
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 "14. 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: 8038)

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

Underwriter of the Rights Issue



中天證券有限公司
CHINA SKY SECURITIES LIMITED

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

Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 29 March 2017 to Thursday, 6 April 2017 (both days 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 Wednesday, 29 March 2017 to Thursday, 6 April 2017 (both days 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 the Underwriting Agreement" on pages 6 to 7 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 Tuesday, 11 April 2017. The procedures for acceptance and payment for or transfer of the Rights Share are set out on pages 13 to 15 of this Prospectus.

27 March 2017

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher 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.

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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 20 February 2017 relating to, among other things, the Rights Issue
“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any 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 as ascribed thereto under the GEM 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 from time to time)
“Company”	Golden Power Group Holdings Limited (金力集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Golden Villa”	Golden Villa Ltd., a limited liability company incorporated in the British Virgin Islands on 24 January 2003, the entire issued share capital of which is owned by Mr. Chu and is one of the Controlling Shareholders of the Company

DEFINITIONS

“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Irrevocable Undertaking”	irrevocable undertaking given by Golden Villa in favour of the Company to subscribe for 42,000,000 Rights Shares which will be provisionally allotted to Golden Villa under the Rights Issue
“Last Trading Day”	20 February 2017, the last day on which the existing Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	22 March 2017, 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 Tuesday, 11 April 2017 or such other time and date as may be agreed between the Company and the Underwriter, being the latest time for application for, and payment for, the Rights Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Thursday, 13 April 2017 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 ascribed thereto under the GEM Listing Rules
“Mr. Chu”	Mr. Chu King Tien, an executive Director, the Chairman and a Controlling Shareholder 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

DEFINITIONS

“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“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 and the PAL
“Prospectus Posting Date”	Monday, 27 March 2017 (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
“Record Date”	Friday, 24 March 2017 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 share registrar of the Company in Hong Kong, being Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the 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”	80,000,000 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

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.4 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Undertaken Shares”	42,000,000 Rights Share to be provisionally allotted to Golden Villa under the Rights Issue which Golden Villa had undertaken to subscribe
“Underwriter”	China Sky Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the Securities and Futures Ordinance to conduct Type 1 (dealing in securities) regulated activity
“Underwriting Agreement”	the underwriting agreement dated Monday, 20 February 2017 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	38,000,000 Rights Shares
“%”	per cent

Any name in this document marked with an * denotes an English translation of a Chinese name and is for identification purposes only. If there is any inconsistency between the Chinese name and the English translation, the Chinese version shall prevail.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only and is subject to change. Any such change will be announced in a separate announcement by the Company as and when appropriate. All dates and times specified in this Prospectus refer to Hong Kong local dates and times.

2017

First day of dealing in nil-paid Rights Shares	9:00 a.m., Wednesday, 29 March
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Friday, 31 March
Last day of dealing in nil-paid Rights Shares.	4:00 p.m., Thursday, 6 April
Latest time for acceptance of, and payment for the Rights Shares	4:00 p.m., Tuesday, 11 April
Rights Issue expected to become unconditional	4:00 p.m., Thursday, 13 April
Announcement of results of acceptance of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company.	Thursday, 20 April
Certificates for fully-paid Rights Shares and refund cheques (if any) expected to be despatched.	Friday, 21 April
First day of dealings in the fully-paid Rights Shares.	Monday, 24 April

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place at 4:00 p.m. on Tuesday, 11 April 2017 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, 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 does not take place on the date of the Latest Time for Acceptance, the dates mentioned in the expected timetable 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 in 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) any adverse change in market conditions (including, without limitation, any change 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 of 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

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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
- (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 by notice in writing, served prior to the Latest Time for Termination, to 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.

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 arising out of or in connection with the Underwriting Agreement save for any antecedent breaches.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed.

