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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION

On 15 May 2025 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 5,400,000 Shares at the Subscription Price of HK\$0.9 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the Subscription Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The Subscription Price represents (i) a discount of approximately 11.8% to the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on 15 May 2025, being the date of the Subscription Agreement; and (ii) a discount of approximately 9.3% to the average closing price per Share of HK\$0.992 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement and adjusted for the effect of the Share Consolidation.

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

The gross proceeds and net proceeds from the Subscription will be approximately HK\$4.9 million and HK\$4.8 million respectively. The net proceeds are intended to be used for repayment of outstanding bank facilities of the Group and general working capital.

Shareholders and potential investors should note that the Subscription is subject to the fulfilment of the condition under the Subscription Agreement. As the Subscription may or may not proceed to completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

The Subscription Agreement

Date: 15 May 2025

Parties: (i) The Company
(ii) The Subscriber

Number of Subscription Shares: 5,400,000

Subscription Price: HK\$0.9 per Subscription Share

Subscription Shares

Pursuant to the terms of the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 5,400,000 Subscription Shares at HK\$0.9 per Subscription Share, representing:

- (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no other change to the issued share capital of the Company between the date of the Subscription Agreement and the Completion Date).

Upon Completion, the Subscriber will become a substantial shareholder (as defined in the Listing Rules) and a connected person of the Company within the meaning of the Listing Rules.

The Subscription Agreement does not restrict the Company from issuing any new Shares or restrict the substantial shareholders of the Company from disposing of the Shares in the future. There is no lock-up period under the Subscription Agreement for the Subscription Shares.

Subscription Price

The Subscription Price of HK\$0.9 per Subscription Share represents:

- (i) a discount of approximately 11.8% to the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on 15 May 2025, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 9.3% to the average closing price per Share of HK\$0.992 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreement and adjusted for the effect of the Share Consolidation.

The market value of the Subscription Shares is approximately HK\$5,508,000, based on the closing price of HK\$1.02 per Share as at the date of the Subscription Agreement. The aggregate nominal value of the Subscription Shares is HK\$1,080,000.

The Subscription Price was negotiated on an arm's length basis between the Company and the Subscriber with reference to current market conditions, prevailing market price and recent trading volume of the Shares.

The gross proceeds from the Subscription will be approximately HK\$4.9 million. The net proceeds from the Subscription, after deduction of the relevant expenses, will amount to approximately HK\$4.8 million, representing a net subscription price of approximately HK\$0.89 per Subscription Share.

Ranking of Subscription Shares

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions Precedent for the Subscription

Completion of the Subscription is conditional upon the following conditions being satisfied:

- (i) the General Mandate continuing to be valid and binding and not having revoked;
- (ii) the Company passing the necessary resolutions to approve the entering into and the implementation of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issuance of the Subscription Shares);
- (iii) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in all the Subscription Shares (and such permission and listing not subsequently being revoked prior to the Completion Date);

- (iv) all the warranties in the Subscription Agreement being true, complete, accurate and not misleading; and
- (v) all consents and approvals of, notices to and filings or registrations with any governmental authority (including the Stock Exchange), or any other person required or public announcements or disclosure required pursuant to the applicable laws, having been obtained.

Save as Conditions Precedent (iv) and (v), which can be waived by the Subscriber, none of the Conditions Precedent are capable of being waived by the parties to the Subscription Agreement.

If the Conditions Precedent are not fulfilled on or before 5 June 2025, or such other time and date as may be agreed by the Subscriber and the Company, the Subscription Agreement will terminate and the parties to the Subscription Agreement will be released from all of their respective obligations and liabilities hereunder, save and except for any liabilities of any party hereto in respect of any antecedent breaches hereof and such termination shall not affect or otherwise prejudice any party's rights or remedies in respect of such antecedent breaches.

Completion of the Subscription

Completion shall take place at 4:30 p.m. on the Completion Date, which shall be a date on the fifth (5th) Business Day (or such other date and time as may be agreed by the Company) after the date on which the Conditions Precedent of the Subscription Agreement are satisfied or waived.

General Mandate

Pursuant to the General Mandate granted to the Directors at the AGM, the total number of new Shares that the Company is authorised to allot and issue is 5,400,000 Shares (after adjustment for the effect of the Share Consolidation), representing 20% of the issued share capital of the Company as at the date of the AGM (after adjustment for the effect of the Share Consolidation). Since the date of the AGM and up to the date of this announcement, no new Share has been allotted and issued by the Company under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares, and the issue of the Subscription Shares will not be subject to further approval by the Shareholders.

The Subscription Shares represent 100% of the General Mandate and the entire General Mandate is fully utilised upon the issue of the Subscription Shares.

APPLICATION FOR LISTING

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

INFORMATION ABOUT THE SUBSCRIBER

The Subscriber, Lofty Islet Holding Limited, is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which owned by Mr. Yang Haobo (“**Mr. Yang**”).

