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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: 8038)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**” or individually a “**Director**”) of Golden Power Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.*

FINANCIAL HIGHLIGHTS

- Recorded an unaudited revenue of approximately HK\$149.35 million for the six months ended 30 June 2015 (six months ended 30 June 2014: approximately HK\$168.48 million), representing a decrease of approximately 11.35% over the same period of the previous year.
- Recorded an unaudited loss attributable to the equity shareholders of the Company of approximately HK\$9.54 million for the six months ended 30 June 2015 (six months ended 30 June 2014: profit of approximately HK\$2.89 million). Loss attributable to the equity shareholders included one off listing expenses of HK\$10.85 million (six months ended 30 June 2014: listing expenses of approximately HK\$2.08 million). The operating profit excluding the listing expenses for the six months ended 30 June 2014 and 2015 were HK\$4.97 million and HK\$1.31 million respectively.
- The basic loss per share for the six months ended 30 June 2015 was 8.51 HK cents (six months ended 30 June 2014: basic earnings per share of 2.78 HK cents).
- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: nil).

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2015 (the “**Period**”) and the comparative unaudited figures for the corresponding period in 2014, as follows:

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Turnover	4	149,353	168,475
Cost of sales		(117,022)	(132,355)
Gross profit		32,331	36,120
Other revenue		1,719	2,671
Other gains/(losses) — net		1,841	(555)
Selling and distribution expenses		(6,096)	(6,270)
Administrative expenses		(34,344)	(23,915)
Finance costs		(3,667)	(3,683)
(Loss)/profit before taxation	5	(8,216)	4,368
Income tax expense	6	(1,324)	(1,480)
(Loss)/profit for the period attributable the equity shareholders of the Company		(9,540)	2,888
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of subsidiaries established in the People’s Republic of China		(1,122)	(1,257)
Other comprehensive loss for the period		(1,122)	(1,257)
Total comprehensive (loss)/income attributable to equity shareholders of the Company		(10,662)	1,631
(Loss)/earnings per share			
Basic (HK cents)	7	(8.51)	2.78

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2015

		30 June 2015	31 December 2014
	<i>Notes</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment	9	174,285	175,699
Deferred tax assets		7,942	7,737
Prepaid land lease premium		5,922	6,032
Intangible assets		290	305
		<u>188,439</u>	<u>189,773</u>
Current assets			
Inventories		55,708	59,351
Trade and bill receivables	10	41,681	66,901
Prepaid land lease premium		231	231
Prepayments, deposits, and other receivables		12,409	19,036
Income tax recoverable		—	49
Cash and bank balances		42,418	17,168
		<u>152,447</u>	<u>162,736</u>
Current liabilities			
Trade payables	11	86,795	124,212
Receipts in advance, accruals and other payables		17,643	21,808
Income tax payable		3,520	2,546
Bank borrowings and bank import loans		72,254	125,695
		<u>180,212</u>	<u>274,261</u>
Net current liabilities		<u>(27,765)</u>	<u>(111,525)</u>
Total assets less current liabilities		<u>160,674</u>	<u>78,248</u>
Non-current liabilities			
Other payables		11,000	11,000
Bank borrowings		42,060	30,649
Deferred tax liability		1,586	1,582
		<u>54,646</u>	<u>43,231</u>
Net Assets		<u>106,028</u>	<u>35,017</u>
Capital and Reserves			
Share capital		1,600	—
Equity attributable to equity shareholders of the Company		<u>104,428</u>	<u>35,017</u>
Total equity		<u>106,028</u>	<u>35,017</u>

Interim Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	(1,011)	28,141
Net cash used in investing activities	(6,093)	(10,191)
Net cash generated from/(used in) financing activities	33,476	(16,126)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	26,372	1,824
Cash and cash equivalents as at beginning of the period	17,168	10,175
Effect of foreign exchange rate changes	(1,122)	(406)
	<hr/>	<hr/>
Cash and cash equivalents as at the end of the period	<u>42,418</u>	<u>11,593</u>
Cash and cash equivalents as at the end of the period comprise:		
Cash and bank balances	42,418	11,783
Bank overdrafts	—	(190)
	<hr/>	<hr/>
	<u>42,418</u>	<u>11,593</u>

