
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

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

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

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

GoldenPower[®]

GOLDEN POWER GROUP HOLDINGS LIMITED

金力集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3919)

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

Underwriter of the Rights Issue

RaffAello
Securities (HK) Ltd

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

Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 18 May 2021 to Wednesday, 26 May 2021 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Tuesday, 18 May 2021 to Wednesday, 26 May 2021 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, served prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These certain events are set out in the section headed "Termination of Underwriting Agreement" on pages 7 to 9 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 Monday, 31 May 2021. The procedures for acceptance and payment for or transfer of the Rights Share are set out on pages 18 to 20 of this Prospectus.

14 May 2021

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable	5
Termination of the Underwriting Agreement	7
Letter from the Board	10
Appendix I — Financial Information of the Group	I-1
Appendix II — Unaudited Pro Forma Financial Information of the Group	II-1
Appendix III — General Information	III-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 9 April 2021 relating to, among other things, the Rights Issue
“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“close associate(s)”	has the meaning given to it under the Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	Golden Power Group Holdings Limited (金力集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board (stock code: 3919)
“connected person”	has the meaning given to it under the Listing Rules
“controlled corporation(s)”	has the meaning ascribed to it under the Takeovers Code
“Controlling Shareholders”	has the meaning given to it under the Listing Rules, and in the context of the Company, means Mr. Chu and Golden Villa
“Director(s)”	the director(s) of the Company
“EAF(s)”	excess application form(s) issued to the Qualifying Shareholder(s) for the application for excess Rights Shares

DEFINITIONS

“Extreme Conditions”	the extreme conditions the government of Hong Kong may announce in the event of, for example, serious disruption of public transport services, extensive flooding, major landslides, or large-scale power outage caused by super typhoons according to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department
“Golden Villa”	Golden Villa Ltd., a limited liability company incorporated in the British Virgin Islands 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
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Irrevocable Undertaking”	irrevocable undertaking given by Mr. Chu in favour of the Company to subscribe for or procure his controlled corporation to subscribe for 43,600,000 Rights Shares which will be provisionally allotted to Golden Villa under the Rights Issue
“Last Trading Day”	8 April 2021, the last day on which the Existing Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Practicable Date”	10 May 2021, 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 Monday, 31 May 2021 or such other time and date as may be agreed between the Company and the Underwriter, being the latest time for application for, acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Tuesday, 1 June 2021 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning as defined in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“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
“PAL(s)” or “Provisional Allotment Letter(s)”	the provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China which, for the purpose of this Prospectus, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	this prospectus issued by the Company to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 14 May 2021 (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”	Thursday, 13 May 2021 or such other date as may be agreed between the Company and the Underwriter for determination of the entitlements under the Rights Issue

DEFINITIONS

“Registrar”	the branch registrar of the Company in Hong Kong, being Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	120,000,000 new Shares proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.33 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Undertaken Shares”	43,600,000 Rights Share to be provisionally allotted to Golden Villa under the Rights Issue, which Mr. Chu had undertaken to subscribe or procure his controlled corporation to subscribe
“Underwriter”	Raffaello Securities (HK) Ltd., a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, whose ordinary course of business includes underwriting of securities and the ultimate beneficial owner of which is an independent third party
“Underwriting Agreement”	the underwriting agreement dated Friday, 9 April 2021 entered into between the Company and the Underwriter in relation to the underwriting arrangement of the Rights Issue
“Underwritten Shares”	76,400,000 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

2021

First time and day of dealing in nil-paid Rights Shares	9:00 a.m., Tuesday, 18 May
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Friday, 21 May
Last day of dealing in nil-paid Rights Shares	4:00 p.m., Wednesday, 26 May
Latest time for acceptance of, and payment for the Rights Shares and payment and for application and payment for excess Rights Shares	4:00 p.m., Monday, 31 May
Rights Issue expected to become unconditional	4:00 p.m., Tuesday, 1 June
Announcement of results of acceptance of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Monday, 7 June
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Tuesday, 8 June
Certificates for fully-paid Rights Shares and refund cheques (if any) expected to be despatched	Tuesday, 8 June
First day of dealings in the fully-paid Rights Shares	Wednesday, 9 June

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

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

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Monday, 31 May 2021 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning or Extreme Conditions in force in Hong Kong, if such circumstances is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead;

EXPECTED TIMETABLE

- (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 (including but not limited to the Latest Time for Termination) above may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

TERMINATION OF THE UNDERWRITING AGREEMENT

If, at any time prior to the Latest Time for Termination there occurs:

