

# 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



ANNUAL  
2025 REPORT



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Chu King Tien  
Ms. Chu Shuk Ching  
Mr. Tang Chi Him  
Mr. Chu Ho Wa

### Independent non-executive Directors

Ms. Tang Sze Ning Erica (appointed on 1 April 2025)  
Mr. Kan Man Kim  
Mr. Wong Ka Chun, Matthew  
Mr. Hui Kwok Wah (resigned on 1 April 2025)

## COMPANY SECRETARY

Mr. Chan Po Man

## AUDIT COMMITTEE

Mr. Wong Ka Chun, Matthew (*Chairman*)  
Mr. Kan Man Kim  
Ms. Tang Sze Ning Erica  
(appointed on 1 April 2025)  
Mr. Hui Kwok Wah (resigned on 1 April 2025)

## REMUNERATION COMMITTEE

Ms. Tang Sze Ning Erica (*Chairperson*)  
(appointed on 1 April 2025)  
Mr. Chu King Tien  
Mr. Kan Man Kim  
Mr. Hui Kwok Wah (resigned on 1 April 2025)

## NOMINATION COMMITTEE

Mr. Chu King Tien (*Chairman*)  
Ms. Tang Sze Ning Erica  
(appointed on 1 April 2025)  
Mr. Kan Man Kim  
Mr. Hui Kwok Wah (resigned on 1 April 2025)

## ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Chu Ho Wa (*Chairman*)  
Mr. Tang Chi Him  
Mr. Liang Tao  
Mr. Chen Ming  
Mr. He Yong Xi  
Mr. Chan Ka Shing

## AUTHORISED REPRESENTATIVES

Ms. Chu Shuk Ching  
Mr. Chan Po Man

## COMPLIANCE OFFICER

Ms. Chu Shuk Ching

## LEGAL ADVISERS

*As to Hong Kong laws*  
ONC Lawyers

*As to PRC laws*  
Yuan Tai Law Offices

## PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited  
Shanghai Commercial Bank Limited

## AUDITOR

PKF Hong Kong Limited

## REGISTERED OFFICE

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HEADQUARTERS AND 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

## PRINCIPAL SHARE REGISTRAR

Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
17F., Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## COMPANY WEBSITE

[www.goldenpower.com](http://www.goldenpower.com)

## BOARD LOT

4,000 shares

## STOCK CODE

3919

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (collectively the “**Directors**” and each a “**Director**”) of Golden Power Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), it is my pleasure and honour to present the Group’s annual results for the financial year ended 31 December 2025 (the “**Year**”).

## OVERVIEW OF THE GROUP'S RESULTS

Revenue for the Year increased by approximately 4.96% to approximately HK\$333.53 million from approximately HK\$317.76 million in the financial year ended 31 December 2024 (the “**Last Year**”). Profit attributable to the shareholders of the Company was approximately HK\$0.33 million for the Year as compared to a loss of approximately HK\$6.37 million in the Last Year. The basic and diluted earnings per share was HK\$1.08 cents, as compared to the loss per share of HK\$23.60 cents (restated) for the Last Year.

## REVIEW AND OUTLOOK

During the Year, the global economy was affected by shifts in policy direction and the escalation of trade barriers, resulting in a broader deceleration of global demand and a renewed trend toward trade protectionism. Although certain policy adjustments moderated the impact of earlier and more extreme tariff measures, the overall operating environment continued to tilt toward heightened trade protectionism. This exerted persistent pressure on export-oriented enterprises. In response, the Group continued to closely monitor macroeconomic developments and implemented timely measures to preserve its gross profit margin at a sustainable and reasonable level.

The year 2025 remained challenging for the Group. Factors including a moderate increase in international commodity prices, coupled with the appreciation of the Renminbi (“**RMB**”) placed downward pressure on the Group’s gross profit margin. In addition, fiscal and tax adjustments introduced by the PRC Government in response to rising global trade protectionism created further challenges for the Group’s financial performance. To address the evolving cost environment, the Group has progressively adjusted its pricing strategy to reflect rising production expenses, with the objective of maintaining operational efficiency and supporting stable business performance.

The Group will continue to refine its product portfolio and, to a certain extent, increase the contribution of B2B operations relative to B2C. While the health-care and medical-devices markets have continued to support operational efficiency, the Group intends to cautiously strengthen its investment in these segments, taking into account market conditions and the Group’s long-term development needs.

In fulfilling its Environmental, Social and Governance (“**ESG**”) commitments, the Group will continue its efforts to boost the ESG performance of the Group by reducing carbon emissions, water consumption and energy usage. The Group is also working with ESG consultants to enhance the quality, transparency and depth of ESG disclosures in line with evolving market expectations.

Looking ahead to 2026, the continued escalation of trade barriers and rising trade protectionist sentiment may introduce uncertainty in areas such as tariffs, commodity price volatility and fluctuations in global foreign-exchange markets, which may collectively influence global consumption demand. The military hostilities in the Middle East may cause uncertainties to raw material prices and logistics in 2026. The Group will further enhance its financial performance through strengthened cost control and improved production efficiency. To this end, the Group will maintain its strategic investments in production facilities and automation to increase cost competitiveness and productivity. The rationalisation and integration of production facilities across regions are expected to reduce operating costs and enhance overall efficiency. The internal integration of production facilities is scheduled for completion between late 2026 and early 2027.



## CHAIRMAN'S STATEMENT (CONTINUED)

The Board will also focus on capturing opportunities arising from increasing demand for specialties batteries in the PRC medical-devices sector. The Group plans to deepen its marketing efforts and collaborate with customers on product development to expand its presence in China, Europe and the United States. The Group anticipates that revenue contributions from the health-care and medical-devices segments will continue to increase.

During the Year, the Group achieved meaningful cost savings through the installation of new automated production facilities. In the longer term, these operational efficiencies will allow the Group to allocate additional resources to research and development, broaden its product portfolio, and enhance product innovation, thereby supporting sustainable business expansion.

In 2026, the Group will continue to streamline its operational structure in the PRC to maintain competitiveness. Ongoing restructuring of subsidiaries is expected to strengthen cost control, particularly in relation to cost of sales. Synergy effects arising from these restructuring efforts are expected to further improve operational efficiency and reduce overall costs.

Despite the challenging market conditions in 2025, the Group continued to enhance the production efficiency of disposable batteries. The Group believes that demand from its OEM customers for disposable batteries will continue to grow steadily, supported by overall market expansion. The Group will remain focused on improving product performance, broadening its private-label customer base, expanding its retail presence, and enhancing product quality, reliability and durability.

## FUTURE DEVELOPMENT

Going forward, the Group will continue to strengthen its competitiveness in the market by increasing its research and development input and diversifying its products, 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 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 meet the growing demand from customers for specialties batteries used in health-caring and medical-devices, the Group is exploring and planning to leverage its newly developed technologies and patents, and to collaborate with various equipment manufacturers to jointly develop and enhance intelligent production facilities for specialties batteries. This initiative aims to strengthen the Group's capability to respond to market demand. To ensure long-term sustainability, the Group will also continue to expand into other energy-related businesses beyond its traditional battery business. The Board believes that a more diversified revenue stream is expected to deliver long-term and sustainable value to the shareholders of the Company.

To achieve a higher level of sustainability, Group keeps putting effort on aspect of ESG in manufacturing process. The Group will continue to carry out the aim of decreasing 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.

**APPRECIATION**

On behalf of the Board, I would like to extend my sincere gratitude to the shareholders, investors, business partners, and staff members who continued to support our businesses during the Year. We express our special thanks to those who braved personal hardship to stay in their posts during the Pandemic period, their continuous support and dedication to the Group. We will continue to adopt the appropriate expansion plan, stringent cost controls and adaptable strategies to seize market opportunities, in order to maximize returns for our shareholders.

**Chu King Tien**

*Chairman and Executive Director*

Hong Kong, 26 March 2026

# 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\$16.88 million from approximately HK\$219.71 million for the Last Year to approximately HK\$236.59 million for the Year, representing an increase in approximately 7.68% in revenue of cylindrical batteries. Such increase in revenue was mainly due to increase in its general demand in North America and Europe during the Year.

The revenue of micro-button cells for the Year slightly decreased by approximately HK\$1.08 million from approximately HK\$93.75 million for the Last Year to approximately HK\$92.67 million for the Year, representing a decrease in approximately 1.15% in revenue of micro-button cells. The revenue of rechargeable batteries and other battery-related products for the Year slightly decreased by approximately HK\$0.03 million from approximately HK\$4.30 million for the Last Year to approximately HK\$4.27 million for the Year, representing a decrease in approximately 0.70% in revenue of rechargeable batteries and other battery-related products. Such decrease in revenue was mainly due to decrease in its general demand in the European market.

Revenue for the Year has increased by approximately 4.96% to approximately HK\$333.53 million from approximately HK\$317.76 million in the Last Year. The Company recorded a profit attributable to the shareholders of the Company of approximately HK\$0.33 million for the Year, as compared to a loss of approximately HK\$6.37 million in the Last Year. The basic and diluted earnings per share were HK1.08 cents, as compared to the loss per share of HK23.60 cents (restated) for the Last Year.

## FINANCIAL REVIEW

### Revenue

Revenue for the Year was approximately HK\$333.53 million (2024: approximately HK\$317.76 million) representing an increase in approximately 4.96% as compared to the Last Year. Such increase was mainly attributable to the increase in demand from North America and Europe.

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

	2025 HK\$'000	2024 HK\$'000
The PRC	90,589	98,182
Hong Kong	29,706	25,184
Asia (except the PRC and Hong Kong)	48,494	53,341
Europe	93,664	65,048
Eastern Europe	20,729	22,537
North America	39,962	32,807
South America	4,718	14,048
Australia	4,884	4,998
Middle East	771	1,615
Africa	13	—
	333,530	317,760

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

	2025 HK\$'000	2024 HK\$'000
Cylindrical batteries	236,591	219,710
Micro-button cells	92,665	93,750
Rechargeable batteries and other battery-related products	4,274	4,300
	333,530	317,760

### Cost of Sales and Gross Profit

The Group recorded a gross profit for the Year of approximately HK\$71.33 million (2024: approximately HK\$79.45 million), representing an decrease of approximately 10.22% as compared to that of the Last Year. The increase in the cost of sales by approximately HK\$23.89 million from HK\$238.31 million for the Last Year to approximately HK\$262.20 million for the Year, representing an increase of approximately 10.02%. The increase was mainly attributable to the increase in revenue and appreciation in Renminbi ("RMB") and fluctuation of commodity prices during the Year, which resulted in the increase in prices of raw materials, packaging materials and production costs.

### Expenses

During the Year, the selling expenses of the Group decreased by approximately 1.83% to approximately HK\$20.89 million as compared to approximately HK\$21.28 million in the Last Year. The decrease was mainly due to the decrease in the marketing and travelling expenses. The Group's general and administrative expenses increased by approximately HK\$4.23 million to approximately HK\$54.99 million as compared to approximately HK\$50.76 million for the Last Year. The increase in general and administrative expenses was mainly due to the increase in professional fee and salaries expense.

### Finance Costs

The finance costs of the Group decreased by approximately 14.29% to approximately HK\$6.18 million for the Year as compared to approximately HK\$7.21 million in the Last Year. The decrease was mainly due to the decrease in average bank interest rates.

### Income Tax

The income tax expense of the Group has decreased by approximately HK\$0.65 million to approximately HK\$0.23 million tax expense for the Year as compared to tax expense of approximately HK\$0.88 million for the Last Year. The decrease was due to the decrease of the Group's deferred tax in the Year.

### Profit attributable to the Shareholders

As a result of the foregoing, the profit attributable to shareholders of the Company for the Year was approximately HK\$0.33 million (2024: loss of HK\$6.37 million), the turnaround from loss to profit was mainly attributable to the combined effects of (i) an increase in revenue by approximately HK\$15.77 million; (ii) a recognised government subsidy of approximately HK\$1.17 million; and (iii) an increase in net exchange gain of approximately HK\$8.71 million as compared to that of the exchange loss of HK\$4.38 million recorded in Last Year.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 2025, the cash and bank balances were approximately HK\$15.50 million, which was approximately HK\$15.99 million less than HK\$31.49 million as at 31 December 2024. The cash and bank balances held by the Group as at 31 December 2025 were principally denominated in Hong Kong Dollars ("HKD"), RMB and United States Dollars ("USD").

As at 31 December 2025, the Group has utilised banking facilities of approximately HK\$213.79 million, which was approximately 94.56% of the total banking facilities available, as compared to the utilised amount of approximately HK\$206.49 million as at 31 December 2024 which was approximately 92.75% of the total banking facilities available, which represents an increase by approximately HK\$7.30 million in the utilised banking facilities as at 31 December 2025 over 31 December 2024.

	2025 HK\$'000
The carrying amounts of the borrowings are repayable:	
Within one year	155,409
Within a period of more than one year but not exceeding two years	10,117
Within a period of more than two years but not exceeding five years	44,671
Within a period of more than five years	3,597
	213,794

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\$126.37 million as at 31 December 2025 (2024: approximately HK\$132.39 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

	2025	2024
Gross profit margin	21.39%	25.00%
Net profit/(loss) margin	0.04%	(2.07)%
Gearing ratio	0.80	0.80

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Gross Profit Margin

The gross profit margin decreased by approximately 3.61 percentage points from approximately 25.00% for the Last Year to approximately 21.39% for the Year. The decrease was attributable to the appreciation of RMB and the fluctuation of commodity prices during the Year resulted in the increase in the prices of raw materials, packaging materials and production costs.

### Net Profit Margin

The net profit margin increased by approximately 2.11 percentage points to approximately 0.04% for the Year as compared to net loss margin of approximately (2.07)% for the Last Year. The increase in the net profit margin was mainly attributable to the increase in sales revenue; the government subsidy recognised; and the increase in net exchange gain by the Group.

### Gearing Ratio

The gearing ratio maintained at 0.80 for the Year as same as that of 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 2025, the Group did not have any material contingent liabilities (2024: 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\$294.62 million as at 31 December 2025 (2024: approximately HK\$286.85 million). During the Year, the Group did not hold or sell any treasury shares.

On 27 March 2025, the Company announced that it proposed to implement the share consolidation on the basis of every 20 issued and unissued then existing shares of par value of HK\$0.04 each in the share capital of the Company to be consolidated into one consolidated share (the “**Share Consolidation**”). Before the Share Consolidation taking place, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each, of which 540,000,000 Shares were allotted and issued, and were fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, the authorised share capital of the Company became HK\$20,000,000 divided into 100,000,000 ordinary Shares of par value HK\$0.2 each, of which 27,000,000 Shares were in issue and fully paid or credited as fully paid.

The Share Consolidated was approved in an extraordinary general meeting held on 9 May 2025. The Share Consolidation became effective on 13 May 2025.

## DIVIDEND

The Directors resolved not to recommend the payment of any dividend for the Year (2024: nil).

## CAPITAL COMMITMENT

As at 31 December 2025, the Group had capital expenditures contracted for approximately HK\$5.54 million on a newly designed and automatic production line and others auxiliary machineries for producing specialties button cell disposable batteries for hearing aid products and medical devices. 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 2025, 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**”).

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Fortune Plaza Shop and Flat D of 20/F of Tai Ping Property was rented out to independent third parties as at 31 December 2025 and other properties were open to let. As at 31 December 2025, the fair value of the Investment Properties is approximately HK\$84.10 million and the relative size of the Investment Properties to the total assets of the Group as at 31 December 2025 was approximately 12.1%. The Investment Properties recorded an unrealised fair value loss of HK\$2.90 million for the Year. The rental income generated from the Investment Properties was HK\$2.07 million during the Year. The future prospect of the Investment Properties remains stable. 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 2025.

### FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSET

The Group has from time to time been exploring investment opportunities that would benefit the Shareholders as a whole. The Group had capital expenditures contracted for approximately HK\$5.54 million for the acquisition of a newly designed and automatic production line and auxiliary and other machineries for producing specialties button cell batteries hearing aid products and medical devices. The acquisition will be financed by internal resources of the Group. Except for those disclosed in this annual report, the Group did not have any specific plans for material investment or capital asset as at 31 December 2025.

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

As disclosed in the Company's announcement date 11 November 2025 Goldtium (Jiangmen) Energy Products Company Limited ("**Goldtium**"), a company established in the PRC, an indirect wholly-owned subsidiary of the Company, has entered into the Joint Venture Agreement with Yunan Wanxing Machine Co., Ltd ("**Wanxing Machine**") and Huang Binggang as joint venturers. Yunan Jinxing Power Technology Co., Ltd ("**Yunan Jinxing**") was established in the PRC on 28 November 2025 with a registered capital of RMB20 million. Goldtium contributed certain items of property, plant and equipment as a capital contribution and, as a result, acquired a 49% equity interest in Yunan Jinxing while Wanxing Machine and Huang Binggang held 49% and 2% in the equity interest in Yunan Jinxing, respectively. The principal business of Yunan Jinxing is research and development, production and operation of batteries, power supply product and related components, raw materials and electronic appliances.

Other than above transaction, 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 continued escalation of trade barriers and rising trade protectionist sentiment may introduce uncertainty, which influence global consumption demand;
- (ii) The military hostilities in Ukraine and the Middle East may cause uncertainties to raw material prices and logistics;
- (iii) The internal relocation of production facilities is scheduled for completion between late 2026 and early 2027. However, the process may be subject to uncertainties, which could result in delays to production timelines and, consequently, affect delivery schedules.
- (iv) 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;

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (v) 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;
- (vi) 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;
- (vii) 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
- (viii) 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.

### 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 2025, the Group had a total of 394 employees (2024: 409 employees). The Group's staff costs, including Directors' emoluments, amounted to approximately HK\$43.12 million in the Year (2024: approximately HK\$42.49 million) representing an increase of approximately 1.48% for the Year. Directors' remuneration for the Year amounted to approximately HK\$12.24 million (2024: approximately HK\$14.39 million) which included remuneration of the independent non-executive Directors for a total amount of approximately HK\$0.50 million (2024: 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 other defined contribution 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 of the Company dated 29 May 2015 (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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 this annual report.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year and up to the date of this report, 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 this annual report.

### 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 2026. Two newly designed automatic production lines for producing button cell disposable battery for hearing aid products has commenced commercial production in 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 2026.

## THE 2025 SUBSCRIPTION

As disclosed in the Company's announcements dated 15 May 2025 and 5 June 2025, 5,400,000 Shares (the "**Subscription Share(s)**"), which ranked pari passu with other ordinary shares, were successfully issued to Loftly Islet Holding Limited (the "**Subscriber**"), a company incorporated in the British Virgin Islands with limited liability, which was wholly-owned by Mr. Yang Haobo, an independent third party of the Company and its connected persons (as defined under the Listing Rules) under general mandate at the subscription price of HKD0.9 per Subscription Shares (the "**Subscription**"). The net price per Subscription Share was approximately HKD0.89 and the closing price of the Shares on 15 May 2025, being the date on which the subscription agreement was signed, was HKD1.02 per Share. The Subscription Shares have an aggregate nominal value of HKD1,080,000. The gross proceeds and the net proceeds (after deducting the Subscription fee and other related expenses incurred in the Subscription) from the Subscription are HK\$4.9 million and approximately HK\$4.8 million, respectively (the "**Subscription Proceeds**"). The market value of the 2025 Subscription Shares was approximately HKD5.5 million on the date on which the subscription agreement was signed.

The reasons for the Subscription and an analysis of the utilisation of the net proceeds from the Subscription as at 31 December 2025 is set out below:

<b>Intended Use of Proceeds</b>	<b>Total planned amount (HKD' million)</b>	<b>Utilised amount during the Year (HKD' million)</b>	<b>Unutilised net proceeds as at 31 December 2025 (HKD' million)</b>
Repaying banking facilities	4.3	4.3	—
General working capital	0.5	0.5	—
<b>Total</b>	<b>4.8</b>	<b>4.8</b>	<b>—</b>

The Company has fully applied the Subscription Proceeds according to the announcement of the Company dated 15 May 2025 during the Year.

# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

## EXECUTIVE DIRECTORS

**Mr. Chu King Tien**, aged 71, 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 48 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 Ltd. (“**Golden Villa**”).

Mr. Chu and Golden Villa, which is wholly-owned by Mr. Chu, are the controlling shareholders (as defined under the Listing Rules) 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 63, 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 36 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 fourteen subsidiaries of the Company, namely Best Kind Holdings Limited, Golden Power Corporation (Hong Kong) Limited (“**Golden Power Corporation**”), and other subsidiaries. She is also the younger sister of Ms. Chu Suk Man, the deputy general manager of Golden Power Corporation.

**Mr. Tang Chi Him**, aged 54, 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 41, an executive Director, has been serving as an executive Director since 1 April 2013 and is responsible for the overall corporate development and strategic planning of the Group. Mr. Chu is currently the director of a subsidiary of the Company, namely Merchant Port Limited. Mr. Chu is also responsible for overseeing the environmental social and governance (ESG) aspect of the Group, as he is the chairman of the ESG Committee of the Group.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

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

**Ms. Tang Sze Ning Erica**, aged 46, who was appointed as the independent non-executive Director on 1 April 2025, has over 20 years of experience in the corporate finance and accounting fields specialising in corporate finance advisory, capital market transaction advisory and auditing. She is a member of Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. She also a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as a sponsor principal to conduct Type 6 (advising on corporate finance) regulated activities.

She was a senior auditor in Deloitte Touche Tohmatsu from January 2004 to February 2008, and a senior associate in PriceWaterhouseCoopers from July 2008 to April 2009. Ms. Tang acted as the financial controller and the company secretary of Genvon Group Limited (currently known as Beijing Health (Holdings) Limited) (stock code: 2389), the shares of which are listed on the Stock Exchange, from June 2009 to October 2010. Ms. Tang joined SinoPac Securities (Asia) Limited as senior manager from January 2011 to July 2012 focusing on initial public offering (“**IPO**”) projects. She later worked at RaffAello Capital Limited from July 2012 to November 2018 as a director and sponsor principal focusing on IPO projects, acting as compliance adviser and handling numerous corporate finance transactions. She joined Kingsman HK Capital Limited from November 2018 to April 2022 as a director and sponsor principal leading and supervising IPO transactions, acting as compliance adviser and advising on corporate finance. She later joined China Industrial Securities International Capital Limited from September 2022 to October 2024 as a director and sponsor principal also focusing on running IPO transactions and advising on corporate finance. Ms. Tang obtained her bachelor degree in Commerce from the University of New South Wales, Australia in 2003.

Ms. Tang received the legal advice required under Rule 3.09D by attending a director’s training on 28 March 2025 before her appointment and she confirmed she understood her obligations as a Director of the Company.

**Mr. Kan Man Kim**, aged 67, obtained a bachelor degree in Business Administration from The Chinese University of Hong Kong in 1981 and a Master of Business Administration degree (Executive MBA Programme) from The Chinese University of Hong Kong in December 2010. Mr. Kan is an experienced human resources management professional with over 30 years of experience. He was the vice-president of human resources of Top Glory Insurance Company (Bermuda) Ltd, an insurance company, from August 1996 to July 1998. He also work in Arthur Andersen and later PriceWaterhouseCoopers from August 1998 to June 2003 and his last position was senior manager of human resources. He worked in South China Holdings Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 413), from December 2003 to February 2020 as the group human resources director. Mr. Kan is currently a consultant focuses in human resources management. Mr. Kan is a chartered member of the Chartered Institute of Personnel & Development, UK and a fellow member of the Hong Kong Institute of Director.

**Mr. Wong Ka Chun Matthew**, aged 37, has over 13 years of experience in the financial industry spanning across corporate finance advisory, capital market transaction advisory and auditing. Mr. Wong obtained a Bachelor’s degree in Business, specialised in Accounting, Banking and Finance from Monash University, Melbourne, Australia in September 2011. He has also been a member of the CPA Australia since January 2016, a member of the Chartered Institute of Management Accountants since December 2016, and a member of Chartered Global Management Accountant since December 2016.

Mr. Wong was an auditor in Deloitte Touche Tohmatsu from September 2011 to November 2013, an auditor in PricewaterhouseCoopers from December 2013 to March 2017. Mr. Wong is currently executed a wide variety of capital markets and corporate finance transactions, including initial public offerings, mergers and acquisitions, equity fund raisings, structured finance and compliance advisory. On 29 December 2023, Mr. Wong was appointed as an independent non-executive Director and a member of the Audit Committee.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### SENIOR MANAGEMENT

**Mr. Liang Tao**, aged 59, 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 30 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 66, 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 61, 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 61, 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 48, was appointed as the business development manager of the Group on 1 April 2025 and 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 University of Wollongong, Australia in 2000 and a Master of Commerce Degree in University of New South Wales, Australia in 2001.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

**Mr. Chan Ka Shing**, aged 42, was appointed as the financial controller of the Group on 1 April 2025 and has been the deputy general manager of Golden Power Corporation since 2022. He is responsible for reviewing and managing the Group's finance and accounting function.

Mr. Chan obtained a Bachelor of Commerce (Accounting) in Curtin University of Technology, Australia in 2006. He has been a Certified Practising Accountant (CPA) of CPA Australia since 2012. He had joined the Group in 2010 before and left in 2018 at a position senior accounting manager because of personal reasons and rejoined to the Group in 2022. He was one of team members in the IPO and transfer listing committee of the Company in 2016 and 2017, respectively. Mr. Chan has extensive experience in the operations of finance and accounting function within the Group.

### COMPANY SECRETARY

**Mr. Chan Po Man** was appointed as the company secretary of the Company on 19 October 2022. Mr. Chan is a partner of ONC Lawyers and he is a practising solicitor in Hong Kong and a solicitor admitted in England and Wales (non-practising). Mr. Chan was also admitted as a member of the Institute of Public Accountants of Australia in 2022. Mr. Chan has extensive experience in advising listed companies on mergers and acquisitions, corporate finance and compliance of the Listing Rules and securities and corporate laws.

### COMPLIANCE OFFICER

**Ms. Chu Shuk Ching** is the compliance officer of the Company. For details of her biography, please refer to the paragraph headed "Executive Directors" under this section.

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present the corporate governance report of the Company for the Year.

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability to the shareholders as a whole. The Directors continuously observe the principles of good corporate governance in the interests of shareholders and are dedicated to identifying and formalizing the best practice in relation to corporate governance. 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 Code.

The Company’s purpose, values and strategy can be represented by its slogan “Together, we make life alive”, which is a summary of the Company as a professional manufacturer of battery products, undertakes the social responsibility to provide a package of products with quality dedicated to the nature and its customers.

The Board considers that the Company’s purpose, values and strategy are aligned with the Group’s culture. The Board will continue to monitor such alignment through its oversight of strategy execution, governance practices, risk management, people development and stakeholder engagement.

## 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.

## BOARD OF DIRECTORS

### Board Diversity Policy

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making. Pursuant to the CG Code, the Board has adopted a board diversity policy (the “**Board Diversity Policy**”). The Company recognises and benefits from the diversity of Board members. The Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage. The Company believes that greater diversity of directors is good for corporate governance and is committed:

- to attract and retain candidate(s) for the Board with a combination of competencies from the widest possible pool of available talents.
- to maintain a Board with diverse perspectives at all levels, in particular, those that are aligning with the Company’s strategy and objectives.
- to assess regularly the diversity profile of the Board and, where applicable, senior management to prepare for the Board positions under the succession planning of the Company and the progress on achieving diversity objectives, if any.
- to ensure that the selection and nomination of Board positions are appropriately structured so that a diverse range of candidates can be considered.
- to set up appropriate procedures for development of a broader and more diverse pool of skilled and experienced senior management that would be prepared for Board positions.
- to ensure that changes to the Board’s composition can be managed without undue disruption.

The Board had reviewed the implementation and effectiveness of the Board Diversity Policy and was of the view that the Board Diversity Policy and its implementation was efficient and effective.

### **Board Diversity**

While appointments of all members of the Board will continue to be made on a merit basis, the Company will ensure that the Board diversity has been considered from a wide range of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skill, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. The goal of the Board diversity is to ensure that a balanced composition of skill, experience and expertise offered by different Directors in the Board can provide a wider range of perspectives, insights and solutions to the Company and enable the Board to discharge its duties effectively and support the sustainable growth of the Company in the long run.

The Company is conscious of maintaining Board diversity with an appropriate level of female members on the Board, which shall not be less than one member with immediate effect as a measurable objective. During the Year, the Board comprised one female Board member, in which case the Board considered gender diversity has been achieved. As the Board considers gender diversity has been achieved, the Board currently has no further numerical target and timeline set for achieving gender diversity on the Board. On 1 April 2025, an additional female member of the Board, namely, Ms. Tang Sze Ning Erica, was appointed. The Board also sets a non-gender diversity policy that there should be at least one Board member who has professional qualifications or experience which are different than those required for running the principal business of the Company for giving a diversified insights to the Board. With Mr. Kan Man Kim as a member of the Board, the Board considers such measurable objective has also been achieved during the year. While conscious efforts are being taken by the Company to fulfil its Board Diversity Policy, all appointments are ultimately made on a merit basis taking into account available and suitable candidates.

The Nominations Committee will review the implementation of the Board Diversity Policy at least annually and make recommendation on any proposed changes to the Board for the Board's review and approval to ensure its continued appropriateness and effectiveness.

For recruiting potential successors to the Board to achieve Board diversity including gender diversity, the Board has prepared a list of desirable skills, experience, qualifications, gender or perspectives which the candidate should have. If the Board determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms.

### **Board Skills Matrix**

Having regard to the backgrounds, qualifications and experience of the Directors, the Board considers that the Board currently possesses skills and experience appropriate to the Group's business and strategic development, including, among others, manufacturing and operations, product development and design, finance and accounting, legal and regulatory matters, risk management, business management, international business, marketing and corporate governance.

The Board considers that the combination of such skills, experience and diversity of perspectives supports the Company's purpose, values, strategy and culture, and enables the Board to discharge its duties and responsibilities effectively.

The Board will continue to review its composition from time to time having regard to the Company's strategy, business needs and succession planning, and will consider whether any additional skills, experience or diversity of perspectives would further enhance the effectiveness of the Board.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### **Workforce Diversity**

The Group strictly adheres to fair and appropriate employment practices and labour standards. With an anti-discriminatory and equal-opportunity policy in place, the Group provides job applicant and employees with equal opportunities of employment and promotion, and prohibits all forms of discrimination on gender, religion, race, disability or age. The Company has adopted a workforce diversity policy for ensuring equal opportunities at work and eliminating discrimination and harassment in employment and free from any form of discrimination and bias.

