DOMAINE POWER HOLDINGS LIMITED
域能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 442)

DISCLOSEABLE TRANSACTION
WITHDRAWAL OF LIFE INSURANCE POLICY

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The Board hereby announces that on 2 May 2025 (after trading hours), the Board approved and submitted the relevant form to HSBC Life for the Withdrawal by KTL, an indirect wholly-owned subsidiary of the Company as the policy holder and beneficiary of the Life Insurance Policy, at the Surrender Value (after deduction of Surrender Charge by HSBC Life). It is expected that the net proceeds from the Withdrawal will be used to increase working capital and develop of gold jewellery products.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Withdrawal exceeds 5% but is less than 25%, the Withdrawal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

The Board is aware that the Surrender Value could vary upon the effective date of the Withdrawal. Therefore, the actual applicable percentage ratios in respect of the Withdrawal could vary based on the Surrender Value at the effective date of the Withdrawal. The Company will ensure that the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Withdrawal at the effective date will be less than 25% and will comply with the relevant Listing Rules.

WITHDRAWAL OF THE LIFE INSURANCE POLICY

The Board hereby announces that on 2 May 2025 (after trading hours), the Board approved and submitted the relevant form to HSBC Life for the Withdrawal by KTL, an indirect wholly-owned subsidiary of the Company as the policy holder and beneficiary of the Life Insurance Policy, at the Surrender Value (after deduction of Surrender Charge by HSBC Life). The net proceeds from the Withdrawal will be used to increase working capital and develop of gold jewellery products.

The Surrender Value represented the cash value of the Life Insurance Policy as at the date of withdrawal, which is determined by reference to the accumulated gross premium paid, plus accumulated interest earned and minus accumulated Life Insurance Policy expenses charged and any surrender charge.

As at the date of this announcement, the Surrender Value of the Life Insurance Policy amounted to an aggregate of approximately US$2,480,000 (equivalent to approximately HK$19,344,000).

As the Withdrawal will take effect on a date to be mutually agreed between HSBC Life and KTL, after all surrender requirements are received in good order by the Company to HSBC Life, the Surrender Value may vary upon the effective date of the Withdrawal.

INFORMATION ABOUT THE LIFE INSURANCE POLICY

On 26 June 2015, KTL entered into the Life Insurance Policy with HSBC Life to insure for Mr. Kei York Pang Victor, who was a Controlling Shareholder, an executive Director and Chief Executive Officer of the Company. The current insured person is Mr. Tao Hongbo, Chief Operation Officer of the Company who is responsible for daily operation and strategy of the Company. Under the Life Insurance Policy, KTL is the policy holder and beneficiary. KTL paid a single premium of US$2,325,095 for the Life Insurance Policy (equivalent to approximately HK$18,135,741) as the inception of the Life Insurance Policy. KTL may request a surrender of the Life Insurance Policy at any time and receive cash based on the Surrender Value.

The amount of the Surrender Charge decreases over time and is no longer required from the 19th policy year of contract conclusion onwards. KTL is entitled to interest at a rate of 4% per annum applied on the balance of the cash value for first year from the date of the payment of the premium. Commencing from the second year, the guaranteed minimum crediting interest rate is 2% per annum plus a premium determined by HSBC Life on an annual basis.

The investment in the Life Insurance Policy had been accounted for as a financial asset at fair value through profit or loss in the Company's audited consolidated financial statements for the year ended 31 March 2024 and the accumulated interest earned was reflected in the changes in fair value of the Life Insurance Policy.

Details of the Life Insurance Policy classified as a financial asset at fair value through profit or loss for the two financial years ended 31 March 2024 and 2023 are presented as follows:

	For the year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Fair value gain recognised in profit or loss	**690**	521

	As at 31 March	
	2024	2023
	HK$'000	*HK$'000*
Fair value of the Life Insurance Policy	**18,786**	18,096

The unaudited fair value of the Life Insurance Policy was approximately US$2,463,077 (equivalent to approximately HK$19,212,000) at as 30 September 2024.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in designing, manufacturing, processing and exporting fine jewelleries to jewellery wholesalers, retailers and high-net-worth customers mainly in Hong Kong and Chinese Mainland.

INFORMATION ABOUT HSBC LIFE

HSBC Life, a company incorporated in Bermuda with limited liability, is a financial services company that offers a diverse range of financial products and wealth management services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HSBC Life and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE WITHDRAWAL

For illustrative purpose, based on the Surrender Value as at the date of this announcement of approximately US$2,480,000 (equivalent to approximately HK$19,344,000) and the single premium paid of the Life Insurance Policy, the value of Life Insurance Policy is already breakeven. It should be noted that the actual gain or loss on the Withdrawal to be recognised by the Group will depend on the Surrender Value as at the effective date of the Withdrawal. It is expected that the net proceeds from the Withdrawal will be used to increase working capital and develop of gold jewellery products.

REASONS FOR AND BENEFITS OF THE WITHDRAWAL

Taking into account that the Withdrawal is expected to be already breakeven, after due and careful consideration by the Board, it is considered that the Withdrawal will increase working capital and provide fund available for use to develop of gold jewellery products.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Withdrawal are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Withdrawal exceeds 5% but is less than 25%, the Withdrawal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

The Board is aware that the Surrender Value could vary upon the effective date of the Withdrawal. Therefore, the actual applicable percentage ratios in respect of the Withdrawal could vary based on the Surrender Value at the effective date of the Withdrawal. The Company will ensure that the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Withdrawal at the effective date will be less than 25% and will comply with the relevant Listing Rules.

DEFINITION

Unless otherwise specified, the following terms have the following meanings in this announcement:

"Board"	board of Directors
"Company"	Domaine Power Holdings Limited 域能控股有限公司 (stock code: 442), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on main board of Stock Exchange
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong

"HSBC Life"	HSBC Life (International) Limited, a company incorporated in Bermuda with limited liability
"KTL"	KTL Jewellery Trading Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Life Insurance Policy"	the life insurance policy entered into by KTL with HSBC Life on 26 June 2015 to insure Mr. Kei York Pang Victor. The current insured person is Mr. Tao Hongbo
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Shareholder(s)"	holder(s) of shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Surrender Charge"	a specified amount of surrender charged by HSBC Life in the event that the Withdrawal is made between the 1st and 18th policy years
"Surrender Value"	the cash value available to the policy holder on the surrender of the Life Insurance Policy
"US$"	United States dollar, the lawful currency of United States of America
"Withdrawal"	withdrawal of the Life Insurance Policy at the request of KTL
"%"	per cent

For the purpose of this announcement, the translation of US$ into HK$ is calculated based on the exchange rate of approximately US$1.0 to HK$7.8 for illustration purpose. No representation has been made that any amounts in US$ or HK$ have been, could have been or may be converted at such rate, any other rate or at all.

By order of the Board
Domaine Power Holdings Limited
Dr. So Shu Fai
Chairman and Executive Director

Hong Kong, 2 May 2025

As at the date of this announcement, the executive Directors are Dr. So Shu Fai and Mr. Tom Xie; the non-executive Directors are Mr. Chan Wai Dune and Mr. Ning Rui; and the independent non-executive Directors are Mr. Yau Pak Yue, Mr. Chung Wai Man and Ms. Lin Ying.