- (a) any of the following which, in the reasonable opinion of the Underwriter, will or is likely to materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudices the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
 - (ii) the occurrence, happening, coming into effect or becoming public knowledge of (1) 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 of the Underwriting Agreement) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (2) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (3) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange for more than ten consecutive Business Days (other than pending publication of the Announcement or any other document relating to the Rights Issue); (4) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authority or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; or (5) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof; or
- (b) any change in the circumstances of the Company or any member of the Group occurs which in the reasonable opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (c) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, outbreak of an infectious disease (excluding the continuous outbreak of the COVID-19 pandemic), epidemic, terrorism, armed conflict, strike or lock-out; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (d) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not *ejusdem generis* with any of the foregoing,

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

If, at or prior to the Latest Time for Termination:

- (a) the Company commits any material breach of or omits to materially observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement, where, in the reasonable opinion of the Underwriter, such breach or omission will or is likely to have a material and adverse effect on its business, financial or trading prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (b) the Underwriter shall receive notification of, or shall otherwise become aware of, the fact that any of the representations, warranties or undertakings was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated, and the Underwriter shall, in its reasonable discretion, determine that any such untrue representation, warranty or undertaking represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (c) the Company's application to the Listing Committee of the Stock Exchange for the permission for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange; or
- (d) any condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused; or
- (e) any statement contained in the Announcement or any Prospectus Document has been shown to be untrue, inaccurate, incomplete in any material respect or misleading with reference to the date on which such statement was made; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (f) the Company shall, after any event occurring or matter arising on or after the date of 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 any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled (but not bound) by notice in writing issued by it to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement and rescind the Underwriting Agreement. Any such notice shall only be served by the Underwriter prior to the Latest Time for Termination.

Upon the giving of notice referred to above, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, but without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

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

The Underwriter has confirmed that the outbreak of an infectious disease as referred to in the Underwriting Agreement does not include the continuous outbreak of the COVID-19 pandemic.



GOLDEN POWER GROUP HOLDINGS LIMITED

金力集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3919)

Executive Directors:

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

Registered Office:

Windward 3, Regatta Office Park
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

14 May 2021

*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 9 April 2021, the Board announced that the Company proposes to raise approximately HK\$39.6 million, before expenses, by issuing 120,000,000 Rights Shares by way of rights issue at the Subscription Price of HK\$0.33 per Rights Share, on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. Qualifying Shareholders will be entitled to apply for additional Rights Shares in excess of their respective entitlements under the Rights Issue through excess application. The Rights Issue is not available to the Non-Qualifying Shareholders.

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

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	:	HK\$0.33 per Rights Share
Number of Shares in issue as at the date of this Prospectus	:	240,000,000 Shares
Number of Rights Shares	:	120,000,000 Rights Shares
Number of Shares in issue immediately upon completion of the Rights Issue	:	360,000,000 Shares
Amount to be raised by the Rights Issue before expenses	:	Approximately HK\$39.6 million
Underwriter	:	Raffaello Securities (HK) Ltd.

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 120,000,000 Rights Shares to be issued and allotted pursuant to the Rights Issue (i) represent 50% of the existing issue share capital of the Company; and (ii) approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price is HK\$0.33 per Rights Share, payable in full when a Qualifying Shareholder accepts his/her/its provisional allotment under the Rights Issue or application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 21.4% to the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 20.7% to the average closing price of approximately HK\$0.416 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 19.6% to the average closing price of approximately HK\$0.4105 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 15.4% to the theoretical ex-rights price of approximately HK\$0.39 per Share based on the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a discount of approximately 70.9% to the audited consolidated net assets value per Share of approximately HK\$1.134 based on the published audited equity attributable to owners of the Company of approximately HK\$272,091,000 as at 31 December 2020 as extracted from the annual report of the Company for the year ended 31 December 2020 divided by the number of the issued share capital of the Company of 240,000,000 Shares as at the Latest Practicable Date; and
- (f) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 7.1% of the theoretical diluted price of HK\$0.39 per Share to the benchmarked price of HK\$0.42 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.42 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days immediately prior to the Last Trading Day of approximately HK\$0.415 per Share).

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

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

- (a) in order to enhance the attractiveness of the Rights Issue, issuance of new shares by way of rights issue at a discount to the then market price has been commonly adopted by listed issuers in Hong Kong to encourage existing shareholders to take up their entitlements so as to participate in the potential growth of the listed issuers in the future;
- (b) the discount of the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on the Last Trading Day to the audited consolidated net assets value per share as at 31 December 2020 is approximately 63.0%, since the Shares have been continuously traded at a substantial discount to the audited consolidated net assets value per Share in the Stock Exchange and in view of the amount of the intended funding needs, the financial conditions of the Group, current market conditions, the market price of the Shares prior to and including the Last Trading Day, the Subscription Price representing a further discount of approximately 7.9% with reference to the net assets value per Share is reasonable and enhances the attractiveness of the Rights Issue;

LETTER FROM THE BOARD

- (c) as all Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Board considers that the discount of the Subscription Price would encourage the Qualifying Shareholders to participate in the Rights Issue so as to maintain their pro rata shareholdings in the Company and participate in the future growth of the Group; and
- (d) in considering the expected funding needs as stated in section headed “Reasons for the Rights Issue and use of proceeds” in this Prospectus, the Group requires this fund-raising exercise in order to strengthen its competitiveness and capital base and improve its financial position.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.30.