As at 31 December 2025, the Group had a total of 390 staff members (excluding Directors), of whom 5 were members of senior management and 385 were other employees.

The gender ratio of the Group's senior management was approximately 40.0% male and approximately 60.0% female.

The gender ratio of the Group's workforce (excluding senior management and Directors) was approximately 47.0% male and approximately 53.0% female.

The Board considered that gender diversity of the workforce of the Group has been well maintained during the Year. As such, the plan for the Group in terms of measurable objective of gender diversity in workforce is to maintain the balance of gender diversity in the foreseeable future, which the Board considered had been achieved during the year.

### **Composition of the Board**

During the Year and up to the date of this report, the Board comprises the following members:

#### *Executive Directors*

Mr. Chu King Tien (*the chairman of the Group*)

Ms. Chu Shuk Ching

Mr. Tang Chi Him

Mr. Chu Ho Wa

#### *Independent non-executive Directors*

Mr. Kan Man Kim

Mr. Wong Ka Chun, Matthew

Ms. Tang Sze Ning Erica (appointed on 1 April 2025)

Mr. Hui Kwok Wah (resigned on 1 April 2025)

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The names, positions, date of first appointment, length of tenure on the Board and current period of appointment of the Directors are set out below:

Name of Director	Position	Date of first appointment/ appointment as Director	Length of tenure as at the date of this annual report	Current period of appointment
Mr. Chu King Tien	Chairman and executive Director	7 June 2012 (as director)/ 1 April 2013 (as chairman)	About 13 years	Three-year term, automatically renewable for one-year in all subsequent terms unless terminated in accordance with the service agreement
Ms. Chu Shuk Ching	Executive Director/ Chief Executive Officer	7 June 2012 (as director)/ 1 April 2013 (as chief executive officer)	About 13 years	Three-year term, automatically renewable for one-year in all subsequent terms unless terminated in accordance with the service agreement
Mr. Tang Chi Him	Executive Director	1 April 2013	About 13 years	
Mr. Chu Ho Wa	Executive Director	1 April 2013	About 13 years	
Mr. Kan Man Kim	Independent non-executive Director	31 May 2022	About 3 years	Two-year term/fixed term of two years unless terminated in accordance with the appointment letter
Mr. Wong Ka Chun, Matthew	Independent non-executive Director	29 December 2023	About 2 years	Two-year term/fixed term of two years unless terminated in accordance with the appointment letter
Ms. Tang Sze Ning Erica	Independent non-executive Director	1 April 2025	About 1 year	Two-year term/fixed term of two years unless terminated in accordance with the appointment letter

In compliance with rule C.2.1 of Appendix C1, the roles of chairman and chief executive officer of the Group are separated and performed by different individuals, namely Mr. Chu King Tien and Ms. Chu Shuk Ching, respectively.

Pursuant to article 108 of the articles of association of the Company (the “**Articles**”), one-third of the Directors shall retire from office by rotation at each annual general meeting and every Director shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election.

Saved as disclosed in the section “Biographical Details of Directors and Senior Management” in this report, there is no financial, business, family or other material or relevant relationship among members of the Board and senior management.

### Independent non-executive Directors

In compliance with the requirements set out in Rule 3.10(2) of the Listing Rules, the Board consists of three independent non-executive Directors during the Year. One of them, namely Mr. Hui Kwok Wah (resigned on 1 April 2025), possessed appropriate professional qualifications or accounting or related financial management expertise. During the Year and as of the date of this report, the number of independent non-executive Directors represents at least one-third of the Board which is in compliance with Rule 3.10A. As such, the Company believes that there is sufficient independence element in the Board to safeguard the interests of the shareholders of the Company.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

Specific enquiry has been made by the Company to each independent non-executive Director to confirm their independence pursuant to rule 3.13 of the Listing Rules, and each of them confirmed that he was independent of the Company and there has been no circumstances which would render them not to be independent as contemplated under the Listing Rules. Based on the confirmations received and upon the recommendation of the Nomination Committee, the Board considered that all the independent non-executive Directors were independent within the meaning of the Listing Rules. None of the Independent non-executive Directors have served more than nine years as at 1 April 2025.

The Company has renewed or signed the appointment letter with each of the independent non-executive Directors for a fixed term of two years, subject to re-election and may be terminated by either the Company or the Director in accordance with the terms thereof.

In addition, the Chairman of the Board held a meeting with the independent non-executive Directors without the presence of the other executive Directors during the Year.

### Functions of the Board

The overall management of the Company's operation was vested in the Board. The principal function of the Board is to make key decisions, consider and approve the overall plans and strategies and the management of the Company. The Group has an independent management team, which is led by a team of senior management with substantial experience and expertise in the Group's business and to which the Board has delegated the authority and responsibility for implementing the Group's policies and strategies.

All Directors have separate and independent access to the Group's senior management to fulfill their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group's expense upon their request. During the Year, in accordance with the Code provision D.1.2, all the Directors are provided with monthly updates on the Company's performance, position and prospect to enable the Board as a whole and each Director to discharge their duties.

The Company has implemented regular evaluation of the performance and effectiveness of the Board once every two years and questions were being put to all Directors individually on their opinion on Board performance. Each Director is invited to provide his/her views on the performance of the Board and any suggestions for improving the board process. The results of the evaluation are reviewed by the Nomination Committee and submitted to the Board.

Board performance review has been conducted for the Year. Based on the evaluation conducted, the Directors were satisfied with the performance of the Board and considered the Board continued to operate effectively.

### Board and General Meetings

During the Year, four board meetings were held on 21 March 2025, 24 June 2025, 19 August 2025 and 17 December 2025, respectively. During the Year, an annual general meeting was held on 24 June 2025 (the "2025 AGM"). Save for the 2025 AGM, the Company held two extraordinary general meetings on 9 May 2025 (the "1st EGM") and 24 June 2025 (the "2nd EGM"), respectively. Subsequent to the Year and up to the date of this report, one board meeting was held on 26 March 2026. The forthcoming annual general meeting of the Company is scheduled to be held on Thursday, 21 May 2026 (the "2026 AGM").

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The individual attendance record of each Director at the Board meetings during the Year and the 2025 AGM is set out below:

Name of the Directors	Attendance/ Number of Board meetings	Attendance at the 2025 AGM	Attendance at the 1st EGM	Attendance at the 2nd EGM
<i>Executive Directors</i>				
Mr. Chu King Tien (Chairman)	4/4	Yes	Yes	Yes
Ms. Chu Shuk Ching	4/4	Yes	Yes	Yes
Mr. Tang Chi Him	4/4	Yes	Yes	Yes
Mr. Chu Ho Wa	4/4	Yes	Yes	Yes
<i>Independent non-executive Directors</i>				
Mr. Kan Man Kim	4/4	Yes	Yes	Yes
Mr. Wong Ka Chun, Matthew	4/4	Yes	Yes	Yes
Ms. Tang Sze Ning Erica (appoint on 1 April 2025)	3/3	Yes	Yes	Yes
Mr. Hui Kwok Wah (resigned on 1 April 2025)	1/1	—	—	—

The company secretary of the Company attended all the Board meetings held during the Year to report matters arising from corporate governance and compliance matters. He also attended the 2025 AGM.

### Corporate Governance Functions and Conduct of Meetings

The Board is responsible for performing the corporate governance duties set out in Code Provision A.2.1 of the CG Code. During the Year, the Board has performed the following corporate governance functions:

- developed and reviewed the Company's policies and practices on corporate governance and made recommendations where appropriate;
- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;
- reviewed and monitored the code of conduct and policies applicable to employees and Directors, including the Model Code and the written guidelines for relevant employees, if applicable; and
- reviewed the Company's compliance with the CG Code and the disclosure in this Corporate Governance Report.

The Board considers that the corporate governance policies and practices of the Company during the Year were appropriate and effective.

Provision C.5.3 of the Code stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are required to be given. An agenda and accompanying board papers are sent to all Directors at least three days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All the Directors are given an opportunity to include matters in the agenda for regular Board meetings. The Directors also have separate independent professional advice at the Company's expense to assist them in performing their duties to the Company.

Minutes of all Board meetings recording sufficient details of matters considered and decisions made are duly kept by the secretary of the meetings and open for inspection on reasonable notice by the Directors.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Directors' continuous training and professional development

Pursuant to provision C.1.4 of the Code, all the Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the Year, all the Directors have participated in continuous professional development by attending training courses or reading relevant materials on the topics related to corporate governance and relevant update of the Listing Rules.

The individual training record of each Director received during the Year is summarised below:

Name of Directors	Attended directors' training or reading relevant materials on the topics related to corporate governance and Listing Rules
<i>Executive Directors</i>	
Mr. Chu King Tien ( <i>Chairman</i> )	Yes
Ms. Chu Shuk Ching	Yes
Mr. Tang Chi Him	Yes
Mr. Chu Ho Wa	Yes
<i>Independent non-executive Directors</i>	
Mr. Kan Man Kim	Yes
Mr. Wong Ka Chun, Matthew	Yes
Ms. Tang Sze Ning Erica (appointed on 1 April 2025)	Yes
Mr. Hui Kwok Wah (resigned on 1 April 2025)	N/A

Ms. Tang Sze Ning Erica received the legal advice required under Rule 3.09D of the Listing Rules by attending a director's training on 28 March 2025 before her appointment and she confirmed that she understood her obligations as a Director of the Company.

### Directors' Time Commitment

The Company requires Directors to disclose to the Company, at the time of appointment and in a timely manner upon any change, the number and nature of offices held in public companies or organisations and other significant external commitments. The Nomination Committee and the Board take such disclosures into account when assessing whether each Director is able to devote sufficient time to the affairs of the Company and discharge his/her responsibilities effectively.

The Nomination Committee made assessment on the time commitments of the Directors during the Year and was of the view that the Directors had devoted sufficient time to the business and affairs of the Company.

### Mechanism ensuring sufficient independence views to the Board

The Board recognises Board independence is critical to good corporate governance. The Company has put in place the mechanisms to ensure a strong independence element on the Board, which are summarised below:

#### **Board Composition**

The Board endeavours to ensure the appointment of at least three independent non-executive Directors and at least one-third of the Board members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time).

Apart from complying with the requirements prescribed by the Listing Rules as to the composition of certain Board committees, independent non-executive Directors will be appointed to other Board committees as far as practicable to ensure independent views are available.

### ***Independence Assessment***

The Nomination Committee shall strictly adhere to the nomination policy and the independence assessment criteria as set out in the Listing Rules with regard to the nomination and appointment of independent non-executive Directors.

Each independent non-executive Director is also required to inform the Company as soon as practicable if there is any change in his own personal particulars that may materially affect his independence.

The Nomination Committee is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the Listing Rules to ensure that they can continually exercise independent judgement.

### ***Decision Making***

All Directors (including independent non-executive Directors) are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the Company's company secretary and, where necessary, independent advice from external professional advisers at the Company's expense.

All Directors (including independent non-executive Directors) shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his close associates has a material interest.

The Board had made an annual review on the implementation of the abovementioned mechanisms and was of the view that the abovementioned mechanisms had been satisfactorily implemented.

## **BOARD COMMITTEES**

The Board has established three Board committees to oversee specific aspects of the Group's affairs and assist it in the execution of its responsibilities. Each committee has its specific written terms of reference which clearly outline the committees' authority and duties, and which require the committee to report on its decisions or recommendations to the Board. All Board committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

### **Audit Committee**

The Company has established an audit committee (the "**Audit Committee**") on 15 May 2015 with written terms of reference in compliance with the Listing Rules. The Audit Committee has three members comprising all the independent non-executive Directors, namely, Mr. Wong Ka Chun Matthew, who was appointed as the chairman of the Audit Committee on 1 April 2025, Mr. Kan Man Kim and Ms. Tang Sze Ning Erica, who was appointed as a member of the Audit Committee on 1 April 2025. Mr. Hui Kwok Wah resigned as an independent non-executive Director and ceased to be the chairman of the Audit Committee on 1 April 2025.

All members of the Audit Committee possess appropriate knowledge and financial experience to perform their duties. The composition of the Audit Committee meets the requirements of Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee, among other things, are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and requirements under the Listing Rules and oversee the independence and qualifications of the external auditors and objectivity and the effectiveness of the audit process in accordance with applicable standards.

The Audit Committee has reviewed the consolidated financial statements for the Year and the Audit Committee is of the opinion that the audited financial statements of the Group of the Year comply with the applicable accounting standards and the Listing Rules and adequate disclosures have been made therein.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

Two Audit Committee meetings were held during the Year. The attendance records of each member of the Audit Committee at the said meetings are as follows:

<b>Name of the Directors</b>	<b>Attendance/ Number of Audit Committee meetings</b>
<i>Independent non-executive Directors</i>	
Mr. Wong Ka Chun, Matthew ( <i>Chairman</i> )	2/2
Mr. Kan Man Kim	2/2
Ms. Tang Sze Ning Erica (appointed on 1 April 2025)	1/1
Mr. Hui Kwok Wah (resigned on 1 April 2025)	1/1

In performing its duties in accordance with its terms of reference, the works performed by the Audit Committee during the Year included, among other things, the followings:

- A. reviewed and supervised the financial reporting process and risk management and internal control systems of the Group;
- B. made recommendations to the Board on the appointment of external auditor and gave approval of their remuneration;
- C. met with external auditor and reviewed their independent audit reports;
- D. reviewed the interim results announcement of 2025, interim report of 2025, the results announcement of the Year and annual report of the Year, and the financial statements for the relevant periods.
- E. reviewed the independence and objectivity of the external auditor; and
- F. reviewed the effectiveness and performance of the Company's financial reporting system, risk management and internal control systems.

### **Remuneration Committee**

The Company has established a remuneration committee (the "**Remuneration Committee**") on 15 May 2015 with written terms of reference in compliance with the Listing Rules. The Remuneration Committee comprises one executive Director, namely, Mr. Chu King Tien and two independent non-executive Directors, namely, Mr. Kan Man Kim and Ms. Tang Sze Ning Erica, who was appointed as the chairperson of the Remuneration Committee on 1 April 2025. Mr. Hui Kwok Wah resigned as an independent non-executive Director and ceased to be the chairman of the Remuneration Committee on 1 April 2025.

The primary duties of the Remuneration Committee are, among other things, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management which should include benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of their office or appointment, to ensure none of the Directors or any of his associate is involved in deciding his own remuneration, and make recommendations to the Board on the remuneration of the independent non-executive Directors.

The Remuneration Committee has adopted the model described in Code Provision E.1.2(c)(ii) of the CG Code, namely to make recommendations to the Board on the remuneration packages of individual Directors and senior management.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

Meeting of the Remuneration Committee shall be held at least once a year. One meeting of the Remuneration Committee was held during the Year. The attendance records of each member of the Remuneration Committee at the said meeting are as follows:

Name of the Directors	Attendance/ Number of Remuneration Committee meetings
<i>Executive Director</i>	
Mr. Chu King Tien	1/1
<i>Independent non-executive Directors</i>	
Mr. Kan Man Kim	1/1
Ms. Tang Sze Ning Erica ( <i>Chairperson</i> ) (appointed on 1 April 2025)	—
Mr. Hui Kwok Wah (resigned on 1 April 2025)	1/1

During the Year, the Remuneration Committee has, among other things, reviewed the remuneration package of the Directors and senior management of the Group and recommendation was made to the Board in relation to their remuneration package.

Pursuant to code provision E.1.5 of the CG Code, the remuneration paid to the members of the senior management (excluding Directors) by band during the year ended 31 December 2025 is set out below:

Remuneration band (HK\$)	Number of person(s)
Nil to 1,000,000	6
1,000,001 to 1,500,000	—
1,500,001 to 2,000,000	—
2,000,001 to 2,500,000	—

### The Remuneration Policy of Directors

Quality and committed staff are valuable assets contributing to the Group's success. To ensure the ability to attract and retain talents, the Group's remuneration policy of Directors is built upon the principles of providing equitable and market-competitive remuneration package that support the performance culture and enable the achievement of strategic business goals. The Group's remuneration policy of Directors is, therefore, aiming at providing competitive but not excessive remuneration package to the Directors.

The Directors' remuneration comprises fixed salary or service fee and variable components (such as bonus and share options), which is benchmarked against companies of comparable business or scale with reference to a mix of factors such as the prevailing market condition, the Company's performance and the qualifications, skills, experience and educational background of the Directors.

The Directors' remuneration is reviewed annually and are subject to shareholders' approval.

### Nomination Committee

The Company has established a nomination committee (the "**Nomination Committee**") on 15 May 2015 with written terms of reference in compliance with the Listing Rules. The Nomination Committee comprises one executive Director namely, Mr. Chu King Tien and two independent non-executive Directors, namely, Ms. Tang Sze Ning Erica, who was appointed on 1 April 2025 as a member, and Mr. Kan Man Kim, with Mr. Chu King Tien as the chairman of the Nomination Committee. Mr. Hui Kwok Wah resigned as an independent non-executive Director and ceased to be a member of the Nomination Committee on 1 April 2025.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The roles and functions of the Nomination Committee include, among other things, reviewing the structure, size and composition of the Board (including the skills, knowledge and experience of the Directors) at least once a year, considering the mix of skills, experience and diversity of perspectives of the Board, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting, or making recommendations to the Board on the selection of individuals nominated for directorship, assessing the independence of the independent non-executive Directors, making recommendations to the Board on the appointment or re-appointment of the Directors and making succession planning for Directors, in particular the chairman and the chief executive officer, and considering matters relating to the Board's performance and effectiveness.

The Nomination Committee shall meet at least once a year. One meeting of the Nomination Committee was held during the Year. The attendance records of each member of the Nomination Committee at the said meeting are as follows:

<b>Name of the Directors</b>	<b>Attendance/ Number of Nomination Committee meetings</b>
<i>Executive Director</i>	
Mr. Chu King Tien ( <i>Chairman</i> )	1/1
<i>Independent non-executive Directors</i>	
Mr. Kan Man Kim	1/1
Ms. Tang Sze Ning Erica (appointed on 1 April 2025)	—
Mr. Hui Kwok Wah (resigned on 1 April 2025)	1/1

During the Year, the Nomination Committee has, among other things, performed the following work during the Year:

- reviewed the structure, size, composition and diversity of the Board;
- considered the appointment or re-appointment of the Directors;
- reviewed the independent non-executive Directors' annual confirmation on their independence and assessed their independence according to the independence criteria set out in Rule 3.13 of the Listing Rules;
- considered the Board's mix of skills, experience and diversity of perspectives having regard to the Company's business and strategic needs;
- considered matters relating to the Board's performance and effectiveness;
- assessed the time commitment and contribution of each Director to the Board, and considered that each Director had devoted sufficient time to discharge his/her responsibilities effectively having regard to his/her professional qualifications, work experience, directorships in other listed companies and other significant external commitments, if any; and
- reviewed succession planning for the Board, including the chairman and the chief executive officer.

The Nomination Committee will continue to review the necessity of recruiting more competent staff to join for the expansion of the Group.

During the Year, the Nomination Committee reviewed and considered the skills, experience, qualifications, education background and independence of Ms. Tang Sze Ning Erica in relation to her re-election as an independent non-executive Director at the 2025 AGM. The Nomination Committee and the Board formed the view that, with Ms. Tang Sze Ning Erica's rich experience in corporate finance expertise, Ms. Tang Sze Ning Erica would be a valuable addition to the Board and would further enrich the spectrum of skills, experience and diversity of perspectives of the Board, thereby enhancing the diversity and effectiveness of the Board.

The Company has adopted a nomination policy (the "**Nomination Policy**") which sets out the approach and procedures the Board adopts for the nomination and selection of Directors of the Company, including the appointment of additional Directors, replacement of Directors, and re-election of Directors. The Nomination Committee has been delegated with the overall responsibility for implementation, monitoring and periodic review of the policy, and the summary of which is set out below:

### **Nomination Criteria**

In evaluating and selecting any candidate for the directorship, the following criteria would be considered by the Nomination Committee and the Board:

- the candidate's character and integrity;
- the candidate's qualifications including professional qualifications, skills, knowledge and experience, and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- for independent non-executive Directors, whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- willingness and ability of the candidate to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- such other perspectives that are appropriate to the Company's business and succession plan and where applicable may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### **Nomination Procedures**

The Company has put in place the following Director nomination procedures:

#### ***Appointment of New and Replacement Directors***

- (i) If the Board determines that an additional or replacement Director is required, it will deploy multiple channels for identifying suitable director candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms.
- (ii) Upon compilation and interview of the list of potential candidates, the Nomination Committee will shortlist candidates for consideration by the Nomination Committee and/or the Board based on the selection criteria and such other factors that it considers appropriate. The Board has the final authority on determining suitable director candidate for appointment.

#### ***Re-election of Directors and Nomination from Shareholders***

- (i) Where a retiring Director, being eligible, offers himself for re-election, the Nomination Committee and/or the Board shall consider and, if consider appropriate, recommend such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.
- (ii) Any shareholder of the Company who wishes to nominate a person to stand for election as a Director at a general meeting must lodge with the company secretary of the Company within the lodgement period specified in the relevant shareholder circular (a) a written nomination of the candidate, (b) written confirmation from such nominated candidate of his willingness to stand for election, and (c) biographical details of such nominated candidate as required under the Listing Rules. Particulars of the candidate so proposed will be sent to all shareholders for information by a supplementary circular.

On 25 October 2018, the Nomination Policy was approved and adopted by the Board.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE**

The Company has established a Environmental, Social and Governance Committee (the “**ESG Committee**”) on 22 November 2021 in order to better manage the environmental, social and governance performance of the Group. The ESG Committee comprises two executive Directors, namely, Mr. Chu Ho Wa, an executive Director, Mr. Tang Chi Him, an executive Director and Mr. Chan Ka Shing. Mr. Liang Tao, Mr. Chen Ming and Mr. He Yong Xi, who are members of the senior management. Mr. Chu Ho Wa has been appointed as the chairman of the ESG Committee.

The primary duties of the ESG Committee are, among other things, to review and discuss with the Board of the Company to draw up the Company’s ESG strategies, initiatives and policies; review any opportunities or investments in connection with the implementation of the ESG strategies, initiatives and policies, and approve any matters arising for such review; review and monitor the operational, regulatory, and reputational risks and impacts in respect of ESG on the Company and provide advice and guidance to the Board of such risks and impacts; provide advice and guidance with respect to communications with management, employees, investors, and other stakeholders, regarding the Company’s position on or approach on ESG matters; review and assess the ESG performance of the Company annually and recommend any proposed changes for approval by the Board; report relevant matters of significance relating to sustainable development to the Board; review the environmental, social and governance report and make recommendation to the Board; and undertake other duties assigned by the Board.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The ESG Committee shall meet at least once a year and at such other times as the executive Director shall require. One meeting of the ESG Committee was held during the Year. The attendance record of each member of the ESG Committee at the said meeting are as follows:

	<b>Attendance/ Number of ESG Committee meetings</b>
<i>Executive Director</i>	
Mr. Chu Ho Wa ( <i>Chairman</i> )	1/1
Mr. Tang Chi Him	1/1
<i>Committee Members</i>	
Mr. Liang Tao	1/1
Mr. Chen Ming	1/1
Mr. He Yong Xi	1/1
Mr. Chan Ka Shing	1/1

During the Year, the ESG Committee has, among others, reviewed the ESG strategies, initiatives and policies of the Group, and made recommendations to the Board as to the ESG performance of the Group.

### **DIVIDEND POLICY**

The Company has on 25 October 2018 adopted a divided policy (the “**Dividend Policy**”), the summary of which is set out below:

- 1) the Dividend Policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company and also take into account the following factors of the Group when considering the declaration and payment of dividends:
  - financial results;
  - cash flow situation;
  - balance of distributable reserves;
  - business conditions and strategies;
  - future operations and earnings;
  - capital requirements and expenditure plans;
  - interests of shareholders;
  - any restrictions on the payment of dividends; and
  - any other factors that the Board may consider relevant;

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- 2) depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period:
  - interim dividend;
  - final dividend;
  - special dividend; and
  - any distribution of net profits that the Board may deem appropriate;
- 3) any final dividend for a financial year will be subject to shareholders' approval;
- 4) the Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate; and
- 5) any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Articles of Association.

The Board confirms that the dividend decision made during the Year was made in accordance with the Dividend Policy.

The Board resolved not to declare any dividend for the Year after taking into account, among other things, the Group's financial performance, cash flow position, working capital requirements and future business development needs.

The Board endeavours to strike a balance between the shareholders' interests and prudent capital management with a sustainable dividend policy. However, there is no assurance that a dividend will be proposed or declared in any specific periods. The Board will review the Dividend Policy as appropriate from time to time.

### COMPANY SECRETARY

Mr. Chan Po Man was appointed as the company secretary of the Company on 19 October 2022. Mr. Chan meets the qualification requirements for company secretary under Rule 3.28 of the Listing Rules. During the Year, Mr. Chan confirmed that he complied with training requirements under Rule 3.29 of the Listing Rules by undertaking not less than 15 hours of relevant professional training. Mr. Chan is a practising solicitor of Hong Kong and a partner of ONC Lawyers, a solicitors' firm in Hong Kong. Although Mr. Chan is not an employee of the Company, he reports to the Chairman and advises the Board on the Listing Rules compliance and corporate governance matters. The Company has assigned Ms. Chu Shuk Ching, the chief executive officer and executive Director of the Company, as its primary corporate contact person whom Mr. Chan can contact.

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, other price-sensitive announcements and other financial disclosures as required under the Listing Rules and other statutory requirements.

The Directors acknowledged their responsibility for preparing the consolidated financial statements of the Company for the Year. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The responsibility of the external auditor is to form an independent opinion, based on their audit work, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by the external auditor about their reporting responsibility is set out in the Independent Auditor's Report in this report.

### AUDITOR'S REMUNERATION

For the Year, the fee paid/payable to the Group's external auditor, PKF Hong Kong Limited, for the audit and non-audit services provided amounted to approximately HK\$0.78 million and HK\$82,000, respectively. The non-audit services incurred consist of fees of approximately HK\$40,000 for technical support services for interim reporting and approximately HK\$42,000 for taxation services.

### INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and conducts review on the effectiveness of such systems through the Audit Committee on an annual basis. The Audit Committee assists the Board in fulfilling its oversight and corporate roles in the Group's financial, operational, compliance, risk management and internal controls, while senior management designs, implements and monitors the risk management and internal control systems, and provides reports to the Board and the Audit Committee on the effectiveness of these systems. However, such systems and internal controls can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives.

The annual review covered all material controls, including financial, operational and compliance controls, and considered, among other things, the changes since the last annual review in the nature and extent of significant risks faced by the Group, including ESG-related risks, and the Group's ability to respond to changes in its business and external environment, the scope and quality of management's ongoing monitoring of risks and internal control systems, the extent and frequency of communication of monitoring results to the Board and the Audit Committee, and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and ESG-related functions.

As the Group does not have an internal audit function, the Board has appointed an external internal control consultant to review the internal control system of the Group on an annual basis covering the period during the Year. Management is responsible for the design, implementation and monitoring of the systems, while the external internal control consultant performs independent review of the adequacy and effectiveness of such systems. The Audit Committee reviews the findings and recommendations of management and the external internal control consultant and reports to the Board. Based on the reports received from management, the findings and work performed by the external internal control consultant, and the review and recommendations of the Audit Committee, the Board conducted an annual review and evaluation of the Group's risk management and internal control systems and considered them effective and adequate for the Year. The Audit Committee has also reviewed and is satisfied with the adequacy of resources, staff qualifications and experience of the Group's accounting and financial reporting function.

The Board has reviewed the need for establishing an internal audit function during the Year and, having considered the size, nature and current operational structure of the Group together with the annual independent review performed by the external internal control consultant, considered that the absence of an in-house internal audit function remains appropriate for the time being.

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group's internal control system is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfilment of business objectives. The system includes a defined management structure with segregation of duties and a cash management system such as monthly reconciliation of bank accounts.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Group has adopted a risk management policy, the main objectives of which is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business in order to guide decisions on risk related issues.

The specific objectives of the policy are:

1. to ensure that all the current and future material risk exposures of the Group are identified, assessed, quantified, appropriately mitigated, minimised and managed by adopting adequate systems for risk management;
2. to establish a framework for the Group's risk management process and to ensure its implementation;
3. to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices; and
4. to assure business growth with financial stability.

### **Handling and Dissemination of Inside Information**

The Group is aware of its obligation under relevant sections of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO") and the Listing Rules. An inside information policy has been established to lay down guidelines on definition, compliance and reporting mechanism of inside information. All members of the Board, senior management, and staff who are likely to possess inside information are strictly bound by this policy. Staff who have access to inside information are required to keep such unpublished inside information confidential until relevant announcement is made. Failure to comply with such requirements may result in disciplinary actions.

### **Whistleblowing Policy and Anti-corruption Policy**

The Company has established a whistleblowing policy and system for internal and external parties to raise concerns in relation to possible misconduct of the Group, its employees or directors in a confidential or anonymous manner, or both.

The Company has also adopted anti-corruption policy and procedures to promote and support compliance with applicable anti-corruption laws and regulations. The Group provides relevant guidance and/or training to its employees from time to time to reinforce ethical business conduct and compliance awareness.

## **SHAREHOLDERS' RIGHTS**

The Company endeavors to maintain an on-going dialogue with the shareholders and in particular, through annual general meetings or other general meetings to communicate with the shareholders and encourage their participation. The Company will ensure that there are separate resolutions for separate issues proposed at the general meetings.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner in accordance with relevant regulatory requirements.

### **General Meetings**

The general meetings of the Company provide a good opportunity for communication between the shareholders of the Company and the Board. An annual general meeting of the Company shall be held in each year and at such time and place to be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

The 2025 AGM was held on 24 June 2025. The 2026 AGM is scheduled to be held on Thursday, 21 May 2026. A circular containing, among other matters, further information relating to the 2026 AGM will be despatched to the shareholders of the Company in accordance with the Articles, the Listing Rules and other applicable laws and regulations.

