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## **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)**

## **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

### **FINANCIAL HIGHLIGHTS**

- The Group recorded a revenue of approximately HK\$317.76 million for the Year (2023: approximately HK\$270.28 million), representing an increase of approximately 17.57% as compared to that of the Last Year.
- Loss attributable to shareholders of the Company for the Year was approximately HK\$6.37 million (2023: approximately HK\$10.92 million). The reduction in loss attributable to shareholders of the Company was mainly attributable to the combined effects of (i) an increase in the gross profit of approximately HK\$8.71 million as compared to that of the Last Year due to an increase in revenue by approximately HK\$47.48 million; and (ii) an increase in rental income from investment properties held by the Group.
- The basic loss per share for the Year was HK(1.18) cents (2023: HK(2.26) cents).
- The Directors resolved not to recommend payment of any dividend for the Year (2023: Nil).

## RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Golden Power Group Holdings Limited (the “**Company**”) hereby announces the audited consolidated results (the “**Results**”) of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with the comparative audited figures for the year ended 31 December 2023 (the “**Last Year**”) as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	317,760	270,279
Cost of sales		<u>(238,307)</u>	<u>(199,532)</u>
Gross profit		79,453	70,747
Other revenue		4,084	3,767
Other gains and (losses)		(9,974)	(7,363)
Selling expenses		(21,277)	(17,094)
General and administrative expenses		<u>(50,761)</u>	<u>(50,632)</u>
Profit/(loss) from operations		1,525	(575)
Finance costs		<u>(7,210)</u>	<u>(7,736)</u>
Loss before income tax	4	(5,685)	(8,311)
Income tax	5	<u>(877)</u>	<u>(2,608)</u>
Loss for the year		<u><u>(6,562)</u></u>	<u><u>(10,919)</u></u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year		<u>(6,562)</u>	<u>(10,919)</u>
Other comprehensive loss for the year, net of tax:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		<u>(1,918)</u>	<u>(208)</u>
		<u>(1,918)</u>	<u>(208)</u>
Total comprehensive loss for the year		<u><u>(8,480)</u></u>	<u><u>(11,127)</u></u>
Loss for the year attributable to:			
Equity shareholders of the Company		<u>(6,372)</u>	<u>(10,919)</u>
Non-controlling interests		<u>(190)</u>	<u>—</u>
		<u><u>(6,562)</u></u>	<u><u>(10,919)</u></u>
Total comprehensive loss for the year attributable to:			
Equity shareholders of the Company		<u>(8,290)</u>	<u>(11,127)</u>
Non-controlling interests		<u>(190)</u>	<u>—</u>
		<u><u>(8,480)</u></u>	<u><u>(11,127)</u></u>
Loss per share (HK cents)			
— Basic	6	<u><u>(1.18)</u></u>	<u><u>(2.26)</u></u>
— Diluted	6	<u><u>N/A</u></u>	<u><u>N/A</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>352,404</b>	354,407
Investment properties		<b>87,000</b>	92,500
Intangible assets		<b>13,572</b>	3,590
Prepaid land lease payments		<b>3,366</b>	3,683
Right-of-use assets		<b>4,967</b>	2,752
Deposits paid for acquisition of property, plant and equipment		<b>17,119</b>	11,685
Pledged deposit		<b>2,800</b>	1,800
Deferred tax assets		<b>9,574</b>	10,774
		<b>490,802</b>	481,191
<b>CURRENT ASSETS</b>			
Inventories	<i>8</i>	<b>51,764</b>	49,962
Trade and bills receivables	<i>9</i>	<b>44,391</b>	37,522
Deposits, prepayments and other receivables	<i>10</i>	<b>32,312</b>	29,697
Income tax recoverable		<b>143</b>	453
Pledged time deposit		<b>5,160</b>	5,055
Cash and bank balances		<b>31,493</b>	28,671
		<b>165,263</b>	151,360
<b>DEDUCT:</b>			
<b>CURRENT LIABILITIES</b>			
Bank overdraft, secured		<b>4,129</b>	4,602
Trade payables	<i>11</i>	<b>129,994</b>	96,219
Other payables and accruals	<i>12</i>	<b>19,414</b>	21,684
Contract liabilities	<i>13</i>	<b>2,957</b>	2,421
Bank and other borrowings	<i>14</i>	<b>186,805</b>	182,421
Lease liabilities		<b>3,612</b>	932
Income tax payable		<b>19</b>	62
		<b>346,930</b>	308,341
<b>NET CURRENT LIABILITIES</b>		<b>(181,667)</b>	(156,981)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>309,135</b>	324,210

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***At 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	<b>2023</b> <i>HK\$'000</i>
<b>DEDUCT:</b>			
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	<i>14</i>	<b>15,552</b>	22,156
Lease liabilities		<b>1,314</b>	1,690
Deferred tax liabilities		<b>5,420</b>	5,525
		<u><b>22,286</b></u>	<u>29,371</u>
<b>NET ASSETS</b>		<u><b>286,849</b></u>	<u>294,839</u>
<b>REPRESENTING:</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>15</i>	<b>5,400</b>	5,400
Reserves		<b>281,149</b>	289,439
		<u><b>286,549</b></u>	<u>294,839</u>
Total equity attributable to equity shareholders of the Company		<b>286,549</b>	294,839
Non-controlling interests		<b>300</b>	—
		<u><b>286,849</b></u>	<u>294,839</u>
<b>TOTAL EQUITY</b>		<u><b>286,849</b></u>	<u>294,839</u>

## NOTES

### 1. CORPORATE INFORMATION

Golden Power Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 7 June 2012 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The registered office of the Company is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company’s headquarters and principal place of business in Hong Kong is located at Flat C, 20/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, New Territories, Hong Kong.

Pursuant to the reorganisation of the Company and its subsidiaries (together referred to as the “**Group**”) in connection with the listing of the shares (the “**Share(s)**”) of the Company on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”), the Company became the holding company of the Group on 25 September 2014 (the “**Reorganisation**”). Details of the Reorganisation were set out in the section headed “History, Development and Reorganisation — Reorganisation” of the prospectus of the Company dated 29 May 2015 (the “**Prospectus**”). The Shares were listed and traded on the GEM of the Stock Exchange on 5 June 2015 (the “**Listing Date**”). On 10 November 2017, the listing of shares of the Company was transferred from GEM to the Main Board of the Stock Exchange.