Conditions of the Rights Issue

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

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

The Company shall use all reasonable endeavours to procure the fulfilment or waiver (as the case may be) of all the above conditions precedent by the Latest Time for Termination or such other 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 precedent set out in paragraph (e) above. Save and except the condition precedent set out in paragraph (e) above, the other conditions precedent are incapable of being waived. If the conditions precedent set out in paragraphs (a) to (e) above are not satisfied

LETTER FROM THE BOARD

and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate (save and except the provisions regarding fees, notices and governing law and jurisdiction which shall remain in full force and effect) and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

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

Basis of provisional allotment

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

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 (i) be registered as a member of the Company on the Record Date and (ii) have an address in Hong Kong as his address on the register of members of the Company on the Record Date.

Non-Qualifying Shareholders

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

Application for excess Rights Shares

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

- (a) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholder(s) (if any);
- (b) any unsold Rights Shares created by aggregating fractions of the Rights Shares;
and

LETTER FROM THE BOARD

- (c) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renounees or transferees of nil-paid Rights Shares.

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

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

- (a) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them as far as practicable on a pro-rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (b) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (c) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (d) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any Controlling Shareholder or its associates (the “**Relevant Shareholders**”), whether in their own names or through nominees.

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

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

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company (the “**Registered Nominee**”) as a single Shareholder under the aforesaid arrangement in relation to the allocation of excess

LETTER FROM THE BOARD

Rights Shares. Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to the Record Date.

Investors whose Shares are held by a Registered Nominee and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar, namely Tricor Investor Services Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 6 May 2021. The register of members of the Company would be closed from Friday, 7 May 2021 to Thursday, 13 May 2021, both dates inclusive.

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

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Monday, 31 May 2021. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Golden Power Group Holdings Limited — Excess Application Account**" and crossed "Account Payee Only".

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Tuesday, 8 June 2021. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies is also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his own risk by the Registrar on or before Tuesday, 8 June 2021.

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

LETTER FROM THE BOARD

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

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" above is not fulfilled, and/or not waived (where applicable) at or before 4:00 p.m. on Tuesday, 1 June 2021 (or such later time and date as may be agreed between the Company and the Underwriter), the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 8 June 2021.

Fractions of the Rights Shares

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

LETTER FROM THE BOARD

Share certificates and refund cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for and paid for the Rights Shares on or before Tuesday, 8 June 2021 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 Tuesday, 8 June 2021 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 Monday, 31 May 2021 (or, under bad weather conditions, such later date as mentioned in the paragraph “Effect of bad weather on the Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares” in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Golden Power Group Holdings Limited — Rights Issue Account**” and crossed “Account Payee Only”.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Monday, 31 May 2021, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or transfer part of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 21 May 2021 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

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

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

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

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

No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the laws and regulations of all relevant territories and jurisdictions,

LETTER FROM THE BOARD

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.

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 Tuesday, 8 June 2021.

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.

LETTER FROM THE BOARD

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 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

Mr. Chu has given an irrevocable undertaking in favour of the Company to subscribe or procure his controlled corporation to subscribe for 43,600,000 Rights Shares, which will be provisionally allotted to Golden Villa under the Rights Issue.

The Underwriting Agreement

Date	:	9 April 2021 (after trading hours)
Issuer	:	The Company
Underwriter	:	Raffaello Securities (HK) Ltd.
Number of Underwritten Shares	:	76,400,000 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	:	HK\$2.8 million, representing an underwriting commission at the rate of approximately 7.07% of the total Subscription Price of the Rights Shares

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owner, who is Mr. Tsang Kin Hung, 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.