### **Rights and Procedures for Shareholders to Convene an Extraordinary General Meeting**

Pursuant to article 64 of the Articles, any one or more shareholders of the Company holding as at the date of deposit of the requisition not less than one-tenth of the voting rights at general meetings on a one vote per Share basis in the share capital of the Company shall have the right, by written requisition to the Board or the company secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) himself(theselves) may convene the general meeting in the same manner, and all expenses reasonably incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to him (them) by the Company.

### **Procedures for Shareholders to Propose for Election as a Director**

Shareholders may propose a person for election as Director. The procedures are set out in the document titled "Procedures for Nomination of Directors by Shareholders", which is available on the Company's website at [www.goldenpower.com](http://www.goldenpower.com).

### **Right to Put Enquiries to the Board**

Shareholders of the Company have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong at Flat C, 20/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kok Road, Tai Po, New Territories for the attention of the Board or the company secretary. Shareholders may also make enquiries with the Board at the general meetings of the Company.

### **Procedures for Shareholders to Put Forward Proposals at Shareholders' Meeting**

If a Shareholder wishes to put forward proposals at a Shareholders' meeting, the Shareholder, who has satisfied the shareholding requirements set out in the above paragraph headed "Rights and Procedures for Shareholders to Convene an Extraordinary General Meeting", may follow the same procedures by sending a written requisition to the Board or the company secretary of the Company at the principal place of business of the Company in Hong Kong. The Shareholder should state his/her proposals in the written requisition and submit the written requisition as early as practicable to enable the company secretary of the Company to make necessary arrangement.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is the key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and the public. The Company updates its shareholders on its latest business developments and financial performance through the publication of its annual and interim reports and/or circulars, notices and other announcements. The corporate website of the Company ([www.goldenpower.com](http://www.goldenpower.com)) has provided an effective communication platform to the shareholders and the public.

#### **The Shareholders' Communication Policy**

The Company has adopted a shareholders' communication policy, details of which is summarised below:

#### ***Shareholders' Meetings***

- The annual general meetings and other general meetings of the Company are the primary communication forum between the Company and the Shareholders. Shareholders are encouraged to participate in general meetings physically or to appoint proxies to attend and vote at such meetings for and on their behalf if they are unable to attend.
- Notices of the general meetings, related circulars and forms of proxy are provided within a prescribed time prior to the general meetings on Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.goldenpower.com](http://www.goldenpower.com)) or, upon request, by post to the Shareholders.
- The Directors, in particular, the chairman of the Board committees or their delegates, appropriate senior executives and external auditor will attend the general meetings to answer the Shareholders' questions.
- The chairman of the general meetings will propose to vote the resolutions (except resolutions which relate purely to procedural or administrative matters) by poll in accordance with the Articles. Scrutineer will be appointed for the vote-taking at the general meetings and the voting results will be published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.goldenpower.com](http://www.goldenpower.com)) subsequent to the close of the general meetings.

#### ***Arrangements for Dissemination of Corporate Communications***

- Pursuant to Rule 2.07A of the Listing Rules and the Articles, the Company has adopted the following policy for dissemination of the future corporate communications of the Company (the "**Corporate Communications**") to the Shareholders electronically and only send Corporate Communications in printed form to the Shareholders upon request.

In this connection, the following arrangements on dissemination of Corporate Communications has come into effect from 31 December 2023.

##### ***1. Actionable Corporate Communications***

The Company will send the Actionable Corporate Communications (as defined under the Listing Rules) to its Shareholders individually in electronic form by email. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will send the Actionable Corporate Communication in printed form together with a request form for soliciting the Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

### 2. *Corporate Communications*

The Company will make the Corporate Communications available on its website ([www.goldenpower.com](http://www.goldenpower.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

The Company may not send a notice of publication of the website version of Corporate Communications to its Shareholders. The Shareholders are encouraged to proactively monitor the availability of all future Corporate Communications on the said websites and access the website version of Corporate Communications by themselves.

For those Shareholders who wish to receive a printed version of all future relevant Corporate Communications and Actionable Corporate Communications or, if for any reason, have difficulty in gaining access to the Company's website, the Company will, upon receipt of request in writing by the Shareholder to the Company's branch share registrar in Hong Kong at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to [3919-ecom@vistra.com](mailto:3919-ecom@vistra.com), send future relevant Corporate Communications to such Shareholders in printed form free of charge.

- Preference in receiving corporate Communications in printed form of a Shareholder will be valid until the last day of each financial year of the Company or unless being revoked or superseded (whichever is earlier). Further request in writing will be required if a Shareholder would like to renew his/her/its preference in receiving corporate communications in printed form.
- Shareholders are encouraged to provide their up-to-date contact details (including electronic contract details) to the Hong Kong branch share registrar of the Company in order to facilitate timely and effective communications.

### **Company's Website**

- The Company's website ([www.goldenpower.com](http://www.goldenpower.com)) provides the Shareholders with corporate information on the Group. It also provides information on corporate governance of the Group and the compositions and functions of the Board and the committees of the Board.
- In addition to the "Investor Relations" section in which corporate communications of the Company are posted as soon as practicable following their release on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)), press releases and newsletters issued by the Company from time to time are also available on the Company's website to facilitate communication between the Company, Shareholders and investment community.
- Information on the Company's website is updated on a regular basis.

### **Communication with the Company**

Shareholders may raise questions, request for publicly available information and provide comments and suggestions to the Directors and management of the Company. Such questions, requests, comments and suggestions can be addressed to the Company by post to Flat C, 20/F, Block 1, Tai Ping Industrial Centre, 57 Ting Kook Road, Tai Po, New Territories, Hong Kong, or by the following means:

Telephone number: (852) 3125 2288

Fax number: (852) 3125 2000

Email address: [ir@goldenpowergroup.com](mailto:ir@goldenpowergroup.com)



## **CORPORATE GOVERNANCE REPORT (CONTINUED)**

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

The Company highly values the view and comment by the Shareholders' and relevant stakeholders to the Company and would invite the Shareholders' and relevant stakeholders to communicate with the Company by employing the abovementioned means. During the Year, the Company maintained communication with shareholders and the investment community through, among other things, the annual general meeting, corporate communications published on the websites of the Stock Exchange and the Company, the Company's website, and communication channels such as telephone, fax and email enquiries.

The Board reviewed the implementation and effectiveness of the shareholders' communication policy during the Year with reference to, among other things, the availability and accessibility of communication channels for shareholders, the publication and dissemination of corporate communications in a timely manner, shareholders' participation at general meetings, and the handling of enquiries and feedback from shareholders and investors. Based on the foregoing, the Board considered that the shareholders' communication policy was properly implemented and remained effective during the Year.

### **CONSTITUTIONAL DOCUMENTS**

During the Year, there was no change to the Memorandum of Association and Articles of the Company.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 1 ABOUT GOLDEN POWER

Golden Power Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”, the “**Golden Power**” or “**us**”) is a battery manufacturer offering a diverse array of battery products globally, from the People’s Republic of China (the “**PRC**”), Hong Kong to the international markets. In addition to their own brand “Golden Power”, the Group produces batteries for private labels and OEM customers. Golden Power’s product portfolio is diverse and can be primarily classified into two segments: (i) disposable batteries; and (ii) rechargeable batteries and other battery-related products. We take pride in our varied portfolio, designed to cater to the diverse needs and preferences of our customers, offering flexible, one-stop solutions for their procurement needs.

Ensuring a reliable energy supply is critical, as energy consumption has significant implications for both everyday life and business growth. As an industry leader, Golden Power is committed to providing a wide selection of environmentally friendly products that meet stringent quality standards. The Group emphasizes sustainability not just through the durability of its goods but also through eco-conscious practices. For instance, our “Ecototal” battery series is free from hazardous substances such as mercury, cadmium, and lead.

As part of its strategy to transition to a low-carbon economy, the Group has invested in upgrading its machinery to improve energy efficiency. Beyond reducing energy consumption, the Group is actively minimizing the use of plastic in product packaging, further solidifying its dedication to sustainability and responsible resource management. Moreover, the Group operates in strict compliance with relevant local laws and regulations concerning environmental protection, labor practices, and anti-corruption measures.

### 2 ABOUT THIS REPORT

#### 2.1 Reporting Standard and Principle

This Environmental, Social and Governance (“**ESG**”) Report (the “**ESG Report**”) was prepared in accordance with the Hong Kong Exchanges and Clearing Limited (“**HKEX**”) Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) set out in Appendix C2 of the Listing Rules, including the new climate-related disclosure requirements under Part D of the ESG Reporting Code. The Group strictly adheres to the principles of materiality, quantitative, balance and consistency to report on the measures and performances. More in-depth information regarding corporate governance is addressed in the section of corporate governance in the annual report according to Appendix C1 of the Listing Rules. In addition, the Group’s senior management team was proactively involved throughout the preparation of the ESG Report to ensure its quality.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The ESG Report is disclosed based on the following four core reporting principles:

- **Materiality:** The Group actively engages with a diverse range of stakeholders to gain insights into the ESG issues most important to them. Our approach extends to analyzing ESG developments within and beyond our industry, aligning with global standards. These insights directly inform our strategic planning. Additionally, an internal stakeholder engagement survey was conducted, with further details provided in section 4 of this ESG Report.
- **Quantitative:** In accordance with Appendix C2 of the Listing Rules, the Group diligently prepares measurable KPIs for performance evaluation. The quantitative data included in this ESG Report is accompanied by narratives, explanations, and relevant comparisons, ensuring a consistent focus on quantitative information.
- **Balance:** We are dedicated to the principle of balance in our reporting, ensuring that the ESG Report accurately highlights both the challenges and opportunities we have encountered. The inclusion of pictures, charts, and graphs not only illustrates our actual performance but is presented in a clear manner to prevent any misinterpretation. Information is shared objectively, without selective omissions or manipulative tactics that could influence the reader's judgment or decisions.
- **Consistency:** The ESG Report details the standards, tools, assumptions, and conversion factors applied wherever applicable. Explanations are provided for any deviations from previous reports to foster transparency and trust.

### 2.2 Reporting Scope

The reporting period is from 1 January 2025 to 31 December 2025 (the “reporting period”). This ESG Report outlines the Group's overarching sustainability approaches and policies regarding ESG matters. The scope of this ESG Report includes:

- Hong Kong Headquarters,
- Dongguan Production Facility, and
- Jiangmen Production Facility.

These locations have been selected as they represent the majority of the Group's operations and the primary impact on ESG issues. There was no significant change in Golden Power's operation locations, share capital structure and production facilities compared to the previous year.

To support the preparation of this ESG Report, the Group engaged Allied Environmental Consultants Limited (stock code: 8320) as the external consultant.

### 2.3 Contact Details

To continuously refine and reinforce the Group's sustainability strategy, we welcome any feedback and suggestions concerning this ESG Report and the Group's sustainability performance. If you have any comments or enquiries, please contact the Group at:

Address:	Golden Power Group Holdings Limited Flat C, 20/F, Block 1, Tai Ping Industrial Centre 57 Ting Kok Road, Tai Po N.T., Hong Kong
Tel:	(852) 3125 2288
Fax:	(852) 3125 2000
E-mail:	ir@goldenpowergroup.com



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 3 MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

On behalf of the board of Directors (the “**Board**”), I am pleased to present the ninth ESG Report of Golden Power, which highlights the progress achieved through our collaborative efforts with dedicated partners and provides insight into Golden Power’s ESG performance during the reporting period.

We are dedicated to strengthening our existing foundation while accelerating our path toward a greater sustainability journey. The Board bears ultimate responsibility for overseeing the Group’s sustainability strategy, ensuring alignment with long-term goals and regulatory requirements. To drive progress toward these objectives, we consistently seek innovative strategies and unique opportunities. We are deeply committed to embedding sustainability across all aspects of our operations, actively overseeing and reviewing initiatives through our ESG consultants and closely tracking the Group’s advancement toward its long-term goals.

There is worldwide demand for individuals and organizations to accelerate the implementation of solutions and enhance resilience as the impacts of climate change grow increasingly intense. Golden Power is well-positioned to contribute meaningfully to this effort through its wide array of products and services. We are confident in our ability to address climate challenges by providing customers with dependable and environmentally sustainable solutions, while also enhancing our climate-related disclosures in alignment with the latest standards to improve transparency.

This is a pivotal time when leaders across governments, businesses, and communities must move from words to meaningful action by setting concrete and impactful goals. The Group is committed to establishing bold objectives that advance both fairness and resilience. Amid global challenges, a responsible approach to energy and climate means ensuring security while prioritizing the development of affordable, dependable, and low-carbon solutions. Through these initiatives, we aim to tackle climate change, foster social equity, and reaffirm our dedication to building a sustainable and inclusive future for the community.

Looking ahead, we remain committed to leading both our industry and society by developing innovative products that promote a greener, more environmentally sustainable future for all. We fully acknowledge our responsibility to drive meaningful change and embrace inclusive practices that create shared value. I extend my sincere appreciation to our dedicated employees, business partners, and clients for their continuous trust and support. As we move forward, our goal is to inspire and engage people along this journey. We are confident that our Group’s strong culture, strategic vision, creativity, and effective execution will continue to propel us toward a sustainable future and collective progress.

**Chu King Tien**

*Chairman and Executive Director*

## 4 GOVERNANCE STRATEGY

### 4.1 Sustainability Governance

The Group upholds a strong governance framework that aligns with high standards of sustainable development. The Board is responsible for overseeing ESG risks and performing annual evaluations of the Group's sustainability objectives and initiatives. According to the insights from the materiality assessment, the Board collaborates with stakeholders to identify and validate key topics. These topics are then ranked according to their importance and urgency, ensuring that resources are allocated efficiently for the year ahead.

The Group has established an ESG Committee tasked with overseeing ESG-related issues (including climate-related risks) to strengthen our commitment to sustainability. The ESG Committee includes representatives from the Board and key departments such as finance and operations. This diverse membership ensures a wide range of perspectives in the decision-making process. To support the Board, the ESG Committee is responsible for defining ESG strategies, initiatives and policies; review any opportunities or investments in connection with the implementation of the ESG strategies, initiatives and policies; reviewing and monitoring the operational, regulatory, and reputational risks and impacts of ESG; providing input and guidance with respect to communications with stakeholders; reviewing and assessing the performance of the ESG Committee; and reporting on relevant matters of significance relating to sustainable development. The ESG Committee shall meet at least twice a year and at such other times as the Executive Director shall require, to remain fully informed on ESG-related issues. Its responsibilities are clearly outlined in its Terms of Reference and roles descriptions.

At the operational level, our Jiangmen Production Facility has established a dedicated System Control Department that serves as the central coordinator for all ESG and climate-related activities. This department consolidates responsibility, budgets, personnel, and timelines under a single point of control, ensuring efficient execution and full accountability. Its key responsibilities include establishing and maintaining quality and environmental management systems; managing regulatory reporting, certifications, and compliance; and driving the implementation of climate-related strategies and other environmental protection measures.

The Board placed particular emphasis on climate change and decarbonization. We have developed a series of environmental and climate-related targets to enhance its ESG performance, and the progress of these targets should be reviewed annually by the ESG Committee. To ensure the ESG Committee and the System Control Department stay abreast of the latest trends in climate-related risks and opportunities, targeted training sessions have been provided, with external subject matter experts invited to share insights on relevant topics.

### 4.2 Stakeholder Engagement

Golden Power adopts an inclusive initiative to engage with stakeholders, actively collecting suggestions to guide the Group's strategic decisions. Golden Power reinforces its commitment to sustainability principles and promotes ethical practices by actively engage with stakeholders. To facilitate this, Golden Power has implemented various communication channels to collect direct comments from stakeholders, supporting improvements in its ESG performance.

Beyond managing stakeholder surveys, the Group continuously connects with key stakeholders through a variety of channels, such as participation in local and international exhibitions, which provide opportunities for exchanging professional ideas. Golden Power highly values stakeholder's feedback and concerns about its products and services for continuous improvement. By carefully analyzing this feedback, the Group can identify areas for enhancement and aligns its offerings more closely with customer and stakeholder expectations. The table below outlines the Group's stakeholder communication channels.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Stakeholder	Communication channel
Investors and shareholders	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company's announcements</li> <li>• Annual general meeting</li> <li>• Annual and interim reports</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Customer direct communication</li> <li>• Customer feedback and complaints</li> <li>• Customer satisfaction surveys</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Training and orientation</li> <li>• Email and opinion box</li> <li>• Regular meetings</li> <li>• Employee performance evaluation</li> <li>• Employee activities</li> </ul>
Suppliers and business partners	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Direct communication</li> <li>• Feedback and complaints</li> <li>• Satisfaction surveys</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Company's announcements</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Community activities</li> </ul>
Government authorities and regulators	<ul style="list-style-type: none"> <li>• Documented information submission</li> <li>• Compliance inspections</li> <li>• Regular meetings/luncheons with local government representative</li> <li>• Forums, conferences and workshops</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 4.3 Materiality Assessment

Golden Power recognizes the value of its employees' insights in shaping the Group's long-term sustainability goals. To this end, the Group conducted comprehensive stakeholder engagement initiatives in previous years, including internal surveys and on-site interviews, to better understand employee perspectives on key ESG issues.

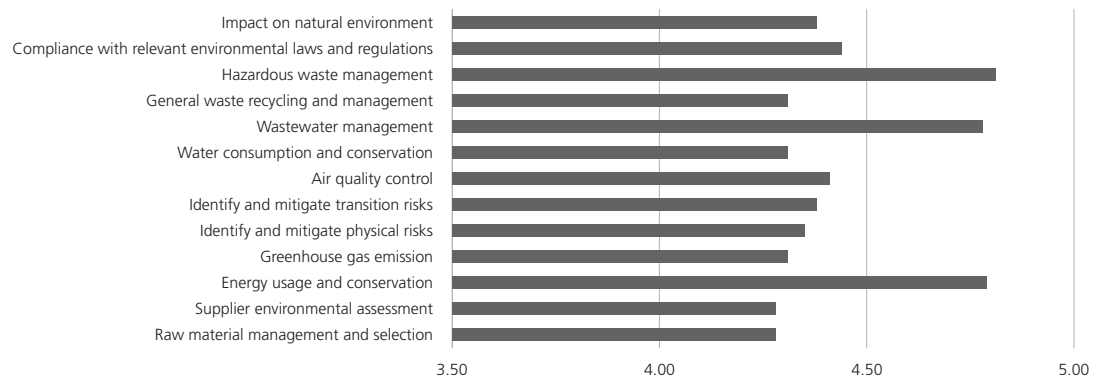
The findings from these engagements highlighted several key ESG topics identified by employees as critical to Golden Power's long-term development:

Aspect	Topic important to Golden Power's long-term business development
Environment	<ol style="list-style-type: none"> <li>1. Hazardous waste management</li> <li>2. Energy usage and conservation</li> <li>3. Wastewater management</li> </ol>
Social	<ol style="list-style-type: none"> <li>1. Occupational health and safety</li> <li>2. Compliance with relevant socioeconomic laws and regulations</li> <li>3. Anti-discrimination</li> <li>4. Diversity and equal opportunity</li> <li>5. Product quality assurance</li> <li>6. Customer Privacy</li> </ol>
Economics	<ol style="list-style-type: none"> <li>1. Anti-corruption practices</li> <li>2. Direct economic performance</li> <li>3. Indirect economic performance</li> </ol>

#### Golden Power — Survey Outcome Summary

Stakeholders were asked to rate the following topics from 1 to 5 (1 is not important, 5 is very important). The majority of topics which are hazardous waste management, occupational health and safety and anti-corruption practices, under environmental, social and economics aspect, respectively received an impressive average score of 4.81, underscoring their high relevance and importance to future business development within the Group. The scores below are the average score for each topic:

#### Environmental Aspect Results

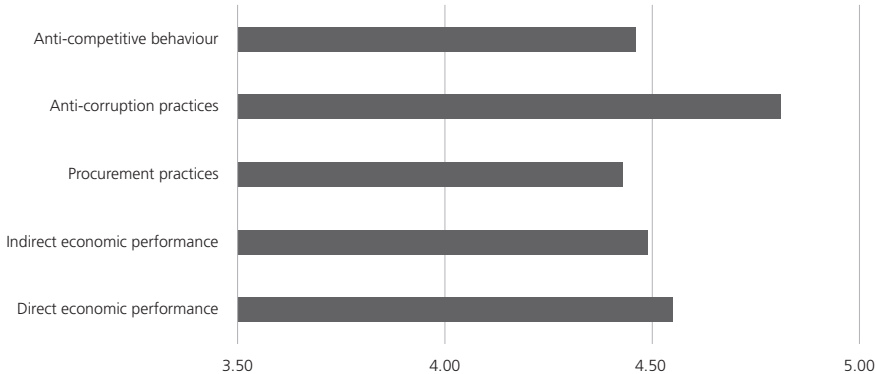


**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**

**Social Aspect Results**



**Economics Aspect Results**



**Sustainability Aspect Results**



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Materiality Assessment*

Aspect	Items	Score	Ranking	Level
Environmental	Hazardous waste management	4.81	1	High
Social	Occupational health and safety	4.81	1	High
Economics	Anti-corruption practices	4.81	1	High
Environmental	Energy usage and conservation	4.79	4	High
Social	Compliance with relevant socioeconomic laws and regulations	4.79	4	High
Environmental	Wastewater management	4.78	6	High
Social	Anti-discrimination	4.60	7	High
Economics	Direct economic performance	4.55	8	High
Social	Diversity and equal opportunity	4.50	9	High
Economics	Indirect economic performance	4.49	10	High
Social	Product quality assurance	4.49	10	High
Social	Customer privacy	4.47	12	High
Social	Employment	4.46	13	Middle
Economics	Anti-competitive behavior	4.46	13	Middle
Environmental	Compliance with relevant environmental laws and regulations	4.44	15	Middle
Economics	Procurement practices	4.43	16	Middle
Environmental	Air quality control	4.41	17	Middle
Social	Customer health and safety	4.40	18	Middle
Social	Development and training	4.40	18	Middle
Environmental	Impact on natural environment	4.38	20	Middle
Environmental	Identify and mitigate transition risks	4.38	20	Middle
Social	Labor standard	4.37	22	Middle
Environmental	Identify and mitigate physical risks	4.35	23	Middle
Environmental	General waste recycling and management	4.31	24	Middle
Environmental	Water consumption and conservation	4.31	24	Low
Environmental	Greenhouse gas ("GHG") emission	4.31	24	Low
Social	Supplier social assessment	4.31	24	Low
Environmental	Supplier environmental assessment	4.28	28	Low
Environmental	Raw material management and selection	4.28	28	Low
Sustainability	Reinforce ESG Committee's execution on managing relevant tasks and risks	4.28	28	Low
Social	Product marketing and labeling	4.24	31	Low
Sustainability	Disclosure on stakeholders' opinions and company's responses	4.19	32	Low
Sustainability	On-going communication channels with all stakeholders	4.19	32	Low
Sustainability	Sustainability targets	4.19	32	Low
Social	Community involvement	4.18	35	Low
Sustainability	Sustainable development framework	4.16	36	Low

## 5 OUR ENVIRONMENT

Golden Power is committed to reducing its environmental footprint by adopting sustainable practices. The Group strictly complying with local government regulations, ensuring that all the activities conducted meet legal requirements. Through these efforts, Golden Power actively addresses environmental challenges, promotes sustainable resource use, and strives to create a greener, more sustainable operational framework for the long term.

With a strong commitment to environmental responsibility, we aim to implement a low-carbon production process, taking a holistic approach to sustainability. In recognition of these efforts, the Group was awarded the Nordic Swan Ecolabel Licence for its dedication to environmental stewardship.

Golden Power has invested in advanced machinery to produce value boxes that incorporate recycled materials in packaging. This aligns with the latest EU Directive, requiring the removal of lead (Pb) from primary batteries by February 2024. The Group is committed to meeting this requirement on time, with its research and development (“R&D”) team working on lead-free alternatives to ensure battery performance and reliability remain consistent.

### 5.1 Environmental Policy

During the reporting period, we are not aware of non-compliance incidents with relevant laws and regulations that have a significant impact on the Group relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to the Environmental Protection Law of the PRC. The Group upholds its comprehensive environmental policies and demonstrates its dedication to following the Plan-Do-Check-Act cycle, as exemplified by the ISO 14001:2015 Environmental Management System standard verified by the Hong Kong Quality Assurance Agency (HKQAA). These policies extend beyond specific personnel tasked with implementing environmental initiatives to include sustainable practices across all production and management units.

The policies outline several key measures:

- Compliance with local environmental laws and regulations;
- Adopt energy-efficient, low pollution materials, manufacturing design and equipment;
- Enhance environmental awareness in the workplace and promote optimization of resource usage in manufacturing systems;
- Keep track of environmental performance and seek feasible solutions and methods for improvement; and
- Disseminate related environmental information to employees, suppliers, customers, factories in partnership and other stakeholders regularly.

Focused on continuous improvement, Golden Power strives to achieve exemplary environmental performance across its operations. Senior management and department heads meet regularly to discuss environmental management solutions and assess ongoing performance.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 5.2 Climate Change, Emission Control and Energy Efficiency

#### *Climate Change*

Climate change poses a significant global challenge. Golden Power acknowledges the crucial importance of mitigating and adapting to its impacts for the sake of business continuity.

#### *Governance*

Recognizing the importance of effective climate governance, Golden Power has integrated its climate governance responsibilities into the overall ESG governance structure. The ESG Committee is designated to assist the Board in overseeing the management of climate-related risks and opportunities, among other sustainability-related issues. Relevant information on the governance structure, roles, and responsibilities is detailed in section “4.1 Sustainability Governance”.

#### *Strategy*

The ESG Committee has identified climate-related risks and opportunities, formulated risk management measures, and developed strategies to address climate change and enhance resilience. The Group has assessed the potential impacts of climate-related risks and opportunities on the operations across three timeframes: short-term, medium-term, and long-term, in order to prepare response measures for the associated impacts.

Short-term (1–2 years)	Corresponds to annual operational planning and budgeting cycles; Focus on logistics continuity and on-time delivery to customers.
Medium-term (3–5 years)	Aligns with supply chain strategy reviews and capital investment planning.
Long-term (6 years and beyond)	Informs corporate site selection and manufacturing footprint strategy.

Type of risks/ opportunities	Potential impact	Time horizon	Management measures
<b>Physical risks/opportunities</b>			
Acute (Increased severity of extreme weather events such as floods, typhoons, storms, wildfires)	<ul style="list-style-type: none"> <li>Damage to property and equipment can lead to asset impairment charges and accelerated depreciation. However, rebuilding may present an opportunity to capitalize on more resilient infrastructure, which can reduce future repair and maintenance expenses.</li> <li>Reduced production capacity from transport and supply chain disruptions can result in delayed revenue recognition and inventory write-downs. Diversifying supply chains may strengthen operational resilience and help stabilize production costs and protect operating margins.</li> </ul>	Short- to medium-term	<ul style="list-style-type: none"> <li>Develop contingency and emergency response plans</li> <li>Ensure the disaster prevention capabilities of key facilities</li> <li>Establish infrastructure resilience</li> </ul>
Chronic (Long-term climate change trends, such as rising temperatures and sea levels)	<ul style="list-style-type: none"> <li>Rising cooling costs to maintain safe working conditions will increase our operating expenses. Investing in energy-efficient systems may allow these costs to be capitalized into long-term assets, achieving significant reductions in future operating expenses.</li> <li>The necessity for site relocation may require significant capital expenditure and could result in asset write-offs. Strategically, it can present an opportunity to optimize the operational footprint, potentially lowering long-term operating costs and mitigating future impairment risks.</li> </ul>	Long-term	<ul style="list-style-type: none"> <li>Conduct climate adaptability assessments and adjust operational and investment strategies to cope with long-term climate change</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Type of risks/ opportunities	Potential impact	Time horizon	Management measures
<b>Transition risks/opportunities</b>			
Policy and legal (Changes in climate-related policies, including carbon pricing, emissions reporting requirements, and legal lawsuits, etc.)	<ul style="list-style-type: none"> <li>Compliance with new sustainable practices may lead to increased compliance costs and capital expenditures. However, these investments may enhance operational efficiency. Over time, the financial benefits are expected to include lower ongoing operating expenses and improved gross margins, offsetting the initial investment.</li> <li>The reduction in demand for high-emissions goods may threaten existing revenue streams. Shifting capital toward eco-friendly production can help defend market share and open new, growing revenue streams.</li> </ul>	Short- to medium-term	<ul style="list-style-type: none"> <li>Establish compliance monitoring mechanisms and adjust business strategies in a timely manner to comply with new regulation</li> </ul>
Technology (Potential failure risks and costs in low-carbon technology investments)	<ul style="list-style-type: none"> <li>Increased R&amp;D investment may result in sunk costs if projects fail. However, success can yield high-return opportunities through new patents and licensing revenue, creating intangible assets.</li> <li>Investing in new, sustainable machinery requires significant capital expenditure but can lead to greater efficiency. This may improve profitability through lower production costs and reduced energy expenses over the asset's life.</li> </ul>	Short- to medium-term	<ul style="list-style-type: none"> <li>Conduct technology research and evaluation and select mature and market-proven technologies for investment</li> </ul>
Market (Uncertainties in customer behavior changes and market signals)	<ul style="list-style-type: none"> <li>Abrupt shifts in energy costs can increase operating expenses and squeeze profit margins. Investing in energy efficiency and renewable sources offers the opportunity for greater energy independence and insulation from price volatility.</li> <li>A shift in consumer preferences may erode sales of existing products. Developing low-carbon alternatives can open access to new customer segments, potentially allowing for premium pricing and diversifying revenue sources.</li> </ul>	Short- to medium-term	<ul style="list-style-type: none"> <li>Conduct market research and adjust product portfolios in a timely manner to meet consumer demands for sustainable products</li> </ul>
Reputation (Changes in consumer preferences and industry reputation status)	<ul style="list-style-type: none"> <li>A negative reputation can lead to a reduction in capital availability, which may increase the cost of capital or restrict funding for strategic projects. Conversely, a strong sustainability profile can enhance investor confidence and improve access to green financing at favorable rates.</li> <li>The reduction in demand for high-emissions goods may threaten existing revenue streams. Shifting capital toward eco-friendly production can help defend market share and open new, growing revenue streams.</li> </ul>	Short- to medium-term	<ul style="list-style-type: none"> <li>Formulate transparent communication strategies and actively respond to stakeholder concerns to enhance corporate image</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Risk Management*

During the reporting period, the Group significantly upgraded the climate risk management process by establishing a strengthened governance framework, clearly delegating responsibilities across business units and functions, and delivering targeted capacity-building programs to equip teams with the expertise required for advanced climate risk management.