The principal activity of the Company is investment holding. The Group is principally engaged in the manufacture and sale of a broad range of batteries for various electronic devices to Hong Kong, the People’s Republic of China (“**the PRC**”) and international markets. The ultimate controlling party of the Group is Mr. Chu King Tien (“**Mr. Chu**” or the “**Controlling Shareholder**”).

In the opinion of the directors (“**Directors**”), Golden Villa Ltd. (“**Golden Villa**”), a company incorporated in the British Virgin Islands (“**BVI**”), is the immediate and ultimate holding company of the Company.

### 2. BASIS OF PREPARATION

#### (a) Compliance with Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations (“**HK(IFRIC)-Int**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

**(b) Initial application of HKFRSs**

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sales and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

**(c) HKFRSs in issue but not yet effective**

The following HKFRSs in issue at 31 December 2024 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1 January 2024:

Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvement to HKFRS Accounting Standards — Volume 11 <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19*	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate of Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> Effective for annual periods beginning on or after a date to be determined

\* HKFRS 19 is not applicable to listed issuers. It is a voluntary standard for eligible non-listed subsidiaries.

The Directors are in the process of assessing the potential impact of the new and amended HKFRSs but are not yet in a position to determine whether the new and amended HKFRSs will have material impact on the Group's performance and financial position and on the disclosures. The new and amended HKFRSs may result in changes to how the Group's performance and financial position are prepared and presented in the future.

**(d) Adoption of the going concern basis**

When preparing the consolidated financial statements, the Group's ability to continue as a going concern has been assessed. These consolidated financial statements have been prepared by the Directors on a going concern basis notwithstanding that the Group incurred a net loss of approximately HK\$6,562,000 for the year ended 31 December 2024 and at that date, the Group had net current liabilities of approximately HK\$181,667,000. The Directors are of the opinion that the Group will have sufficient funds to meet its financial obligations when they fall due in the foreseeable future taking into account the followings:

- (i) At 31 December 2024, the Group had unutilised banking facilities of approximately HK\$16,147,000;
- (ii) Subsequent to the end of the reporting period, the Group has successfully rolled over bank borrowings with an aggregate principal amount of approximately HK\$59,445,000 maturing on or before the date when the consolidated financial statements are authorised for issuance;
- (iii) Bank and other borrowings with carrying amount of approximately HK\$11,567,000 as at 31 December 2024 that are repayable more than one year after the end of the reporting period pursuant to the repayment schedule included in the loan agreements, with a repayment on demand clause, have been classified as current liabilities as at 31 December 2024 in accordance with Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (“**HK-Int 5**”). Taking into account the Group's financial position and the security provided to the banks, the Directors believe that they will not exercise its discretionary rights to demand immediate repayment. The Directors believe that the bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements;
- (iv) On 2 January 2025, the Group has obtained new revolving loan facilities with an aggregate principal amount of approximately HK\$47,754,000 which will be expired on 31 December 2034.
- (v) For the borrowings which will be maturing before 31 December 2025, the Group will actively negotiate with the banks before they fall due to secure their renewals so as to ensure the Group will have necessary funds to meet the Group's working capital and financial requirements in the future. The Directors do not expect to experience significant difficulties in renewing these borrowings upon their maturities and there is no indication that its bankers will not renew the existing facilities upon the Group's request. The Directors have evaluated the relevant facts available to them and are of the opinion that the Group would be able to renew such borrowings upon maturities;
- (vi) Given the Group maintained strong business relationship with its bankers and based on past experiences, the Directors expect that the Group is able to renew all the banking facilities when they expire; and
- (vii) The Group, from time to time, reviews the portfolio of investment properties and may adjust the investment strategies in order to enhance the cash flow position of the Group whenever it is necessary.



After taking into consideration of the above factors and funds expected to be generated internally from operations based on the Directors' estimation on the future cash flows of the Group, the Directors are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future and consider that it is appropriate for the consolidated financial statements to be prepared on a going concern basis because there is no material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

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

### 3. REVENUE AND SEGMENT INFORMATION

#### Revenue

Revenue represents the invoiced value of goods sold to external customers less discounts, rebates and returns, and net of value-added tax and surcharges.

(i) Disaggregation of revenue from contracts with customers by product categories is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from customers and recognised at a point in time</b>		
Sales of battery products:		
— Disposable batteries	313,460	266,703
— Rechargeable batteries	3,839	3,549
— Other battery-related products	461	27
	<u>317,760</u>	<u>270,279</u>

(ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date*

All the revenue from contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

#### Segment information

The Group's operating business are organised and managed separately according to the nature of products. Each segment representing a strategic business segment that offers different products in the market. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented two reportable segments, namely i) disposable batteries, and ii) rechargeable batteries and other battery-related products. No operating segments have been aggregated to form the above reportable segments.

For the purposes of assessing segment performance and allocating resources, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The measure used for reporting segment result is gross profit.

A measurement of segment assets and liabilities is not provided regularly to the Group's senior executive management and accordingly, no segment assets and liabilities information is presented.

Information regarding the Group's reportable segments for the years ended 31 December 2024 and 2023 is set out below:

**Segment revenue from external customers**

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Disposable batteries</b>		
(i) Cylindrical batteries		
— Alkaline	180,523	145,178
— Carbon	39,187	35,809
	<u>219,710</u>	<u>180,987</u>
(ii) Micro-button cells		
— Alkaline	66,531	57,341
— Other micro-button cells	27,219	28,375
	<u>93,750</u>	<u>85,716</u>
	<u>313,460</u>	<u>266,703</u>
<b>Rechargeable batteries and other battery-related products</b>		
(i) Rechargeable batteries	3,839	3,549
(ii) Other battery-related products	461	27
	<u>4,300</u>	<u>3,576</u>
	<u>317,760</u>	<u>270,279</u>

## Segment results

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Disposable batteries</b>		
(i) Cylindrical batteries		
— Alkaline	30,566	24,451
— Carbon	5,335	7,155
	<u>35,901</u>	<u>31,606</u>
(ii) Micro-button cells		
— Alkaline	24,639	20,914
— Other micro-button cells	17,253	16,944
	<u>41,892</u>	<u>37,858</u>
	<u>77,793</u>	<u>69,464</u>
<b>Rechargeable batteries and other battery-related products</b>		
(i) Rechargeable batteries	1,536	1,264
(ii) Other battery-related products	124	19
	<u>1,660</u>	<u>1,283</u>
	<u>79,453</u>	<u>70,747</u>

The reportable and operating segment results are reconciled to loss before income tax of the Group as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Segment results	79,453	70,747
Unallocated other revenue	4,084	3,767
Unallocated other gains and losses	(9,974)	(7,363)
Unallocated corporate expenses	(72,038)	(67,726)
Finance costs	(7,210)	(7,736)
Loss before income tax	<u>(5,685)</u>	<u>(8,311)</u>

Segment revenue represents sales to external parties. There are no inter-segment transactions during the years ended 31 December 2024 and 2023. Segment results represent the gross profit of each type of products. This is the measure reported to the senior executive management for the purposes of resource allocation and performance assessment.