LETTER FROM THE BOARD

The said commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to the existing financial position and the funding needs of the Group, the size of the Rights Issue, the recent closing price of the Shares and the current and expected market condition. As at the Latest Practicable Date, the controlling shareholder, Mr. Chu, through Golden Villa, owned 140,000,000 Shares, representing approximately 58.3% of the issued share capital of the Company. Golden Villa would therefore be entitled to subscribe 70,000,000 Rights Shares. According to the Irrevocable Undertaking, Mr. Chu undertook and undertook to procure his controlled corporation to subscribe for 43,600,000, leaving 24,400,000 Rights Shares open for subscription by other Shareholders by way of excess application. The Company had taken into account of the rate of underwriting commission paid in the rights issue cases conducted since 1 January 2020 up to the date of the Underwriting Agreement ranging from 1% to 5.5%, the rate of which was calculated on the basis of the total subscription price of the rights shares. The said range of underwriting commission of 1% to 5.5% (calculated on the basis of the total subscription price of the rights shares) was obtained with reference to the rights issue cases conducted since 1 January 2020 up to the date of the Underwriting Agreement published on the website of the Stock Exchange, and the Directors considered that the said range represents a fair and representative view of the recent market conditions as to the rate of underwriting commission in rights issue cases. The Directors noted that the terms of the underwriting agreements in the precedent cases of rights issues done in recent months depend on various factors, such as prevailing market sentiment, different historical share price performance and liquidity, and the different profile and industry of each company. When negotiating the underwriting commission with the Underwriter, the following factors such as recent market volatility, the historical trading volume of the Shares, the discount of the Subscription Price of the Rights Share, the size of the Rights Issue, the continuous outbreak of COVID-19 pandemic and the size of the commitment made by the Controlling Shareholder by way of giving the Irrevocable Undertaking, are considered.

In particular, the Directors considered the underwriting commission being higher than the prevailing market rate is justifiable due to:

- (i) the Controlling Shareholder giving the Irrevocable Undertaking falling short of approximately 24,400,000 Rights Shares out of his entitlement, in which case the Underwriter may be called upon to underwrite the untaken Rights Shares;
- (ii) the relatively conservative market sentiment that the rights issue cases completed in the recent month prior to the date of the Underwriting Agreement that out of the three completed rights issue cases, two of them were under-subscribed, one of them was fully-subscribed and none of them were over-subscribed by the shareholders, whether by their own entitlement or through excess applications;
- (iii) the historical trading volume of the Shares in the Stock Exchange in the recent months on the Stock Exchange was not high; and
- (iv) the credentials of the Underwriter acting as the underwriter in other rights issue cases which were under-subscribed by their shareholders demonstrating that the Underwriter would proceed with the underwriting and being able to introduce institutional investors to subscribed for the untaken Rights Shares.

LETTER FROM THE BOARD

In addition, in respect of the basis of calculation of the underwriting commission on the total subscription price of the Rights Shares, the Company has taken into account the following matters: (i) other than the Underwriter, the Company has contacted four other securities houses to obtain the quotations on the underwriting arrangement in respect of the Rights Issue. The Company received two quotations of underwriting commission of 8% on the basis of the total subscription price of the Rights Shares from two separate securities house and the others two were not interested in acting as the underwriter of the case. Therefore, the rate of the underwriting commission offered by the Underwriter was the lowest among the quotations obtained by the Company; and (ii) the Company noted from recent a rights issue conducted by another listed company also adopted the same basis in calculating the underwriting commission. Given the above and that the Underwriter is an independent third party of the Company and the Company not having better alternatives offered by other securities houses, the Directors considered that the rate of the underwriting commission is the best offer which could be reasonably obtained by the Company, and the basis on calculating the same are fair and reasonable. It was also reasonable to set the underwriting commission at the amount of HK\$2.8 million to incentivise the Underwriter for underwriting the remaining 76,400,000 Rights Shares, representing approximately 63.67% of the Rights Shares, under the prevailing market sentiment. The Company is further of the view that although underwriting is no longer a mandatory requirement under the Listing Rules, the underwriting arrangement for the Rights Issue would be beneficial to the Company by guaranteeing the size of the issue and providing certainty as to the size of the capital being raised in this Rights Issue exercise, which is in the interest of the Company and the Shareholders as a whole.

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

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

The Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under the Underwriting Agreement.

LETTER FROM THE BOARD

The Underwriter has undertaken to Company that, among other things, other than the transactions contemplated under the Underwriting Agreement and as disclosed (or will be disclosed) in the Announcement and/or the Prospectus Documents, save with the prior consent of the Company, the Underwriter or any of its associates will not deal in the Shares or other securities of the Company from the date of the Underwriting Agreement to the completion of the Rights Issue, provided that the Underwriter may, before completion of the Rights Issue, enter into agreement with any other person(s) in respect of (a) the 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 paragraph headed “Rights Issue — Conditions of the Rights Issue” above.

Termination of the Underwriting Agreement

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

SHAREHOLDING STRUCTURE OF THE COMPANY

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

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders (other than the subscription of the Undertaken Shares) (Note 1)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Mr. Chu and his controlled corporations (Note 2)	140,000,000	58.3	183,600,000	51.0	183,600,000	51.0
Underwriter (Note 3)	—	—	—	—	76,400,000	21.2
Public Shareholders	<u>100,000,000</u>	<u>41.7</u>	<u>176,400,000</u>	<u>49.0</u>	<u>100,000,000</u>	<u>27.8</u>
Total	<u>240,000,000</u>	<u>100</u>	<u>360,000,000</u>	<u>100</u>	<u>360,000,000</u>	<u>100</u>

LETTER FROM THE BOARD

Notes:

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

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

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

The Company is seeking to conduct the Rights Issue to repay some of its outstanding banking facilities, upgrading its equipment and machines, 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.