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)

Executive Directors:

Mr. Chu King Tien (*Chairman*)

Ms. Chu Shuk Ching

Mr. Tang Chi Him

Mr. Chu Ho Wa

Registered Office:

Clifton House, 75 Fort Street

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Independent non-executive Directors:

Mr. Hui Kwok Wah

Mr. Ma Sai Yam

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

27 March 2017

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 20 February 2017, the Board announced that the Company proposed to raise approximately HK\$32 million, before expenses, by issuing 80,000,000 Rights Shares by way of rights issue at the Subscription Price of HK\$0.4 per Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. 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\$0.4 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	160,000,000 Shares
Number of Rights Shares:	80,000,000 Rights Shares
Number of Shares in issue immediately upon completion of the Rights Issue:	240,000,000 Shares
Amount to be raised by the Rights Issue before expenses:	Approximately HK\$32 million
Underwriter:	China Sky Securities Limited

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 80,000,000 Rights Shares to be allotted and issued pursuant to the Rights Issue represent (i) 50% of the existing issued share capital of the Company; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price is HK\$0.4 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 59.18% to the closing price of HK\$0.98 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 58.76% to the average closing price of approximately HK\$0.97 per Share for the last five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (c) a discount of approximately 57.81% to the average closing price of approximately HK\$0.95 per Share for the last ten consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (d) a discount of approximately 49.15% to the theoretical ex-rights price of approximately HK\$0.79 per Share based on the closing price of HK\$0.98 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a discount of approximately 57.45% to the closing price of HK\$0.94 as quoted on the Stock Exchange on the Latest Practicable Date.

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) referring to the terms of rights issue transactions on the Stock Exchange conducted in the past six months prior to the date of the Underwriting Agreement, it is not uncommon for listed companies in Hong Kong to set the subscription price in a rights issue at a discount to the closing prices and/or the net asset value per share, up to a discount of 76.19% to its closing price on the last trading day, in order to increase the attractiveness of the Rights Shares;
- (b) 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;
- (c) 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 reduce the financial costs by repaying our current bank facilities and invest in the Group for continuing business development so as to foster our growth and generate future returns which will benefit the Company and the Shareholders as a whole; and
- (d) given the fact that shares in companies listed on GEM are generally regarded as more risky by investors as compared to shares in other companies listed on the Main Board of the Stock Exchange, a deeper discount of the Subscription Price to the current price of the Shares is preferred to increase the attractiveness of the Rights Shares.

LETTER FROM THE BOARD

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\$0.39.

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 one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM 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 precedent 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, miscellaneous 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 had been fulfilled.

LETTER FROM THE BOARD

Basis of assured 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.

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.

No application for excess Rights Shares

Considering that the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company and is negotiated on an arm's length basis with the Underwriter, if application for excess Rights Shares is arranged, the Company will be required to put in additional efforts and costs (estimated to be HK\$270,000) to administer the excess application procedures. The Board considers that it is important for the Group to minimise all costs which may be incurred during the fund raising. Notwithstanding excess application arrangement will not be made available to the Qualifying Shareholders, the Board considers that a discount to the Subscription Price offered to the Qualifying Shareholders would encourage them to participate in the Rights Issue and share the potential growth of the Company. In light of the above, the Board considers that the Rights Issue in the absence of excess application arrangement is in the interest of the Shareholders. Accordingly, no excess Rights Shares will be offered to the Qualifying Shareholders and any Rights Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.

LETTER FROM THE BOARD

Fractions of the Rights Shares

Entitlement to the Rights Shares will be rounded down to the nearest whole number. No fractional entitlements to the Rights Shares will be provisionally allotted or issued to the Qualifying Shareholders. All such fractional entitlements will be aggregated (rounded down to the nearest whole number) and taken up by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

Share certificates and refund cheques for the Rights Shares

Subject to the Rights Issue becoming unconditional, share certificates for all fully-paid Rights Shares are expected to be posted to those who have accepted and applied for and paid for the Rights Shares on or before Friday, 21 April 2017 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 Friday, 21 April 2017 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 Tuesday, 11 April 2017 (or, under bad weather conditions, such later date as mentioned in the paragraph “Effects of Bad Weather on the Latest Time for Acceptance” 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 received by the Registrar by no later than 4:00 p.m. (Hong Kong time) on Tuesday, 11 April 2017, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. 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 Share provisionally allotted to him/her/it under the PAL or to transfer part of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for

LETTER FROM THE BOARD

cancellation by no later than 4:30 p.m. on Friday, 31 March 2017 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

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 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.