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Statutory reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 31 December 2013 (audited)	1,400	—	1,200	2,843	4,066	36,969	46,478
Total comprehensive income for the period	—	—	—	—	(1,257)	2,888	1,631
Deemed distribution to shareholder	—	—	(10,603)	—	—	3,119	(7,484)
Appropriation to statutory reserve	—	—	—	170	—	(170)	—
Dividend paid	—	—	—	—	—	(2,000)	(2,000)
At 30 June 2014 (unaudited)	<u>1,400</u>	<u>—</u>	<u>(9,403)</u>	<u>3,013</u>	<u>2,809</u>	<u>40,806</u>	<u>38,625</u>
At 31 December 2014 (audited)	—	—	9,819	3,411	2,062	19,725	35,017
Issue of shares	560	75,040	—	—	—	—	75,600
Capitalisation issue	1,040	(1,040)	—	—	—	—	—
Capital injection	—	—	20,000	—	—	—	20,000
Share issuing expenses	—	(13,927)	—	—	—	—	(13,927)
Total comprehensive loss for the period	—	—	—	—	(1,122)	(9,540)	(10,662)
At 30 June 2015 (unaudited)	<u>1,600</u>	<u>60,073</u>	<u>29,819</u>	<u>3,411</u>	<u>940</u>	<u>10,185</u>	<u>106,028</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 June 2012. The registered office of the Company is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The headquarters and principal place of business in Hong Kong is located at Flat C, 20/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, New Territories, Hong Kong. The Company's shares have been listed and traded on the GEM since 5 June 2015 (the "**Listing Date**").

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on the GEM, the Company became the holding company of the Group on 25 September 2014. Details of the reorganisation were set out in the paragraph headed "History, Development and Reorganisation — Reorganisation" of the prospectus of the Company dated 29 May 2015 (the "**Prospectus**").

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of a broad range of batteries for various electronic devices to the Hong Kong, the People's Republic of China (the "**PRC**") and the international markets.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2015 have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the GEM Listing Rules, the Hong Kong Accounting Standard ("**HKAS**") 34 and the interim financial reporting issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

These unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2015 should be read, where relevant, in conjunction with the 2014 audited financial statements of the Company for the year ended 31 December 2014.

When preparing the unaudited condensed consolidated financial statements, the Group's ability to continue as a going concern has been assessed. As at 30 June 2015, the Group had net current liabilities of HK\$27,765,000. The unaudited condensed consolidated financial statements have been prepared on a going concern basis due to the reasons that (i) as at 30 June 2015, the Group had unutilized banking facilities of HK\$102,794,000; and (ii) the Directors expect that the Group is able to renew all the banking facilities when expire.

After taking into consideration of the banking facilities already in place as at 30 June 2015, and funds expected to be generated internally from operations based on the Directors' estimation on the future cash flows of the Group, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future and consider that it is appropriate for the unaudited condensed consolidated financial statements for the six months ended 30 June 2015 to be prepared on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively and to provide for any further liabilities which might arise.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2015 have been prepared under the historical cost convention. The preparation of the financial statements was in conformity with the requirements of HKAS 34 which requires the use of certain critical accounting estimates. HKAS 34 also requires the Company's management to exercise judgement in the process of applying the Group's accounting policies. The accounting policies adopted in the preparation of the audited consolidated financial statements for the year ended 31 December 2014 of the Company have been consistently applied to the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2015 except that in the Period, the Group has applied for the first time certain new standards, amendments and interpretations to the Hong Kong Financial Reporting Standards (the "**new HKFRSs**") issued by the HKICPA which are relevant to and effective for

the Group for the annual period beginning on 1 January 2015. The adoption of the new HKFRSs has no material impact on the Group's accounting policies, presentation of the Group's unaudited condensed consolidated financial statements and amounts reported for the Period and prior periods.