LETTER FROM THE BOARD

The gross proceeds from the Rights Issue will be approximately HK\$39.6 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\$35.5 million. The Company intends to use the net proceeds from the Rights Issue as to (i) approximately HK\$20.0 million, representing approximately 56.3% of the net proceeds, for fully repaying certain bank facilities (the “**Relevant Loans**”); (ii) approximately HK\$11.9 million, representing approximately 33.5% of the net proceeds, for upgrading its equipment and machines to produce mercury-free, cadmium-free and lead-free disposable cylindrical batteries; and (iii) the balance of HK\$3.6 million, representing 10.2% of the net proceeds, as general working capital of the Group.

The Relevant Loans will be due within six to nine months from the date hereof, with interest rates ranging from 1.58% per annum to 5.94% 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\$11.9 million of the net proceeds from the Rights Issue, the Company plans to apply the amount for upgrading its equipment and machines to produce mercury-free, cadmium-free and lead-free disposable cylindrical batteries. In light of the tightened policies and regulations in the European Union and the PRC, the demand in international battery markets for hazardous substance-free batteries has been evolving. In response to the market trend towards a higher standard of environmental protection, the Group has developed hazardous substance-free batteries which are mercury-free, cadmium-free and lead-free, and the Group intends to continue its strategy of investing in production facilities and automation to increase cost efficiency and productivity in developing hazardous substance-free batteries in order to capture the business opportunities.

The remaining balance of HK\$3.6 million of the net proceeds from the Rights Issue will be set aside as general working capital of the Group.

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

	Estimated time for utilisation by	
	31 December 2021	31 March 2022
(i) Fully repaying certain bank facilities	20,000,000	—
(ii) Upgrading equipment and machines	8,778,000	3,100,000
(iii) General working capital	<u>2,400,000</u>	<u>1,200,000</u>
	<u>31,178,000</u>	<u>4,300,000</u>

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\$0.30.

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

The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has from time to time approached banks and other financial institutions to obtain quotes and offers of banking facilities and borrowings. The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Although the Group has been approaching banks for renewing existing facilities and for maintaining a line of credit in the ordinary course of business, the Company considers that raising funds by way of debt financing is not desirable because of the increasing bank interest rate and the fact that the Group has utilised substantially all of its assets as collaterals to secure banking facilities. From the latest published audited financial results of the Company, the gearing ratio for the year ended 31 December 2020 was 0.76. The gearing ratio was considered high and further fund-raising exercise through debt financing would further increase the finance cost and expose the Company to greater financial risks, which in turn would drive down the profitability of the Company. In addition, debt financing may not be achievable on favourable terms in a timely manner. On the other hand, placing will inevitably dilute the shareholding of current shareholders. The Board considers that the Rights Issue would not worsen the Group's gearing ratio and would not dilute the existing shareholdings of the shareholders but would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

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

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this Prospectus, Golden Villa owns 140,000,000, representing 58.3% of the issued share capital of the Company and is one of the Controlling Shareholders of the Company. Therefore, Golden Villa is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. According to Rule 14A.92(1) of the Listing Rules, the issue of the Rights Shares to Golden Villa as its pro rata entitlement under the Rights Issue constitutes an exempt connected transaction of the Company.

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

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

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

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Wednesday, 5 May 2021. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 18 May 2021 to Wednesday, 26 May 2021 (both dates inclusive).

Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the Shares and any dealings in the Rights Shares in their nil-paid form from Tuesday, 18 May 2021 to Wednesday, 26 May 2021 (both dates inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

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

ADDITIONAL INFORMATION

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

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

1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the years ended 31 December 2018, 31 December 2019 and 31 December 2020, including the notes thereto, have been published in:

- the annual report of the Company for the year ended 31 December 2018 published on 10 April 2019 (pages 68 to 132) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0410/ltn20190410005.pdf>

- the annual report of the Company for the year ended 31 December 2019 published on 16 April 2020 (pages 64 to 132) which could be accessed here:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0416/2020041600613.pdf>

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

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

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

2. STATEMENT OF INDEBTEDNESS

Borrowings

At the close of business on 31 March 2021, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group has total bank borrowings of approximately HK\$206.8 million comprising the following:

- (a) secured and guaranteed bank borrowings of approximately HK\$142.7 million; and
- (b) secured and guaranteed bank imports and other borrowings of approximately HK\$64.1 million.

These bank borrowings had interest rates ranging from 1.58% and 5.94%.

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

Lease liabilities

As at 31 March 2021, all lease liabilities of the Group amounting to approximately HK\$14.3 million are secured by motor vehicles owned by the Group and the refundable deposit.