The Group proactively identifies, assesses and manages climate-related risks and opportunities through Plan-Do-Check-Act cycle. To support this process, we gather information across its production facilities through various established channels: industry reports and research, publications from government and regulatory agencies, specialized climate data service providers, internal data collection, regular stakeholder communication, and collaboration with partners.

In assessing physical risks, the Group maintains continuous monitoring of key indicators such as sea-level rise information for coastal areas, available water resources data in water-scarce regions, temperature trends in high-temperature zones, and patterns of extreme weather events. In parallel, the Group tracks transition risks and opportunities through indicators including emissions trajectories, regulatory compliance costs, and evolving market demand for low-carbon solutions. These datasets provide the essential foundation for future scenario analysis, technological trend monitoring, market tracking, risk mapping, and tailored financial analysis.

The Group currently conducts internal evaluations of risks and opportunities, potentially mapping climate-related risks against existing risk categories and inventories. These risks are assessed based on their severity and likelihood of occurrence. Based on assessment results, the Group will continue to adjust or develop strategies under different scenarios, enhance the overall risk management framework, build greater resilience, and capture emerging opportunities in the evolving climate-conscious business environment to maintain competitive advantage. Any climate-related risks that require changes to operational strategies will be promptly reflected in updated internal procedures and disclosed to the public as required.

### *Metrics and Targets*

Golden Power tracks its climate-related risks and opportunities through four core performance metrics: energy consumption, GHG emissions, waste generation, and water consumption. In response to the Paris Agreement and PRC's dual-carbon goals, the Group has maintained a long-term targets since 2021 focused on energy-efficiency improvement, waste minimization and water-efficiency improvement. These quantitative targets are approved by the Board and monitored annually by the ESG Committee to ensure continuous progress. The targets, year-on-year performance data, and the specific initiatives driving results are fully disclosed in the following sections.

### **Energy Use and GHG Emissions**

The primary energy source for Golden Power, including the power equipment and facilities at the Group's Hong Kong Headquarters, Dongguan and Jiangmen Production Facilities, was electricity supplied by local grids. The Group is aware of the direct GHG emissions (Scope 1) generated from the fuel consumption of company-owned vehicles, as well as the indirect GHG emission (Scope 2) incurred from electricity usage in Golden Power's operations. To address these emissions and transition toward a more sustainable future, the Group has made energy efficiency a top priority, exemplified by its target to reduce 10% total energy consumption intensity from 2018 baseline by 2030.

Central to the Group's ethos is responsible energy stewardship. The Group has implemented various measures to promote energy savings in the workplace and encouraged employees to use less electricity in the workplace via a set of energy management mechanisms. This has been reflected in the temperature adjustments to the air-conditioning systems to reduce our overall electricity consumption during the summer months. Furthermore, the Jiangmen Production Facility has upgraded the original machines to automatic models. The upgrade included automatic packaging facilities, which effectively increased the efficacy for reducing energy consumption and other benefits include lowering the likelihood of product defects when compared to manual production.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

In 2024, our Jiangmen Production Facility joined the Hong Kong Government's Clean Production Partnership Programme. We invested significant resources to upgrade the ageing air-conditioning systems and air compressors in the production workshop, replacing them with state-of-the-art, energy-efficient equipment — including magnetic levitation centrifugal chillers and high-efficiency screw compressors. These upgrades have substantially reduced the workshop's overall electricity consumption.

Looking ahead, we are actively planning the following initiatives: installing rooftop solar photovoltaic systems to lower reliance on grid electricity; further enhancing production energy efficiency to achieve higher output with the same power input; and phasing out the existing fuel-powered fleet and replacing it with new-energy vehicles.

During the reporting period, the Group's energy consumption remained at levels comparable to those in 2024. Encouragingly, total energy consumption intensity decreased, reflecting the Group's ability to optimize energy use amid expanding operations. Golden Power will continue to review its energy consumption and implement reduction measures across different function.

### *Energy Consumption by the Group<sup>1</sup>*

	2025	2024
Electricity consumption (in '000kWh)	<b>6,673.02</b>	6,674.14
Fuel consumption (in litre)	<b>22,727.35</b>	21,251.38
Total energy consumption (in '000kWh)	<b>6,901.33</b>	6,886.81
Intensity (in '000kWh/million revenue)	<b>20.69</b>	21.67

During the reporting period, the Group's GHG emissions (Scope 1 & 2) remained at levels comparable to those in 2024. At the same time, total GHG emissions intensity decreased, highlighting the Group's ability to optimize energy use while scaling its operations. The Group aims to decrease emissions from various sources by upgrading production facilities to improve efficiency and implementing energy management strategies.

### *Scope 1 and 2 GHG Emissions by the Group<sup>2</sup>*

	2025	2024
Scope 1 GHG emissions (in tonnes CO <sub>2</sub> equivalent)	<b>60.40</b>	56.50
Scope 2 GHG emissions (in tonnes CO <sub>2</sub> equivalent)	<b>3,510.00</b>	3,557.41
Total GHG emissions (Scope 1 & 2) (in tonnes CO <sub>2</sub> equivalent)	<b>3,570.40</b>	3,613.91
Intensity (in tonnes CO <sub>2</sub> equivalent/million revenue)	<b>10.70</b>	11.37

<sup>1</sup> The unit conversion method of energy consumption data has been formulated based on the Energy Statistics Manual issued by the International Energy Agency.

<sup>2</sup> Scope 1 and 2 GHG emissions have been calculated with reference to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard published by the World Business Council for Sustainable Development and the World Resources Institute. We have determined the GHG accounting boundaries using the operational control method. The emission factors of GHG emissions have been obtained from the HKEX published document, "How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs", "IPCC Sixth Assessment Report", as well as the latest National Electricity Carbon Dioxide Factor published by the Ministry of Ecology and Environment of the PRC. The emission data for 2024 has been revised to improve accuracy.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

To better understand the carbon footprint of our business activities and improve the transparency of our climate-related disclosures, the Group actively optimized its data collection system during the reporting period. This enabled a comprehensive assessment of GHG emission profiles across value chain activities. In this ESG Report, we have included Scope 3 GHG emissions for the first time, covering Category 1 (Purchased goods and services), Category 4 (Upstream transportation and distribution), and Category 6 (Business travel).

### *Scope 3 GHG Emissions by the Group<sup>3</sup>*

	<b>2025</b>
Category 1 (Purchased goods and services) (in tonnes CO <sub>2</sub> equivalent)	<b>6,262.24</b>
Category 4 (Upstream transportation and distribution) (in tonnes CO <sub>2</sub> equivalent)	<b>275.83</b>
Category 6 (Business travel) (in tonnes CO <sub>2</sub> equivalent)	<b>26.11</b>

We fully recognize that a successful low-carbon transition depends on deep stakeholder engagement. To drive joint progress on Scope 3 emissions, we have launched a dedicated collaborative platform for clients and partners with a specialized carbon-management training program that equips participants with robust GHG calculation methodologies and the Science-Based Targets initiative (SBTi) framework. By building these capabilities, they can better mitigate climate risks, drive operational efficiencies, and unlock long-term strategic value.

### ***Air Quality Control***

Based on our stakeholder feedback, the management of emissions and air quality has been identified as a vital priority for the Group's future business growth. In response, the Group's ESG Committee reviewed current ESG performance and measures to identify improvement opportunities. As a result, the ESG Committee has implemented various initiatives to monitor the air emissions from production and vehicles and maintain the indoor and outdoor air quality in the workplace and across neighborhoods the Group operates in.

To effectively minimize the air emission from the Group's production facilities and vehicles, Golden Power has implemented various solutions to ensure effective control. We have incorporated changes across Jiangmen and Dongguan Production Facilities by installing exhaust filters that facilitate the removal of air pollutants such as nitrogen dioxide and particulate matters from production and vehicles. Moreover, the Jiangmen Production Facility has adopted green production practices under the local government guide.

Golden Power is dedicated to creating a healthier working environment for all employees. The Group has incorporated many methods to enhance and monitor indoor air quality, including installing a carbon ventilation system to reduce the gaseous and vapor contaminants and harmful substances.

The air emissions (i.e. nitrogen oxides, sulphur oxides and particulate matter) mainly come from the vehicles that are managed by the Group. During the reporting period, the Group's air emissions remained at levels comparable to those in 2024.

<sup>3</sup> Scope 3 GHG emissions have been calculated with reference to the following information, including but not limited to: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and The Greenhouse Gas Protocol: Technical Guidance for Calculating Scope 3 Emissions, published by the World Business Council for Sustainable Development and the World Resources Institute. Category 1 emissions were calculated using a spend-based method, applying emission factors from US EPA Supply Chain Greenhouse Gas Emission Factors. Category 4 emissions were calculated using a distance-based method, applying emission factors from UK Government GHG Conversion Factors for Company Reporting. Category 6 emissions were calculated using a distance-based method, applying emission factors from US EPA Emission Factors for Greenhouse Gas Inventories.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Air Emissions by the Group<sup>4</sup>*

Type of air pollutants	2025	2024
Nitrogen oxides (in kilogram)	<b>159.45</b>	161.37
Sulphur oxides (in kilogram)	<b>0.35</b>	0.32
Particulate matter (in kilogram)	<b>15.61</b>	15.81

### 5.3 Water Consumption and Wastewater Management

Water is essential to Golden Power's daily operations and production. Our water supply, sourced from local government municipal services, has been reliable with no significant supply challenges. Nevertheless, the Group has proactively fostered a water-saving mindset within the workplace by implementing water-saving guidelines. The Group has installed water-saving facilities within its production facilities to recycle and reuse water for machine cooling purposes, resulting in a notable reduction in water consumption and discharge. Additionally, regular inspections of water pipes are carried out across all business units to prevent any potential water leakage.

The Group established a quantitative target regarding water consumption to reflect its strong dedication to promoting a more environmentally friendly ecosystem. The target is to reduce 25% of water consumption intensity from 2018 baseline by 2030.

To meet this target, the Jiangmen and Dongguan Production Facilities have implemented reclaimed water systems to minimize water usage in production. These systems collect and treat wastewater for reuse in industrial washing. In addition to reusing treated wastewater for industrial washing, the systems also ensure that effluents are properly treated to comply with regulatory standards.

Compared to 2024, the Group experienced an 8.86% increase in total water consumption after we introduced enhanced cleaning measures in September 2025, which added weekly cleaning of production equipment and containers to prevent contamination.

#### ***Water Consumption by the Group***

	2025	2024
Water consumption (in '000m <sup>3</sup> )	<b>63.06</b>	57.93
Intensity (in '000m <sup>3</sup> /million revenue)	<b>0.19</b>	0.18

Given the significant interest from stakeholders, the Group prioritizes both compliance and the exploration of advanced treatment technologies to prevent water pollution. Specifically addressing industrial wastewater generated from cleaning chemical containers and surface run-off, the Jiangmen Production Facility has implemented a wastewater treatment facility, including a sedimentation tank. This facility has the capacity to treat approximately 10 cubic meters of wastewater per day, ensuring standardized discharge.

Furthermore, the Group has invested in designing and implementing a rain and sludge separation facility at both Production Facilities. This facility effectively separates drainage and sewage systems. Similar to the wastewater treatment facility, the rain and sludge separation facility has the capability to treat approximately 10 cubic meters of rainwater and surface run-off per day. These initiatives underscore Golden Power's commitment to enhancing water efficiency and safeguarding local water ecosystems.

<sup>4</sup> The emission factors of air emissions have been obtained from the HKEX published document, "How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs".

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 5.4 Waste Reduction and Management

Golden Power identified its primary sources of waste as hazardous and non-hazardous manufacturing byproducts from its Production Facilities, along with general office waste at its Hong Kong Headquarters.

In compliance with local government regulations, the Group developed a comprehensive waste disposal manual applicable to all production units. The manual outlines proper procedures for managing various types of waste, including domestic refuse and recyclables, providing detailed guidelines for waste management. In striving for a more environmentally friendly future, the Group has taken responsible actions and aims for improved performance. The Group set a target to focus on waste minimization. From 2023 to 2030, the Group aims to reduce the amount of waste requiring recycling by 20% by generating less waste overall, reflecting its commitment to efficiency and sustainable resource management.

To reduce waste from machinery malfunctions, Golden Power has upgraded its production machines. The maintenance department is responsible for monitoring the condition of machinery and equipment. Moreover, the Group has implemented waste management initiatives such as waste segregation and recycling at the source. Additionally, the Group has maintained its practice of hiring reputable and qualified waste contractors to handle refuse removal and collect recyclable materials like metal, paper, and plastics. To further these goals, the Group is actively working to replace certain plastic packaging with paper alternatives, reduce usage and improving recycling efficiency. The Group has also invested in new machinery that ensures the use of recycled materials in the packaging process.

The production and maintenance processes involved in battery manufacturing inevitably generate hazardous waste, a fact acknowledged by both the Group and its stakeholders. The Group prioritizes responsible hazardous waste management, with experienced employees handling materials like machine oil and batteries in compliance with relevant regulations.

#### *Waste Generation and Management by the Group*

Type of waste <sup>5</sup>	2025	2024
General waste disposed (tonnes)	<b>4.70</b>	4.70
Paper waste recycled (tonnes)	<b>87.19</b>	79.94
Plastic waste recycled (tonnes)	<b>16.25</b>	22.88
Metal waste recycled (tonnes)	<b>175.87</b>	204.44
Wood waste recycled (tonnes)	<b>0.60</b>	0.80
Total non-hazardous waste generated (tonnes)	<b>284.61</b>	312.76
Total waste recycled (tonnes)	<b>279.91</b>	308.06
Non-hazardous waste intensity (tonnes/million revenue)	<b>0.85</b>	0.98
Total hazardous waste disposed (tonnes)	<b>7.45</b>	4.70
Hazardous waste intensity (tonnes/million revenue)	<b>0.02</b>	0.01

Throughout the reporting period, the ratio of total waste recycled to total non-hazardous waste maintained at 90% or above, reaching 98.35% in the reporting period (2024: 98.50%). The Group will persist in examining practical approaches to reduce waste generation and maximize recycling efforts.

<sup>5</sup> In response to national environmental protection requirements, the Group reduced its overall non-hazardous waste generation during the reporting period. Operational changes and demand shifts affected waste streams: ceasing in-house injection molding and sourcing stoppers externally reduced recycled plastic waste; increased production raised material orders and packaging, driving up recycled paper waste; and equipment upgrades cut defects and reduced recycled metal waste. The waste data for 2024 has been revised to improve accuracy.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 5.5 Packaging Materials

Packaging plays a crucial role in safeguarding battery products during their journey from manufacturing units to retailers. The Group employs a variety of packaging materials, including paper and plastic, based on customer preferences, to ensure product protection.



Golden Power has increased its use of paper packaging to minimize its environmental impact and utilizes recycled materials in compliance with EU directives. If further processing is needed, these materials are managed by third parties within the EU region. Additionally, aluminum foil is used for cell type identification in packaging.

The accumulation of plastics in nature has led to severe environmental consequences, with broken plastics and microplastics being discovered in the food chain and even human embryos. Recognizing the need to reduce its environmental footprint, the Group is actively developing a comprehensive strategy to transition from plastic to paper packaging while promoting recycling to mitigate the long-lasting impact of plastics on the environment. By adopting more sustainable practices, Golden Power strives to contribute to global efforts in reducing the adverse effects of plastic pollution.

#### *Packaging Material Consumed by the Group*

Type of packaging material <sup>6</sup>	2025	2024
Paper (tonnes)	<b>1,716.00</b>	1,550.51
Plastic (tonnes)	<b>54.94</b>	64.72
Aluminum foil (tonnes)	<b>73.57</b>	30.85
Label (tonnes)	<b>0.17</b>	1.90
Total packaging material used (tonnes)	<b>1,844.68</b>	1,647.98
Packaging material intensity (tonnes/million revenue)	<b>5.53</b>	5.19

<sup>6</sup> Following the Group's transition to plastic-free packaging in response to EU requirements, procurement of paper-based materials increased while plastic packaging was reduced. Aluminum foil usage rose in line with battery shipment volumes. Label consumption decreased due to a reduction in shipments to Japan, which lowered the need for labelling. The packaging consumption for 2024 has been revised to improve accuracy.

## 6 OUR PRODUCTION

Golden Power prioritizes quality assurance and product responsibility, implementing rigorous oversight across all production stages, ranging from sourcing materials to providing after-sales services, to ensure product safety and quality. Recognizing the significance of product innovation and invention in maintaining competitiveness, Golden Power actively focuses on enhancing new product development to meet market demands.

The Group takes pride in receiving several notable certifications from government bodies, acknowledging its cutting-edge battery manufacturing technology. In the meantime, Golden Power will keep its pace on exploring other possibilities to expand the product spectrum and maintaining a high standard. The following outlines the three qualifications obtained by the Group:

Qualification	Issuing authority
High and New Technology Enterprise Guangdong Jiangmen Engineering and Technology Research Centre	Guangdong Science and Technology Department Jiangmen Science and Technology Bureau
Guangdong Environmental Protection High Performance Primary Battery Engineering and Technology Research Centre	Guangdong Science and Technology Department

### 6.1 Responsible Sourcing

Golden Power is committed to responsible supply chain management, recognizing its impact on environmental, social, and economic aspects. To meet this responsibility, a specialized procurement team manages the entire procurement process, including supplier evaluations and raw material oversight.

#### *Supplier Assessment*

The Group has established a robust supply chain management system by incorporating ESG-related factors into the selection and evaluation of suppliers. Operating within the frameworks of ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System, the Group prioritizes suppliers according to their environmental performance, encompassing aspects such as the management of chemical hazardous and non-hazardous waste and corporate social responsibility. The Group has also established the Supplier Evaluation and Confirmation Procedure, detailing the supplier management process and the annual assessment method applicable to all suppliers.

Ethical Procurement Guidelines form a cornerstone of the Group's supplier management practices. These guidelines cover critical behaviors, including child labor, wages, benefits and working hours, forced/indentured labor, harassment and abuse, discrimination, freedom of association and collective bargaining, health and safety, consumer protection, environmental responsibility, business integrity, management systems, and legal compliance. All suppliers must meet the minimum requirements and expectations set forth in these guidelines. The Group evaluates and monitors suppliers' adherence to these standards and takes necessary corrective actions when non-conformances are identified.

Furthermore, the Group prioritizes local suppliers to minimize carbon emissions from long-distance transportation and in order to support the local economy's growth and prosperity. The vast majority of the Group's suppliers are based in China (including Mainland China and Hong Kong).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

	Number of suppliers	
	2025	2024
<b>By geographical region</b>		
China	279	269
Others	2	2

The Supplier Evaluation and Confirmation Procedure highlights the below processes:

Management process	Description
Supplier classification	Classify suppliers according to the cooperation model.
Supplier grading	Suppliers are graded into three levels: A, B, and C, based on the importance of cooperation. <ul style="list-style-type: none"> <li>A-level suppliers: Strategic suppliers, referring to those in a leading position or relatively monopolistic within their industry, with whom the Group needs to establish a long-term strategic partnership.</li> <li>B-level suppliers: Important partners, who are significant to the Group and can maintain stable cooperation.</li> <li>C-level suppliers: Temporary partners, formed during short-term procurement activities when developing new materials or products.</li> </ul>
Supplier Review	Upon reviewing supplier profiles, the Group requires suppliers to provide a product sample and a third-party test report indicating whether the product materials meet environmental compliance, these steps are crucial in ensuring product quality. Material safety data sheets (“MSDS”) are also shared with suppliers to ensure that all the materials meet the Group’s safety standards and do not contain any hazardous chemical substances.
Supplier Approval	After the purchasing manager selects potential suppliers, they can evaluate the suppliers’ performance in areas such as quality management systems, environmental management systems, social responsibility, and supply chain security based on the suppliers’ conditions, using either a questionnaire for approval or on-site inspections. The findings should be documented in the “Internal Evaluation Form for Supplier Information”.
Supplier Annual Assessment	The purchasing manager will conduct annual assessments based on the suppliers’ product quality, service quality, and social and environmental performance, and will provide improvement requirements for any non-compliant suppliers.
Supplier Handling Procedures	To ensure compliance with the Social Accountability 8000 Standard (SA 8000), if any non-conformances are identified the procurement team provides corrective actions for suppliers to implement within a specified timeframe. In cases where no improvements are made, the Group may consider terminating the contracts with the supplier.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### **Raw Material Management**

Due to the prevalence of hazardous chemicals in the raw materials used for battery production, Golden Power must handle these materials with utmost care. The Group conducts on-site testing to make sure that the chemical characteristics are in accordance with the Group's standards before moving forward with manufacturing, in addition to gathering enough information about the safety level of materials in advance from MSDS. To ensure product quality and safety, technical supervisors are appointed to oversee the entire chemical mixing process, ensuring adherence to proper procedures, correct formulas, and high productivity. This supervision helps minimize material wastage during operations.

Handling hazardous chemicals safely is critical. All toxic substances are clearly identified, stored according to safety guidelines, and marked with warning signs. Additionally, raw material containers are selected to be leak-proof and chemically inert, reducing workplace risks associated with improper handling.

Through these comprehensive sourcing and material management measures, Golden Power upholds its commitment to safety, sustainability, and quality across its operations.

### **6.2 Stringent Quality Control**

As a reputable battery manufacturer, Golden Power is committed to delivering high-quality, durable products through stringent quality control measures. The Group ensures that its products adhere to rigorous standards in terms of energy efficiency, cost-effectiveness, safety performance, and environmentally friendly features. To achieve this, Golden Power references internationally recognized product quality standards such as ISO 9001:2015 Quality Management System, Restriction of Hazardous Substances ("**RoHS**"), and International Electrotechnical Commission ("**IEC**"). Our products comply with the Directive 2013/56/EU (2006/66/EC) and the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals ("**REACH**"). During the reporting period, we are not aware of non-compliance incidents with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.

Beyond these international standards, Golden Power has implemented a comprehensive internal quality control system. All batteries are protected against moisture through a combination of moisture-proof paper, plastic wrapping, and proper storage at least 30 cm away from walls. A dedicated in-house laboratory supervises each phase of production, issuing test protocols, performing on-site inspections, and conducting stringent quality checks. To ensure the longevity and safety of our products, the Group conducts weathering tests in the laboratory twice as frequently as the industry standards require. This was reflected in the Group having no product recalls due to health and safety concerns during the reporting period (2024: none).

The Group regularly reviews its production process to assess the necessity of refining workflows, upgrading equipment and machinery, and expanding production lines, all aimed at improving operational efficiency and performance. During the reporting period, routine inspections, maintenance of machines, and replacement of engineering parts were carried out. To improve productivity, Golden Power is gradually transitioning to automated processes and reducing its reliance on manual labor. Automated packaging equipment, including shrink-wrap machines, has been installed to streamline packaging, enhance product appearance, and facilitate quality checks by detecting any damaged items before they reach customers.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Golden Power's R&D team actively pursues innovative battery technologies to meet evolving market demands. Through benchmarking analyses, the Group measures its products against industry-leading standards to stay competitive. The Group has successfully developed the second-generation alkaline battery with a ten-year shelf life, significantly enhancing the storage life and discharge performance of alkaline batteries.

Through these rigorous quality control practices, Golden Power ensures product excellence, aligns with global standards, and reinforces its reputation as a leader in reliable and sustainable battery solutions.

### 6.3 Continuous Product Development

Golden Power is committed to sustainable product development through team building and financial support. Our R&D team comprises experienced professionals with expertise spanning battery technology, chemical engineering, and material sciences. Collaborations with leading institutions, such as Donghua University, further strengthen the Group's R&D capabilities, with renowned battery experts providing valuable guidance on key projects. During the reporting period, Golden Power continued to enhance its R&D efforts, reinforcing its commitment to advancing technology, developing sustainable products, and improving operational efficiency.

#### ***Eco-friendly Battery***

The Group is dedicated to enhancing customers' awareness of environmental concerns by providing eco-friendly alternative products. One of these environmentally conscious product series is called "Ecototal", which consists of batteries that do not contain hazardous substances like mercury, cadmium, and lead. These batteries are both safe for humans and environmentally friendly. The Group will continue its relentless efforts to develop innovative, eco-friendly battery products and minimize the environmental impact throughout the entire production and disposal process.

#### ***Powering Healthcare and Smart Living Products***

Recognizing the growing demand for reliable medical devices due to an aging population and increased health awareness, Golden Power has developed a specialized line of batteries designed for critical healthcare applications. These high-performance batteries are intended for use in devices such as thermometers, hearing aids, insulin pumps, and glucose meters, where dependable, long-term operation is essential. Through this product line, Golden Power is committed to contributing to improved healthcare solutions.

In addition, the Group addresses the evolving needs of modern, connected lifestyles by developing batteries for smart living applications, such as car keys, remotes, and home security alarms. These products aim to enhance the convenience, safety, and ease of daily life, aligning with the Group's mission to cater to diverse customer needs and market demands.

### 6.4 Product Responsibility

Golden Power upholds a quality-centric ethos, persistently enhancing its products and services while embodying sustainable business practices. On the customer front, the Group actively addresses customer feedback to safeguard client privacy and build trust. Internally, the Group continuously strengthens R&D efforts, by elevating product accountability to ensure quality and safety.

#### ***Customer Feedback***

The Group places great importance on maintaining the quality of its products and services. This commitment is empowered by the Group's effective customer communication system, aimed at delivering clear and concise information to customers. When feedback or inquiries are received, we promptly respond and endeavor to address concerns effectively to ensure customer contentment. Thorough analysis of customer feedback provides valuable insights into their expectations and demands, enabling the Group to enhance its understanding and meet customer needs more effectively.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

As a trusted battery manufacturer, the Group is fully committed to offering after-sales service as part of its strategic efforts to foster brand loyalty. The sales and marketing department takes charge of providing comprehensive after-sales support, which includes addressing complaints and managing product recalls promptly. The Group handles complaints in strict accordance with ISO 9000 process documentation and customer requirements, ensuring a systematic approach to resolving issues. On average, complaints are processed and resolved depending on the complexity of the case and the requirement of the client. All complaints and product recalls are meticulously documented, enabling the Group to implement preventive measures to prevent similar incidents in the future.

During the reporting period, a total of 5 complaints were received (2024: 5 complaints). Upon investigation, the complaints primarily revolve around battery misuse leading to various issues such as reduced voltage, leakage and rusting. To address these cases, the Group provided guidance on proper battery usage, redistributed replacement batteries where necessary, and reinforced preventive measures, such as enhancing packaging, strengthening transportation protocols, and improving staff training on battery handling and storage.

### ***Customer Privacy***

To protect customer information, the Group has implemented robust measures that address the privacy and security needs of its diverse customer base. Our customer privacy involves safeguarding sensitive assets such as proprietary patents, which the Group handles with the utmost care and confidentiality. We continuously monitor these measures to ensure their effectiveness and compliance.

### ***Intellectual Property Rights***

To protect the intellectual property right of Golden Power, the Group has registered trademarks for its brands logo and products such as "G Device", "goldenpower" and "Greenery" in the regions where Golden Power's products are merchandised. Additionally, to prevent unauthorized use of the Group's brand, trademarks, and technology, the Group has registered patents for its recently produced items and technologies.

The Group places significant importance on maintaining the integrity of intellectual property rights. To safeguard against intellectual property rights infringement throughout the R&D, procurement, production, sales, and external partnerships, the Group has established an intellectual property rights management system in 2017. As outlined in the Employees' Manual, employees are required to follow specific procedures to mitigate the risks of confidential data leakage and misuse.

During the reporting period, the Group filed 3 new patent applications, primarily computer invention patents and utility model patent, reinforcing our position as an industry leader. These patents, along with numerous existing ones, highlight the Group's commitment to maintaining a competitive edge through technological innovation.

**7 OUR WORKPLACE**

The Group’s dedication to upholding the guidelines set forth in SA 8000 showcases its unwavering commitment towards establishing a just, ethical, and harmonious work environment. Simultaneously, the Group places great importance on the growth and development of its personnel, providing opportunities for professional training and implementing stringent safety protocols.

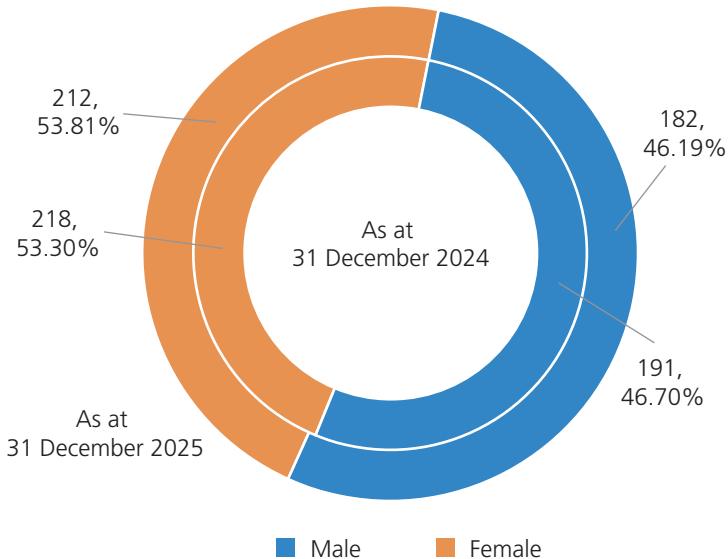
**7.1 Employment and Labor Standards**

The Group is committed to adhering strictly to fair and appropriate employment practices and labor standards. With the implementation of an anti-discriminatory and equal opportunity policy, the Group ensures that job applicants and employees are provided with equal opportunities for employment and promotion, while prohibiting any form of discrimination based on gender, religion, race, disability, or age. During the reporting period, we are not aware of non-compliance incidents with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

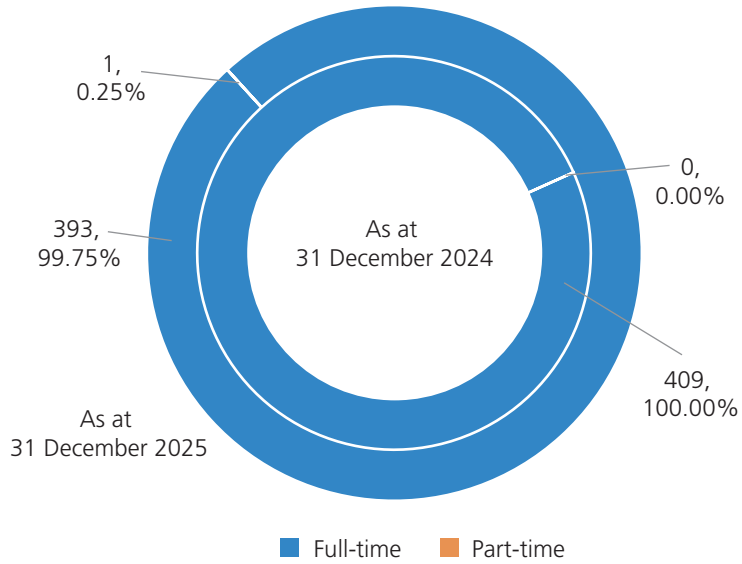
In addition to strict compliance with relevant local laws and regulations, the Group offers a competitive compensation package and welfare benefits, including contributions to the housing fund, access to company-provided canteens and so on. These benefits, along with, reasonable working hours and leave policies to attract and retain talented individuals.