## Other segment information

Amounts included in the measure of segment results are as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
<b>Depreciation and amortisation</b>		
Disposable batteries		
— Cylindrical batteries	7,154	6,783
— Micro-button cells	4,268	3,969
	<u>11,422</u>	<u>10,752</u>
Segment total	11,422	10,752
Unallocated depreciation and amortisation	5,037	5,354
	<u>16,459</u>	<u>16,106</u>
<b>Additions to non-current assets excluding deferred tax assets</b>	<u>48,537</u>	<u>33,957</u>
<b>Reversal of write-down of inventories</b>		
Disposable batteries		
— Cylindrical batteries	(775)	(170)
— Micro-button cells	(455)	(213)
	<u>(1,230)</u>	<u>(383)</u>
<b>Revenue from major customers</b>		
During the years ended 31 December 2024 and 2023, the revenue generated from the following customers accounted for over 10% of the Group's total revenue:		
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Customer A	28,686	41,210
Customer B	35,852	33,584
	<u>28,686</u>	<u>33,584</u>

## Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers and the geographical location of customers is based on the location at which the goods are delivered.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC	98,182	68,175
Hong Kong	25,184	25,581
Asia (except the PRC and Hong Kong)	53,341	59,149
Europe	65,048	44,455
Eastern Europe	22,537	18,797
North America	32,807	29,955
South America	14,048	7,252
Australia	4,998	16,699
Middle East	1,615	—
Africa	—	216
	<u>317,760</u>	<u>270,279</u>

The Group's non-current assets (excluding deferred tax assets) are located in the following regions:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC	314,082	305,743
Hong Kong	161,134	157,893
Macau	6,012	6,781
	<u>481,228</u>	<u>470,417</u>

The geographical location of the non-current assets is based on the physical location of the operation to which they are allocated.

#### 4. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(a) Finance costs:		
Bank loans interest	8,263	9,467
Interest on import and other loans	3,497	3,264
Interest on lease liabilities	236	161
Bank overdraft interest	27	64
	<u>12,023</u>	<u>12,956</u>
Total interest expense	12,023	12,956
Less: interest expense capitalised into property, plant and equipment ( <i>Note a</i> )	<u>(4,813)</u>	<u>(5,220)</u>
	<u>7,210</u>	<u>7,736</u>
(b) Staff cost (excluding Directors' emoluments):		
Salaries, wages and other allowances	24,884	27,931
Contributions to defined contribution plans	3,220	3,728
	<u>28,104</u>	<u>31,659</u>
(c) Other items:		
Amortisation of intangible assets	507	73
Amortisation of prepaid lease payments	201	204
Auditors' remuneration		
— Audit services	737	724
— Non-audit services	54	184
Bad debt on trade receivables written off	—	999
Cost of inventories recognised as expenses	238,307	199,532
Depreciation		
— Property, plant and equipment	12,019	11,634
— Right-of-use assets	3,732	4,195
Loss/(gain) on disposals of property, plant and equipment:		
— Proceeds from disposals of property, plant and equipment	(545)	(8)
— Carrying amount of property, plant and equipment	731	—
	186	(8)
Reversal of write-down of inventories	(1,230)	(383)
Short-term lease expenses	11	9
Rental income less outgoings of approximately HK\$446,000 (2023: approximately HK\$717,000)	<u>(1,893)</u>	<u>(692)</u>

*Note:*

- (a) The borrowing costs have been capitalised at a rate of 5.54% and 5.60% per annum for the years ended 31 December 2024 and 2023 respectively.

## 5. INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax — Hong Kong profits tax:		
Provision for the year	22	149
(Over)/under provision in prior years	(3)	305
Current tax — PRC enterprise income tax (“EIT”):		
Provision for the year	—	—
	19	454
Deferred taxation:		
Current year	858	2,154
Income tax expense	<u>877</u>	<u>2,608</u>

The Company and its subsidiaries incorporated in the Cayman Islands and BVI are not subject to any income tax pursuant to local rules and regulations.

Pursuant to Hong Kong and PRC rules and regulations, the Group entities incorporated in Hong Kong and the PRC are subject to Hong Kong profits tax at 16.5% and EIT at 25% on the estimated assessable profits respectively except for one Hong Kong subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rate regime and all PRC subsidiaries of the Group are subject to a preferential tax rate as mentioned below.

For the aforesaid Hong Kong subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong profits tax for this subsidiary was calculated at the same basis in 2023.

The provision for Hong Kong Profits Tax for 2023 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2023/2024 subject to a maximum reduction of HK\$3,000 for each business.

Pursuant to the approval document issued by the Ministry of Science and Technology in Guangdong Province on 1 December 2020 and 28 December 2023 respectively, Goldtium (Jiangmen) Energy Products Company Limited (“**Goldtium Jiangmen**”) was recognised as a High and New Technology Enterprise and was entitled to a preferential EIT rate at 15% for three years commencing from the date of issuance.

Pursuant to the approval document issued by the Ministry of Science and Technology in Guangdong Province on 20 December 2021 and 19 November 2024 respectively, Dongguan Victory Battery Industries Company Limited (“**Dongguan Victory**”) was recognised as a High and New Technology Enterprise and was entitled to a preferential EIT rate at 15% for three years commencing from the date of issuance.

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss before income tax	<u>(5,685)</u>	<u>(8,311)</u>
Tax effect at the Hong Kong profits tax rate of 16.5% (2023: 16.5%)	(938)	(1,371)
Tax effect of non-taxable income	(217)	(35)
Tax effect of non-deductible expenses	1,597	2,124
Tax effect of unrecognised tax losses	817	1,766
Tax effect of utilisation of tax losses previously not recognised	(337)	—
(Over)/under provision in prior years	(3)	305
Tax rate differential	<u>(42)</u>	<u>(181)</u>
Income tax expense	<u>877</u>	<u>2,608</u>

## 6. LOSS PER SHARE

The calculation of the basic loss per Share attributable to the equity holders of the Company is based on the following data:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year attributable to the equity holders of the Company	<u>(6,372)</u>	<u>(10,919)</u>
	'000	'000
Weighted average number of shares for the purpose of calculating basic loss per Share	<u>540,000</u>	<u>483,332</u>

Diluted loss per Share has not been disclosed as no dilutive potential equity shares has been in existence for the years ended 31 December 2024 and 2023, respectively.