Save as aforesaid or otherwise disclosed herein, and apart from intragroup liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 March 2021, the Group did not have any debt securities authorised or created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowings including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, other recognised lease liabilities or lease commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

Save as disclosed above, the Directors confirm that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 March 2021.

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 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

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

Revenue for the financial year ended 31 December 2020 has slightly increased by approximately 0.39% to approximately HK\$315.42 million from approximately HK\$314.20 million in the financial year ended 31 December 2019.

The volatility of the exchange rates of foreign currencies, rising interest rates, as well as escalating labour costs and the increase in metal and component prices in the PRC exerted pressure on the Group's profit margin. Through the cost control over the financial year ended 31 December 2020, the Company achieved an increase in the profit margin of the Group.

The outbreak of COVID-19 pandemic (the “**Pandemic**”), the volatility of the exchange rates of foreign currencies and commodity prices may continue to cause some uncertainties in the market.

Since the outbreak of the Pandemic in the PRC in January 2020, a number of provinces and municipalities in the PRC have taken emergency public health measures and various actions to prevent the spread of the Pandemic. The Company complied with the relevant requirements issued by the government of the PRC by suspending the operation of the production facilities of the Group in the PRC temporarily after the Chinese New Year in February 2020. In mid-February, the production facilities gradually resumed. The outbreak of the Pandemic is expected to affect the global economy and the general business activities of the Group in 2021.

The Group will continue its strategy of investing in production facilities and automation to increase cost efficiency and productivity. At the same time, efforts will be made on strengthening our brand promotion to tap into new markets, especially in the mercury free micro button cells included battery for Health Care Device and the Internet of Things (“**IoT**”).

Despite the challenging condition of the market, the Group has continued to strive for enhancing the efficiency of production of disposable batteries. We believe that the demand from the OEM customers for disposable batteries will grow steadily as the market demand for disposable batteries is generally increasing. The Group will also continue to improve the product performance, broadening our private label customer base, expanding our retail market and online platform business in 2021. The Group will also strive for expanding our product portfolio and upgrading the quality, reliability and durability of its products.

Going forward, the Group will continue to strengthen its competitiveness in the market by increasing our “Research and Development” inputs, which will in turn enhance its products quality and production technology and secure our long term success in the industry. A newly designed automatic production line has been acquired in 2018 for producing HAB has commenced production in the third quarter of 2020. It will improve the production efficiency and product quality to meet the Group's plan in future expansion for the Health Care device market.

The Group is developing products bearing its own brand “Golden Power” and other private label batteries to be used in the IoT devices. With newly acquired production lines commencing commercial production, the Group is ready to capture the rebound of demand over battery products brought by the recovery of global economy upon the gradual control of the Pandemic in 2021. While the management is prudently optimistic about the business outlook in 2021 and the general economic recovery, the Group will closely monitor the possible fluctuation of the interest rates and the exchange rates, increase in materials and labour costs and the change in market demand over battery products, in order for the Group to take timely and appropriate measures to minimise the possible negative impact which it may bring to the business of the Group.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS

	Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2020 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company after the completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 31 December 2020 <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company after the completion of the Rights Issue <i>HK\$'000</i> <i>(Note 4)</i>
Rights Issue of 120,000,000 Rights Shares to be issued at subscription price of HK\$0.33 per Rights Share	<u>271,905</u>	<u>35,500</u>	<u>307,405</u>	<u>1.13</u>	<u>0.85</u>

Notes:

- The unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2020 is based on the audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2020 of HK\$272,091,000, as extracted from the published annual report of the Company for the year ended 31 December 2020 after deducting intangible assets of approximately HK\$186,000.
- The estimated net proceeds from the Rights Issue are based on 120,000,000 Right Shares to be issued (in the proportion of one Rights Share for every two existing Shares held on the Record Date) at the subscription price of HK\$0.33 per Rights Share and after deduction of the underwriting fees and related expenses of approximately HK\$4.1 million.

	<i>HK\$'000</i>
Estimated net proceeds 120,000,000 Rights Shares* HK\$0.33 per Rights Share	39,600
Estimated underwriting fees and related expenses	<u>(4,100)</u>
	<u>35,500</u>

3. The unaudited consolidated net tangible assets per share attributable to the equity holders of the Company as at 31 December 2020 of HK\$1.13 was based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 31 December 2020 of HK\$271,905,000 and 240,000,000 Shares in issue as at 31 December 2020.

HK\$'000

Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company	271,905
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Number of shares	<u>240,000,000</u>
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Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share	<u>HK\$1.13</u>
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4. The unaudited pro forma adjusted consolidated net tangible assets per share is arrived after aggregating the unaudited consolidated net tangible assets of the Group of HK\$271,905,000 as at 31 December 2020 (Note 1) and the estimated net proceeds of HK\$35,500,000 from the Rights Issue (Note 2) and on the basis that 240,000,000 Shares were in issue as at 31 December 2020 and 120,000,000 Rights Shares were issued under the Rights Issue assuming the Rights Issue has been completed on 31 December 2020, but does not take into account of any Shares which may be issued upon the exercise of options granted under the Share Option Scheme or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate.