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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 Friday, 21 April 2017.

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, and any other applicable fees and charges in Hong Kong.

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

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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 Undertaking

As at the Latest Practicable Date, Golden Villa was legal and beneficial owner of 84,000,000 Shares, representing 52.5% of the existing issued share capital of the Company. Golden Villa has given an irrevocable undertaking in favour of the Company to subscribe for the Undertaken Shares, namely 42,000,000 Rights Shares, which will be provisionally allotted to Golden Villa under the Rights Issue.

The Underwriting Agreement

Date:	20 February 2017 (after trading hours)
Issuer:	The Company
Underwriter:	China Sky Securities Limited
Number of Underwritten Shares:	38,000,000 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:	an underwriting commission at the rate of 2.5% of the total Subscription Price of the Underwritten Shares

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.

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The said commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. 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.

The Underwriter has undertaken to Company that, among other things, other than the transactions contemplated under the Underwriting Agreement and as disclosed in the Announcement and/or the Prospectus Documents, save as 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 subunderwriting 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.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the section 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.

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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 upon completion of the Rights Issue (assuming all Rights Shares are subscribed for by the Qualifying Shareholders); and (iii) immediately upon completion of the Rights Issue (assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders, other than the subscription of the Undertaken Shares by Golden Villa):

	As at the Latest Practicable Date		Immediately upon 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)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Golden Villa (Note 1)	84,000,000	52.5	126,000,000	52.5	126,000,000	52.5
Underwriter (Note 2)	—	—	—	—	38,000,000	15.8
Public Shareholders	76,000,000	47.5	114,000,000	47.5	76,000,000	31.7
Total	160,000,000	100	240,000,000	100	240,000,000	100

Notes:

1. Golden Villa is wholly and beneficially owned by Mr. Chu, an executive Director, chairman and the Controlling Shareholder of the Company.
2. In the event of the Underwriter being called upon to subscribe for or procure subscription 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 GEM 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 GEM Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

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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) micro-button cells. Other battery related products include battery chargers, battery power packs and electric fans.

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\$32 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\$31 million. The Company intends to use the net proceeds from the Rights Issue as to (i) approximately HK\$18 million for fully repaying certain bank facilities (the “**Relevant Loans**”) and (ii) the balance of approximately HK\$13 million as general working capital of the Group.

The Relevant Loans will be due in May, October and November 2017, respectively, with interest rates ranging from 4.25% per annum to 4.785% per annum. In light of the possible upcoming rate hike cycle, it is forecasted by the management of the Group that the finance costs of the Group’s current borrowings may 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. Repayment of the Group’s bank borrowing is expected to reduce finance costs of the Group, improve the Group’s profitability and cash flow.

Among the approximately HK\$13 million of the net proceeds from the Rights Issue set aside for working capital of the Group, the Company plans to apply (i) approximately HK\$2 million for upgrading and renovating of Group’s production facilities, (ii) approximately HK\$3 million for marketing activities for developing our own brand “Golden Power” and other private label brands, (iii) approximately HK\$3.5 million for research and development and testing of new materials, (iv) approximately HK\$2.5 million for paying salary and wages due to increase in salary and wage level in the PRC and the Group, (v) approximately HK\$1 million for upgrading information technology hardware and software, and (vi) approximately HK\$1 million for environmental, social, corporate governance and other related production facility enhancement.

The Board is of the view that the business of the Group is a capital intensive business and thus its working capital needs constant replenishment. The Board considers that the Company would be benefited from the flexibility of having alternative source of funding other than debt financing and flexibility of cash flow available for the operations of the Company. In addition, it is expected that the liquidity and net current liability position of the Group will be improved by the net proceeds from the Rights Issue.

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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\$0.39.

The Board is of the view that the Rights Issue will enable the Group to strengthen its 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 33.33% 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.**

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 considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. The Board considers that the Rights Issue 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.