Regular performance appraisals are conducted to assess employee performance and serve as a means of communication to motivate employees. During the reporting period, the Group employed a total of 394 staff (2024: 409) while the overall turnover rate was 38.11% (2024: 4.59%). The employee compositions and details are as follows:

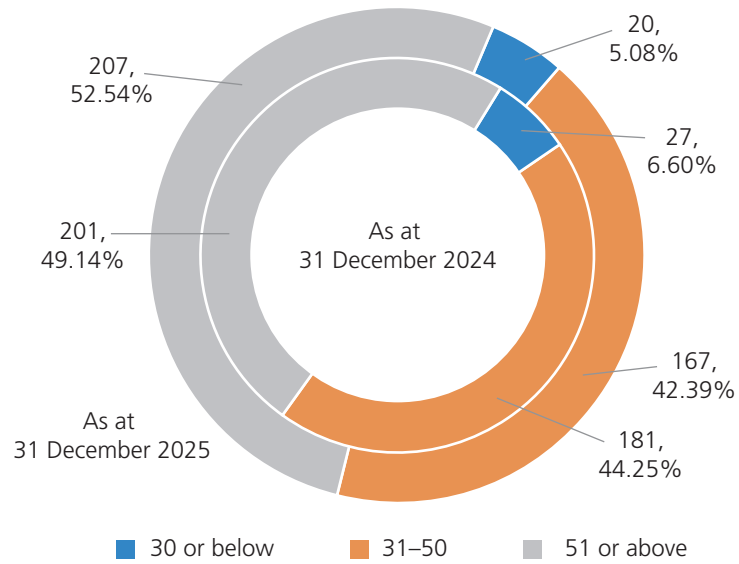
**Employee breakdown by gender**



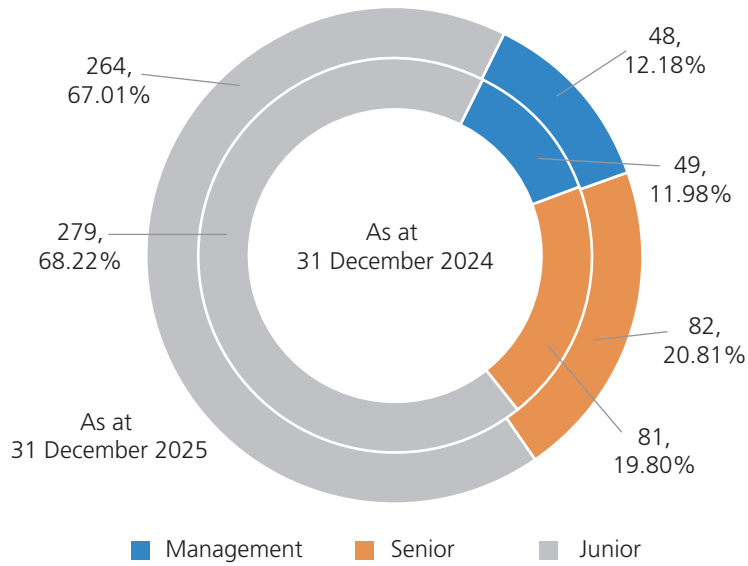
### Employee breakdown by employment type



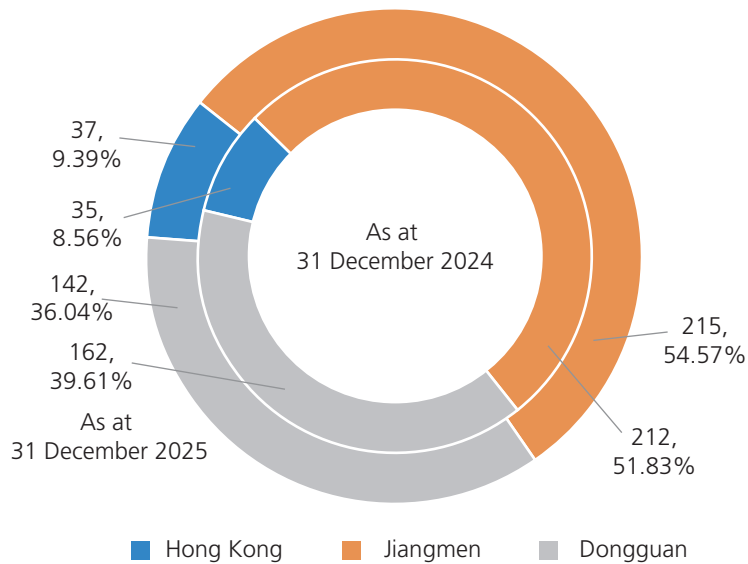
### Employee breakdown by age group



### Employee breakdown by employee category



### Employee breakdown by geographical region



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

	Turnover rate (%) <sup>7</sup>	
	2025	2024
<b>Overall<sup>8</sup></b>	<b>38.11</b>	4.59
<b>By gender</b>		
Male	<b>37.91</b>	7.85
Female	<b>39.62</b>	1.83
<b>By age group</b>		
30 or below	<b>35.00</b>	14.81
31–50	<b>29.94</b>	5.52
51 or above	<b>46.38</b>	2.49
<b>By geographical region</b>		
Hong Kong	—	17.14
Jiangmen	<b>5.12</b>	0.94
Dongguan	<b>100.00</b>	15.43

### **Child or Forced Labor**

At Golden Power, the use of child or forced labor is strictly prohibited across all operations. The Human Resources (“HR”) Department is responsible for ensuring compliance with labor laws and procedures, which includes verifying legitimate identification documents during the hiring process. If any instances of child or forced labor are discovered, the HR Department will take immediate disciplinary action, such as terminating the employment contract and reporting the incident to local labor authorities. The Group will continuously review current practices to prevent similar cases from occurring in the future.

During the reporting period, we are not aware of non-compliance incidents with relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labor.

### **Communication Channels and Activities**

Golden Power recognizes the value of its employees as one of its most precious assets and places great importance on their opinions and feedback. The Group provides various channels for employees to express their views and opinions towards Golden Power, and these are discussed in staff meetings to contribute to the overall enhancement of the Group.

Furthermore, the Group regularly organizes staff activities with the aim of fostering strong bonds with employees and serve as a way to acknowledge and reward employees’ hard work. Activities that were held during the reporting period include: Festivals celebrations (e.g., Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival, etc.), 53<sup>rd</sup> Anniversary Celebrations, and birthday party.



<sup>7</sup> Turnover rate = number of employees in the specified category leaving employment during the year/number of employees in the specified category at the end of the year \* 100%

<sup>8</sup> Overall turnover rate = total number of employees leaving employment during the year/((total number of employees at the beginning of the year + total number of employees at the end of the year)/2) \* 100%

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 7.2 Business Ethics and Integrity

The Group places great importance on integrity and ethical business practices. All forms of corrupt behavior, including extortion, fraud, and money laundering, are strictly prohibited in accordance with the Code of Conduct.

All employees are provided with the Code of Conduct and sign their commitments to avoid and declare all possible conflict of interest and advantages or entertainment. To ensure transparency, the Group has established internal whistle-blowing mechanisms for reporting any suspicious cases. The internal audit committee is responsible for promptly investigating all reported cases and directly reporting their findings to the Board for further action.

To strengthen awareness and prevent unethical practices, the Group conducts regular anti-corruption training and education. During the reporting period, employees underwent training on business ethics, which reinforced a consistent understanding of anti-corruption policies. These policies are reviewed and updated annually to address evolving risks and maintain compliance with legal and ethical standards.

During the reporting period, we are not aware of non-compliance incidents with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud, and money laundering, nor has it concluded any legal cases regarding corrupt practices brought against the Group or its employees (2024: none).

### 7.3 Occupational Health and Safety

Golden Power prioritizes the well-being and health of its employees. To ensure their safety, the Group has developed a comprehensive safety contingency plan for each production unit. This plan includes guidelines for occupational safety practices and procedures to handle incidents effectively, aiming to protect employees from workplace injuries.

To strengthen safety preparedness, the Group conducts two fire drills annually at all facilities. These drills ensure that employees are well-trained and confident in responding to emergencies. Additionally, the Group has integrated the 5S principles — Sort, Set in Order, Shine, Standardize, and Sustain — into its production processes. This internationally recognized workplace organization method, rooted in Japanese practices (seiri, seiton, seisō, seiketsu, and shitsuke), fosters a structured, clean, and safe work environment, enhancing efficiency and minimizing hazards.

Additionally, the Group provides safety training in various areas, such as first aid, handling hazardous substances, and fire safety, to all employees. Frontline employees at operating locations are required to use personal protective equipment like helmets, safety goggles, and earplugs to minimize potential occupational safety risks. In compliance with municipal regulations, the Jiangmen Production Facility has constructed an on-site emergency pond specifically for fire-fighting purposes. Recognizing the occupational risks associated with the repetitive and manual wrapping process before shipment, Golden Power has introduced an automatic shrink wrap machine to automate this labor-intensive task and reduce the associated risks. The Group conducts regular and thorough maintenance inspections of the premises and manufacturing equipment to prevent workplace accidents. During the reporting period, we are not aware of non-compliance incidents with relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

With rigorous safety practices being implemented, the Group has maintained a zero-fatality rate for past 3 years including the reporting period. In addition, there were no work-related injury cases during the reporting period (2024: 2 cases resulting in 30 lost working days). In the event of any incidents, they are handled and documented following internal accident handling procedures and reported to the relevant authorities in accordance with the law. The filed cases are also utilized as training materials to enhance employees' safety awareness and prevent similar incidents from occurring in the future.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 7.4 Training and Development

Golden Power recognizes the crucial role of employee capability and professionalism in delivering high-quality products and services.

The Group provides a wide range of training and development programs to enhance its employees' abilities and skills. Through a combination of internal and external professional training initiatives and educational subsidies, employees can acquire job-related knowledge and skills that contribute to their improved workplace performance. The training programs focus on four main categories: quality control, technical operational skills, occupational health and safety, and environmental protection.

To facilitate the smooth integration of new hires, Golden Power organizes a comprehensive welcoming orientation program that covers workflow specifics and safety precautions. Additionally, the Group arranges managerial training for senior-level employees, emphasizing effective project management and leadership skills.

The HR Department plays a vital role in coordinating and promoting staff training programs based on the needs and interests of employees, with the support of department heads. Department heads are responsible for monitoring the individual training progress of their team members, evaluating the effectiveness of the training, and providing recommendations during the annual performance appraisal process. Talent development serves as a key element in Golden Power's strategy for attracting and retaining skilled individuals, contributing to the long-term growth of the business. During the reporting period, 92.13% (2024: 91.69%) of the employees within the reporting scope participated in training<sup>9</sup>, with an average of 15.61 training hours per employee (2024: 14.25 hours)<sup>10</sup>.

	Breakdown of employees trained (%) <sup>11</sup>		Average training hour (hour) <sup>12</sup>	
	2025	2024	2025	2024
<b>By gender</b>				
Male	<b>46.28</b>	45.33	<b>16.70</b>	15.52
Female	<b>53.72</b>	54.67	<b>14.67</b>	13.14
<b>By employee category</b>				
Management	<b>12.67</b>	11.20	<b>13.79</b>	10.15
Senior	<b>19.56</b>	18.93	<b>17.87</b>	16.56
Junior	<b>67.77</b>	69.87	<b>15.23</b>	14.30

<sup>9</sup> Percentage of employee trained = total number of employees who took part in training during the year/total number of employees at the end of the year \* 100%

<sup>10</sup> Average training hours per employees = total number of training hours received by employees during the year/total number of employees at the end of the year

<sup>11</sup> Breakdown for employees in relevant categories = number of employees in the specified category who took part in training during the year/total number of employees who took part in training during the year \* 100%

<sup>12</sup> Average training hours per employees in relevant categories = number of training hours received by employees in the specified category during the year/number of employees in the specified category at the end of the year

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 8 CONTRIBUTE TO THE COMMUNITY

Golden Power is dedicated to positively impacting the community and society. The Group's products are designed with a human-centric approach, aiming to improve healthcare, beauty and smart devices, while enhancing the living conditions of elderly and disabled communities.

The Group actively participates in various charitable initiatives to support those in need. During the reporting period, Golden Power demonstrated its commitment to youth well-being by sponsoring the 2025 Jiangmen Youth Tennis Points Tournament, an event designed to support the holistic development of teenagers. 3 employees provided support to the initiative, with each contributing 8 hours.

In addition, 88 employees took part in a donation drive for a local nursing home and kindergarten, each contributing 3 hours. Donations included laundry detergent, tissues, cookies, cakes and comfort letters for the nursing home, and notebooks, markers and art supplies for kindergarten children.



### 9 LOOKING FORWARD

As we move forward, we would like to highlight our commitment to being a leading force in the battery manufacturing industry. ESG is not a one-time effort, but an ongoing journey and the Group will stay informed on emerging ESG trends, regulations, and best practices with the aim of continuously evolving as a responsible battery manufacturer.

Our commitment to ESG principles will not only foster positive impacts but also secure the long-term success and resilience of our business. We aim to significantly reduce our environmental footprint by enhancing our production processes and developing innovative, eco-friendly battery technologies.

We will continue to be guided by our stakeholders — including customers, suppliers, investors, and local communities — actively seeking their feedback to better align our business strategies with their interests. This collaborative approach will help us create sustainable solutions that drive both business growth and societal benefit.

## 10 ESG CONTENT INDEX

### 10.1 Part C: "Comply or explain" Provisions

Aspect	KPI	Description	Statement/Section
<b>SUBJECT AREA (A) ENVIRONMENT</b>			
<b>A1: EMISSIONS</b>			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.1 Environmental Policy
	A1.1	The types of emissions and respective emissions data.	5.2 Climate Change, Emission Control and Energy Efficiency
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.4 Waste Reduction and Management
A1	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5.4 Waste Reduction and Management
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	5.2 Climate Change, Emission Control and Energy Efficiency
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	5.4 Waste Reduction and Management
<b>A2: USE OF RESOURCES</b>			
	<i>General disclosure</i>	Policies on the efficient use of resources, including energy, water and other raw materials.	5.1 Environmental Policy
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	5.2 Climate Change, Emission Control and Energy Efficiency
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5.3 Water Consumption and Wastewater Management
A2	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.2 Climate Change, Emission Control and Energy Efficiency
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	5.3 Water Consumption and Wastewater Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	5.5 Packaging Materials

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Aspect	KPI	Description	Statement/Section
<b>A3: THE ENVIRONMENT AND NATURAL RESOURCES</b>			
	<i>General disclosure</i>	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	5.1 Environmental Policy
A3	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5.3 Water Consumption and Wastewater Management 5.5 Packaging Materials
<b>SUBJECT AREA (B) SOCIAL</b>			
<b>B1: EMPLOYMENT</b>			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	7 Our workplace
B1	B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	7.1 Employment and Labor Standards
	B1.2	Employee turnover rate by gender, age group and geographical region.	7.1 Employment and Labor Standards
<b>B2: HEALTH AND SAFETY</b>			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	7.3 Occupational Health and Safety
B2	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting period.	7.3 Occupational Health and Safety
	B2.2	Lost days due to work injury.	7.3 Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	7.3 Occupational Health and Safety
<b>B3: DEVELOPMENT AND TRAINING</b>			
	<i>General disclosure</i>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.4 Training and Development
B3	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.4 Training and Development
	B3.2	The average training hours completed per employee by gender and employee category.	7.4 Training and Development

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Aspect	KPI	Description	Statement/Section
<b>B4: LABOUR STANDARDS</b>			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	7 Our workplace
B4	B4.1	Description of measures to review employment practices to avoid child and forced labour.	7.1 Employment and Labor Standards
	B4.2	Description of steps taken to eliminate such practices when discovered.	7.1 Employment and Labor Standards
<b>B5: SUPPLY CHAIN MANAGEMENT</b>			
	<i>General disclosure</i>	Policies on managing environmental and social risks of the supply chain.	6.1 Responsible Sourcing
	B5.1	Number of suppliers by geographical region.	6.1 Responsible Sourcing
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.1 Responsible Sourcing
B5	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1 Responsible Sourcing
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1 Responsible Sourcing
<b>B6: PRODUCT RESPONSIBILITY</b>			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	6.2 Stringent Quality Control 6.4 Product Responsibility
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.2 Stringent Quality Control
B6	B6.2	Number of products and service related complaints received and how they are dealt with.	6.4 Product Responsibility
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.4 Product Responsibility
	B6.4	Description of quality assurance process and recall procedures.	6.2 Stringent Quality Control 6.4 Product Responsibility
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	6.4 Product Responsibility

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Aspect	KPI	Description	Statement/Section
<b>B7: ANTI-CORRUPTION</b>			
	<i>General disclosure</i>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	7.2 Business Ethics and Integrity
B7	<i>B7.1</i>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	7.2 Business Ethics and Integrity
	<i>B7.2</i>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	7.2 Business Ethics and Integrity
	<i>B7.3</i>	Description of anti-corruption training provided to directors and staff.	7.2 Business Ethics and Integrity
<b>B8: COMMUNITY INVESTMENT</b>			
	<i>General disclosure</i>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8 Contribute to the Community
B8	<i>B8.1</i>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8 Contribute to the Community
	<i>B8.2</i>	Resources contributed (e.g. money or time) to the focus area.	8 Contribute to the Community

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 10.2 Part D: Climate-related Disclosures

Description	Statement/Section
<b>(I) GOVERNANCE</b>	
19. An issuer shall disclose information about:	
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	4.1 Sustainability Governance
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	4.1 Sustainability Governance
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	4.1 Sustainability Governance
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	4.1 Sustainability Governance
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	4.1 Sustainability Governance
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	4.1 Sustainability Governance
<b>(II) STRATEGY</b>	
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	5.2 Climate Change, Emission Control and Energy Efficiency
(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	5.2 Climate Change, Emission Control and Energy Efficiency
(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons — short, medium or long term — the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	5.2 Climate Change, Emission Control and Energy Efficiency
(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	5.2 Climate Change, Emission Control and Energy Efficiency

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Description	Statement/Section
<p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and</p> <p>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	<p>5.2 Climate Change, Emission Control and Energy Efficiency</p> <p>The Group is in the initial stage of developing mechanisms to determine the scope of its value chain and identify geographical areas and asset types most susceptible to climate risks.</p>
<p>22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	<p>5.2 Climate Change, Emission Control and Energy Efficiency</p> <p>5.2 Climate Change, Emission Control and Energy Efficiency</p> <p>The Group's current efforts remain at an early stage. It is developing the key assumptions, dependencies, and scenario pathways that will form the basis of a transition plan.</p> <p>5.2 Climate Change, Emission Control and Energy Efficiency</p> <p>4.1 Sustainability Governance</p>
<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>5.2 Climate Change, Emission Control and Energy Efficiency</p>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Description	Statement/Section
<p>24. An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p> <p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p> <p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p> <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	<p>5.2 Climate Change, Emission Control and Energy Efficiency</p> <p>We do not have sufficient data for reliable quantitative estimates. Therefore, we present qualitative descriptions of the potential effects on our financial position, performance, and cash flows, while actively enhancing our systems to enable full quantitative disclosure once the relief is no longer applicable.</p> <p>We are enhancing our internal data collection mechanisms and exploring collaborations with external experts to potentially conduct climate-related scenario analysis in future reporting cycle.</p>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Description	Statement/Section
<b>(III) RISK MANAGEMENT</b>	
27. An issuer shall disclose information about:	
(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	5.2 Climate Change, Emission Control and Energy Efficiency
(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	We are enhancing our internal data collection mechanisms and exploring collaborations with external experts to potentially conduct climate-related scenario analysis in future reporting cycle.
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	5.2 Climate Change, Emission Control and Energy Efficiency
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	5.2 Climate Change, Emission Control and Energy Efficiency
(v) how the issuer monitors climate-related risks; and	5.2 Climate Change, Emission Control and Energy Efficiency
(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	5.2 Climate Change, Emission Control and Energy Efficiency
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	5.2 Climate Change, Emission Control and Energy Efficiency
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	5.2 Climate Change, Emission Control and Energy Efficiency

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Description	Statement/Section
<b>(IV) METRICS AND TARGETS</b>	
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	
(a) Scope 1 greenhouse gas emissions;	5.2 Climate Change, Emission Control and Energy Efficiency
(b) Scope 2 greenhouse gas emissions; and	5.2 Climate Change, Emission Control and Energy Efficiency
(c) Scope 3 greenhouse gas emissions.	5.2 Climate Change, Emission Control and Energy Efficiency The Group is presently unable to fully disclose its Scope 3 emissions due to current constraints in data availability and insufficient coverage across the value chain. Partial estimates have been developed for certain categories. The Group plans to progressively enhance its data collection and aims to publish more comprehensive Scope 3 disclosures in the future.
29. An issuer shall:	
(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	5.2 Climate Change, Emission Control and Energy Efficiency
(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	5.2 Climate Change, Emission Control and Energy Efficiency
(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	5.2 Climate Change, Emission Control and Energy Efficiency
(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Not applicable

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Description	Statement/Section
(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	5.2 Climate Change, Emission Control and Energy Efficiency
(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	5.2 Climate Change, Emission Control and Energy Efficiency
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	At present, we have not yet determined or reported these metrics.
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks	This matter may be included in the agenda of the ESG Committee meeting for discussion at an appropriate time.
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	We are in the early stages of determining these metrics. This matter may be included in the agenda of the ESG Committee meeting for discussion at an appropriate time.
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	We currently do not apply an internal carbon price in its investment or decision-making processes.
34. An issuer shall disclose:	At present, the Group's remuneration policy does not explicitly incorporate climate-related considerations, performance metrics linked to sustainability or emissions reduction targets.
(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Description	Statement/Section
<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	<p>We have not disclosed industry-based climate metrics specific to the sector. Current disclosures primarily focus on general environmental indicators, such as energy consumption, emissions, waste and water use.</p>
<p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <p>(a) the metric used to set the target;</p> <p>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</p> <p>(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</p> <p>(d) the period over which the target applies;</p> <p>(e) the base period from which progress is measured;</p> <p>(f) milestones or interim targets (if any);</p> <p>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</p> <p>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</p>	<p>5.2 Climate Change, Emission Control and Energy Efficiency</p> <p>5.2 Climate Change, Emission Control and Energy Efficiency</p> <p>5.3 Water Consumption and Wastewater Management</p> <p>5.4 Waste Reduction and Management</p> <p>5.2 Climate Change, Emission Control and Energy Efficiency</p>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Description	Statement/Section
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party;	The target methodology has been established and validated through our internal management systems to ensure it is deeply aligned with our operational realities. We view this as a critical first step and will consider external validation as we progress to more advanced stages.
(b) the issuer's processes for reviewing the target;	5.2 Climate Change, Emission Control and Energy Efficiency
(c) the metrics used to monitor progress towards reaching the target; and	5.2 Climate Change, Emission Control and Energy Efficiency
(d) any revisions to the target and an explanation for those revisions.	Not applicable
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	5.2 Climate Change, Emission Control and Energy Efficiency
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target;	We have selected energy efficiency as the primary metric for Scope 1 and Scope 2 decarbonization target because it directly addresses internal energy use, a factor fully within our operational control, readily actionable, and closely aligned with facility performance. Unlike GHG emissions targets, energy efficiency remains unaffected by external grid emission factor fluctuations. With Scope 3 emissions currently less manageable, energy efficiency is the most practical, immediate lever for progress.
(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d) whether the target was derived using a sectoral decarbonisation approach; and	
(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
(ii) which third-party scheme(s) will verify or certify the carbon credits;	
(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	At present, the Group has not fully adopted or disclosed industry-based climate metrics relevant to the sector.

# REPORT OF THE DIRECTORS

The Directors are pleased to present their report and the audited consolidated financial statements for the Year.

## CORPORATE HISTORY

The Company was incorporated in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands as an exempted company with limited liability on 7 June 2012.

In preparation for the Listing, the Company became the holding company of the companies comprising the Group pursuant to the reorganisation as more particularly described in the section headed “History, Development and Reorganisation — Reorganisation” in the Prospectus.

The Shares of the Company were listed on GEM of the Stock Exchange on 5 June 2015. On 10 November 2017, the Shares were transferred from GEM to the Main Board of the Stock Exchange.

## PRINCIPAL ACTIVITIES

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.

There were no significant changes in the nature of the Group’s principal activities during the Year.

## SUBSIDIARIES

Details of the Company’s subsidiaries as at 31 December 2025 are set out in Note 38 of the audited consolidated financial statements.

## FINANCIAL STATEMENTS

The summary of the results, assets and liabilities of the Group for the year ended 31 December 2025 and the state of the Company’s and the Group’s affairs as at that date are set out in consolidated financial statement on page 98 to 164 of this annual report.

## RESULTS AND DIVIDEND

The results of the Group for the Year are set out in the audited consolidated statement of profit or loss and audited consolidated statement of comprehensive income on pages 98 and 99 of this report, respectively.

The Directors did not recommend the payment of any dividend for the Year (2024: Nil).

## CLOSURE OF REGISTER OF MEMBERS

For ascertaining the identity of the shareholders of the Company who will be eligible to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 18 May 2026 to Thursday, 21 May 2026 (both dates inclusive), during which no transfer of shares will be registered. In order to be eligible to attend and vote at the 2026 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 Friday, 15 May 2026.

## BUSINESS REVIEW AND OTHER DISCLOSURES

Further discussion and analysis as required by Schedule 5 to the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong), including a discussion of business review, the principal risks and uncertainties facing the Group, key performance indicators, environmental policies of the Group, compliance with laws and regulations by the Group, its relationship with customers, suppliers, subcontractors and employees and an indication of likely future developments in the Group’s business, can be found in the Management Discussion and Analysis set out on pages 6 to 13 of this annual report. This discussion forms part of this directors’ report.



## REPORT OF THE DIRECTORS (CONTINUED)

### SEGMENT INFORMATION

Details of segment reporting are set out in Note 5 of the audited consolidated financial statements.

### CHARITABLE DONATIONS

No charitable or other donations were made by the Group during the Year (2024: Nil).

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the largest and the top five customers of the Group accounted for 21.80% (2024: 11.28%) and 42.32% (2024: 33.69%) of the Group's revenue, respectively, for the Year.

During the Year, the Group's purchases from the largest and the top five suppliers accounted for 12.39% (2024: 18.73%) and 40.57% (2024: 50.26%) of the Group's purchases, respectively, for the Year.

To the best of the knowledge of the Directors, none of the Directors, their respective close associates or any shareholder of the Company, who owns more than 5% of the issued share capital of the Company, had any interest in any of the Group's top five customers or suppliers of the Group for the Year.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the Year are set out in Note 14 to the audited consolidated financial statements.

### INVESTMENT PROPERTIES

Details of movements in the Group's investment properties during the Year are set out in Note 15 to the audited consolidated financial statements.

### SHARE CAPITAL

There was no change in the total number of issued shares and the issued share capital during the Year.

Details of the share capital of the Company during the Year are set out in Note 29 to the audited consolidated financial statements.

### RESERVES

Movements in reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 102 of this report.

### DISTRIBUTABLE RESERVES

The Company's reserves as at 31 December 2025 are set out in Notes 31(b) and 31(c) to the audited consolidated financial statements.

## **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 recall any treasury shares.

## **BANK LOANS AND OTHER BORROWINGS**

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in Note 27 to the audited consolidated financial statements.

## **FINANCIAL SUMMARY**

A summary of the results of the Group for the past five financial years is set out on page 165 of this report.

## **IMPORTANT EVENTS AFTER THE YEAR END**

There are no important events subsequent to the end of the Year and up to the date of this report which requires disclosure.

## **DIRECTORS**

The Directors since 1 January 2025 and up to the date of this report were:

### **Executive Directors**

Mr. Chu King Tien (*the chairman of the Group*)

Ms. Chu Shuk Ching

Mr. Tang Chi Him

Mr. Chu Ho Wa

### **Independent non-executive Directors**

Mr. Hui Kwok Wah (resigned on 1 April 2025)

Mr. Kan Man Kim

Mr. Wong Ka Chun Matthew

Ms. Tang Sze Ning Erica (appointed on 1 April 2025)

## **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors and the senior management of the Company are set out on pages 14 to 17 of this report.

## **DIRECTORS' RETIREMENT AND RE-ELECTION**

In accordance with Article 112 of the Articles, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with Article 108 of the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.



## REPORT OF THE DIRECTORS (CONTINUED)

The Directors subject to retirement by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. Any further Directors so subject to retirement shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with Article 108 of the Articles, the following Directors, namely, Mr. Tang Chi Him, Mr. Kan Man Kim and Mr. Wong Ka Chun, Matthew would retire from office by rotation and, being eligible to, offered themselves for re-election at the 2026 AGM.