4. TURNOVER

Geographical information

	For the six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Africa	1,864	1,792
Hong Kong	37,240	31,256
Asia (except the PRC and Hong Kong)	12,519	11,122
Australia	12,992	8,561
PRC	41,472	64,974
Europe (except East Europe)	19,192	22,876
East Europe	7,542	8,419
Middle East	1,903	109
North America	7,814	13,857
South America	6,815	5,509
	<u>149,353</u>	<u>168,475</u>

5. (LOSS)/PROFIT BEFORE TAXATION

	For the six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
(Loss)/Profit before taxation is arrived after charging:		
Finance costs		
Bank loans interest	3,154	3,238
Interest on import loans	513	441
Bank overdraft interest	—	21
	<u>3,667</u>	<u>3,700</u>
Total interest expense	3,667	3,700
Less: interest expense capitalized into property, plant and equipment	—	(17)
	<u>3,667</u>	<u>3,683</u>
Other items		
Depreciation of property, plant and equipment	6,574	5,634
Cost of inventories sold	117,022	132,355
Listing expenses	10,855	2,076
	<u>134,451</u>	<u>140,065</u>

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax — Hong Kong profits tax:		
Provision for the period	1,314	1,432
Current tax — PRC enterprise income tax (“EIT”):		
Provision for the period	116	452
Deferred taxation:		
Current period	(106)	(404)
Total income tax expense	1,324	1,480

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit arising in Hong Kong for the six months ended 30 June 2014 and 2015, respectively.

The PRC subsidiaries of the Group are subjected to EIT at the rate of 25%.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands for the six months' ended 30 June 2014 and 2015, respectively.

7. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per shares attributable to the equity shareholders of the Company is based on the following data:

	For the six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss)/Profit for the period attributable to equity shareholders of the Company	<u>(9,540)</u>	<u>2,888</u>
	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	<u>112,044</u>	<u>104,000</u>

Diluted (loss)/earnings per share has not been disclosed as no dilutive potential equity shares in existence for the six months ended 30 June 2014 and 2015, respectively.

8. DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: nil).

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired approximately HK\$6.09 million (six months ended 30 June 2014: approximately HK\$10.18 million) on property, plant and machinery to expand production capacity and improve production efficiency.

10. TRADE AND BILLS RECEIVABLES

An ageing analysis of trade and bills receivables, based on the invoice date and net of impairment loss on trade receivables, are as follows:

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Trade and bills receivables		
0–30 days	15,290	35,466
31–60 days	11,460	18,137
61–90 days	9,700	8,848
91–120 days	3,474	3,482
Over 120 days	1,757	968
	<hr/>	<hr/>
Total	41,681	66,901
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The Group normally allows credit terms to well-established customers ranging from 30 to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

11. TRADE PAYABLES

Details of the ageing analysis are as follows:

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Trade payables		
0–30 days	29,285	35,430
31–90 days	23,560	60,868
91–180 days	24,889	22,943
Over 180 days	9,061	4,971
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Total	86,795	124,212
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The Group was generally given credit terms from 60 days after monthly statement (“AMS”) to 150 days AMS.

12. RELATED PARTY TRANSACTIONS

The Group had the following material transactions and balances with related parties during the relevant periods:

	Relationship	For the six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Rental income received from:			
Golden Hills Industries Limited (“Golden Hills”)	Fellow subsidiary	—	60
Rental expenses paid to:			
China Scene Limited	Fellow subsidiary	80	72
Service fee income received from:			
Golden Hills	Fellow subsidiary	—	140
Interest income received from:			
Golden Power Rubber Products Ltd	Fellow subsidiary	—	244

Remuneration for the key management personnel, including amounts paid to the Directors, the details of which are as follows:

	For the six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Salaries, allowances and other benefits in kind	2,927	3,032
Discretionary bonus	431	442
Contributions to defined contribution plan	72	62
	<u>3,430</u>	<u>3,536</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is principally engaged in the manufacture and sale of a broad range of batteries. The products are mainly categorized into two segments (i) disposable batteries; and (ii) rechargeable batteries and other battery-related products. The disposable batteries are categorized into two sub-segments namely (i) cylindrical batteries and; (ii) micro-button cells. Other battery-related products include battery chargers, battery power packs and electric fans.

The turnover on cylindrical batteries for the six months ended 2015 has dropped by approximately HK\$25.19 million as compared to the same period of last year in 2014, which was equivalent to approximately 20% decrease of cylindrical batteries turnover. The drop in turnover was mainly due to slow down of the demand in the first six months ended 30 June 2015 in Europe and China.

The turnover on micro-button cells and rechargeable batteries and other batteries related products for the six months ended 30 June 2015 was increased by approximately HK\$6.07 million as compared to the same period of last year in 2014 which was equivalent to approximately 15% increase in turnover of micro-button cells and rechargeable batteries and other batteries related products. The contribution was mainly generated from Alkaline and Lithium OEM button cell batteries business.