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RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group and the Rights Issue, including but not limited to the following:

Risk relating to operation of the Group

The costs of raw materials account for a significant portion of the cost of sales of the Group and any fluctuations in their prices may affect its profitability

The major raw materials used in the Group's products are steel, zinc, electrolytic manganese dioxide, copper, separator and plastics. The prices of raw materials may be subject to fluctuations as a result of various factors beyond the Group's control, such as global economic and financial conditions. In addition, since the Group has no long-term supply contracts with its suppliers, prices of raw materials are subject to market fluctuations from time to time. Since the products of the Group face keen competition, it may not be able to pass on the increase in raw materials costs to its customers, and its business operations and financial performance may be adversely affected.

The Group has no long-term sales contracts with its major customers

The Group has no long-term sales contracts with most of its major customers. If the business relationship between the Group and its major customers deteriorates or if any of its major customers reduces its purchases from the Group substantially or terminates its business relationship with the Group, the business, operation results and financial condition of the Group may be adversely affected.

Risks relating to the Share price

The price and trading volume of the Shares are determined by demand and supply of investors for the Shares in the public market price and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to the Group's operation, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions could cause the market price of the Shares to change substantially.

Risks relating to the Rights Issue

Under the Underwriting Agreement, the Underwriter is entitled to terminate its obligations by giving notice in writing to the Company upon the occurrence of any of the events stated in the section headed "Termination of the Underwriting Agreement" in this Prospectus on or before the Latest Time for Termination. Should the Rights Issue proceed as intended, the shareholding interest of the existing Shareholders in the Company will be diluted if they do not or cannot subscribe for the Rights Shares which they are entitled to.

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WARNING OF THE RISKS OF DEALING IN SHARES AND 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 Thursday, 16 March 2017. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 29 March 2017 to Thursday, 6 April 2017 (both days 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 securities of the Company. 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 financial information of the Group for the year ended 31 December 2014 is set out in Appendix I of the prospectus issued by the Company in relation to the placing of Shares dated 29 May 2015.

The audited financial information of the Group for the year ended 31 December 2015 is set out in pages 36 to 95 of the annual report dated 18 March 2016.

The audited financial information of the Group for the year ended 31 December 2016 is set out in pages 3 to 17 of the annual results announcement for the year ended 31 December 2016 published on 21 March 2017 and in pages 52 to 110 of the annual report dated 21 March 2017.

All the said reports/announcement of the Company are or will be published on both the website of the Stock Exchange (www.hkexnews.com.hk) and the website of the Company (www.goldenpower.com).

Please refer to the hyperlinks as stated below:

Prospectus in relation to the placing of Shares:

<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0529/GLN20150529067.pdf>

2015 annual report:

<http://www.hkexnews.hk/listedco/listconews/GEM/2016/0330/GLN20160330307.pdf>

Annual results announcement for the year ended 31 December 2016:

<http://www.hkexnews.hk/listedco/listconews/GEM/2017/0321/GLN20170321069.pdf>

2016 annual report:

As at the Latest Practicable Date, the link to the 2016 annual report was not available. The 2016 annual report is expected to be published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.goldenpower.com) on 27 March 2017.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 January 2017, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Prospectus, the Group had total outstanding bank borrowings of approximately HK\$100.37 million, of which approximately HK\$72.93 million were secured and guaranteed and approximately HK\$27.44 million were secured and unguaranteed. These bank borrowings had interest rates ranging from 3.00% to 5.44% per annum.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal accounts and others payables in the ordinary course of business, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities as at the close of business on 31 January 2017.

Save as disclosed above, the Directors confirm that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 January 2017.

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 2016, 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) micro-button cells. Other battery-related products include battery chargers, battery power packs and electric fans.