The weighted average number of shares for the year ended 31 December 2023 for the purpose of the calculation of basic earnings per Share has been adjusted after taking into account of the rights issue on the basis of one right Share for every two existing Shares held on the record date, which was completed on 28 April 2023 (“Rights Issue”).

## 7. DIVIDENDS

No dividends declared and paid or payable for the years ended 31 December 2024 and 2023.



## 8. INVENTORIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Raw materials	13,275	9,632
Work in progress	26,442	29,826
Finished goods	<u>12,743</u>	<u>12,466</u>
	52,460	51,924
Less: Write-down of inventories	<u>(696)</u>	<u>(1,962)</u>
	<u><u>51,764</u></u>	<u><u>49,962</u></u>

Movements of write-down of inventories are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	1,962	2,385
Reversal of write-down of inventories for the year	(1,230)	(383)
Exchange adjustments	<u>(36)</u>	<u>(40)</u>
At 31 December	<u><u>696</u></u>	<u><u>1,962</u></u>

The reversal of write-down of inventories was recognised as a reduction in the amount of inventories recognised as an expense, occurring as the related inventories were sold during the year.

## 9. TRADE AND BILLS RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	43,175	36,102
Bills receivables	<u>1,216</u>	<u>1,420</u>
	<u><u>44,391</u></u>	<u><u>37,522</u></u>

The Group normally allows credit terms to well-established customers ranging from 30 to 120 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors of the Group.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	19,825	20,803
31–60 days	17,394	11,640
61–90 days	4,098	2,380
91–120 days	1,246	1,291
Over 120 days	1,828	1,408
	<u>44,391</u>	<u>37,522</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for trade receivables.

#### 10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Utilities and other deposits	20,809	14,441
Prepayments	11,873	10,772
Other receivables	2,103	3,023
VAT recoverable	17,446	14,946
	<u>52,231</u>	<u>43,182</u>
Less: Non-current portion		
— Deposits paid for acquisition of property, plant and equipment	(17,119)	(11,685)
— Pledged deposit ( <i>Note</i> )	(2,800)	(1,800)
	<u>(19,919)</u>	<u>(13,485)</u>
Current portion	<u>32,312</u>	<u>29,697</u>

*Note:* The amount represents deposit pledged to financial institution to secure other borrowing granted to the Group (*Note* 14).

## 11. TRADE PAYABLES

An ageing analysis of trade payables, based on the date of receipt of goods purchased, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	37,016	24,252
31–90 days	29,943	27,720
91–180 days	43,784	33,214
Over 180 days	19,251	11,033
	<u>129,994</u>	<u>96,219</u>

## 12. OTHER PAYABLES AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other payables	2,282	2,706
Payables to acquire property, plant and equipment	12,005	13,960
Accruals	4,781	4,672
Provision for annual leave	346	346
	<u>19,414</u>	<u>21,684</u>

## 13. CONTRACT LIABILITIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	2,421	2,243
Decrease as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(1,762)	(1,685)
Increase as a result of billing in advance	2,306	1,867
Exchange adjustments	(8)	(4)
At 31 December	<u>2,957</u>	<u>2,421</u>

When the Group receives advance payment from customer, this will give rise to contract liabilities at the start of a contract, until the revenue recognised upon the satisfaction of the performance obligation.

#### 14. BANK AND OTHER BORROWINGS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Secured bank loans	111,781	160,705
Secured bank import loans and other loans	<u>90,576</u>	<u>43,872</u>
Total secured bank and other loans	<b>202,357</b>	204,577
Less: Amount classified as current liabilities	<u>(186,805)</u>	<u>(182,421)</u>
Amount classified as non-current liabilities	<u><b>15,552</b></u>	<u>22,156</u>
The carrying amounts of the above borrowings are repayable*:		
Within one year	175,238	173,879
Within a period of more than one year but not exceeding two years	13,445	15,643
Within a period of more than two years but not exceeding five years	9,025	15,055
Within a period of more than five years	<u>4,649</u>	<u>—</u>
	<b>202,357</b>	204,577
Less: The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities)	<u>186,805</u>	<u>182,421</u>
Amount shown under non-current liabilities	<u><b>15,552</b></u>	<u>22,156</u>

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

*Notes:*

(a) The Group had the following banking facilities:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Total banking facilities granted	<b>222,633</b>	236,008
Less: banking facilities utilised by the Group	<b><u>(206,486)</u></b>	<u>(209,179)</u>
Unutilised banking facilities	<b><u>16,147</u></b>	<u>26,829</u>

At 31 December 2024, these banking facilities were secured by:

- (i) bank loans of approximately HK\$66,961,000 (2023: HK\$68,612,000) were guaranteed by unlimited cross corporate guarantee executed by the Company and its subsidiaries;
  - (ii) bank loans of approximately HK\$135,396,000 (2023: HK\$135,965,000) were guaranteed by corporate guarantee of approximately HK\$397,833,000 (2023: HK\$392,776,000) executed by the Company;
  - (iii) certain property, plant and machinery, all investment properties and all prepaid land lease payments situated in Hong Kong, the PRC and Macau owned by the Group with aggregate carrying amount of HK\$124,427,000 (2023: HK\$133,485,000); and
  - (iv) pledged deposit of HK\$2,800,000 (2023: HK\$1,800,000) and pledged time deposit of HK\$5,160,000 (2023: HK\$5,055,000).
- (b) There was no financial covenant for the banking facilities at 31 December 2024 and 2023.

**15. CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY**

**Share capital**

Details of the share capital of the Company are set out below:

	2024		2023	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each	<u>20,000,000</u>	<u>20,000</u>	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:				
At beginning of year	<u>540,000,000</u>	<u>5,400</u>	360,000,000	3,600
Issue of shares ( <i>Note</i> )	<u>—</u>	<u>—</u>	<u>180,000,000</u>	<u>1,800</u>
At end of year	<u>540,000,000</u>	<u>5,400</u>	<u>540,000,000</u>	<u>5,400</u>

*Note:* On 16 March 2023, the Company announced that it proposed to raise approximately HK\$19.80 million, before share issue expenses of HK\$1,201,000, by issuing 180,000,000 rights shares (the “Rights Shares”) by way of Rights Issue at the subscription price of HK\$0.11 per Rights Share, on the basis of one Rights Share for every two existing Shares held on the record date. Completion of the Rights Issue took place on 28 April 2023, where an aggregate of 180,000,000 Rights Shares, representing approximately 33.33% of the issued share capital of the Company (as enlarged by the allotment and issue of the Rights Shares), were issued. The aggregate nominal amount of the Rights Shares is HK\$1,800,000.