No Director proposed for re-election at the 2026 AGM has or is proposed to have a service agreement or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation of independence from all the independent non-executive Directors, namely Ms. Tang Sze Ning Erica, Mr. Kan Man Kim, and Mr. Wong Ka Chun Matthew, pursuant to the Listing Rules. The Company considers all of them to be independent pursuant to Rule 3.13 of the Listing Rules as at the date of this report.

### DIRECTORS' SERVICE CONTRACTS

The service agreement between the Company and each of the executive Directors is for an initial term of three years commencing from the Listing Date and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the current term of the appointment, unless the Director has not been re-elected as a Director of the Company or has been removed by shareholders of the Company at any of its general meeting in accordance with the Articles. Either the Company or the Director may terminate the service agreement in accordance with the terms thereof.

The Company has entered into a letter of appointment with each of the independent non-executive Directors for a fixed term of 2 years upon the expiry of the previous letters of appointment, which may be terminated by either the Company or the Director in accordance with the terms thereof.

There is no director's service contract with the Company or any of its subsidiary which is not determinable by the Company or its subsidiary within one year without payment of compensation (other than statutory compensation) as at 31 December 2025.

### DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

For the Directors' material interest in contracts with the Group, please refer to the paragraphs headed "Related Party Transactions and Continuing Connected Transactions" below in this report.

Save as disclosed in this report, no Director or the associates of the Director had any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party during or at the end of the Year.

## COMPETING INTERESTS

During the Year, none of the Directors, the controlling shareholders of the Company and their respective close associates had any business or interest that competes or may compete with the business of the Group nor had any other conflicts of interest with the Group.

A deed of non-competition dated 24 September 2014 has been entered into by Mr. Chu King Tien and Golden Villa, the controlling shareholders of the Company within the meaning of the Listing Rules (collectively the “**Controlling Shareholders**”) in favour of the Company regarding certain non-competition undertakings given by the Controlling Shareholders in favour of the Company. The details of this deed of non-competition have been disclosed in the section headed “Relationship with Controlling Shareholders” in the Prospectus.

Each of the Controlling Shareholders has given an annual declaration to the Company confirming that he/it has complied with the non-competition undertakings provided to the Company under the said deed of non-competition. The independent non-executive directors have reviewed the status of compliance and enforcement of the non-competition undertaking and confirmed that all the undertakings thereunder have been complied with for the Year.

## REMUNERATION OF THE DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and the five highest paid individuals are set out in Note 9 of the audited consolidated financial statements. No Director has waived or has agreed to waive any emolument during the Year.

## EMOLUMENT POLICY

The Remuneration Committee is responsible for making recommendations to the Board on the Company’s policy and structure for all the Directors and members of the senior management remuneration, having regard to market competitiveness, individual performance and achievement. The Remuneration Committee would conduct annual review of the emoluments of the Director and remuneration package of the members of the senior management or conduct ad hoc review when necessary. The Company has adopted a share option scheme for granting share option as part of the potential remuneration package to the Directors and the relevant eligible participants.

The emoluments of the Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of each Director, and taking into consideration the Company’s performance and prevailing market conditions.

## CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save for those disclosed above or in this report, there were no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries nor any contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries during the year.

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

#### Interests in the Company

As at 31 December 2025, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by the Directors as referred to in the Listing Rules, were as follows:

#### Long positions in the Shares

Name	Nature of interest	Total number of shares held (Long Position)	Approximate percentage of shareholding
Chu King Tien (Chairman and executive Director)	Interest in a controlled corporation (Note 1)	13,657,500 Shares	42.15%
Chu Shuk Ching (Executive Director and Chief Executive Officer)	Interest in a controlled corporation (Note 2) Beneficial owner	1,600,000 Shares 228,000 Shares	4.94% 0.70%

Note:

- These Shares are held by Golden Villa Ltd. ("Golden Villa") which is wholly owned by Mr. Chu King Tien. 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.
- These Shares are held by Triumph Treasure, which is wholly-owned by Ms. Chu Shuk Ching. By virtue of the SFO, Ms. Chu Shuk Ching is deemed to be interested in all the Shares held by Triumph Treasure.

#### Interests in associated corporations of the Company

As at 31 December 2025, 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 corporation

Name of Director	Name of associated corporation	Nature of interest	Number of Shares (long position)	Approximate percentage of shareholding
Mr. Chu King Tien	Golden Villa	Beneficial owner	50,000	100%

## REPORT OF THE DIRECTORS (CONTINUED)

Save as disclosed above, as at 31 December 2025, the interest or short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) (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 the standard of dealings by the Directors as referred to in the Listing Rules.

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

So far as the Directors are aware, as at 31 December 2025, 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.

#### Long positions in the shares

Name	Nature of interest	Total number of shares held	Approximate percentage of shareholding
Golden Villa	Beneficial owner	13,657,500 Shares	42.15%
Ms. Mo Yuk Ling (Note 1)	Interest of spouse	13,657,500 Shares	42.15%
Lofty Islet Holding Limited (Note 2)	Beneficial owner	5,400,000 Shares	16.67%
Yang Haobo (Note 2)	Interest in a controlled corporation	5,400,000 Shares	16.67%
Triumph Treasure	Beneficial owner	1,828,000 Shares	5.64%

Note:

- Ms. Mo Yuk Ling is the spouse of Mr. Chu King Tien. Under the SFO, Ms. Mo Yuk Ling is deemed to be interested in the same number of shares in which Mr. Chu King Tien is interested.
- Lofty Islet Holding Limited ("**Lofty Islet**") is wholly-owned by Mr. Yang Haobo. Mr. Yang Haobo is deemed to be interested in the same number of shares held by Lofty Islet under the SFO.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other persons who had or deemed or taken to have any interests or short positions in the Shares, underlying Shares or debentures 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 which were required to be recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

### SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was adopted at the extraordinary general meeting held on 24 June 2025 (the "**Adoption Date**"). Since the Adoption Date and up to the date of this report, no option had been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme. A summary of the terms of the Share Option Scheme is set out below:

#### 1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options (the "**Option**") to the Eligible Participants (as defined below) as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

## REPORT OF THE DIRECTORS (CONTINUED)

### 2. Eligible participants of the Share Option Scheme and the basis of determining eligibility of eligible participants

- 2.1 eligible participants who are employees and directors of the Group (the “**Eligible Participant(s)**”) include the participants (which exclude independent non-executive Directors) (the “**Employee Participants**”), the directors and employees of holding companies, fellow subsidiaries and associated companies of the Company, (the “**Related Entity Participants**”) and the service providers on a continuing or recurring basis ordinary and usual course of business (the “**Service Providers**”).
- 2.2 The eligibility of, and the terms of grant of Options to each of the Eligible Participants to an Offer shall be determined by the Board from time to time on the basis of the Board’s opinion as to his/her experience in the business of the Group, the length of his/her service with the Group, his/her contribution to the development and long-term growth of the Group and other factors as the Board may at its discretion consider appropriate. When considering eligibility of, and the terms of grant of Options to any Service Provider and whether such Service Provider provides services to the Group on a continuing or recurring basis in the ordinary and usual course of business, the Board shall generally consider all relevant factors as appropriate from time to time, including (i) the industry experience of the Service Provider; (ii) the type(s) of services that the Service Provider had provided to the Group; (iii) the period of engagement of the Service Provider; (iv) the contribution and/or future contribution of the Service Provider to the development and long-term growth of the Group.
- 2.3 When considering eligibility of, and the terms of grant of Options to the Service Providers under the category of vendors and suppliers, the Board will consider, among other things: (i) the nature, reliability and quality of the products and/or services supplied; (ii) the value of the products and/or services provided by the relevant vendors and/or suppliers; (iii) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track records of the relevant vendors and/or suppliers; (vi) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and (vii) the replacement cost of such vendors and/or suppliers and/or the products and/or services (including continuity and stability of supply or provision of such products and/or services in the market).
- 2.4 When considering eligibility of, and the terms of grant of Options to the Service Providers under the category of advisors, consultants, agents and/or other professional firms, the Board will consider, among other things: (i) individual performance of the relevant advisors, consultants, agents and/or other professional firms, including but not limited to the reliability and quality of the products and/or services supplied; (ii) their knowledge, experience and network in the relevant industry; (iii) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track records of the relevant advisors, consultants, agents and/or other professional firms; (vi) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply of products and/or services, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); (vii) the replacement cost of such advisors, consultants, agents and/or other professional firms (including continuity and stability of provision of the necessary services in the market); and (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant advisors, consultants, agents and/or other professional firms, and/or the synergy between the relevant advisors, consultants, agents and/or other professional firms and the Group.

- 2.5 When considering eligibility of, and the terms of grant of Options to the Service Providers under the category of independent contractors, the Board will consider, among other things: (i) individual performance of the relevant independent contractors, including but not limited to the reliability and quality of the products and/or services supplied; (ii) their knowledge, experience and network in the relevant industry; (iii) the nature, scope and frequency of the collaborating projects and length of business relationship with the Group; (iv) the materiality and nature of the business relationship with the Group (such as whether they are related to the core business of the Group and whether such business dealings could be readily replaced by third parties); (v) the background, reputation and track records of the relevant independent contractors; (vi) actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply of products and/or services, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and (vii) the replacement cost of such independent contractors and/or the products and/or services (including continuity and stability of supply or provision of such products and/or services in the market); and (viii) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant independent contractors, and/or the synergy between the independent contractors and the Group.
- 2.6 Service Providers should be, or anticipated to be going forward, significant suppliers of products or services, or otherwise significant to the Group's business development. The Board will also consider whether the Service Providers have provided services to the Group on a continuing or recurring basis in its ordinary and usual course of business, taking into account whether the continuity and frequency of the services provided by a Service Provider are akin to those of its employees of the Group based on the following factors:
- (i) the type(s) of services that the Service Provider had provided to the Group in the past 12 months;
  - (ii) the period of engagement of the Service Provider, including whether the Service Provider had entered into an agreement with the Group in the past 12 months with a term of no less than two years; or
  - (iii) the Service Providers who are either former management or former employees of the Group, since the Group values their familiarity with and understanding of the businesses and operations of the Group and considers that their contribution to the Group is similar to those of the employees of the Group.

### 3. Maximum number of shares available for subscription

- 3.1 The total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the Share Option Scheme and any other share scheme(s) of the Company must not, in aggregate, exceed 10% of the total number of issued Shares (excluding treasury shares) as of the Adoption Date of the Share Option Scheme (the "**Scheme Mandate Limit**") unless the Company obtains an approval from the Shareholders. The Options which are cancelled in accordance with the Share Option Scheme and any other share scheme(s) of the Company shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (as defined below).
- 3.2 The total number of Shares which may be allotted and issued in respect of all Options to be granted under the Share Option Scheme and any other share scheme(s) of the Company to Service Providers shall be within the Scheme Mandate Limit and must not, in aggregate, exceed 1% of the total number of issued Shares (excluding treasury shares) as of the Adoption Date of the 2025 Share Option Scheme (the "**Service Provider Sublimit**") unless the Company obtains an approval from the Shareholders.

## REPORT OF THE DIRECTORS (CONTINUED)

3.3 The Company may seek approval of its Shareholders in a general meeting to refresh the Scheme Mandate Limit and Service Provider Sublimit after three years from the approval of the Shareholders for the adoption of the Share Option Scheme or the last refreshment.

3.4 The Scheme Mandate Limit and the Service Provider Sublimit are as follows:

	<b>The Share available to grant under the Scheme Mandate Limit</b>	<b>Percentage to the then number of issued Shares</b>	<b>The Share available to grant under the Service Provider Sublimit</b>	<b>Percentage to the then number of issued Shares</b>
At the beginning of the Year (Note)	800,000	3.0%	Nil	Nil
At the end of the Year	3,240,000 Shares	10.0%	324,000	1.0%
As at the date of this annual report	3,240,000 Shares	10.0%	324,000	1.0%

Note: Under the scheme mandate limit of the previous share option scheme (the “**Previous Share Option Scheme**”) adopted on 15 May 2015, which expired on 15 May 2025, and adjusted after taking into account of the effect of the Share Consolidation.

There was no option granted under the Previous Share Option Scheme since its adoption date and under the Share Option Scheme since the Adoption Date. As such, there was no Shares available for exercise of the Options as at the beginning of the Year and as at the end of the Year.

#### 4. Maximum entitlement of shares of each eligible participant

The total number of issued Shares which may fall to be issued upon exercise of the Options and the options or awards granted under any other share scheme(s) of the Company (including both exercised or outstanding options but excluding any options and awards lapsed in accordance with Scheme Rules) to each Grantee in any 12-month period up to and including the date of such grant shall not exceed 1% of the issued share capital of the Company (excluding Treasury Shares) for the time being (the “**1% Individual Limit**”). Where any further grant of Options to a Grantee under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options and awards granted and proposed to be granted to such person (including exercised, cancelled and outstanding options but excluding any options and awards lapsed in accordance with the terms of the scheme) under the Share Option Scheme and any other share scheme(s) of the Company in the 12-month period up to and including the date of such further grant exceeding the 1% Individual Limit, such further grant must be separately approved by Shareholders in a general meeting with such Grantee and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The number and terms of the options to be further granted to such Grantee must be fixed before Shareholders’ approval. In respect of any options to be further granted, the date of the Board meeting for proposing such further grant should be taken as the date of the grant for the purpose of calculating the Subscription Price.

**5. Acceptance of option**

- 5.1 An Offer shall have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 5.2 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 5.3 To the extent that the Offer is not accepted within the time specified in the Offer, it will be deemed to have been irrevocably declined.

**6. Period within which the option may be exercised**

- 6.1 Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period, which shall be determined and notified by the Board to the Grantee but in any event shall not be more than ten years from the Offer Date of that Option.
- 6.2 Subject to the Scheme Rules and the fulfilment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for Shares in respect of which the notice is given. Within 21 days, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee and deliver to the Grantee a share certificate for the Shares so allotted and issued.

**7. Vesting period of option**

The vesting period for Options shall be determined by the Board and, in any case, shall not be less than 12 months. A shorter vesting period may be granted to an Employee Participant at the discretion of the Board in the following circumstances:

- (a) grants of "make-whole" Options to new joiners to replace the share awards they forfeited when leaving the previous employer;
- (b) grants of Options to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (c) grants of Options with performance-based vesting conditions in lieu of time-based vesting criteria;
- (d) grants of Options that are made in batches during a year for administrative and compliance reasons;
- (e) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of 12 months; and
- (f) grants of Options with a total vesting and holding period of more than 12 months.

## REPORT OF THE DIRECTORS (CONTINUED)

### 8. Subscription price

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 15 below, be at the discretion of the Board, provided that it shall be at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Share.

### 9. Remaining life of the share options scheme

The remaining life of the Share Option Scheme is approximately 9 years from the date of this report.

## RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related party transactions entered into by the Group during the Year are set out in Note 34 to the audited consolidated financial statements. The Directors consider that no related party transactions fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) under Chapter 14A of the Listing Rules, which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules.

### Connected Transactions and Continuing Connected Transactions

During the Year, there was no connected transaction or continuing connected transactions entered into by the Group which required reporting, annual review, announcement, circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The related party transactions in relation to key management personnel remuneration as disclosed in Note 34 to the audited consolidated financial statements are connected transactions exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## CORPORATE GOVERNANCE

The Company has complied with the provisions as set out in the CG Code during the Year.

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 18 to 38 of this report.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Please refer to the Environmental, Social and Governance Report (the "ESG Report") on pages 39 to 80 of this report.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence during the Year.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float of not less than 25% of the Company's issued Shares in that class under Rule 13.32B of the Listing Rules and complied with Rule 13.32B of the Listing Rules for the Year and up to the date hereof.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### **INDEPENDENT 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 2026 AGM. A resolution for their re-appointment as the auditor of the Company will be proposed at the 2026 AGM.

### **REVIEW BY AUDIT COMMITTEE**

The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee. 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.

Save as the above, there is no other material event for disclosure subsequent to 31 December 2025 and up to the date of this annual report.

On behalf of the Board

**Mr. Chu King Tien**

*Chairman*

Hong Kong, 26 March 2026

# INDEPENDENT AUDITOR'S REPORT



26/F, Citicorp Centre  
18 Whitfield Road  
Causeway Bay  
Hong Kong

大信梁學濂 (香港) 會計師事務所有限公司

香港  
銅鑼灣  
威非路18號  
萬國寶通中心26樓

## TO THE SHAREHOLDERS OF GOLDEN POWER GROUP HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Golden Power Group Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 98 to 164, which comprise the consolidated statement of financial position at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the Group's consolidated financial position at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("**Code**") as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of investment properties

The Group holds a portfolio of investment properties in Hong Kong with a fair value of approximately HK\$84,100,000 which accounted for approximately 12% of the Group's total assets at 31 December 2025. The fair value of investment properties at 31 December 2025 was based on a valuation performed by an independent firm of qualified external property valuers. A decrease in fair value of approximately HK\$2,900,000 was recognised in profit or loss for the year ended 31 December 2025.

We identified valuation of the Group's investment properties as a key audit matter because of the significance of investment properties to the Group's total assets and the significance of changes of fair value on investment properties to the Group's profit before income tax and because the valuation of investment properties can be inherently subjective and requires significant judgement and estimation associated with determining the fair value.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Our major procedures in relation to assessing the valuation of investment properties included:

- Obtaining and inspecting the valuation reports prepared by the external property valuers engaged by the Group and on which the directors' assessment of the fair value of investment properties was based;
- Assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity and independence;
- Discussing with the external property valuers independently for their valuation methodology and assessing the key estimates and assumptions adopted in the valuation;
- Evaluating the reasonableness of adjustments made by external property valuers by reference to the similar properties relating to location and size of properties; and
- Checking arithmetical accuracy of calculations.

### OTHER INFORMATION

The directors of the Company are responsible for the other information which comprises the information included in the Group's annual report for the year ended 31 December 2025 ("**Annual Report**"), other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and are in compliance with the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditor's report is Tan Yik Chung Wilson (Practising Certificate Number: P05103).

**PKF Hong Kong Limited**  
*Certified Public Accountants*  
Hong Kong

26 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	333,530	317,760
Cost of sales		(262,202)	(238,307)
Gross profit		71,328	79,453
Other revenue	6	5,404	4,084
Other gains and (losses)	7	5,690	(9,974)
Selling expenses		(20,890)	(21,277)
General and administrative expenses		(54,992)	(50,761)
Profit from operations		6,540	1,525
Finance costs	8(a)	(6,175)	(7,210)
Share of loss of a joint venture		(11)	—
Profit/(loss) before income tax	8	354	(5,685)
Income tax	10	(228)	(877)
Profit/(loss) for the year		126	(6,562)

The notes on pages 98 to 164 form part of these consolidated financial statements. Detail of dividends paid or payable of the Company are set out in Note 13 to the consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Profit/(loss) for the year		126	(6,562)
Other comprehensive income/(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		2,915	(1,918)
		2,915	(1,918)
Total comprehensive income/(loss) for the year		3,041	(8,480)
Profit/(loss) for the year attributable to:			
Equity shareholders of the Company		326	(6,372)
Non-controlling interests		(200)	(190)
		126	(6,562)
Total comprehensive income/(loss) for the year attributable to:			
Equity shareholders of the Company		3,241	(8,290)
Non-controlling interests		(200)	(190)
		3,041	(8,480)
Earnings/(loss) per share (HK cents)			(restated)
— Basic	12	1.08	(23.60)
— Diluted	12	1.08	(23.60)

The notes on pages 98 to 164 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	351,895	352,404
Investment properties	15	84,100	87,000
Intangible assets	16	33,413	13,572
Prepaid land lease payments	17	3,324	3,366
Right-of-use assets	18	1,363	4,967
Interest in a joint venture	19	22,729	—
Deposits paid for acquisition of property, plant and equipment	22	21,446	17,119
Pledged deposit	22	1,000	2,800
Deferred tax assets	11	10,027	9,574
		<b>529,297</b>	<b>490,802</b>
<b>CURRENT ASSETS</b>			
Inventories	20	56,605	51,764
Trade and bills receivables	21	50,986	44,391
Deposits, prepayments and other receivables	22	35,218	32,312
Income tax recoverable		143	143
Pledged time deposit	23	5,207	5,160
Cash and bank balances		15,498	31,493
		<b>163,657</b>	<b>165,263</b>
<b>DEDUCT:</b>			
<b>CURRENT LIABILITIES</b>			
Bank overdraft, secured		—	4,129
Trade payables	24	157,042	129,994
Other payables and accruals	25	19,353	19,414
Contract liabilities	26	2,543	2,957
Bank and other borrowings	27	163,157	186,805
Lease liabilities	28	913	3,612
Income tax payable		100	19
		<b>343,108</b>	<b>346,930</b>
<b>NET CURRENT LIABILITIES</b>		<b>(179,451)</b>	<b>(181,667)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>349,846</b>	309,135
<b>DEDUCT:</b>			
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	27	50,637	15,552
Lease liabilities	28	414	1,314
Deferred tax liabilities	11	4,172	5,420
		<b>55,223</b>	22,286
<b>NET ASSETS</b>		<b>294,623</b>	286,849
<b>REPRESENTING:</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	29	6,480	5,400
Reserves	31	288,043	281,149
Total equity attributable to equity shareholders of the Company		<b>294,523</b>	286,549
Non-controlling interests		100	300
<b>TOTAL EQUITY</b>		<b>294,623</b>	286,849

Approved and authorised for issue by the Board of Directors on 26 March 2026.

**Mr. Chu King Tien**  
*EXECUTIVE DIRECTOR*

**Ms. Chu Shuk Ching**  
*EXECUTIVE DIRECTOR*

The notes on pages 98 to 164 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to equity shareholders of the Company							Subtotal HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Statutory reserve HK\$'000 Note 31(c)(i)	Exchange reserve HK\$'000 Note 31(c)(ii)	Capital reserve HK\$'000 Note 31(c)(iii)	Property revaluation reserve HK\$'000	Retained profits HK\$'000			
At 1 January 2024	5,400	141,253	5,914	(4,140)	29,819	51,697	64,896	294,839	—	294,839
Loss for the year	—	—	—	—	—	—	(6,372)	(6,372)	(190)	(6,562)
Exchange differences arising on translation of financial statements of foreign operations	—	—	—	(1,918)	—	—	—	(1,918)	—	(1,918)
Total comprehensive loss for the year	—	—	—	(1,918)	—	—	(6,372)	(8,290)	(190)	(8,480)
Shares issued by a subsidiary	—	—	—	—	—	—	—	—	490	490
At 31 December 2024 and 1 January 2025	5,400	141,253	5,914	(6,058)	29,819	51,697	58,524	286,549	300	286,849
Profit/(loss) for the year	—	—	—	—	—	—	326	326	(200)	126
Exchange differences arising on translation of financial statements of foreign operations	—	—	—	2,915	—	—	—	2,915	—	2,915
Total comprehensive income/(loss) for the year	—	—	—	2,915	—	—	326	3,241	(200)	3,041
Issue of shares, net of transaction cost (Note 29)	1,080	3,653	—	—	—	—	—	4,733	—	4,733
At 31 December 2025	6,480	144,906	5,914	(3,143)	29,819	51,697	58,850	294,523	100	294,623

The notes on pages 98 to 164 form part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before income tax	354	(5,685)
Adjustments for:		
Amortisation of intangible assets	2,136	507
Amortisation of prepaid land lease payments	200	201
Depreciation of property, plant and equipment	13,468	12,019
Depreciation of right-of-use assets	3,675	3,732
Finance costs	6,175	7,210
(Gain)/loss on disposals of property, plant and equipment	(4,001)	186
Interest income	(81)	(117)
Fair value losses on investment properties	2,900	5,500
Share of loss of a joint venture	11	—
Write-down/(reversal of write-down) of inventories	183	(1,230)
Exchange differences	(5,320)	3,950
Operating profit before working capital changes	19,700	26,273
(Increase)/decrease in inventories	(2,267)	2,590
Increase in trade and bills receivables	(5,699)	(7,408)
Increase in deposits, prepayments and other receivables	(2,002)	(2,748)
Increase in trade payables	20,506	37,628
Decrease in other payables and accruals	(827)	(1,700)
(Decrease)/increase in contract liabilities	(425)	544
Cash generated from operations	28,986	55,179
Interest received	81	117
Income tax (paid)/refunded	(1,676)	248
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>27,391</b>	<b>55,544</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments to acquire property, plant and equipment	(26,262)	(19,170)
Deposit paid for acquisition of property, plant and equipment	(7,486)	(6,093)
Payments to acquire intangible assets	(7,359)	(9,517)
Sale proceeds from disposals of property, plant and equipment	9	545
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(41,098)</b>	<b>(34,235)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank and other borrowings raised	32(a)	315,616	263,915
Repayment of bank and other borrowings	32(a)	(307,360)	(264,807)
Increase in pledged time deposit		(47)	(105)
Decrease/(increase) in pledged deposit		1,800	(1,000)
Interest paid for bank and other borrowings	32(a)	(9,362)	(11,760)
Interest paid for bank overdraft		(92)	(27)
Capital element of lease rentals paid	32(a)	(3,672)	(3,640)
Interest element of lease rentals paid	32(a)	(130)	(236)
Proceeds from issuing shares, net of transaction cost	29	4,733	—
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>1,486</b>	<b>(17,660)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(12,221)</b>	<b>3,649</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES, NET</b>		<b>355</b>	<b>(354)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>27,364</b>	<b>24,069</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>15,498</b>	<b>27,364</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		15,498	31,493
Bank overdraft, secured		—	(4,129)
		<b>15,498</b>	<b>27,364</b>

The notes on pages 98 to 164 form part of these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 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 HKFRS Accounting Standards

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) 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**”).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 2. BASIS OF PREPARATION (continued)

#### (b) Initial application of HKFRS Accounting Standards

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for annual periods beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards 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) HKFRS Accounting Standards in issue but not yet effective

The following HKFRS Accounting Standards in issue at 31 December 2025 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 2025:

Amendments to HKFRS 9 & HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS 9 & HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19*	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKFRS 19*	Amendments to Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</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 HKFRS Accounting Standards but are not yet in a position to determine whether the new and amended HKFRS Accounting Standards will have material impact on the Group's performance and financial position and on the disclosures. The new and amended HKFRS Accounting Standards may result in changes to how the Group's performance and financial position are prepared and presented in the future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 2. BASIS OF PREPARATION (continued)

#### (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 had net current liabilities of approximately HK\$179,451,000 as at 31 December 2025. 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 2025, the Group had unutilised banking facilities of approximately HK\$12,311,000;
- (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\$64,185,000 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\$7,747,000 as at 31 December 2025 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 2025 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 their 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) For the borrowings which will be maturing before 31 December 2026, 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;
- (v) 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
- (vi) 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES

#### (a) Measurement basis

The consolidated financial statements comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 4.

#### (b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (Note 3(k)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (c) Joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's interest in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of joint venture is included in consolidated profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of joint venture is included as part of the Group's interest in a joint venture.

In all other cases, upon loss of joint control over the joint venture, the Group measures and recognises any retained interest at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained interest and proceeds from disposal is recognised in profit or loss. When an interest in a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

#### (d) Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and impairment losses (Note 3(k)(ii)). The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (d) Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, over their estimated useful lives, on a straight-line basis at the following annual rates:

Category	Depreciation policy	Residual value
Leasehold land	Shorter of remaining lease term or useful life	0%
Leasehold buildings	4%	0%
Plant and machinery	3%–5%	10%
Furniture, fixtures and office equipment	10%	10%
Moulds	10%	0%
Loose tools and instruments	10%	0%
Motor vehicles	25%	10%
Leasehold improvements	10%	0%
Right-of-use assets — Leased properties	Over the lease term	0%
Right-of-use assets — Motor vehicles	Over the lease term	0%

Useful lives, the depreciation methods and residual values are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised which is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction or pending installation, and is stated at cost less impairment losses. The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially completed and ready for its intended use.

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (e) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation (Note 3(d)) and impairment losses (Note 3(k)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (e) Leased assets (continued)

##### *As a lessee (continued)*

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group's right-of-use assets presented and included "prepaid land lease payments" and "right-of-use assets" while the lease liabilities are separately presented in the statement of financial position.

##### *As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 3(r).

#### (f) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

When a property held for own use is reclassified to investment property following a change in its use, any differences arising at the date of reclassification between the carrying amount of the property held for own use immediately prior to the reclassification and its fair values is recognised as below:

- (i) If the carrying amount of the property is increased as a result of the revaluation, the increase shall be recognised in other comprehensive income and accumulated separately in equity in the property revaluation reserve.
- (ii) If the carrying amount of the property is decreased as a result of the revaluation, the decrease shall be recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (f) Investment properties (continued)

On subsequent disposal of the investment property, the revaluation surplus recognised in the property revaluation reserve may be transferred directly to retained profits.

If an investment property becomes owner-occupied, it is reclassified as a property held for own use and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting in accordance with Note 3(d).

#### (g) Intangible assets

Trademarks and product development and design are stated at cost less accumulated amortisation and impairment losses (Note 3(k)(ii)). Amortisation of trademarks and product development and design is charged to profit or loss on a straight-line basis over the estimated useful lives of 10 years. The period and method of amortisation are reviewed annually.

#### (h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### (i) Trade and other receivables

Trade and other receivables are recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade and other receivables are stated at amortised cost using the effective interest method less allowance for credit losses (Note 3(k)(i)).

#### (j) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term, highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Cash and cash equivalents are assessed for expected credit losses ("ECL") in accordance with the policy set out in Note 3(k)(i).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### (k) Credit losses and impairment of assets

##### (i) Credit losses from financial assets

The Group applies the ECL model to financial assets measured at amortised cost, including cash and cash equivalent, trade receivables and other receivables. Financial assets measured at fair value are not subject to the ECL assessment.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade receivables and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the end of reporting; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of reporting period.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (k) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial assets (continued)

###### *Significant increases in credit risk*

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset assessed at the end of reporting period with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial assets, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial assets are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at the end of each reporting period to reflect changes in the financial assets' credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

###### *Basis of calculation of interest income*

Interest income recognised (Note 3(r)) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At the end of each reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (k) Credit losses and impairment of assets (continued)

##### (i) Credit losses from financial assets (continued)

*Basis of calculation of interest income (continued)*

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

##### *Write-off policy*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

##### (ii) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment, right-of-use assets, intangible assets, prepaid land lease payments and investments in subsidiaries may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

##### *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

##### *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the cash-generating unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, if measurable, or value in use, if determinable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (k) Credit losses and impairment of assets (continued)

##### (ii) Impairment of non-financial assets (continued)

###### *Reversals of impairment losses*

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

#### (l) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurements to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

##### **Hedging**

The Group designates certain derivatives as hedging instrument to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates (cash flow hedge).