2016 was a challenging year to the Group. During the year ended 31 December 2016, the Group has been facing the challenge of slowdown of demand in Australia, Eastern Europe and the PRC. Weak RMB is a factor that led to the decrease of the Group’s reported sales revenue in the PRC. Further, US dollar remained strong which discouraged the customers from actively placing orders in the year of 2016. However, following the prohibition of the marketing of button cells with a mercury content exceeding 0.0005% by weight under the directive of 2006/66/EC, and the new directive of the European Union (2013/56/EU) which took effect in October 2015, the business of the Group on micro-button cells has been benefited from these since the fourth quarter of 2016. There were active product enquiries from customers for new specifications of the mercury-free micro-button cells. It is a good opportunity for the Group to increase its market share because the Group

can produce mercury-free micro-button cells by making use of its PRC invention patent. This invention patent was also registered in Hong Kong. In the future, the Group shall continue to innovate its production processes and products to meet the international standards.

Despite the challenging market, the Group has continued putting efforts on the effectiveness of production 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 the same is generally increasing. The Group will also continue to put efforts in improving the product performance, broadening the Group's private label customer base and expanding its retail market business in 2017. The Group will also strive to expand its product portfolio and to improve the quality, reliability and durability of its products.

Going forward, the Group will continue to improve its competitiveness in the market by strengthening the research and development on enhancing products quality and production technology to strive for the long term success in the industry.

The Group will continue to invest in its production lines in order to enhance the production capacity and efficiency in 2017. The new production line acquired by the Group in 2015 has commenced commercial production in the third quarter of 2016. A newly designed and automatic production line has been acquired in 2016 for producing mercury-free, cadmium-free and lead-free alkaline cylindrical batteries. It will improve the production efficiency and product quality to meet the Group's future expansion. The Board expects that this new production line will be delivered to the Group in the forth quarter of 2017.

The Group is developing the retail markets for products bearing its own brand "Golden Power". The Group has started to enter into the PRC retail markets and will continue to expand its retail market shares in PRC through its co-operation with some well-developed chain stores there. In 2017, the Group also targets to enter into the Hong Kong retail market. By developing the retail markets in the PRC and Hong Kong, the Group hopes to generate a new stream of revenue to add value for the Shareholders.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS OF THE GROUP**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules is set out below to illustrate the effect of the proposed Rights Issue on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2016 as if the Rights Issue had been completed on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, does not provide any assurance or indication that the Rights Issue will take place in the future and may not be indicative of: (i) the consolidated financial position of the Group or (ii) the consolidated net tangible assets per Share of the Group attributable to equity holders of the Company had the Rights Issue been completed on 31 December 2016 or any future dates.

	Audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2016 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	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 HK\$'000	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 31 December 2016 HK\$ (Note 3)	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 HK\$ (Note 4)
Rights Issue of 80,000,000 Rights Shares to be issued at subscription price of HK\$0.4 per Rights Share	162,132	31,000	193,132	1.01	0.80

Notes:

- (1) The audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2016 is based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2016 of HK\$162,426,000, as extracted from the published annual report of the Company for the year ended 31 December 2016 after deducting intangible assets of approximately HK\$294,000.

- (2) The estimated net proceeds from the Rights Issue of approximately HK\$31,000,000 are calculated based on 80,000,000 Rights Shares to be issued at the subscription price of HK\$0.4 per Rights Shares and after deduction of estimated related expenses of approximately HK\$1,000,000.
- (3) The unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 31 December 2016 of HK\$1.01 was based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2016 of HK\$162,132,000 and 160,000,000 Shares in issue as at the Latest Practicable Date.
- (4) The 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 is arrived at after aggregating the audited consolidated net tangible assets of the Group of HK\$162,132,000 as at 31 December 2016 (Note 1) and the estimated net proceeds of HK\$31,000,000 from the Rights Issue (Note 2) and on the basis that 160,000,000 Shares were in issue as at the Latest Practicable Date and 80,000,000 Rights Shares were issued under the Rights Issue assuming the Rights Issue had been completed on 31 December 2016, 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.
- (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 2016.

**B. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT
OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is the text of a report received from the Company's reporting accountants, PKF, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group for the purpose of incorporation in this prospectus.