HK\$'000

Unaudited consolidated net tangible assets of the Group attributable Rights Issue	307,405
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Number of shares	<u>360,000,000</u>
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Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company per Share	<u>HK\$0.85</u>
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5. No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2020.

**REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED NET TANGIBLE
ASSETS OF THE GROUP**

The following is the text of the independent reporting accountants' assurance report dated 14 May 2021, prepared for the sole purpose of inclusion in this prospectus, received from independent reporting accountants, PKF Hong Kong Limited, in respect of the unaudited pro forma financial information of the Group.



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18 Whitfield Road
Causeway Bay
Hong Kong

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銅鑼灣
威非路18號
萬國寶通中心26樓

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF GOLDEN POWER GROUP HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Golden Power Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2020, 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 14 May 2021 (the "Prospectus"), in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-1 and II-2.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the Group's financial position as at 31 December 2020 as if the proposed rights issue had taken place at 31 December 2020. As part of this process, information about the Group's financial position as at 31 December 2020 has been extracted by the Directors from the published annual report for the Company for the year ended 31 December 2020.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

Our Independence and Quality Control

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

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

Reporting Accountant’s Responsibilities

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

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

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

The purpose of Unaudited Pro Forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 31 December 2020 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

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

PKF Hong Kong Limited
Certified Public Accountants
Hong Kong, 14 May 2021

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

(a) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares	<u>20,000,000</u>
<i>Issued and fully-paid or credited as fully paid:</i>		
<u>240,000,000</u>	Shares in issue	<u>2,400,000</u>

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

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares	<u>20,000,000</u>
<i>Issued and fully-paid:</i>		
240,000,000	Shares in issue	2,400,000
120,000,000	Rights Shares to be allotted and issued upon the completion of the Rights Issue	1,200,000
<u>360,000,000</u>	Shares in issue immediately after the completion of the Rights Issue	<u>3,600,000</u>

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

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

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

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

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

3. DISCLOSURE OF INTERESTS

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

Interests in the Company

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

Long positions in the Shares

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. Chu	Interest in a controlled corporation (<i>Note</i>)	140,000,000	58.3%
Ms. Chu Shuk Ching	Beneficial owner	2,000,000	0.8%

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

Long positions in the shares of the associated corporations

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

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

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

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

Long positions in the Shares

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Golden Villa (Note 1)	Beneficial owner	140,000,000	58.3%
Ms. Mo Yuk Ling (Note 2)	Beneficial owner	140,000,000	58.3%

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 the same number of shares in which Mr. Chu is interested.

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

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

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

(b) Competing interests

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

(c) Directors' interests in contracts and arrangements

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

(d) Directors' interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited consolidated accounts of the Company were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

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

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

Ms. Chu Shuk Ching

House No. 25, 26th Street
Hong Lok Yuen
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Mr. Tang Chi Him

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Block 3, Ma On Shan Centre
Ma On Shan, Shatin, New Territories
Hong Kong

Mr. Chu Ho Wa

House No. 16, 27th Street
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Independent non-executive Directors**Mr. Hui Kwok Wah**

Flat E, 2/F
Tower 2, Ayton
18 Inverness Road
Hong Kong

Mr. Ma Sai Yam

Flat B, 13/F, 10 Lai Wan Road
Mei Foo Sun Chuen
Kowloon
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Mr. Chow Chun Hin Leslie

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

The business address of Mr. Liang Tao, Ms. Chu Suk Man, Ms. Wong In San, Mr. Wong Kai Hung, Ms. Fung Ching Yee and Mr. 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	Windward 3, Regatta Office Park 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	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 Registrar	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Hong Kong branch registrar	Tricor Investor Services Limited Level 54, 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
Underwriter	Raffaello Securities (HK) Limited 7th Floor, Central 88 88-98 Des Voeux 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 Hong Kong Limited <i>Certified Public Accountants</i> 26/F, Citicorp Centre 18 Whitfield Road Causeway Bay Hong Kong

6. LITIGATION

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

7. MATERIAL CONTRACT

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

- (a) the Underwriting Agreement entered into between the Company and the Underwriter dated 9 April 2021 for underwriting arrangement in respect of 120,000,000 Rights Shares at an underwriting commission in the sum of HK\$2.8 million. Detailed particulars of the Underwriting Agreement have been set out in the paragraph headed “Underwriting arrangement and Undertaking” in the Letter from the Board of this Prospectus.

8. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Chu King Tien, aged 66, an executive Director and chairman of the Group, was appointed as a Director on 7 June 2012, the date of incorporation of the Company, and has been serving as the executive Director and chairman of the Company since 1 April 2013. He is responsible for the overall corporate development and strategic planning of the Group. Mr. Chu has extensive experience in the disposable battery industry and has been engaged in such business for over 45 years.

In January 1983, Mr. Chu became a director of Golden Power Industries Limited (“**Golden Power Industries**”), an indirect wholly-owned subsidiary of the Company, and has been holding the position since then. From May 1993 to April 2000, Mr. Chu had been the executive director of China Oil and Gas Group Limited, the holding company of Golden Power Industries at the time, which was listed on the Stock Exchange, and was mainly responsible for assisting in corporate planning, marketing and overall administration. In July 2003, Mr. Chu, together with an independent third party, acquired Golden Power Investments (B.V.I.) Limited and its subsidiaries through Golden Villa.

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

Ms. Chu Shuk Ching, aged 58, an executive Director and chief executive officer of the Company, was appointed as a Director on 7 June 2012, the date of incorporation of the Company, and has been serving as an executive Director and the chief executive officer of the Company since 1 April 2013. She is responsible for the overall management, administration and implementation of policy of the Group. Ms. Chu has been engaging in the disposable battery industry for over 33 years.

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

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

Mr. Tang Chi Him, aged 49, an executive Director, has been serving as an executive Director since 1 April 2013 and is also the general manager of the Group. He is mainly responsible for overseeing the overall management of the Group’s production facilities located in Dongguan and Jiangmen and administrating the manufacturing operations of the production facility in Dongguan and Jiangmen as well.

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

Mr. Chu Ho Wa, aged 36, 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 is currently the director of a subsidiary of the Company, namely Merchant Port Limited.

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

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

Independent Non-executive Directors

Mr. Hui Kwok Wah, aged 48, 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 23 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 57, 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 22 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 Main Board of the Stock Exchange, stock code: 865) since 25 October 2016.

Mr. Ma also has been an independent non-executive director of Artini Holdings Limited (a company listed on Main Board of the Stock Exchange, stock code: 789) since 13 February 2020.

Mr. Chow Chun Hin Leslie, aged 37, 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 14 years.

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

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

Senior Management

Mr. Liang Tao, aged 54, is currently the general manager of Goldtium Energy, an indirect wholly-owned subsidiary of the Company. He is responsible for overseeing all the production and quality control matters of the Group's production facility in Jiangmen as well as the management, PRC compliance and research and development of the Group.

Mr. Liang has over 25 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 61, 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 56, has been the general manager of Golden Power Corporation since 2018. She is responsible for managing the human resources and administration department to formulate and execute human resources management policies and procedures of the Group.

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

Mr. Wong Kai Hung, aged 56, has been the deputy general manager of Golden Power Corporation since 2008. He is responsible for planning, developing and implementing the strategic sales and marketing plans as well as leading and managing a team of salespersons of the Group.

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

Ms. Fung Ching Yee, aged 43, has been the deputy general manager of Golden Power Corporation. She is responsible for planning, developing and implementing the strategic sales and international marketing as well as leading and managing an international marketing team of salespersons of the Group.

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

Mr. Tse Kar Keung, aged 52, the financial controller and company secretary, joined the Group in March 2010. He is responsible for reviewing and supervising 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 and a fellow of the Hong Kong Institute of Certified Public Accountants since 2009 and 2016 respectively. Mr. Tse also obtained a master degree in science in professional accounting and corporate governance in the City University of Hong Kong in 2016. He has also been a member and a fellow of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in 2017 and 2018, respectively. He joined the Group in 2010 as a senior accounting manager and assistant to chairman of Golden Power Corporation.

9. 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 Hong Kong Limited	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 2020, being the date on which the latest published audited financial statements of the Group were made up, acquired or disposed of or leased to any member of the Group or were proposed to be acquired or disposed of or leased to any member of the Group.

10. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

As the Group receive most of its revenues in RMB, which is 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, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which are required to be registered with or approved by the competent bank or governmental authority according to applicable PRC laws and regulations, such registration or approval shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

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

11. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, translation, legal and accountancy charges and other related expenses, are estimated to amount to approximately HK\$3.3 million and are payable by the Company.

12. BINDING EFFECT

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

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

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

14. DOCUMENTS 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 Monday, 31 May 2021:

- (a) the memorandum of association and articles of association of the Company;
- (b) the material contract referred to the paragraph headed “7. Material Contract” in this appendix;
- (c) the annual reports of the Company for the years ended 31 December 2019 and 31 December 2020;
- (d) the letter from PKF Hong Kong Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (e) the letter of written consent referred to in the paragraph headed “9. Expert and consent” in this appendix; and
- (f) the Prospectus Documents.

15. MISCELLANEOUS

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