## OVERVIEW OF THE GROUP'S RESULTS

Revenue for the Year increased by approximately 17.57% to approximately HK\$317.76 million from approximately HK\$270.28 million in the financial year ended 31 December 2023 (the “**Last Year**”). Loss attributable to the shareholders of the Company was approximately HK\$6.37 million for the Year as compared to a loss of approximately HK\$10.92 million in the Last Year. Loss per share was HK1.18 cents, as compared to the loss per share of HK2.26 cents for the Last Year.

## REVIEW AND OUTLOOK

The volatility of the exchange rates of foreign currencies, high interest rates, and the fluctuations of commodity prices in the People's Republic of China (the “**PRC**”) and internationally exerted pressure on the Group's gross profit margin during the Year. Yet, through effective cost control and improving production automation throughout the Year, the Group was able to maintain its gross profit margin during the Year.

The year of 2024 continued to be a challenging year for the Group. However, the economy recovery of PRC and Hong Kong market was moderate, which put positive impact on PRC, European and American markets. Customers gradually adapted to the on-going military hostilities East Europe and Middle East and the import tariff levied in the American market during the year. Market sentiment was improving and customers tended to restock gradually in the PRC, European and American markets during the Year. The fluctuation of exchange rates, material price, and cost of delivery of the goods were still factors which all affected the confidence and buying power of customers.

During 2024, volatility of the exchange rates of foreign currencies and high inflation rates as a “New Normal” became a global consensus, especially in European and PRC markets, which resulted in constraint of economic growths in European and PRC markets. With interest rates hike since 2023, the Group also faced an increase in interest expense.

The Group kept focusing on developing batteries for health-caring and medical facilities markets to maintain the sustainability and potential growth of the conventional batteries business. To fulfill the Environmental, Social and Governance (ESG) responsibility, the Group will continue to minimise the carbon emissions, water and energy consumption to the business.

As a future outlook of 2025, the U.S. administration transition and the implementation of new policies may lead to uncertainties in tariffs, interest rate and international currency exchange rate fluctuations which may depress the consumption demand over the world. The Group will continue to improve its financial performance by tightening cost control and enhancing production efficiency. As such, the Group will continue its strategy of investing in production facilities and automation to increase cost efficiency and productivity.

The Board will focus on taking appropriate actions to minimise the negative impact brought by the said unfavourable factors.

During 2024, due to the increasing number of inquiries from customers in the batteries for medical facilities market in China, the Group will continue to strengthen its marketing efforts and collaborate with various customers on product development to capture the potential growth of business. It is expected that Group's turnover from health-care and medical facilities markets will have a positive prospect.

The Group realised cost-saving in production by implementing new automatic production facilities. In the long run, by saving the production costs, the Group will be allowed to allocate more resources to enhance the Group's research and development capability and to develop the new variety of products, which will contribute to the expansion of the Group's business and ensure the sustainability of the Group.

In 2025, the Group will continue to streamline its operation structure in the PRC to maintain its competitiveness. The Group will continue to implement restructuring of the subsidiaries to achieve cost control over the cost of sales. The synergy effect is expected to bring better efficiency and save costs as a whole to the Group.

Despite the challenging condition of the market in 2024, the Group has continued to strive for enhancing the production efficiency of disposable batteries. The Group believes that the demand from the Group's OEM customers for disposable batteries will grow steadily as the market demand for disposable batteries is generally increasing. The Group will also continue to improve the product performance, broadening its private label customer base, and expanding its retail market in 2025. The Group will also strive for expanding its product portfolio and upgrading the quality, reliability and durability of its products.



## **FUTURE DEVELOPMENT**

Going forward, the Group will continue to strengthen its competitiveness in the market by increasing its research and development input and strengthen its products diversity, which will in turn enhance its products quality and production technology and secure its long-term success in the industry.

The Group will closely monitor the possible fluctuation of the interest rates and the exchange rates, the 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 may be brought to the business of the Group.

To achieve a higher level of sustainability, Group keeps put effort on aspect of Environmental, Social and Governance (ESG) in manufacturing process. The Group will continue to enforce to decrease the carbon emission, water and energy consumption.

The Board will continue to focus on the Group's manufacturing business, which is its core business by enhancing its production competency and efficiency. In order to diversify revenue streams and strengthen the Group's performance under the current challenging environment of its manufacturing business, the Board will continue to explore other business opportunities and potential investment opportunities on other energy business in addition to conventional batteries business. The Board believes that a more diversified revenue stream will deliver long-term and sustainable value to the shareholders of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Shares were listed on GEM (the “**Listing**”) of the Stock Exchange on 5 June 2015 (the “**Listing Date**”) and were successfully transferred to the Main Board of the Stock Exchange (the “**Transfer of Listing**”) on 10 November 2017.

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 under both its own brand “Golden Power” and the brands of its private label and OEM customers. The products are mainly categorised into two segments, namely (i) disposable batteries; and (ii) rechargeable batteries and other battery-related products. The disposable batteries are categorised into two sub-segments, namely (i) cylindrical batteries; and (ii) micro-button cells. Other battery-related products include battery chargers, battery power packs and electric fans.

The revenue of cylindrical batteries for the Year increased by approximately HK\$38.72 million from approximately HK\$180.99 million for the Last Year to approximately HK\$219.71 million for the Year, representing an increase in approximately 21.39% in revenue of cylindrical batteries. Such increase in revenue was mainly due to increase in its general demand in PRC, America and Europe during the Year.

The revenue of micro-button cells for the Year increased by approximately HK\$8.03 million from approximately HK\$85.72 million for the Last Year to approximately HK\$93.75 million for the Year, representing an increase in approximately 9.37% in revenue of micro-button cells. The revenue of rechargeable batteries and other battery-related products for the Year increased by approximately HK\$0.72 million from approximately HK\$3.58 million for the Last Year to approximately HK\$4.30 million for the Year, representing an increase in approximately 20.11% in revenue of rechargeable batteries and other battery-related products. Such increase in revenue was mainly due to increase in its general demand in the Europe market.