Accountants &
business advisers

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Causeway Bay
Hong Kong

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**INDEPENDENT REPORTING ACCOUNTANTS' 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 2016, 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 27 March 2017, 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 2016 as if the proposed rights issue had taken place at 31 December 2016. As part of this process, information about the Group's financial position as at 31 December 2016 has been extracted by the Directors from the Group's financial information included in the published annual results announcement of the Company for the year ended 31 December 2016, which has been published on 21 March 2017.

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 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

(the “GEM 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 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 7.31(7) of the GEM 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 7.31 of the GEM 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 2016 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 7.31(1) of the GEM Listing Rules.

PKF

Certified Public Accountants

Hong Kong, 27 March 2017

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 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 in 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>		<i>HK\$</i>
<u>160,000,000</u>	Shares in issue	<u>1,600,000</u>

(b) Immediately after the 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>		<i>HK\$</i>
160,000,000	Shares in issue	1,600,000
<u>80,000,000</u>	Rights Shares to be allotted and issued upon the completion of the Rights Issue	<u>800,000</u>
<u>240,000,000</u>	Shares in issue immediately after the completion of the Rights Issue	<u>2,400,000</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.

The issued Shares are listed and traded on GEM. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought 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 the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company which (a) were required to be notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive have taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of shareholding as at the Latest Practicable Date (%)
Mr. Chu	Interest of a controlled corporation (Note)	84,000,000	52.5

Note:

These shares are held by Golden Villa, which is wholly and beneficially owned by Mr. Chu. By virtue of the SFO, Mr. Chu is deemed to be interested in all the Shares held by Golden Villa in the Company.

Interests in the Company's associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive have taken or deemed to have under such provisions of the SFO); (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the associated corporations

Name of Director	Name of associated corporation	Nature of interest	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 or chief executives of the Company had registered any interest or short position 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) which (a) 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 the interests and short positions in which they were deemed or taken to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by our Directors, to be notified to the Company and the Stock Exchange.

(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 the chief executive of the Company) had or deemed or taken to have an interest or short positions in the Shares and underlying Shares or debentures of the Company which were required to be recorded in the register of interests 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 the SFO or, who is expected, directly or indirectly, to be interested in 10% or more of the issued voting shares of any other member of the group:

Long positions in the Shares

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of shareholding as at the Latest Practicable Date (%)
Golden Villa (Note 1)	Beneficial owner	84,000,000	52.5
Ms. Mo Yuk Ling (Note 2)	Interest of spouse	84,000,000	52.5

Notes:

1. Golden Villa is wholly and beneficially owned by Mr. Chu. By virtue of the SFO, Mr. Chu is deemed to be interested in all the shares held by Golden Villa in the Company.
2. Ms. Mo Yuk Ling is the spouse of Mr. Chu. Under the SFO, Ms. Mo Yuk Ling is deemed to be interested in all the Shares in which Mr. Chu is interested.

The Underwriter, in the capacity of a beneficial owner, has registered an interest in respect of 38,000,000 ordinary shares of the Company.

Save as disclosed above and as at the Latest Practicable Date, the Directors were not aware of any other persons who, had any interests or short positions in the Shares or underlying Shares of the Company which were required to be recorded in the register of interests 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 the SFO or, who is expected, directly or indirectly, to be interested in 10% or more of the issued voting shares of any other member 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 agreement with any member of the Group which does not expire or is not determinable 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, save and except for Mr. Chu in respect of the Irrevocable Undertaking and as disclosed in the announcement of the Company dated 1 February 2017 in relation to continuing connected transactions, 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 asset which have been, since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group.

(e) Interests of the compliance adviser

As advised 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 had any interests in the shares of the Company or any member of the Group as at the Latest Practicable Date or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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. Ma Sai Yam