Looking forward, with the challenging environment in the PRC, the Group will continue to adopt stringent cost control, employ appropriate strategies to enhance its operation efficiency and explore new business opportunities in the PRC market.

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2015 was approximately HK\$149.35 million, representing a decrease of approximately 11.35% as compared to the same period of 2014. Loss attributable to equity shareholders of the Company for the six months ended 30 June 2015 was approximately HK\$9.54 million whilst for the same period in 2014 the profit attributable to equity shareholders of the Company was approximately HK\$2.89 million. The loss for the period ended 30 June 2015 was mainly due to the recognition of all the balances of the one-off listing expenses of approximately HK\$10.85 million (six months ended 30 June 2014: approximately HK\$2.08 million) and the reduction in turnover on cylindrical batteries as mentioned above.

Gross Profit

The Group recorded a gross profit for the six months ended 30 June 2015 of approximately HK\$32.33 million (six months ended 30 June 2014: approximately HK\$36.12 million), representing a decrease of approximately 10.49% due to the turnover decrease of approximately 11%.

Expenses

During the Period, the selling and distribution expenses of the Group has decreased by 2.78% to approximately HK\$6.10 million, as compare to approximately HK\$6.27 million in the corresponding period in 2014. The Group's administrative expenses has increased by approximately HK\$10.43 million to approximately HK\$34.34 million as compared to approximately HK\$23.91 million for the same period of in 2014. The increase in administrative expenses was mainly due to the recognition of all the balances of the one-off listing expenses of approximately HK\$10.85 million (six months ended 30 June 2014: listing expenses recognized was approximately HK\$2.08 million).

Net Current Liabilities

Net current liabilities as at 31 December 2014 recorded approximately HK\$111.52 million. After the capital injection, repayment of the bank loan and restructure of the short-term banking facilities, the net current liabilities reduced by approximately HK\$83.76 million to approximately HK\$27.76 million as at 30 June 2015.

Liquidity and Financial Resources

The Group operates a conservative set of treasury policies to ensure that no unnecessary risks are taken with the Group's assets. No investment other than cash is currently used.

The bank borrowings are repayable as follows:

	30 June 2015 <i>HK\$'000</i>	31 December 2014 <i>HK\$'000</i>
Within 1 year		
— Short-term loans	60,417	116,987
— Current portion of long-term loans	11,837	8,708
	<u>72,254</u>	<u>125,695</u>
1–2 years	11,868	6,519
2–5 years	26,324	19,743
Over 5 years	3,868	4,387
	<u>114,314</u>	<u>156,344</u>

As at 30 June 2015, the Group had borrowings of approximately HK\$114.31 million (as at 31 December 2014: HK\$156.34 million). The debt ratio, calculated as total liabilities over total assets of the Group as at 30 June 2015 was approximately 0.69 (as at 31 December 2014: approximately 0.90).

As at 30 June 2015, the Group had cash and cash equivalents (the “**Liquidity Resources**”) of approximately HK\$42.42 million (as at 31 December 2014: HK\$17.17 million) which were mainly denominated in Hong Kong dollars and Renminbi.

Save as disclosed in the unaudited condensed consolidated statements of the Company, the Group has no material capital expenditure commitments as at 30 June 2015.

Capital Structure

The shares of the Company were successfully listed on the GEM on 5 June 2015, and there has been no material change in the capital structure of the Company since its listing. The capital of the Company comprises only ordinary shares. Total equity of the Company amounted to approximately HK\$106 million as at 30 June 2015 (as at 31 December 2014: approximately HK\$35 million).

Gearing Ratio

The Group expresses its gearing ratio as a percentage of total debts divided by total equity. As at 30 June 2015, the Group's gearing ratio was 1.18 (as at 31 December 2014: approximately 4.92).

Charge of Assets

As at 30 June 2015, the Company has charged its properties with a net book value of approximately HK\$43.87 million to secure the bank facilities granted to the Group.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 June 2015 (as at 31 December 2014: nil).

Significant Investments Held

Except for investments in subsidiaries, the Group did not hold any significant investment as at 30 June 2015.

Material Acquisitions and Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the six months ended 30 June 2015.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Prospectus, the Group did not have other plans for material capital commitments, material investments and capital assets.