Revenue for the Year has increased by approximately 17.57% to approximately HK\$317.76 million from approximately HK\$270.28 million in the Last Year. The Company recorded a loss attributable to the shareholders of the Company of approximately HK\$6.37 million for the Year, as compared to a loss of approximately HK\$10.92 million in the Last Year. Loss per share were HK1.18 cents, as compared to the loss per share of HK2.26 cents for the Last Year.

## FINANCIAL REVIEW

### Revenue

Revenue for the Year was approximately HK\$317.76 million (2023: approximately HK\$270.28 million), representing an increase in approximately 17.57% as compared to that of Last Year. Such increase was mainly attributable to the increase in demand from PRC, Europe and America.

The following table sets out the breakdown of the Group's revenue by geographical locations:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
The PRC	<b>98,182</b>	68,175
Hong Kong	<b>25,184</b>	25,581
Asia (except the PRC and Hong Kong)	<b>53,341</b>	59,149
Europe	<b>65,048</b>	44,455
Eastern Europe	<b>22,537</b>	18,797
North America	<b>32,807</b>	29,955
South America	<b>14,048</b>	7,252
Australia	<b>4,998</b>	16,699
Middle East	<b>1,615</b>	—
Africa	—	216
	<b><u>317,760</u></b>	<u>270,279</u>

The following table sets out breakdown of the Group's revenue by products:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Cylindrical batteries	<b>219,710</b>	180,987
Micro-button cells	<b>93,750</b>	85,716
Rechargeable batteries and other battery-related products	<b>4,300</b>	3,576
	<b><u>317,760</u></b>	<u>270,279</u>

## **Gross Profit**

The Group recorded a gross profit for the Year of approximately HK\$79.45 million (2023: approximately HK\$70.75 million), representing an increase of approximately 12.30% as compared to that of the Last Year, which was mainly due to the increase of sales by approximately HK\$47.48 million from approximately HK\$270.28 million for the Last Year to approximately HK\$317.76 million for the Year, representing an increase of approximately 17.57%. The increase in the cost of sales by approximately HK\$38.78 million from HK\$199.53 million for the Last Year to approximately HK\$238.31 million for the Year, representing an increase of approximately 19.44%. The increase was mainly attributable to the increase in revenue and increase in prices of raw materials. The effective cost control maintains the gross profit margin by means of an increase in level of automation in production and depreciation in Renminbi (“RMB”) during the Year, which partially resulted in the decrease in prices of raw materials and packaging materials.

## **Expenses**

During the Year, the selling expenses of the Group increased by approximately 24.52% to approximately HK\$21.28 million as compared to approximately HK\$17.09 million in the Last Year. The increase was mainly due to the increase in the travelling expenses. The Group’s general and administrative expenses increased by approximately HK\$0.13 million to approximately HK\$50.76 million as compared to approximately HK\$50.63 million for the Last Year. The increase in general and administrative expenses was mainly due to the increase in salaries expense.

## **Finance Costs**

The finance costs of the Group decreased by approximately 6.85% to approximately HK\$7.21 million for the Year as compared to approximately HK\$7.74 million in the Last Year. The decrease was mainly due to the decrease in utilised bank facilities.

## **Income Tax**

The income tax expense of the Group has decreased by approximately HK\$1.73 million to approximately HK\$0.88 million for the Year as compared to tax expense of approximately HK\$2.61 million for the Last Year. The decrease was due to the decrease of the Group’s deferred tax for the Year.

## **Loss attributable to the Shareholders**

As a result of the foregoing, the loss attributable to shareholders of the Company for the Year was approximately HK\$6.37 million (2023: HK\$10.92 million), the decrease in loss was mainly attributable to the combined effects of (i) an increase in the gross profit of

approximately HK\$8.71 million as compared to that of Last Year due to an increase in revenue by approximately HK\$47.48 million; and (ii) an increase in rental income from investment properties held by the Group.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group operates a conservative set of treasury policies to preserve value of the Group's assets and ensure that no unnecessary risk is taken with respect to the Group's assets. No financial investment other than cash and bank deposits were currently held by the Group during the year.

As at 31 December 2024, the cash and bank balances were approximately HK\$31.49 million, which was approximately HK\$2.82 million more than HK\$28.67 million as at 31 December 2023. The cash and bank balances held by the Group as at 31 December 2024 were principally denominated in Hong Kong Dollars ("HKD"), RMB and United States Dollars ("USD").

As at 31 December 2024, the Group has utilised banking facilities of approximately HK\$206.49 million, which was approximately 92.75% of the total banking facilities available, as compared to the utilised amount of approximately HK\$209.18 million as at 31 December 2023 which was approximately 88.63% of the total banking facilities available, which represents a decrease by approximately HK\$2.69 million in the utilised banking facilities as at 31 December 2024 over 31 December 2023.

**2024**  
**HK\$'000**

The carrying amounts of the borrowings are repayable:

Within one year	175,238
Within a period of more than one year but not exceeding two years	13,445
Within a period of more than two years but not exceeding five years	9,025
Within a period of more than five years	4,649

202,357

The borrowings were principally denominated in HKD and RMB and were at floating interest rates mainly with reference to the Hong Kong Interbank Offered Rate (HIBOR) and PRC loan prime rate (LPR), respectively.

The Directors believe that the utilisation rate of the banking facilities has been maintained at a reasonable level. The Directors also believe that the existing banking facilities are at a safe level to support the Group's operating needs.

## CHARGES ON ASSETS

The Group's bank and other borrowings facilities were secured mainly by certain property, plant and equipment, all investment properties and all prepaid land lease payments, pledged deposit and pledged time deposit of the Group with carrying value of approximately HK\$132.39 million as at 31 December 2024 (2023: approximately HK\$140.34 million).

## EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The assets, liabilities and transactions of the Group are mainly denominated in HKD, RMB and USD. Each of the Group's operating entities borrowed in local currencies (HKD for the Hong Kong entities, RMB for the PRC entities) and USD where necessary in order to minimise currency risk.

During the Year, the Group did not enter into any foreign exchange contracts to hedge against the fluctuation in exchange rates and the Group did not have any foreign currency investments which were hedged by currency borrowing and the Group did not enter into any other hedging instruments. The Board would monitor the exposure to fluctuations in exchange rates so that the related risk would be controlled at an acceptable level.

## FINANCIAL KEY PERFORMANCE INDICATORS

	2024	2023
Gross profit margin	25.00%	26.18%
Net loss margin	(2.07)%	(4.04)%
Gearing ratio	<u>0.80</u>	<u>0.79</u>

### Gross Profit Margin

The gross profit margin decreased by approximately 1.18 percentage points from approximately 26.18% for the Last Year to approximately 25.00% for the Year. It combined with the depreciation of RMB against HKD during the Year, which partially resulted in decrease in the selling price of disposable batteries in terms of RMB, and the fluctuation of commodity prices during the Year resulted in the increase in the prices of raw materials.