Flat C, 8/F, Tower 1A
Grand Austin
9 Austin Road West
Kowloon
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, Mr. Tse Kar Keung, 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. Ma Sai Yam Mr. Chow Chun Hin Leslie
Remuneration Committee	Mr. Hui Kwok Wah (<i>Chairman</i>) Mr. Chu King Tien Mr. Ma Sai Yam
Nomination Committee	Mr. Chu King Tien (<i>Chairman</i>) Mr. Hui Kwok Wah Mr. Ma Sai Yam
Registered Office	Clifton House, 75 Fort Street P.O. 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. Tse Kar Keung (<i>HKICPA, FCCA</i>)
Compliance Officer	Ms. Chu Shuk Ching
Authorised representatives <i>(for the purpose of the GEM Listing Rules)</i>	Ms. Chu Shuk Ching House No. 25, 26th Street Hong Lok Yuen Tai Po, New Territories Hong Kong
	Mr. Tse Kar Keung Flat B, 11/F, Block 3 Liberte 833 Lai Chi Kok Road Kowloon Hong Kong
Principal Share Registrar	Estera Trust (Cayman) Limited Clifton House, 75 Fort Street P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands

Hong Kong branch share registrar	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East 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 Industrial and Commercial Bank of China Limited Jiangmen Chengqu branch Green Plaza No. 135 Jianshe 3 Road Jiangmen City PRC
Underwriter	China Sky Securities Limited Room 1106, 11th Floor Cosco Tower 183 Queen's Road Central Hong Kong
Legal Advisers 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
Auditors	PKF <i>Certified Public Accountants</i> 26/F, Citicorp Centre 18 Whitfield Road Causeway Bay Hong Kong

7. 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.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this Prospectus which are or may be material:

- (i) the deed of indemnity dated 29 May 2015 entered into by our Controlling Shareholders in favour of the Company to provide, among other things, tax indemnities in favour of the Group, detailed particulars of which are set out in the paragraph headed “Statutory and General information — E. Other information — 1. Tax and other indemnities” in Appendix V to the prospectus of the Company for placing dated 29 May 2015;
- (ii) the underwriting agreement in relation the placing entered into on 29 May 2015, by, among others, the Company, the Controlling Shareholders, the executive Directors, RaffAello Capital Limited as sole sponsor, RaffAello Securities (HK) Limited as sole bookrunner, sole lead manager and underwriter, and CNI Securities Group Limited as co-lead manager and underwriter, for underwriting the placing shares with underwriting commission at the rate of 4.5% of the aggregate placing price payable for the placing shares, detailed particulars of which are set out in the section headed “Underwriting” of the prospectus of the Company for placing on 29 May 2015;
- (iii) a master agreement entered into among the Company, Guangzhou Nan Hua Jin Li Electronics Limited* (廣州市南華金力電子有限公司) and Suenglh Corporation Limited dated 1 February 2017 for the sale and supply of our batteries in the PRC for a term of three years commencing retrospectively from 1 January 2017 and ending on 31 December 2019. Detailed particulars of the master agreement are set out in the announcement of the Company dated 1 February 2017; and
- (iv) the Underwriting Agreement entered into between the Company and the Underwriter dated 20 February 2017 for underwriting arrangement in respect of 38,000,000 Rights Shares at an underwriting commission of 2.5% of the total Subscription Price of the Underwritten Shares. Detailed particulars of the Underwriting Agreement have been set out in the paragraph headed “Underwriting agreement and undertaking” in the Letter from the Board of this Prospectus.

9. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Chu King Tien, aged 62, 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 Group since 1 April 2013. He is also the chairman of the nomination committee of the Company. 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 41 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 at that time through Golden Villa. In April 2005, Mr. Chu was appointed as the chairman and managing director of Golden Power Corporation (Hong Kong) Limited (“**Golden Power Corporation**”), an indirect wholly-owned subsidiary of the Company and has been holding the positions since then.

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 54, an executive Director and chief executive officer of the Group, 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 Group 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 29 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 Group, namely Best Kind Holdings 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 45, 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.

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 32, an executive Director, has been serving as an executive Director since 1 April 2013 and is also the marketing manager and corporate business development manager of the Group, who is mainly responsible for developing and implementing the strategic sales and marketing plans, looking for new marketing opportunities and liaising with existing customers.

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 is currently the director of Merchant Port Limited, a subsidiary of the Group. Mr. Chu Ho Wa is the son of Mr. Chu King Tien.

