team of salespersons of the Group.

Ms. Fung joined the Group in 2007 as an assistant marketing manager of Golden Power Corporation. She holds a Bachelor Degree from the Uni of Wollongong in 2000 and a Master of Commerce Degree in University of New South Wales in 2001.

Mr. Chan Ka Shing, aged 39, has been the deputy general manager of Golden Power Corporation since 2022. He is responsible for reviewing and managing the Group's finance and accounting function.

Mr. Chan obtained a Bachelor of Commerce (Accounting) in Curtin University of Technology in 2006. He has been a Certified Practicing Accountant (CPA) of CPA Australia since 2012. He had joined the Group in 2010 before and left in 2018 at a position senior accounting manager because of personal reasons and rejoined to the Group in 2022. He was one of team members in the IPO and transfer listing committee in 2016 and 2017, respectively. Mr. Chan has extensive experience in the operations of Finance and Accounting function within the Group.

9. EXPERT AND CONSENT

The following is the qualification of the expert who have given opinions or advice which are contained in this Prospectus:

Name	Qualification
PKF Hong Kong Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert has given, and has not withdrawn, its written consent to the issue of this Prospectus with the inclusion of its letter and references to its name in the form and context in which it appear.

As at the Latest Practicable Date, the above expert did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any asset which have been since 31 December 2022, being the date on which the latest published audited financial statements of the Group were made up, acquired or disposed of or leased to any member of the Group or were proposed to be acquired or disposed of or leased to any member of the Group.

10. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

As the Group receive most of its revenues in RMB, which is currently not a freely convertible currency. The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. Under the existing PRC foreign exchange regulations, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which are required to be registered with or approved by the competent bank or governmental authority according to applicable PRC laws and regulations, such registration or approval shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

Save as disclosed above, the Directors are not aware of any other restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

11. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, translation, legal and accountancy charges and other related expenses, are estimated to amount to approximately HK\$1.1 million and are payable by the Company.

12. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consents referred to in the paragraph headed “9. Expert and consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

14. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.goldenpower.com for a period of 14 days from the date of this Prospectus:

- (a) the material contracts referred to the paragraph headed “7. Material Contracts” in this appendix;
- (b) the annual reports of the Company for the years ended 31 December 2020 and 31 December 2021;
- (c) the annual results announcement of the Company for the year ended 31 December 2022 dated 23 March 2023;
- (d) the letter from PKF Hong Kong Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (e) the letter of written consent referred to in the paragraph headed “9. Expert and consent” in this appendix; and
- (f) the Prospectus Documents.

15. MISCELLANEOUS

The English text of this Prospectus shall prevail over the Chinese text in case of any inconsistency.