Employees and Remuneration Policies

The Directors believe that the quality of its employees is an important factor in sustaining the Group's growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salaries and mandatory provident fund, staff benefits include medical coverage scheme and the share option scheme.

As at 30 June 2015, the Group had a total of 598 employees (as at 30 June 2014: 808 employees). The Group's staff costs, including Directors' emoluments, amounted to approximately HK\$13.68 million during the six months ended 30 June 2015 (six months ended 30 June 2014: approximately HK\$15.04 million).

Use of Proceeds

As disclosed in the Prospectus, the net proceeds from the placing of the shares of the Company, after deducting the related expenses paid by the Company in connection thereto, were approximately HK\$40.16 million.

From the Listing Date to 30 June 2015, the net proceeds from the placing of the shares of the Company had been applied as follows:

	Planned use of proceeds as stated in the Prospectus during the period from the Listing Date up to 30 June 2015 HK\$'000	Actual use of proceeds during the period from the Listing Date up to 30 June 2015 HK\$'000
Repayment of bank loan	36.14	36.14
General working capital	4.02	—
	<u>40.16</u>	<u>36.14</u>

FOREIGN CURRENCY RISK

The reporting currencies of the Group is Hong Kong dollars (“HK\$”).

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in the Renminbi (“RMB”). As at 30 June 2015, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the functional currencies, i.e. RMB and HK\$.

The Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rate or entering into appropriate forward contracts when necessary.

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

As at 30 June 2015, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in shares

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding
Chu King Tien (“Mr. Chu”)	Interest in a controlled corporation (Note 1)	104,000,000 ordinary shares	65%

Notes

- These shares are held by Golden Villa Ltd., which is wholly and beneficially owned by Mr. Chu.

Save as disclosed above, as at 30 June 2015, none of the Directors nor chief executive of the Company has registered an interests and 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 and 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as the Directors are aware, as at 30 June 2015, the following persons (other than Directors or chief executive of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules:

Long positions in shares

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding
Golden Villa Ltd.	Beneficial owner	104,000,000 ordinary shares	65%
Ms. Mo Yuk Ling	Interest of spouse (<i>note 1</i>)	104,000,000 ordinary shares	65%

Note:

1. 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 30 June 2015, the Directors were not aware of any other persons who had any interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2015.

SHARE OPTION SCHEME

The Company has adopted a share option scheme on 15 May 2015 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. During the six months ended 30 June 2015, no option was granted, exercised or lapsed under the Share Option Scheme.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry to all Directors, the Company was not aware of any non-compliance with the required standards of dealings and its code of conduct regarding securities transactions by Directors throughout the period from the Listing Date to 30 June 2015.

CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Company is committed to ensure a quality board and transparency and accountability to shareholders. The Company has complied with the Code throughout the period from the Listing Date to 30 June 2015.

DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

No Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the six months ended 30 June 2015.

COMPETING BUSINESS

For the six months ended 30 June 2015, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the Company's compliance adviser, RaffAello Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser on 25 September 2014, neither the Compliance Adviser nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the Group (including options or rights to subscribe for such securities) as at 30 June 2015 which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has set up an audit committee (the "Committee") on 15 May 2015 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the Corporate Governance Code. The duties of the Committee are to review relationship with the Company's external auditors, review the Company's financial information, oversee the Company's financial reporting system and internal control procedures and oversee the Company's continuing connected transactions. The Committee comprises three independent non-executive Directors namely, Mr. Hui Kwok Wah, Mr. Ma Sai Yam and Mr. Chow Chun Hin Leslie. Mr. Hui Kwok Wah currently serves as the chairman of the Committee. The unaudited condensed consolidated financial statements of the

Group for the six months ended 30 June 2015 have been reviewed by the Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and adequate disclosures have been made.

By Order of the Board
Golden Power Group Holdings Limited
Chu King Tien
Executive Director

Hong Kong, 12 August 2015

As at the date of this announcement, the executive Directors are Mr. Chu King Tien, Ms. Chu Shuk Ching, Mr. Tang Chi Him and Mr. Chu Ho Wa, the independent non-executive Directors are Mr. Hui Kwok Wah, Mr. Ma Sai Yam and Mr. Chow Chun Hin Leslie.

This announcement will be published on the GEM's website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at www.goldenpower.com.