Independent Non-executive Directors

Mr. Hui Kwok Wah, aged 44, 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 19 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. Ma Sai Yam, aged 53, 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. Ma has extensive experience in the legal field and has been engaging in such profession for over 18 years.

Mr. Ma obtained a bachelor of science degree in economics from the University of London in the United Kingdom as an external student in 1991. He subsequently obtained a Postgraduate Certificate in Laws from The University of Hong Kong and a master degree in laws from Renmin University of China in the PRC in 2012.

Mr. Ma was admitted to practise law as a solicitor in Hong Kong in 1997 and has been a member of The Law Society of Hong Kong since then. Mr. Ma founded Messers. Ma Tang & Co. and has been its partner since then. Mr. Ma has been an independent non-executive director of Jiande International Holdings Limited, a company listed on the Stock Exchange (stock code: 865), since 25 October 2016.

Mr. Chow Chun Hin Leslie, aged 33, 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 10 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 Takung Art Company Limited, his responsibilities include planning, implementing, managing and controlling all financial-related activities of the company, which includes the accounting, finance, forecasting, strategic planning, investor and public relationships, and private and institutional financing functions. From 23 September 2015 to 25 April 2016, Mr. Chow had been an independent non-executive director of PPS International (Holdings) Limited, a company listed on the Stock Exchange (stock code: 8201).

Senior Management

Mr. Liang Tao, aged 50, is currently the general manager of 江門金剛電源製品有限公司 (Goldtium (Jiangmen) Energy Products Company Limited*) (“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 21 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 57, 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 52, has been the deputy general manager of Golden Power Corporation since 2005. 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 a deputy general manager since then.

Mr. Wong Kai Hung, aged 52, is currently 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.

Mr. Tse Kar Keung, aged 48, the financial controller and company secretary, joined the Group in March 2010. He is responsible for reviewing and supervising of the Group's overall internal control system and accountancy function.

Mr. Tse acquired a master degree in science in applied accounting and finance in the Hong Kong Baptist University in 2011. He has been a member and a fellow of the Association of Chartered Certified Accountants since 2008 and 2013, respectively. He

has also been a member of the Hong Kong Institute of Certified Public Accountants since 2009. He joined the Group in 2010 as a senior accounting manager and assistant to chairman in Golden Power Corporation.

Save as disclosed above, each of the Directors and senior management has not held directorships in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Audit committee

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions in the Corporate Governance Code of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual reports and financial statements, interim reports and quarterly reports and to provide advices and comments thereon to the Board. The audit committee is also responsible for reviewing the accounting principles and practices adopted by the Group and also the auditing, internal control and financial reporting matters.

The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Hui Kwok Wah, Mr. Ma Sai Yam and Mr. Chow Chun Hin Leslie.

10. EXPERT AND CONSENT

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

Name	Qualification
PKF	Certified Public Accountants

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 they 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 2016, 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.

11. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

As the Group receive most of its revenues in RMB, which is not a 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, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from the PRC State Administration of Foreign Exchange by complying with certain procedural requirements. However, approval from or registration or filing with the relevant government authorities is required where RMB is to be converted into foreign currency and remitted out of the PRC to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also, at its discretion, restrict access to foreign currencies for current account transactions in future.

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.

12. 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 million and are payable by the Company.

13. 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.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “10. 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.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business in Hong Kong of the Company at Flat C, 20/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, New Territories, Hong Kong during normal business hours from the date of this Prospectus up to and including Tuesday, 11 April 2017:

- (a) the memorandum of association and articles of association of the Company;
- (b) the material contracts referred to the paragraph headed “8. Material Contracts” in this appendix;
- (c) the prospectus issued by the Company in relation to the placing of the Shares dated 29 May 2015;
- (d) the annual report of the Company for the financial year ended 31 December 2015;
- (e) the annual results announcement of the Company for the year ended 31 December 2016;
- (f) the annual report of the Company for the financial year ended 31 December 2016;
- (g) the letter from PKF on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (h) the letters of written consents referred to in the paragraph headed “10. Expert and Consent” in this appendix; and
- (i) this Prospectus and the PAL.

16. MISCELLANEOUS

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