##### **Cash flow hedges**

Where a derivative financial instrument is designated as a hedging instrument in a cash flow hedge, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset such as inventory, the associated gain or loss is reclassified from equity to be included in the initial cost of the non-financial asset.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified from equity to profit or loss in the same period or periods during which the hedged cash flows affect profit or loss (such as when a forecast sale occurs or interest expense is recognised).

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (m) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### (n) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (Note 3(r)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (Note 3(i)).

#### (o) Interest-bearing borrowings

Interest-bearing borrowings are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 3(p)).

#### (p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare that asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

#### (q) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### (r) Revenue recognition

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

— Revenue from the sales and distribution of products is recognised when control of the products has transferred, being at the point the products are delivered to the customer's premise and the customer has accepted the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales order, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue excludes value-added tax or other sales taxes and is after deduction of any trade discounts, rebates and returns.

A receivable is recognised when the products are delivered and the customers accept the products, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (r) Revenue recognition (continued)

- Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (Note 3(k)(i)).
- Rental income is recognised on a straight-line basis over the terms of relevant leases.
- Services fee income and handling income are recognised at a point in time in the period when services are rendered.

#### (s) Employee benefits

Salaries, annual bonuses, annual leave entitlements and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

Obligations for contributions to retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance and the PRC central pension scheme, are recognised as an expense in profit or loss as incurred.

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

The Group's net obligation in respect of long service payment under the Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior years. The obligation is discounted to its present value and the fair value of any related assets, including retirement scheme benefit, is deducted.

#### (t) Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees under share option scheme

The Group operates a share option scheme which allows it to grant share options to selected employees. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessments of all relevant non-marketing vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (u) Translation of foreign currencies

##### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

##### (iii) *Group companies*

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of each reporting period;
- Income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholder's equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES *(continued)*

#### (v) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (v) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3(f), the amount to deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised in profit or loss when the liability to pay the related dividends is recognised in profit or loss.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (w) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a Group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

#### (x) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing these consolidated financial statements. The material accounting policies are set forth in Note 3 above. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of these consolidated financial statements.

#### (a) Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The impairment loss for property, plant and equipment is recognised for the amount by which the carrying amount exceeds its recoverable amount. The carrying amount of property, plant and equipment at 31 December 2025 is approximately HK\$351,895,000 (2024: HK\$352,404,000). More details are given in Note 14.

#### (b) Valuation of investment properties

Investment properties are stated at fair value based on the valuation performed by independent external property valuers. The determination of the fair value involves certain assumptions of market conditions which are set out in Note 15.

In relying on the valuation report, the Directors of the Company have exercised their judgment and are satisfied that the method valuation is reflective of the current market conditions. Changes to these assumptions would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

As at 31 December 2025, the carrying amount of the Group's investment properties is HK\$84,100,000 (2024: HK\$87,000,000).

#### (c) Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of future cash flows expected to arise from the products developed and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of intangible assets at 31 December 2025 is approximately HK\$33,413,000 (2024: HK\$13,572,000). During the year ended 31 December 2025, no impairment has been recognised for intangible assets (2024: no impairment has been recognised for intangible assets). More details are given in Note 16.

#### (d) Valuation of inventories

The management identify obsolete and slow-moving inventory with reference to inventory ageing analysis and estimated subsequent usage or sales. Net realisable value of obsolete and slow-moving inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions, technology changes, the historical experience of selling products with similar nature and current customer orders on hand. It could change significantly as a result of changes in customer preference or competitor actions. The Group reassesses these estimates at the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

#### (e) Loss allowance for trade and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions used are disclosed in Note 36.

#### (f) Current and deferred income taxes

The Group is subject to income taxes in Hong Kong and the PRC. Judgements and estimations are required in determining the provision for income taxes for certain transactions (including inter-company transactions) and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax provisions in the periods in which such determinations are made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation in the periods in which such estimate is changed.

### 5. 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:

	2025 HK\$'000	2024 HK\$'000
<b>Revenue from customers and recognised at a point in time</b>		
Sales of battery products:		
— Disposable batteries	329,256	313,460
— Rechargeable batteries	2,800	3,839
— Other battery-related products	1,474	461
	<b>333,530</b>	<b>317,760</b>

(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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 5. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment information (continued)

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 2025 and 2024 is set out below:

#### Segment revenue from external customers

	2025 HK\$'000	2024 HK\$'000
<b>Disposable batteries</b>		
(i) Cylindrical batteries		
— Alkaline	211,368	180,523
— Carbon	25,223	39,187
	<b>236,591</b>	<b>219,710</b>
(ii) Micro-button cells		
— Alkaline	66,712	66,531
— Other micro-button cells	25,953	27,219
	<b>92,665</b>	<b>93,750</b>
	<b>329,256</b>	<b>313,460</b>
<b>Rechargeable batteries and other battery-related products</b>		
(i) Rechargeable batteries	2,800	3,839
(ii) Other battery-related products	1,474	461
	<b>4,274</b>	<b>4,300</b>
	<b>333,530</b>	<b>317,760</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 5. REVENUE AND SEGMENT INFORMATION (continued)

Segment results

	2025 HK\$'000	2024 HK\$'000
<b>Disposable batteries</b>		
(i) Cylindrical batteries		
— Alkaline	27,445	30,566
— Carbon	2,073	5,335
	29,518	35,901
(ii) Micro-button cells		
— Alkaline	24,323	24,639
— Other micro-button cells	15,849	17,253
	40,172	41,892
	69,690	77,793
<b>Rechargeable batteries and other battery-related products</b>		
(i) Rechargeable batteries	1,291	1,536
(ii) Other battery-related products	347	124
	1,638	1,660
	71,328	79,453

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

	2025 HK\$'000	2024 HK\$'000
Segment results	71,328	79,453
Unallocated other revenue	5,404	4,084
Unallocated other gains and losses	5,690	(9,974)
Unallocated corporate expenses	(75,882)	(72,038)
Finance costs	(6,175)	(7,210)
Share of loss of a joint venture	(11)	—
Profit/(loss) before income tax	354	(5,685)

Segment revenue represents sales to external parties. There are no inter-segment transactions during the years ended 31 December 2025 and 2024. 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 5. REVENUE AND SEGMENT INFORMATION (continued)

#### Other segment information

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

	2025 HK\$'000	2024 HK\$'000
<b>Depreciation and amortisation</b>		
Disposable batteries		
— Cylindrical batteries	8,820	7,154
— Micro-button cells	5,683	4,268
Segment total	14,503	11,422
Unallocated depreciation and amortisation	4,976	5,037
	19,479	16,459
<b>(Gain)/loss on disposal of property, plant and equipment</b>		
Disposable batteries		
— Cylindrical batteries	(4,021)	123
— Micro-button cells	20	59
Segment total	(4,001)	182
Unallocated loss on disposal of property, plant and equipment	—	4
	(4,001)	186
<b>Write-down/(reversal of write-down) of inventories</b>		
Disposable batteries		
— Cylindrical batteries	154	(775)
— Micro-button cells	29	(455)
	183	(1,230)
<b>Additions to non-current assets excluding deferred tax assets and interest in a joint venture</b>		
Disposable batteries		
— Cylindrical batteries	27,750	24,065
— Micro-button cells	13,506	22,814
Segment total	41,256	46,879
Unallocated additions to non-current assets excluding deferred tax assets and interest in a joint venture	32	1,658
	41,288	48,537
<b>Interest in a joint venture</b>		
Disposable batteries		
— Cylindrical batteries	22,729	—

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 5. REVENUE AND SEGMENT INFORMATION (continued)

#### Revenue from major customers

During the years ended 31 December 2025 and 2024, the revenue generated from the following customers accounted for over 9% of the Group's total revenue:

	2025 HK\$'000	2024 HK\$'000
Customer A	—	28,686
Customer B	72,700	35,852

#### 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.

	2025 HK\$'000	2024 HK\$'000
The PRC	90,589	98,182
Hong Kong	29,706	25,184
Asia (except the PRC and Hong Kong)	48,494	53,341
Europe	93,664	65,048
Eastern Europe	20,729	22,537
North America	39,962	32,807
South America	4,718	14,048
Australia	4,884	4,998
Middle East	771	1,615
Africa	13	—
	333,530	317,760

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

	2025 HK\$'000	2024 HK\$'000
The PRC	347,298	314,082
Hong Kong	166,734	161,134
Macau	5,238	6,012
	519,270	481,228

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 6. OTHER REVENUE

	2025 HK\$'000	2024 HK\$'000
Sales of scrap materials	1,188	1,205
Services fee income	—	8
Interest income	81	117
Rental income	2,066	2,339
Handling income	299	329
Government subsidy	1,167	—
Others	603	86
	5,404	4,084

### 7. OTHER GAINS AND (LOSSES)

	2025 HK\$'000	2024 HK\$'000
Net exchange gain/(loss)	4,332	(4,377)
Gain/(loss) on disposals of property, plant and equipment	4,001	(186)
Fair value losses on investment properties	(2,900)	(5,500)
Others	257	89
	5,690	(9,974)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 8. PROFIT/(LOSS) BEFORE INCOME TAX

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

	2025 HK\$'000	2024 HK\$'000
(a) Finance costs:		
Bank loans interest	6,407	8,263
Interest on import and other loans	2,955	3,497
Interest on lease liabilities	130	236
Bank overdraft interest	92	27
Total interest expense	9,584	12,023
Less: interest expense capitalised into property, plant and equipment (Note a)	(3,409)	(4,813)
	6,175	7,210
(b) Staff cost (excluding Directors' emoluments):		
Salaries, wages and other allowances	27,808	24,884
Contributions to defined contribution plans	3,071	3,220
	30,879	28,104
(c) Other items:		
Amortisation of intangible assets	2,136	507
Amortisation of prepaid lease payments	200	201
Auditors' remuneration		
— Audit services	775	737
— Non-audit services	82	54
Cost of inventories recognised as expenses	262,202	238,307
Depreciation		
— Property, plant and equipment	13,468	12,019
— Right-of-use assets	3,675	3,732
Write-down/(reversal of write-down) of inventories	183	(1,230)
Short-term lease expenses	6	11
Rental income less outgoings of approximately HK\$472,000 (2024: approximately HK\$446,000)	(1,594)	(1,893)

Note:

- (a) The borrowing costs have been capitalised at a rate of 3.89% and 5.54% per annum for the years ended 31 December 2025 and 2024 respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 9. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

Directors' emoluments disclosed pursuant to the Listing Rules, Section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation are as follows:

Name of Directors	Year ended 31 December 2025				Total HK\$'000
	Fees HK\$'000	Salaries, allowances and other benefits in kind HK\$'000	Discretionary bonus HK\$'000	Contribution to defined contribution plans HK\$'000	
<i>Executive Directors:</i>					
Mr. Chu	—	4,290	624	—	4,914
Ms. Chu Shuk Ching	—	4,290	624	18	4,932
Mr. Chu Ho Wa	—	573	71	18	662
Mr. Tang Chi Him	—	1,113	94	18	1,225
<i>Independent Non-executive Directors:</i>					
Mr. Hui Kwok Wah <sup>(i)</sup>	—	54	—	—	54
Mr. Kan Man Kim	—	144	—	—	144
Mr. Wong Ka Chun, Matthew	—	198	—	—	198
Ms. Tang Sze Ning, Erica <sup>(ii)</sup>	—	108	—	—	108
	—	10,770	1,413	54	12,237

Name of Directors	Year ended 31 December 2024				Total HK\$'000
	Fees HK\$'000	Salaries, allowances and other benefits in kind HK\$'000	Discretionary bonus HK\$'000	Contribution to defined contribution plans HK\$'000	
<i>Executive Directors:</i>					
Mr. Chu	—	5,007	957	—	5,964
Ms. Chu Shuk Ching	—	5,007	957	18	5,982
Mr. Chu Ho Wa	—	565	82	18	665
Mr. Tang Chi Him	—	1,164	91	18	1,273
<i>Independent Non-executive Directors:</i>					
Mr. Hui Kwok Wah	—	216	—	—	216
Mr. Kan Man Kim	—	144	—	—	144
Mr. Wong Ka Chun, Matthew	—	144	—	—	144
	—	12,247	2,087	54	14,388

Notes:

- (i) Mr. Hui Kwok Wah resigned on 1 April 2025.
- (ii) Ms. Tang Sze Ning, Erica was appointed as an independent non-executive director on 1 April 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 9. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

No emoluments were paid by the Group to the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Among the five highest paid individuals of the Group, three of them are Directors of the Company for the years ended 31 December 2025 and 2024. Details of their emoluments have already been disclosed above.

The emoluments of the remaining two (2024: two) individual are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and other benefits in kind	1,648	1,406
Discretionary bonuses	99	207
Contributions to defined contribution plans	50	36
	1,797	1,649

The emoluments of two (2024: two) individual with the highest emoluments are fall within the following bands:

	2025	2024
Nil to HK\$1,000,000	1	2
HK\$1,000,001 to HK\$2,000,000	1	—

For the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the five highest individuals as inducement to join or upon joining the Group or as compensation for loss of office.

### 10. INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Hong Kong profits tax:		
Provision for the year	119	22
Over-provision in prior years	(5)	(3)
PRC enterprise income tax ("EIT"):		
Under-provision in prior years	1,643	—
	1,757	19
Deferred taxation (Note 11):		
Current year	(1,529)	858
Income tax expense	228	877

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 10. INCOME TAX (continued)

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 2024.

The provision for Hong Kong profits tax for 2024 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2024/2025 subject to a maximum reduction of HK\$1,500 for each business.

Pursuant to the approval document issued by the Ministry of Science and Technology in Guangdong Province on 28 December 2023, 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 profit/(loss) before income tax per consolidated statement of profit or loss as follows:

	2025 HK\$'000	2024 HK\$'000
Profit/(loss) before income tax	354	(5,685)
Tax effect at the Hong Kong profits tax rate of 16.5% (2024: 16.5%)	58	(938)
Tax effect of non-taxable income	(450)	(217)
Tax effect of non-deductible expenses	1,299	1,597
Tax effect of share of loss of a joint venture	2	—
Tax effect of temporary differences previously not recognised	(1,273)	—
Tax effect of unrecognised tax losses	280	817
Tax effect of utilisation of tax losses previously not recognised	(1,272)	(337)
Under/(over)-provision in prior years	1,638	(3)
Tax rate differential	(54)	(42)
Income tax expense	228	877

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 11. DEFERRED TAXATION

An analysis of the deferred tax balances in the consolidated statement of financial position is as follows:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	10,027	9,574
Deferred tax liabilities	(4,172)	(5,420)
	5,855	4,154

The following is deferred tax assets/(liabilities) recognised by the Group and movements hereon during the years ended 31 December 2025 and 2024:

	Unutilised tax losses HK\$'000	Accelerated tax allowances HK\$'000	Impairment losses on inventories HK\$'000	Revaluation of investment properties HK\$'000	Other HK\$'000	Total HK\$'000
At 1 January 2024	10,133	(4,600)	194	(830)	352	5,249
(Charged)/credited to profit or loss for the year	(60)	(869)	(115)	—	186	(858)
Exchange adjustments	(286)	69	(4)	—	(16)	(237)
At 31 December 2024 and 1 January 2025	9,787	(5,400)	75	(830)	522	4,154
(Charged)/credited to profit or loss for the year	181	1,454	10	—	(116)	1,529
Exchange adjustments	407	(262)	5	—	22	172
At 31 December 2025	10,375	(4,208)	90	(830)	428	5,855

At 31 December 2025, the Group had unused tax losses of approximately HK\$84,793,000 (2024: HK\$81,104,000), available to offset against future profits. Deferred tax assets have been recognised in respect of such losses of approximately HK\$68,246,000 (2024: HK\$64,390,000) at 31 December 2025. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK\$16,547,000 (2024: HK\$16,714,000) as at 31 December 2025 due to the unpredictability of future profits streams. Such unrecognised tax losses may be carried forward indefinitely.

According to the EIT Law, starting from 1 January 2008, a 10% withholding tax will be levied on the immediate holding company established out of the PRC when their PRC subsidiary declares dividends out of their profits earned after 1 January 2008. A lower withholding tax rate of 5% may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign immediate holding company. At 31 December 2025 and 2024, temporary differences relating to the undistributed profits of the Company's subsidiaries in the PRC were approximately RMB22,089,000 and approximately RMB16,862,000 respectively (equivalent to approximately HK\$24,577,000 and approximately HK\$17,894,000 respectively). The related deferred tax liabilities of approximately HK\$1,229,000 and approximately HK\$895,000 at 31 December 2025 and 2024 respectively have not been recognised in respect of the withholding tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of the subsidiaries and the Directors have determined that these retained profits are not likely to be distributed in the foreseeable future.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 12. EARNINGS/(LOSS) PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Profit/(loss) for the year attributable to the equity shareholders of the Company	326	(6,372)
	'000	'000 (restated)
Weighted average number of shares for the purpose of calculating basic earnings/(loss) per Share	30,107	27,000

The weighted average number of shares for the year ended 31 December 2025, used in the calculation for basic earnings per Share, has been adjusted to reflect the effects of the Share consolidation (as defined in Note 29) and issue of shares (as defined in Note 29). The corresponding weighted average number of Shares for the year ended 31 December 2024 has been retrospectively adjusted to ensure comparability, taking into account the impact of the Share consolidation.

The diluted earnings/(loss) per Share equalled the basic earnings/(loss) per Share as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

### 13. DIVIDENDS

No dividends declared and paid or payable for the years ended 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Plant and machinery	Furniture, fixtures and office equipment	Moulds	Loose tools and instruments	Motor vehicles	Leasehold improvements	Construction in progress	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost:									
At 1 January 2024	58,066	370,883	30,505	15,533	2,520	13,159	28,595	144,977	664,238
Additions	—	862	168	19	—	—	674	22,859	24,582
Disposals	—	(1,691)	(39)	(4,700)	—	(1,101)	—	—	(7,531)
Transfers	—	38,703	86	—	—	3,571	4,398	(49,353)	(2,595)
Exchange adjustments	(923)	(6,523)	(119)	—	—	(108)	(323)	(3,856)	(11,852)
At 31 December 2024	57,143	402,234	30,601	10,852	2,520	15,521	33,344	114,627	666,842
Accumulated depreciation:									
At 1 January 2024	33,355	213,434	23,497	10,631	2,520	9,493	16,901	—	309,831
Charge for the year	2,206	6,476	323	674	—	652	1,688	—	12,019
Transfers	—	—	—	—	—	3,571	—	—	3,571
Written-off on disposals	—	(982)	(31)	(4,700)	—	(1,087)	—	—	(6,800)
Exchange adjustments	(580)	(3,219)	(116)	—	—	(95)	(173)	—	(4,183)
At 31 December 2024	34,981	215,709	23,673	6,605	2,520	12,534	18,416	—	314,438
Net book value:									
At 31 December 2024	22,162	186,525	6,928	4,247	—	2,987	14,928	114,627	352,404
Cost:									
At 1 January 2025	57,143	402,234	30,601	10,852	2,520	15,521	33,344	114,627	666,842
Additions	—	5,280	682	160	—	241	—	23,312	29,675
Disposals	—	(29,941)	(157)	—	—	(92)	—	(386)	(30,576)
Transfers	—	9,713	—	—	—	—	1,437	(24,594)	(13,444)
Exchange adjustments	1,314	9,275	166	—	—	155	561	5,052	16,523
At 31 December 2025	58,457	396,561	31,292	11,012	2,520	15,825	35,342	118,011	669,020
Accumulated depreciation:									
At 1 January 2025	34,981	215,709	23,673	6,605	2,520	12,534	18,416	—	314,438
Charge for the year	2,203	7,675	331	584	—	758	1,917	—	13,468
Written-off on disposals	—	(14,849)	(127)	—	—	(89)	—	—	(15,065)
Exchange adjustments	863	2,847	156	—	—	141	277	—	4,284
At 31 December 2025	38,047	211,382	24,033	7,189	2,520	13,344	20,610	—	317,125
Net book value:									
At 31 December 2025	20,410	185,179	7,259	3,823	—	2,481	14,732	118,011	351,895

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 14. PROPERTY, PLANT AND EQUIPMENT (continued)

Certain Group's property, plant and equipment were pledged to banks to secure banking facilities granted to the Group (Note 27), with the following net book values:

	2025 HK\$'000	2024 HK\$'000
Leasehold land and buildings in Hong Kong	5,827	6,142
Leasehold land and buildings in Macau	5,190	5,957
Buildings in the PRC	8,003	8,649
Plant and machinery	13,707	13,313
	<b>32,727</b>	<b>34,061</b>

### 15. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
At 1 January	87,000	92,500
Fair value adjustment	(2,900)	(5,500)
At 31 December, at fair value	<b>84,100</b>	<b>87,000</b>

Notes:

- The Group's investment properties are held under medium-term leases and situated in Hong Kong.
- The Group has pledged all of its investment properties to banks to secure banking facilities granted to the Group (Note 27).
- Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement.

	Fair value at 31 December HK\$'000	Quoted market price Level 1 HK\$'000	Using observable inputs Level 2 HK\$'000	With significant unobservable inputs Level 3 HK\$'000
<b>Recurring fair value measurement of investment properties</b>				
2025	84,100	—	—	84,100
2024	87,000	—	—	87,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 15. INVESTMENT PROPERTIES (continued)

Notes: (continued)

#### (c) Fair value hierarchy (continued)

The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1: Fair value measured using unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: Fair value measured using observable inputs and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3: Fair value measured using significant unobservable inputs.

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. Transfers between levels of the fair value hierarchy are deemed to occur at the end of the reporting period.

The fair value of the investment properties as at 31 December 2025 and 2024 have been arrived at on the basis of a valuation carried out on the respective dates by HG Appraisal & Consulting Ltd (“HG”), independent qualified professional valuers not connected to the Group. The director of HG, Chartered Surveyor, is fellow of the Hong Kong Institute of Surveyors.

#### Reconciliation of fair value measurement in Level 3 of the fair value hierarchy

The following table provides a reconciliation of the movement between opening and closing balances of Level 3 investment properties, measured at fair value using a valuation technique with significant unobservable inputs:

	2025 HK\$'000	2024 HK\$'000
At 1 January	87,000	92,500
Fair value adjustment	(2,900)	(5,500)
At 31 December	84,100	87,000

#### Information about Level 3 fair value measurements

	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Investment properties located in Hong Kong	Direct comparison	Market unit rate, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the properties, which ranged from HK\$10,819 to HK\$102,647 (2024: HK\$2,562 to HK\$100,753)	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.
	Income capitalisation	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, 4%–4.2% (2024: N/A).	A significant increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 16. INTANGIBLE ASSETS

	Product development and design HK\$'000	Trademark HK\$'000	Total HK\$'000
Cost:			
At 1 January 2024	3,553	1,055	4,608
Additions	10,841	—	10,841
Exchange adjustments	(365)	—	(365)
At 31 December 2024 and 1 January 2025	14,029	1,055	15,084
Additions	20,724	79	20,803
Exchange adjustments	1,255	—	1,255
At 31 December 2025	36,008	1,134	37,142
Accumulated amortisation:			
At 1 January 2024	32	986	1,018
Amortisation for the year	472	35	507
Exchange adjustments	(13)	—	(13)
At 31 December 2024 and 1 January 2025	491	1,021	1,512
Amortisation for the year	2,063	73	2,136
Exchange adjustments	81	—	81
At 31 December 2025	2,635	1,094	3,729
Net book value:			
At 31 December 2025	33,373	40	33,413
At 31 December 2024	13,538	34	13,572

### 17. PREPAID LAND LEASE PAYMENTS

	2025 HK\$'000	2024 HK\$'000
Cost:		
At 1 January	6,689	6,917
Exchange adjustments	324	(228)
At 31 December	7,013	6,689
Accumulated amortisation:		
At 1 January	3,323	3,234
Amortisation for the year	200	201
Exchange adjustments	166	(112)
At 31 December	3,689	3,323
Net book value:		
At 31 December	3,324	3,366

The prepaid land lease payments are located in the PRC under medium-term leases.

Prepaid land lease payments represent cost of land use rights in respect of leasehold lands in the PRC, on which the Group's buildings are situated. These leases will expire in 2042.

At 31 December 2025 and 2024, all prepaid land lease payments with net book values of approximately HK\$3,324,000 and approximately HK\$3,366,000 respectively were pledged to banks to secure banking facilities granted to the Group (Note 27).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 18. RIGHT-OF-USE ASSETS

	Leased properties HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost:			
At 1 January 2024	—	6,641	6,641
Additions	6,021	—	6,021
Transfer to property, plant and equipment	—	(3,571)	(3,571)
Exchange adjustments	(137)	—	(137)
At 31 December 2024 and 1 January 2025	5,884	3,070	8,954
Exchange adjustments	285	—	285
At 31 December 2025	6,169	3,070	9,239
Depreciation and impairment:			
At 1 January 2024	—	3,889	3,889
Charge for the year	2,760	972	3,732
Transfer to property, plant and equipment	—	(3,571)	(3,571)
Exchange adjustments	(63)	—	(63)
At 31 December 2024 and 1 January 2025	2,697	1,290	3,987
Charge for the year	3,001	674	3,675
Exchange adjustments	214	—	214
At 31 December 2025	5,912	1,964	7,876
Net book value:			
At 31 December 2025	257	1,106	1,363
At 31 December 2024	3,187	1,780	4,967

For both years, the Group leases factories and motor vehicle for its operations. Lease contracts are entered into for fixed term of 3 to 5 years (2024: 3 to 5 years) with no extension and termination options (2024: with no extension and termination options). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 18. RIGHT-OF-USE ASSETS (continued)

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these properties interest, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The leasehold land located in the PRC owned by the Group is recognised as right-of-use assets and presented as “prepaid land lease payments” in Note 17.

As at 31 December 2025 and 2024, the Group had no lease with variable lease payment. The lease agreements do not impose any extension and termination options which are exercisable only by the Group and not by the respective lessors.

### 19. INTEREST IN A JOINT VENTURE

	2025 HK\$'000	2024 HK\$'000
Unlisted equity, at cost	10,904	—
Share of post-acquisition losses and other comprehensive loss	(11)	—
Amount due from a joint venture (note)	11,836	—
Joint venture using equity method	22,729	—

Note: The amount due from a joint venture is unsecured, interest-free and repayable on demand. In the opinion of the directors, the balance is unlikely to be repaid in the foreseeable future and is considered as part of the Group’s net investment in the joint venture.

During the year ended 31 December 2025, Yunan Jinxing Power Technology Co., Ltd. (“**Yunan Jinxing**”) was established in the PRC by the Group together with two independent third-party investors. Particulars of Group’s interest in a joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture	Place of establishment and operation	Legal form of entity	Registered capital	Effective interest held		Principal activities
				2025	2024	
Yunan Jinxing	PRC	Limited liability company	RMB20,000,000	49%	—	Manufacturing and sales of batteries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 19. INTEREST IN A JOINT VENTURE (continued)

Summarised financial information of Yunan Jinxing and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	2025 HK\$'000
Non-current assets	20,038
Current assets	11,176
Current liabilities	(8,984)
Net assets	22,230
Reconciliation to the Group's interest in Yunan Jinxing	
Gross amounts of Yunan Jinxing's net assets	22,230
Proportion of the Group's ownership	49%
Amount due from a joint venture	10,893 11,836
Carrying amount of the Group's interest in Yunan Jinxing	22,729
Revenue	—
Loss for the year	(22)
Other comprehensive loss	—
Total comprehensive loss	(22)
Dividend received by the Group	—

### 20. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	13,039	13,275
Work in progress	27,819	26,442
Finished goods	16,422	12,743
Less: Write-down of inventories	57,280 (675)	52,460 (696)
	56,605	51,764

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 20. INVENTORIES (continued)

Movements of write-down of inventories are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	696	1,962
Write-down of inventories for the year	183	—
Reversal of write-down of inventories	—	(1,230)
Written off	(237)	—
Exchange adjustments	33	(36)
At 31 December	675	696

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

### 21. TRADE AND BILLS RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	50,906	43,175
Bills receivables	80	1,216
	50,986	44,391

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:

	2025 HK\$'000	2024 HK\$'000
0–30 days	35,052	19,825
31–60 days	8,543	17,394
61–90 days	3,672	4,098
91–120 days	990	1,246
Over 120 days	2,729	1,828
	50,986	44,391

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. Further details on the Group's credit policy and credit risk arising from trade and bill receivables are set out in Note 36.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 22. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Utilities and other deposits	23,196	20,809
Prepayments	13,746	11,873
Other receivables	3,019	2,103
VAT recoverable	17,703	17,446
	57,664	52,231
Less: Non-current portion		
— Deposits paid for acquisition of property, plant and equipment	(21,446)	(17,119)
— Pledged deposit (Note)	(1,000)	(2,800)
Current portion	35,218	32,312

Note: The amount represents deposit pledged to financial institution to secure other borrowing granted to the Group (Note 27).

### 23. PLEDGED TIME DEPOSIT

As at 31 December 2025, time deposit of HK\$5,207,000 (2024: HK\$5,160,000) was pledged to a bank to secure banking facilities granted to the Group (Note 27).

### 24. TRADE PAYABLES

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

	2025 HK\$'000	2024 HK\$'000
0–30 days	24,546	37,016
31–90 days	49,498	29,943
91–180 days	43,635	43,784
Over 180 days	39,363	19,251
	157,042	129,994

### 25. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Other payables	2,417	2,282
Payables to acquire property, plant and equipment	10,962	12,005
Accruals	5,628	4,781
Provision for annual leave	346	346
	19,353	19,414

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 26. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
At 1 January	2,957	2,421
Decrease as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(16,007)	(1,762)
Increase as a result of billing in advance	15,582	2,306
Exchange adjustments	11	(8)
At 31 December	2,543	2,957

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.