### Net Loss Margin

The net loss margin decreased by approximately 1.97 percentage points to approximately (2.07)% for the Year as compared to approximately (4.04)% for the Last Year. The decrease in the net loss margin was mainly attributable to the increase in revenue and the increase in rental income from investment properties held by the Group.

## **Gearing Ratio**

The gearing ratio increased by 0.01 to 0.80 for the Year as compared to 0.79 for the Last Year. Gearing ratio is defined as the total of other payables and accruals, secured bank overdraft, bank and other borrowings and lease liabilities divided by total equity.

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group did not have any material contingent liabilities (2023: nil).

## **CAPITAL STRUCTURE**

The capital structure of the Group consists of bank and other borrowings, net of bank balances and cash and equity attributable to Shareholders of the Group comprising issued share capital and reserves. The issued share capital of the Group comprises ordinary Shares only. Total equity of the Group amounted to approximately HK\$286.85 million as at 31 December 2024 (2023: approximately HK\$294.84 million). During the Year, the Group did not hold or sell any treasury shares.

## **DIVIDEND**

The Directors resolved not to recommend the payment of any dividend for the Year (2023: nil).

## **CAPITAL COMMITMENT**

As at 31 December 2024, the Group had capital expenditures contracted for approximately HK\$5.85 million on a newly designed and automatic production line and others auxiliary machineries for producing button cell disposable batteries for hearing aid products. The said capital expenditures commitments will be settled through the internal resources of the Group. Other than the disclosed, the Group had no other capital expenditure commitment.

## **SIGNIFICANT INVESTMENTS HELD**

As at 31 December 2024, the Group had the following significant investments: (i) the Company's investment in various subsidiaries; (ii) the investment in two investment properties located at Flat B and Flat D of 20/F., Block 1, Tai Ping Industrial Centre, No. 57 Ting Kok Road, Tai Po, New Territories (the "**Tai Ping Properties**"), which are held by Golden Power Properties Limited (an indirect wholly-owned subsidiary of the Company) for leasing purpose and (iii) Shop 29, Ground Floor of Fortune Plaza, No. 4 On Chee Road, Tai Po, New Territories, Hong Kong (the "**Fortune Plaza Shop**"), which is held by China Scene Limited (an indirect wholly-owned subsidiary of the Company for leasing purpose) (collectively, the "**Investment Properties**").



Flat D of 20/F of Tai Ping Property was rented out to independent third parties as at 31 December 2024 and other properties were open to let. As at 31 December 2024, the fair value of the Investment Properties is approximately HK\$87.00 million and the relative size of the Investment Properties to the total assets of the Group as at 31 December 2024 was approximately 13%. The Investment Properties recorded an fair value loss of HK\$5.50 million for the Year. The rental income generated from the Investment Properties was HK\$2.35 million during the Year. The investment strategy of the Company in respect of the Investment Properties is that, despite the recent slowdown of the Hong Kong property market, the Company aims to broaden the Company's fixed asset base with a positive and stable returns in the long-run, which can diversify the source of income of the Company and generate healthy income streams in to the Group.

Save as the above, the Group did not hold any other significant investments as at 31 December 2024.

### **FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSET**

The Group has from time to time been exploring investment opportunities that would benefit the Group. The Group had capital expenditures contracted for approximately HK\$5.85 million for the acquisition of a newly designed and automatic production line and auxiliary and other machineries for producing button cell batteries hearing aid products. The acquisition will be financed by internal resources of the Group. Except for those disclosed in this announcement, the Group did not have any specific plans for material investment or capital asset as at 31 December 2024.

### **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures of the Group during the Year.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The followings are some principal risks and uncertainties facing the Group, which may materially adversely affect its business, financial condition or results of operations:

- (i) The new U.S. administration and the implementation of new policies may lead to uncertainties in tariffs, interest rate and international currency exchange rate fluctuations, which may depress the consumption demand over the world;
- (ii) The Group has no long-term sales contracts with most of its major customers. If the business relationships with the major customers deteriorates or if any of the major customers reduces substantially its purchases from the Group or terminates its business relationship with the Group entirely, the business, results of operations and financial condition of the Group may be adversely affected;



- (iii) The demand for disposable batteries in general and alkaline cylindrical batteries depends on the need for such disposable batteries to operate various electronic devices, the demand for which is in turn affected by technological advances and consumer preferences. Further, technological advances and increasing environmental awareness may cause consumer demand to shift from alkaline cylindrical batteries to other disposable batteries, from disposable batteries to rechargeable batteries as a substitute or even to other forms of electronic products or energy which do not require the use of batteries;
- (iv) The Group's revenue is denominated in RMB, HKD and USD and the cost of sales is primarily denominated in RMB and the remaining is denominated in HKD, USD and Euros. The value of RMB against HKD and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in the PRC;
- (v) The Group's business is subject to seasonality, therefore the first quarter of a year may record relatively lower revenue. In particular, the revenue generated during the month of Chinese New Year may be significantly lower than the average revenue generated during a year; and
- (vi) The Group manufactures some of the products on a made-to-stock basis (that is the Group manufactures before the customers place orders with it) with reference to the sales forecast prepared in the light of the customers' historical buying pattern, particularly batteries to be sold to the customers under the Group's branded business which adopt its original design and specifications. If the sales forecast turns out to be inaccurate and the customers do not place orders with the Group in the volumes as expected, the products produced may not be absorbed by other customers, and the Group's business, results of operations and financial condition may be adversely affected.

For more details about the general risks and uncertainties in relation to the Group, please refer to the section headed "Risk Factors" in the prospectus of the Company dated 29 May 2015 (the "**Prospectus**").

## **EMPLOYEES AND REMUNERATION POLICY**

The Directors believe that employees are an important asset to the Group and the quality of the employees is an important factor in sustaining the Group's business growth and improving its profitability. The Group's remuneration package is structured with reference to the individual performance, working experience and prevailing salary levels in the market. In addition to basic salary and contributions to the mandatory provident fund, staff benefits also include medical insurance scheme and the options which may be granted under the share option scheme adopted by the Company. The Group also arranges induction and on-the-job training to employees from time to time.