To the best of the Directors’ knowledge, information and belief, Mr. Yang is an investor who focuses on asset investment allocation across diverse fields, including marble mines, rare earths, precious metals, equity investments, and cryptocurrencies. He is experienced in identifying potential industries and generating robust returns in volatile environments. His past investment experience spans technology, finance, startups, and blockchain, demonstrating exceptional cross-cycle operational capabilities.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner, namely Mr. Yang, are independent third parties. Immediately before entering into the Subscription Agreement, the Subscriber and Mr. Yang held no interest in any Shares.

INFORMATION ABOUT THE COMPANY

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.

REASONS FOR THE SUBSCRIPTION AND THE USE OF PROCEEDS

The estimated net proceeds from the Subscription, after deduction of the relevant expenses, will amount to approximately HK\$4.8 million.

The Company will utilise the net proceeds from the Subscription to repay some of its outstanding banking facilities and replenish the future working capital of the Company so as to reduce the finance costs of the Group and improve the Group’s profitability and cash flow. The gross proceeds from the Subscription will be approximately HK\$4.9 million. The net proceeds from the Subscription, after deduction of the relevant expenses, will amount to approximately HK\$4.8 million. The Company intends to use the net proceeds from the Subscription as to (i) approximately HK\$4.3 million, representing approximately 90% of the net proceeds, for fully repaying certain bank facilities; and (ii) the balance of HK\$0.5 million, representing 10% of the net proceeds, as general working capital of the Group.

The Board (including the independent non-executive Directors) considers that the Subscription is in the interests of the Company and the Shareholders as a whole, and the terms of the Subscription Agreement are fair and reasonable.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the changes to the shareholding structure of the Company as a result of completion of the Subscription (assuming there being no other change in the share capital and shareholding structure of the Company between the date of this announcement and Completion):

Shareholders	As at the date of this announcement		Immediately upon the Completion	
	No. of Shares	%	No. of Shares	%
<i>Directors</i>				
Mr. Chu King Tien (<i>Note 1</i>)	13,657,500	50.58	13,657,500	42.15
Ms. Chu Shuk Ching (<i>Note 2</i>)	1,828,000	6.77	1,828,000	5.64
<i>Other Shareholders</i>				
The Subscriber	—	—	5,400,000	16.67
Other public Shareholders	<u>11,514,500</u>	<u>42.65</u>	<u>11,514,500</u>	<u>35.54</u>
Total	<u>27,000,000</u>	<u>100.00</u>	<u>32,400,000</u>	<u>100.00</u>

Notes:

1. 13,657,500 Shares are held by Golden Villa Ltd. (“**Golden Villa**”) which is wholly owned by Mr. Chu King Tien, the chairman and executive Director. By virtue of the SFO, Mr. Chu King Tien is deemed to be interested in all the Shares held by Golden Villa in the Company.
2. 1,600,000 Shares are held by Triumph Treasure Limited (“**Triumph Treasure**”), which is wholly-owned by Ms. Chu Shuk Ching, an executive Director. By virtue of the SFO, Ms. Chu Shuk Ching is deemed to be interested in all the Shares held by Triumph Treasure. Ms. Chu Shuk Ching also beneficially owns 228,000 Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months immediately before the date of this announcement.

Shareholders and potential investors should note that the Subscription is subject to the fulfilment of the Conditions Precedent under the Subscription Agreement. As the Subscription may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 23 May 2024
“Board”	the board of directors of the Company
“Business Day”	a day (excluding Saturday, Sunday and public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Golden Power Group Holdings Limited, a limited liability exempted company incorporated in Cayman Islands, the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 3919)
“Completion”	the completion of the Subscription in accordance with the terms and condition set out in the Subscription Agreement
“Completion Date”	a date on the fifth (5th) Business Day (or such other date and time as may be agreed by the Company) after the date on which the Conditions Precedent of the Subscription Agreement are satisfied or waived
“Condition(s) Precedent”	the conditions precedent to Completion under the Subscription Agreement
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate to the Board to allot, issue and deal with shares of the Company by not exceeding 20% of the total number of issued shares of the Company as at the date of the AGM, namely 5,400,000 Shares (after adjustment for the effect of the Share Consolidation)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“independent third party(ies)”	a party who is not a connected person (as defined in the Listing Rules) of the Company and is independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share Consolidation”	the consolidation of every twenty (20) issued and unissued Shares in the share capital of the Company of HK\$0.01 each into one (1) consolidated Share in the share capital of the Company of HK\$0.2 each, which took effect on 13 May 2025
“Share(s)”	ordinary share(s) in the share capital of the Company of HK\$0.2 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Lofty Islet Holding Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. Yang Haobo
“Subscription”	the subscription of a total of 5,400,000 Subscription Shares by the Subscriber pursuant to the terms and condition of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 15 May 2025 entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.9 per Subscription Share
“Subscription Shares”	5,400,000 Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“%”	Per cent

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

Hong Kong, 15 May 2025

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Chu King Tien, Ms. Chu Shuk Ching, Mr. Chu Ho Wa and Mr. Tang Chi Him; and three independent non-executive Directors, namely Ms. Tang Sze Ning Erica, Mr. Kan Man Kim and Mr. Wong Ka Chun Matthew.