### 27. BANK AND OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Secured bank loans	152,016	111,781
Unsecured bank loans	8,900	—
Secured bank import loans and other loans	52,878	90,576
Total secured bank and other loans	213,794	202,357
Less: Amount classified as current liabilities	(163,157)	(186,805)
Amount classified as non-current liabilities	50,637	15,552
The carrying amounts of the above borrowings are repayable*:		
Within one year	155,409	175,238
Within a period of more than one year but not exceeding two years	10,117	13,445
Within a period of more than two years but not exceeding five years	44,671	9,025
Within a period of more than five years	3,597	4,649
	213,794	202,357
Less: The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities)	(163,157)	(186,805)
Amount shown under non-current liabilities	50,637	15,552

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 27. BANK AND OTHER BORROWINGS (continued)

Notes:

(a) The Group had the following banking facilities:

	2025 HK\$'000	2024 HK\$'000
Total banking facilities granted	226,105	222,633
Less: banking facilities utilised by the Group	(213,794)	(206,486)
Unutilised banking facilities	12,311	16,147

At 31 December 2025, these banking facilities were guaranteed or secured by:

- (i) bank loans of approximately HK\$56,588,000 (2024: HK\$66,961,000) were guaranteed by unlimited cross corporate guarantee executed by the Company and its subsidiaries;
- (ii) bank loans of approximately HK\$146,079,000 (2024: HK\$135,396,000) were guaranteed by corporate guarantee of approximately HK\$447,136,000 (2024: HK\$397,833,000) 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 approximately HK\$120,161,000 (2024: HK\$124,427,000); and
- (iv) pledged deposit of HK\$1,000,000 (2024: HK\$2,800,000) and pledged time deposit of HK\$5,207,000 (2024: HK\$5,160,000).

(b) There was no financial covenant for the banking facilities at 31 December 2025 and 2024.

### 28. LEASE LIABILITIES

Lease liabilities payable:

	2025 HK\$'000	2024 HK\$'000
Within one year	913	3,612
Within a period of more than one year but not exceeding two years	331	1,031
Within a period of more than two years but not exceeding five years	83	283
	1,327	4,926
Less: Amount due for settlement within 12 months shown under current liabilities	(913)	(3,612)
Amount due for settlement after 12 months shown under non-current liabilities	414	1,314

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 29. CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

#### Share capital

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

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
At beginning of year				
Ordinary shares of HK\$0.01 each	2,000,000,000	20,000	2,000,000,000	20,000
Share consolidation (Note a)	(1,900,000,000)	—	—	—
At end of year				
Ordinary shares of HK\$0.2 (2024: HK\$0.01) each	100,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
At beginning of year	540,000,000	5,400	540,000,000	5,400
Share consolidation (Note a)	(513,000,000)	—	—	—
Issue of shares (Note b)	5,400,000	1,080	—	—
At end of year	32,400,000	6,480	540,000,000	5,400

Notes:

- (a) On 15 April 2025, the Company announced that it proposed to implement the share consolidation (the “**Share Consolidation**”) on the basis of every twenty (20) issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company to be consolidated into one (1) consolidated Share of par value of HK\$0.2 each.
- (b) On 15 May 2025, the Company announced that it proposed to raise approximately HK\$4.86 million, before expenses, by issuing 5,400,000 subscription shares (the “**Subscription Shares**”) under general mandate at the subscription price of HK\$0.90 per Subscription Share to an investor who was an independent third party (the “**Subscription**”).

Completion of the Subscription took place on 5 June 2025, where an aggregate of 5,400,000 Subscription Shares, representing approximately 16.67% of the issued share capital of the Company (as enlarged by the allotment and issue of the Subscription Shares), were issued. The aggregate nominal amount of the Subscription Shares is HK\$1,080,000.

#### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group’s overall strategy remains unchanged during the years ended 31 December 2025 and 2024.

The capital structure of the Group consists of net debts (which include bank and other borrowings and net of cash and cash equivalents) and equity attributable to owners of the Company, comprising paid-in capital and reserves.

The management of the Group reviews the capital structure periodically. As part of this review, the management considers the cost of capital, costs of debts, gearing ratios and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends and raising of new capital as well as the issue of new debt or the redemption of existing debt.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 29. CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (continued)

#### Capital risk management (continued)

The gearing ratio of the Group at the end of the reporting period was as follows:

	2025 HK\$'000	2024 HK\$'000
Debt (i)	234,474	230,826
Equity (ii)	294,523	286,549
Net debt to equity ratio	0.80	0.80

(i) Debt is defined as other payables and accruals, secured bank overdraft, bank and other borrowings and lease liabilities.

(ii) Equity includes all capital and reserves of the Group.

### 30. SHARE-BASED PAYMENT

#### Share option scheme

At the extraordinary general meeting held on 24 June 2025, a share option scheme (the "Scheme") was adopted by the shareholders. The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The principal terms of the Scheme are summarised in Appendix to the circular of the Company dated 24 June 2025. Since the date of adoption of the Scheme and up to the date of this report, no option had been granted, agreed to be granted, exercised, cancelled or lapsed under the Scheme. The number of options which can be granted under the scheme mandate limit under the Scheme, which represents the number of Shares which can be issued upon the exercise of the options granted thereunder, as at the beginning and at the end of the year and as at the date of this report is 800,000 options (under the previous share option scheme adopted on 15 May 2015, which expired on 15 May 2025), 3,240,000 options and 3,240,000 options, which represent approximately 3% (adjusted with the effect of Share Consolidation), 10%, and 10% of the number of issued shares as at the beginning and at the end of the year and as at the date of this report, respectively. The service provider sublimit under the Scheme is Nil, 324,000 options and 324,000 options, which represent Nil (adjusted with effect of Share Consolidation), 1% and 1% of the number of issued shares as at the beginning and at the end of the year and as at the date of this report. The Company had no other share scheme other than the Scheme as at 31 December 2025.

### 31. RESERVES

#### (a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

#### (b) The Company

	Share premium HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	141,253	20,000	(22,061)	139,192
Profit and total comprehensive income for the year	—	—	112	112
At 31 December 2024 and 1 January 2025	141,253	20,000	(21,949)	139,304
Profit and total comprehensive income for the year	—	—	486	486
Issue of shares, net of transaction cost	3,653	—	—	3,653
At 31 December 2025	144,906	20,000	(21,463)	143,443

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 31. RESERVES (continued)

#### (c) Nature and purpose of reserves

##### (i) Statutory reserve

Pursuant to the Company Law of the PRC and the Articles of Association of the PRC subsidiaries, it is required to appropriate 10% of each year's net profit according to the PRC accounting standard and regulations (after offsetting previous years' losses) to statutory surplus reserve until such reserve reached 50% of its registered capital; after the appropriation to statutory surplus reserve, the subsidiary in the PRC can appropriate profit, subject to respective owners' approval, to discretionary surplus reserve.

The appropriation to statutory and discretionary surplus reserves must be made before distribution of dividends to owners. These reserves shall only be used to make up for previous years' losses, to expand production operations, or to increase the capital of the PRC subsidiaries. The statutory surplus reserve can be transferred to paid-in capital, provided that the balance of the statutory surplus reserve after such transfer is not less than 25% of its registered capital.

##### (ii) Exchange reserve

The exchange reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

##### (iii) Capital reserve

The capital reserve of the Group represents the following:

- (a) On 4 January 2013, Best Kind Holdings Limited ("**Best Kind**") acquired all the non-voting deferred shares of Golden Power Industries Limited ("**Golden Power Industries**") at a cash consideration of HK\$1,800,000, resulting in opening balance of HK\$1,200,000 as at 1 January 2014.
- (b) During the year ended 31 December 2014, as a part of Reorganisation, the Group acquired equity interest in Big Power Limited ("**Big Power**"), Golden Pilot Limited ("**Golden Pilot**"), Pointway Corporation Limited ("**Pointway**"), Ample Top Enterprises Limited ("**Ample Top**") and Golden Power Properties Limited ("**Golden Power Properties**"), of which Mr. Chu was the controlling shareholder before the acquisitions. Upon the completion of the acquisitions, the aforesaid companies became wholly-owned subsidiaries of the Group. The difference of HK\$10,999,102 between the total cash consideration of HK\$18,768,102 and the total carrying amount of net assets of these aforesaid companies of approximately HK\$7,769,000 at respective acquisition dates, was dealt with in capital reserve of the Group.

Partial settlement of HK\$8,731,000 was made in relation to the above Reorganisation. The balance of unpaid consideration of HK\$10,037,000 was capitalised pursuant to an agreement dated 5 December 2014.

- (c) Pursuant to an agreement dated 5 December 2014, Mr. Chu injected HK\$20,000,000 into the Company on 18 May 2015 and this amount was capitalised by crediting the capital reserve of the Company.
- (iv) At 31 December 2025, in the opinion of the Directors, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$123,443,000 (2024: approximately HK\$119,304,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 32. CASH FLOW INFORMATION

#### (a) Reconciliation of liabilities arising from financial activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities HK\$'000	Bank and other borrowings HK\$'000	Total HK\$'000
At 1 January 2024	2,622	204,577	207,199
Changes from financing cash flows:			
New bank and other borrowings raised	—	263,915	263,915
Repayment of bank and other borrowings	—	(264,807)	(264,807)
Capital element of lease rentals paid	(3,640)	—	(3,640)
Interest element of lease rentals paid	(236)	—	(236)
Interest paid for bank and other borrowings	—	(11,760)	(11,760)
	(1,254)	191,925	190,671
Exchange adjustments	(77)	(1,328)	(1,405)
Interest expenses	236	11,760	11,996
New lease entered	6,021	—	6,021
At 31 December 2024 and 1 January 2025	4,926	202,357	207,283
Changes from financing cash flows:			
New bank and other borrowings raised	—	315,616	315,616
Repayment of bank and other borrowings	—	(307,360)	(307,360)
Capital element of lease rentals paid	(3,672)	—	(3,672)
Interest element of lease rentals paid	(130)	—	(130)
Interest paid for bank and other borrowings	—	(9,362)	(9,362)
	1,124	201,251	202,375
Exchange adjustments	73	3,181	3,254
Interest expenses	130	9,362	9,492
<b>At 31 December 2025</b>	<b>1,327</b>	<b>213,794</b>	<b>215,121</b>

#### (b) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2025 HK\$'000	2024 HK\$'000
Within:		
Operating cash flows	6	11
Investing cash flows	—	—
Financing cash flows	3,802	3,876
	<b>3,808</b>	<b>3,887</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 32. CASH FLOW INFORMATION (continued)

#### (b) Total cash outflow for leases (continued)

These amounts relate to the following:

	2025 HK\$'000	2024 HK\$'000
Lease rentals paid	3,808	3,887

#### (c) Major non-cash transaction

During the year ended 31 December 2025, the Group disposed of certain property, plant and equipment with a carrying amount of approximately HK\$10,904,000 to Yunan Jinxing as a capital contribution. The consideration was settled through current account with the joint venture. This transaction represented the Group's major non-cash transaction during the year.

### 33. COMMITMENTS

#### Operating lease arrangements

The Group as lessor:

At 31 December 2025, the Group's future minimum lease receipts in respect of buildings under non-cancellable operating lease are receivable as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	1,776	1,446
In the second to fifth years	2,801	—
	4,577	1,446

Operating lease receipts represent rental receivable by the Group for the premises. Lease is negotiated for a term of two to three years with fixed monthly rental and did not include contingent rentals.

#### Capital commitments

At 31 December 2025, the Group had outstanding capital commitments as follows:

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided for: Plant and machinery	5,535	5,850

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 34. RELATED PARTY AND CONNECTED TRANSACTIONS

#### (a) Outstanding balances with related parties

Apart from disclosed elsewhere in these consolidated financial statements, the Group had no other outstanding balances with related parties at 31 December 2025 and 2024.

#### (b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Directors and certain of the highest paid employees as disclosed in Note 9, is as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and other benefits in kind	13,510	13,897
Discretionary bonuses	1,512	2,217
Contributions to defined contribution plans	140	111
	15,162	16,225

### 35. RETIREMENT BENEFIT COSTS

Since 1 December 2000, the Group had joined a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all eligible employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees in the subsidiaries in the PRC are members of state-managed retirement benefit schemes (the "Social Insurance Scheme") operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefit scheme to fund the benefit. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the Social Insurance Scheme.

At the end of each reporting period, there was no significant forfeited contributions, which arose upon employees leaving the retirement benefit scheme, available to reduce the contribution payable in the future years.

The following table summarises the contribution paid or payable by the Group for the above retirement schemes:

	2025 HK\$'000	2024 HK\$'000
MPF Scheme	561	512
Social Insurance Scheme	2,564	2,762
	3,125	3,274

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS

The Group's activities expose it to a variety of financial risks: including credit risk, liquidity risk, foreign currency risk, interest rate risk, market price risk and commodity price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### Credit risk

Carrying amounts of financial assets at 31 December 2025 and 2024, which represented the amounts of maximum exposure to credit risk, were as follows:

	2025 HK\$'000	2024 HK\$'000
Amount due from a joint venture	11,836	—
Trade and bills receivables	50,986	44,391
Deposits and other receivables	4,769	5,793
Pledged time deposit	5,207	5,160
Cash and bank balances	15,498	31,493
	88,296	86,837

The Group's credit risk is primarily attributable to amount due from a joint venture, trade and bills receivables, deposits and other receivables, pledged time deposit and cash and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amounts of those assets as stated above. As at 31 December 2025 and 2024, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

With respect to trade receivables, the Group has adopted credit policy under which individual credit evaluations are performed on all customers' credit limit. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group has also purchased insurance policy to avoid the credit loss on certain major customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs prescribed by HKFRS 9, which is calculated using a provision matrix based on shared credit risk characteristics with reference to repayment histories and current past due exposure for customers taking into consideration forward-looking information that is reasonable and supportable available without undue cost or effort. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. The Group assesses the trade receivables that are individually significant separately. The Group makes periodic assessments on the recoverability of those individually significant trade receivables based on the background and reputation of the customers, historical settlement records and past experience.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (continued)

#### Credit risk (continued)

At 31 December 2025 and 2024, 14% and 14% of the total trade and bills receivables were due from the Group's largest customer respectively; 46% and 32% of the total trade and bills receivables were due from the Group's five largest customers respectively.

In view of the history of business dealings with the debtors, the sound collection history of the receivables due from them and the insurance policy, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these debtors. The Directors consider the Group's credit risk of these receivables to be low.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at 31 December 2025 and 2024.

	At 31 December 2025			
	Lifetime expected credit loss rate HK\$'000	Gross carrying amount HK\$'000	Lifetime expected credit loss HK\$'000	Net carrying amount HK\$'000
Provision on individual basis	0%	—	—	—
Provision on collective basis	0%	50,906	—	50,906
		50,906	—	50,906

	At 31 December 2024			
	Lifetime expected credit loss rate HK\$'000	Gross carrying amount HK\$'000	Lifetime expected credit loss HK\$'000	Net carrying amount HK\$'000
Provision on individual basis	0%	—	—	—
Provision on collective basis	0%	43,175	—	43,175
		43,175	—	43,175

The credit risk of the deposits and other receivables is low due to the sound collection history of the receivables due from them and no historical default record. ECL rate of deposits and other receivables is assessed to be close to zero and no provision was made at 31 December 2025 and 2024.

The credit risks on bills receivables, pledged time deposit and bank balances are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (continued)

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Group to meet its financial obligations.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates ruling at the end of the reporting period) and the earliest date the Group can be required to pay.

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other bank borrowings is prepared based on the scheduled repayment dates.

	At 31 December 2025				
	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Less than 1 year or on demand HK\$'000	In 2 to 5 years HK\$'000	Over 5 years HK\$'000
Non-derivative financial instruments					
Total amounts of contractual undiscounted obligations:					
Trade payables	157,042	157,042	157,042	—	—
Other payables and accruals	19,007	19,007	19,007	—	—
Lease liabilities	1,327	1,417	959	458	—
Bank and other borrowings	213,794	219,942	167,588	52,354	—
	391,170	397,408	344,596	52,812	—

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (continued)

#### Liquidity risk (continued)

	At 31 December 2024				
	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Less than 1 year or on demand HK\$'000	In 2 to 5 years HK\$'000	Over 5 years HK\$'000
Non-derivative financial instruments					
Total amounts of contractual undiscounted obligations:					
Bank overdraft, secured	4,129	4,129	4,129	—	—
Trade payables	129,994	129,994	129,994	—	—
Other payables and accruals	19,068	19,068	19,068	—	—
Lease liabilities	4,926	5,145	3,741	1,404	—
Bank and other borrowings	202,357	208,618	192,212	16,406	—
	360,474	366,954	349,144	17,810	—

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rate or entering into appropriate forward contracts when necessary.

#### Recognised financial assets and liabilities

Carrying amounts of financial assets and financial liabilities of the Group at 31 December 2025 and 2024 exposed to currency risk were as follows:

	2025 HK\$'000	2024 HK\$'000
Financial assets denominated in foreign currencies:		
Trade and bills receivables	25,031	23,491
Cash and bank balances	1,253	13,433
	26,284	36,924
Financial liabilities denominated in foreign currencies:		
Trade payables	(3,605)	(5,085)
Bank and other borrowings	(26,262)	—
	(29,867)	(5,085)
Net financial (liabilities)/assets exposed to currency risk	(3,583)	31,839

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (continued)

#### Currency risk (continued)

The net financial (liabilities)/assets of the Group denominated in a currency other than the functional currency of the entity to which they relate are analysed as follows:

#### Entities with functional currency in Hong Kong dollars

	2025 HK\$'000	2024 HK\$'000
United States dollars	23,424	33,074
Japanese Yen	25	112
Euro	161	224
RMB	(26,165)	41
Other currencies	139	104
	(2,416)	33,555

#### Entities with functional currency in RMB

	2025 HK\$'000	2024 HK\$'000
Japanese Yen	(1,170)	(1,719)
Other currencies	3	3
	(1,167)	(1,716)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (continued)

#### Currency risk (continued)

For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of each reporting period.

The Group's entities in Hong Kong and the PRC adopt Hong Kong dollars and Renminbi as their functional currency respectively. Since Hong Kong dollars is pegged to United States dollars, material fluctuation in the exchange rate of Hong Kong dollars against United States dollars is remote, and therefore no sensitivity analysis has been prepared.

The following table indicates the approximate change in the Group's profit/(loss) after tax and retained profits in response to reasonably possible changes in Hong Kong Dollars against Renminbi to which the Group has significant exposure:

	Year ended 31 December 2025		Year ended 31 December 2024	
	Appreciation/ (depreciation) in foreign exchange rates	(Decrease)/ increase in profit after tax and (decrease)/ increase in retained profits HK\$'000	Appreciation/ (depreciation) in foreign exchange rates	Decrease/ (increase) in loss after tax and increase/ (decrease) in retained profits HK\$'000
RMB	6% (6%)	(1,311) 1,311	— —	— —

The following table indicates the approximate change in the Group's profit/(loss) after tax and retained profits in response to reasonably possible changes in Renminbi against Japanese Yen to which the Group has significant exposure:

	Year ended 31 December 2025		Year ended 31 December 2024	
	Appreciation/ (depreciation) in foreign exchange rates	(Decrease)/ increase in profit after tax and (decrease)/ increase in retained profits HK\$'000	Appreciation/ (depreciation) in foreign exchange rates	(Increase)/ decrease in loss after tax and (decrease)/ increase in retained profits HK\$'000
Japanese Yen	6% (6%)	(60) 60	6% (6%)	(88) 88

Results of the analysis as presented in the above tables represent an aggregation of the instantaneous effects on each of the Group entities' profit/loss after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of each reporting period for presentation purposes.

The sensitivity analysis assumes that the changes in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk as at the end of each reporting period which are denominated in a currency other than the functional currencies of the lender or the borrower.

#### Interest rate risk

The Group's interest rate risk arises primarily from bank balances, secured bank overdraft and interest-bearing bank and other borrowings. The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group is closely monitored by the management and may enter into appropriate swap contracts, when it is considered significant and cost-effective, to manage the interest rate risk.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS (continued)

#### Interest rate risk (continued)

In respect of the Group's interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their weighted average effective interest rates and balances at 31 December 2025 and 2024:

	Effective interest rate %	2025 HK\$'000
Fixed rate financial assets		
Pledged time deposit	0.84%	5,207
Variable rate financial assets		
Bank balances	0.00%–0.10%	5,767
Fixed rate financial liabilities		
Lease liabilities	1.99%–3.45%	(1,327)
Unsecured bank loans	2.20%	(8,900)
Variable rate financial liabilities		
Secured bank loans	2.75%–6.17%	(152,016)
Secured bank import loans and other loans	2.75%–5.60%	(52,878)
		<b>(204,147)</b>
	Effective interest rate %	2024 HK\$'000
Fixed rate financial assets		
Pledged time deposit	0.90%	5,160
Variable rate financial assets		
Bank balances	0.00–0.375%	15,342
Fixed rate financial liabilities		
Lease liabilities	1.99–3.45%	(4,926)
Variable rate financial liabilities		
Bank overdraft, secured	7.15%	(4,129)
Secured bank loans	2.80–7.46%	(111,781)
Secured bank import loans and other loans	4.69–7.08%	(90,576)
		<b>(190,910)</b>

At 31 December 2025 and 2024, certain bank balances earning variable interests, secured bank overdraft and all secured bank borrowings bearing variable interests were exposed to interest rate risk.

The following table summarises the effect on the consolidated financial statements if interest rates had been increased by 25 basis points with all other variables held constant:

	2025 HK\$'000	2024 HK\$'000
Decrease in net profit (2024: increase in net loss) and decrease in retained profits for the year	<b>(416)</b>	<b>(384)</b>

The sensitivity analysis has been prepared with the assumption that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the relevant financial instruments in existence at that date. The change in interest rates represents management's assessment of a reasonably possible change in interest rates at that date over the period until the end of next reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. NATURE AND EXTENT OF FINANCIAL INSTRUMENT RISKS *(continued)*

#### **Market price risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument traded in the market will fluctuate because of changes in market prices.

The Group has no significant exposure to market price risk.

#### **Commodity price risk**

The major raw materials used in the production of the Group's products include steel, zinc electrolytic manganese dioxide, copper, separator and plastics. The Group is exposed to fluctuations in the prices of these raw materials which are influenced by the global market as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group historically has not entered into any commodity derivative instruments to hedge the potential commodity price changes.

#### **Fair value estimation**

The fair value measurement is categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group did not have any financial instruments measured at fair value on a recurring basis at the end of each reporting period.

The carrying amounts of the Group's other financial instruments carried at cost or amortised cost are not materially different from their fair values at 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSET</b>			
Investments in subsidiaries	38	—	—
<b>CURRENT ASSETS</b>			
Prepayments and other receivables		1,617	1,930
Amounts due from subsidiaries		148,874	143,012
Cash at bank		15	194
		<b>150,506</b>	<b>145,136</b>
<b>CURRENT LIABILITIES</b>			
Other payables and accruals		486	416
Income tax payable		97	16
		<b>583</b>	<b>432</b>
<b>NET CURRENT ASSETS</b>		<b>149,923</b>	<b>144,704</b>
<b>NET ASSETS</b>		<b>149,923</b>	<b>144,704</b>
<b>REPRESENTING: CAPITAL AND RESERVES</b>			
Share capital	29	6,480	5,400
Reserves	31(b)	143,443	139,304
<b>TOTAL EQUITY</b>		<b>149,923</b>	<b>144,704</b>

### 38. INVESTMENTS IN SUBSIDIARIES

	2025 HK\$	2024 HK\$
Unlisted shares, at cost	16	16

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 38. INVESTMENTS IN SUBSIDIARIES (continued)

#### Details of subsidiaries comprising the Group

The Company had direct or indirect interests in the subsidiaries all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name of company*	Place of incorporation/ establishment and operation	Legal form of entity	Issued and fully paid share capital/ registered capital	Effective interest held At 31 December		Principal activities
				2025	2024	
Best Kind	BVI	Limited liability company	USD1	100%	100%	Investment holding
Golden Power Corporation (Hong Kong) Limited	Hong Kong	Limited liability company	HK\$1,000,000	100%	100%	Trading of batteries and battery-related products
Golden Power Industries	Hong Kong	Limited liability company	Ordinary shares HK\$100	100%	100%	General trading and investment
			Deferred non-voting shares HK\$1,800,000 (Note)	100%	100%	
Dongguan Victory ("東莞勝力電池實業有限公司")	PRC	Wholly-owned foreign enterprise	USD500,000	100%	100%	Manufacture and sale of batteries
Gain Smart Limited	BVI	Limited liability company	USD1	100%	100%	Investment holding
Champ Profit Development Limited	Hong Kong	Limited liability company	HK\$1	100%	100%	Investment holding
Giant Moral Limited	Hong Kong	Limited liability company	HK\$1	100%	100%	General trading and investment
Goldtium Jiangmen ("江門金剛電源製品有限公司")	PRC	Wholly-owned foreign enterprise	HK\$10,000,000	100%	100%	Manufacture and sale of batteries
Big Power	Hong Kong	Limited liability company	HK\$1	100%	100%	Property holding
Golden Pilot	BVI	Limited liability company	USD50,000	100%	100%	Holding intellectual property
Pointway	Hong Kong	Limited liability company	HK\$10,000	100%	100%	Holding intellectual property
Ample Top	BVI	Limited liability company	USD1	100%	100%	Investment holding
Golden Power Properties	Hong Kong	Limited liability company	Ordinary shares HK\$100	100%	100%	Property investment
			Deferred non-voting shares HK\$1,000,000 (Note)			
Merchant Port Limited	BVI	Limited liability company	USD1	100%	100%	Dormant
Golden Mega Energy Technology Limited (formerly known as Nice Mega International Limited)	Hong Kong	Limited liability company	HK\$1	100%	100%	Dormant
China Scene Limited	Hong Kong	Limited liability company	HK\$22,000,000	100%	100%	Property investment
Matson Global Limited	Hong Kong	Limited liability company	HK\$1,000,000	51%	51%	Trading of storage batteries and related products
Glad Investment Limited	Hong Kong	Limited liability company	HK\$1	100%	—	Investment holding

\* The English names of the companies registered in the PRC represent the best efforts of the management of the Company in directly translating the Chinese names of the companies as no English names have been registered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 38. INVESTMENTS IN SUBSIDIARIES (continued)

#### Details of subsidiaries comprising the Group (continued)

Notes:

According to the Articles of Association of Golden Power Industries and Golden Power Properties, the deferred non-voting shares shall confer on the holders thereof the rights and privileges and be subject to the restrictions and provisions set out as follows:

- (i) on a return of assets on liquidation or otherwise the assets of Golden Power Industries and Golden Power Properties available for distribution to members shall be distributed first in or towards returning to the holders of the ordinary shares the sum of HK\$100,000,000 per share and second in or towards returning to the holders of the deferred non-voting shares the amount paid up thereon and the balance of any such assets shall belong to and shall be distributed amongst the holders of the ordinary shares in proportion to the amounts paid up thereon;
- (ii) the deferred non-voting shares shall not be entitled to participate in any profits which Golden Power Industries and Golden Power Properties may determine to distribute in respect of any financial period or otherwise; and
- (iii) the deferred non-voting shares shall not confer upon the holders thereof any right to attend or vote at any general meeting of Golden Power Industries and Golden Power Properties.

The summarised financial information presented below represents the amounts before any inter-company eliminations for Matison Global Limited, which includes non-controlling interests.

	2025	2024
Non-controlling interests percentage	49%	49%
	2025 HK\$'000	2024 HK\$'000
Current assets	2,123	801
Current liabilities	(1,918)	(188)
Net assets	205	613
Carrying amount of non-controlling interests	100	300
Revenue	84	459
Loss for the year	(408)	(387)
Loss allocated to non-controlling interests	(200)	(190)
Cash flows used in operating activities	(572)	(98)
Cash flows from investing activities	—	—
Cash flows from financing activities	1,624	99

# FINANCIAL SUMMARY

The financial results of the Group for the years 2021 to 2025 and the assets and liabilities of the Group as at 31 December 2021, 2022, 2023, 2024 and 2025 are as follows:

	Years ended 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Revenue	347,218	330,247	270,279	317,760	333,530
Gross profit	73,487	71,538	70,747	79,453	71,328
Profit/(loss) before income tax	5,798	(27,715)	(8,311)	(5,685)	354
Net profit/(loss) for the year	4,712	(22,794)	(10,919)	(6,562)	126
Net profit/(loss) attributable to:					
Equity shareholders of the Company	4,712	(22,794)	(10,919)	(6,372)	326
Non-controlling interests	—	—	—	(190)	(200)
	4,712	(22,794)	(10,919)	(6,562)	126
Non-current assets	486,189	474,864	481,191	490,802	529,297
Current assets	181,458	152,777	151,360	165,263	163,657
Current liabilities	(298,849)	(308,293)	(308,341)	(346,930)	(343,108)
Non-current liabilities	(53,714)	(31,981)	(29,371)	(22,286)	(55,223)
Total equity attributable to:					
Equity shareholders of the Company	315,084	287,367	294,839	286,549	294,523
Non-controlling interests	—	—	—	300	100
	315,084	287,367	294,839	286,849	294,623
Financial key performance indicators					
Gross profit margin	21.16%	21.66%	26.18%	25.00%	21.39%
Net profit/(loss) margin	1.36%	(6.90%)	(4.04%)	(2.07%)	0.04%
Gearing ratio (Note)	0.85	0.86	0.79	0.80	0.80

Note: Gearing ratio is financial ratio that compare from debt to owners' equity.

# GROUP'S PROPERTIES

## PROPERTIES HELD FOR INVESTMENT

Location	Existing use	Term of lease
Factory B, 20/F, Block 1, Tai Ping Industrial Centre, No. 57 Ting Kok Road, Tai Po, New Territories	Warehouse	Medium
Factory D, 20/F, Block 1, Tai Ping Industrial Centre, No. 57 Ting Kok Road, Tai Po, New Territories	Warehouse and office	Medium
Shop 29, Ground Floor, Fortune Plaza, No. 4 On Chee Road, Tai Po, New Territories	Commercial	Medium