As at 31 December 2024, the Group had a total of 409 employees (2023: 421 employees). The Group's staff costs, including Directors' emoluments, amounted to approximately HK\$42.49 million in the Year (2023: approximately HK\$42.27 million) representing an increase of approximately 0.53% for the Year. Directors' remuneration for the Year amounted to approximately HK\$14.39 million (2023: approximately HK\$10.61 million) which included remuneration of the independent non-executive Directors for a total amount of approximately HK\$0.50 million (2023: approximately HK\$0.50 million).

Other than the statutory Mandatory Provident Fund Scheme in Hong Kong or the central pension scheme in the PRC, the Group does not have pension scheme for employees and there was no contributions which could be forfeited by the Group as at the end of the Year.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

As the production mainly takes place in the PRC, the Group's business is subject to the relevant PRC national and local environmental laws and regulations, such as the Environmental Protection Law of the PRC. These laws and regulations govern a broad range of environmental matters, including discharge of wastewater and disposal of hazardous waste. A summary of the environmental protection laws and regulations applicable to the Group is set out in the section headed "Regulatory Overview" in the Prospectus.

To ensure compliance with the applicable environmental regulations and laws, the Group has entered into several service contracts with professional waste disposal service companies for the disposal of hazardous waste produced in the Group's production process. These professional waste disposal service companies have obtained operation permits of hazardous waste for the disposal of hazardous waste listed in the national catalogue of hazardous waste. They have also obtained operation permits of road transport for the transportation of hazardous waste or have entrusted qualified transportation service companies to carry out the transportation of hazardous waste under the relevant laws.

Prior to the entering into waste disposal service agreements with the waste disposal service companies, the Group generally required them to provide copies of the relevant permits, which would be checked against the originals and attached as appendices to the relevant agreements. The Group also conducts regular review on the validity and renewal status of such permits held by the waste disposal service companies engaged by the Group.

The Group has also appointed Mr. Liang Tao, the general manager of Goldtium (Jiangmen) Energy Products Company Limited ("**Goldtium Jiangmen**"), an indirect wholly-owned subsidiary of the Company, and one of the senior management members, to supervise and monitor compliance with statutory regulations and the Group's internal standard in respect of environmental matters.

During the Year, the Group was not subject to any major environmental claims, lawsuits, penalties, administrative or disciplinary actions.

For more information in the Group's environmental policies, please refer to the ESG Report in the 2024 annual report of the Company, which will be published in accordance with the Listing Rules.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

During the Year and up to the date of this announcement, the Group has complied with all the relevant laws and regulations in Hong Kong and the PRC in all material respects.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

During the Year, the Board is of the opinion that the Company has complied with all the applicable code provisions set out in the CG Codes. For further information, please refer to the Corporate Governance Report in the 2024 annual report of the Company, which will be published in accordance with the Listing Rules.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the required standards for securities transactions by Directors. The Company has made specific enquiries to each of the Director and all Directors confirmed that they have complied with the required standards set out in the Model Code regarding Directors' securities transactions throughout the Year.

## **KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS**

During the Year, the Group has maintained good relationship with its employees, customers and suppliers. The Group will continue to ensure effective communication and maintain good relationship with them.

The Group has been looking for new opportunities and has built up good relationships with its customers so as to accelerate the growth momentum. To retain the existing customers, the Group will provide the technical updates on the products development to cater for the customers' needs. The Group has successfully maintained relationships with a number of customers for more than five years, including the Group's major customers.

The Group selects its suppliers and subcontractors according to the internal quality evaluation system and maintains a list of approved suppliers and subcontractors from time to time. For the purpose of maintaining the quality of the products, the Group only purchases raw materials and trading products from the approved suppliers and outsources its packaging, electroplating and printing processes to the approved subcontractors.

The Group generally does not enter into long-term procurement contracts with its suppliers in order to maintain flexibility in being able to source raw materials at a competitive price. Its major suppliers include suppliers of raw materials and packaging materials. The Group has established an average of more than five years of business relationships with a majority of its major suppliers.

## **FUTURE DEVELOPMENT**

The Group will continue to invest in its production facilities and upgrade the production lines in order to enhance the production capacity and efficiency in 2025. Two newly designed automatic production lines for producing button cell disposable battery for hearing aid products has commenced commercial production in the 2024. The Group will keep developing new production lines focusing on health-caring and medical facilities related batteries products.

To achieve a higher level of sustainability, Group keeps put effort on aspect of Environmental, Social and Governance (ESG) in manufacturing process. Group will continue to enforce various measures for reducing the carbon emission and energy consumption. In order to maintain its market competitiveness and sustainability, the Group will continue to streamline its corporate structure in the PRC, potential business and investment opportunities in 2025.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Year, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Shares or any treasury shares.

## **REVIEW BY AUDIT COMMITTEE**

The audited consolidated financial statements of the Group for the Year have been reviewed by the audit committee of the Board. The audit committee is of the opinion that the audited consolidated financial statements of the Group for the Year comply with the applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting of the Company is scheduled to be held on Tuesday, 24 June 2025 (the “**2025 AGM**”). A notice convening the 2025 AGM will be issued in accordance with the articles of association of the Company, the Listing Rules and other applicable laws and regulations.

## **CLOSURE OF REGISTER OF MEMBERS**

For ascertaining the identity of the Shareholders who will be eligible to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Thursday, 19 June 2025 to Tuesday, 24 June 2025 (both dates inclusive), during which no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all completed share transfer instruments accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Wednesday, 18 June 2025.

## **AUDITOR**

The consolidated financial statements of the Group for the Year have been audited by PKF Hong Kong Limited, who will retire and, being eligible, offer themselves for re-appointment at the 2025 AGM. A resolution for their re-appointment as the auditor of the Company will be proposed at the 2025 AGM.

## **SCOPE OF AUDITOR'S WORK ON ANNUAL RESULTS ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary annual results announcement have been agreed by the Company's auditor, PKF Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PKF Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PKF Hong Kong Limited on the preliminary annual results announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the Company's website at [www.goldenpower.com](http://www.goldenpower.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2024 annual report of the Company will be issued and made available on the above websites according to the Listing Rules by April 2025.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as the Shareholders, business associates and other professional parties for their continuous support to the Group throughout the Year.

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

Hong Kong, 21 March 2025

*As at the date of this announcement, the executive Directors are Mr. Chu King Tien, Ms. Chu Shuk Ching, Mr. Tang Chi Him and Mr. Chu Ho Wa, the independent non-executive Directors are Mr. Hui Kwok Wah, Mr. Kan Man Kim and Mr. Wong Ka Chun Matthew.*