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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in **Powerwell Pacific Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

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**POWERWELL PACIFIC HOLDINGS LIMITED**

**宏峰太平洋集團有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8265)**

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF SUBSIDIARY AND LOAN  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



**大有融資有限公司  
MESSIS CAPITAL LIMITED**

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A letter from the Board is set out on pages 4 to 9 of this circular. A letter from the Independent Board Committee is set out on page 10 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 18 of this circular.

A notice dated 30 January 2013 convening the SGM to be held at 3/F., Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 28 February 2013 at 3:00 p.m. is set out on pages 26 to 27 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting thereof if you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

30 January 2013

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

|                               |   |
|-------------------------------|---|
| “Agreement”                   | the sale and purchase agreement entered into between the Vendor and the Purchaser on 21 December 2012 (after the trading hours) in respect of the Disposal  |
| “associate(s)”                | has the meaning ascribed to it in the GEM Listing Rules   |
| “Board”                       | the board of Directors  |
| “BVI”                         | the British Virgin Islands  |
| “Company”                     | Powerwell Pacific Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the GEM   |
| “Completion”                  | the completion of the Agreement   |
| “Consideration”               | HK\$24,000,000, being the aggregate consideration for the Disposal  |
| “Controlling Shareholder”     | has the meaning ascribed thereto in the GEM Listing Rules   |
| “Director(s)”                 | the director(s) of the Company  |
| “Disposal”                    | the proposed disposal of the entire issued share capital of Richmind and the benefit of the Loan to the Purchaser at an aggregate consideration of HK\$24,000,000 pursuant to the terms of the Agreement      |
| “Existing Tenancies”          | the existing tenancies in relation to the Properties whereby Richmind leases the Properties to the Tenants on a monthly basis at a total rent of HK\$80,000 per month, exclusive of rates and management fees |
| “GEM”                         | the Growth Enterprise Market of the Stock Exchange  |
| “GEM Listing Rules”           | the Rules Governing the Listing of Securities on GEM  |
| “Group”                       | the Company and its subsidiaries  |
| “HK\$”                        | Hong Kong dollar(s), the lawful currency of Hong Kong Special Administrative Region   |
| “Independent Board Committee” | a committee of the Board comprising all the independent non-executive Directors formed to advise the Independent Shareholders on the terms of the Agreement   |

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## DEFINITIONS

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| “Independent Financial Adviser” or “Messis Capital” | Messis Capital Limited, a corporation licensed under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Disposal |
| “Independent Shareholders”                          | Shareholders other than the Purchaser and its associates   |
| “Latest Practicable Date”                           | 24 January 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular  |
| “Loan”  | the loan of HK\$2,119,580 advanced by the Vendor to Richmind as interest free unsecured loan   |
| “Mr. Lam”   | Mr. Lam Chi Wai, Peter, an executive Director, a Controlling Shareholder and a core management member of the Company   |
| “Mr. Liu”   | Mr. Liu Tin Chak, Arnold, the Chairman of the Company, an executive Director, a Controlling Shareholder and a core management member of the Company  |
| “Mr. Wong”  | Mr. Wong Yu Man, Elias, an executive Director, a Controlling Shareholder and a core management member of the Company   |
| “Ms. Tam”   | Ms. Tam Chiu Ming, Tammy, the general manager of the Company and a core management member of the Company   |
| “PRC”   | the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan   |
| “Properties”  | the properties owned by Richmind and consist of Workshop A on 7th Floor, Workshop B on 12th Floor, Workshops A and B on 11th, 16th and 19th Floors, Henry Centre, No. 131 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong   |
| “Purchaser”   | Data Champion Limited, a company incorporated in BVI on 6 August 2010, which is owned as to 47.6% by Mr. Liu, 23.8% by Mr. Lam, 23.8% by Mr. Wong and 4.8% by Ms. Tam respectively, and a Controlling Shareholder of the Company   |
| “Richmind”  | Richmind International Investment Limited (富宏國際投資有限公司), an indirectly wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liabilities  |

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## DEFINITIONS

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|----------------------|---|
| “SFO”                | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong  |
| “SGM”                | the special general meeting of the Company to be convened and held on Thursday, 28 February 2013 at 3:00 p.m. to consider and, if thought fit, approve the Disposal and the transactions contemplated under the Agreement |
| “Share(s)”           | ordinary share(s) of nominal value of HK\$0.1 each in the capital of the Company  |
| “Shareholder(s)”     | holder(s) of Shares   |
| “Stock Exchange”     | The Stock Exchange of Hong Kong Limited   |
| “Tenancy Agreements” | the tenancy agreements to be entered into by the Tenants and Richmind in respect of the Properties upon Completion  |
| “Tenants”            | EC Pacific Limited, Ampress Merchandising Limited and Ampress Packaging Asia Limited, all wholly-owned subsidiaries of the Company and the tenants under the Existing Tenancies   |
| “Valuer”             | Asset Appraisal Limited, an independent valuer  |
| “Vendor”             | Good Destination Co., Ltd., a direct wholly-owned subsidiary of the Company incorporated in BVI with limited liabilities  |
| “%”                  | per cent.   |



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**POWERWELL PACIFIC HOLDINGS LIMITED**

**宏峰太平洋集團有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8265)**

*Executive Directors:*

Mr. Liu Tin Chak, Arnold (*Chairman*)  
Mr. Lam Chi Wai, Peter  
Mr. Wong Yu Man, Elias  
Mr. Yang Yijun

*Registered office:*

Claredon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Independent non-executive Directors:*

Mr. Cheung Chi Man, Dennis  
Professor Lui Tai Lok  
Mr. Yip Kwok Kwan

*Head office and principal place of business:*

19/F., Henry Centre  
131 Wo Yi Hop Road  
Kwai Chung, New Territories  
Hong Kong

30 January 2013

*To the Shareholders*

Dear Sir/Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF SUBSIDIARY AND LOAN  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

The Company announced on 21 December 2012 that on that day (after the trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of Richmind and the benefit of the Loan at an aggregate consideration of HK\$24,000,000.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Chi Man, Dennis, Professor Lui Tai Lok and Mr. Yip Kwok Kwan has been established to advise the Independent Shareholders on the terms of the Agreement.

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## LETTER FROM THE BOARD

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Messis Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, further particulars of the Agreement, the recommendations of the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the transactions contemplated under the Agreement and a notice of the SGM.

### THE AGREEMENT

On 21 December 2012 (after the trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of Richmind and the benefit of the Loan at an aggregate consideration of HK\$24,000,000.

### Parties

The Vendor : Good Destination Co., Ltd., a direct wholly-owned subsidiary of the Company incorporated in BVI with limited liabilities

The Purchaser : Data Champion Limited, a company incorporated in BVI with limited liabilities and a Controlling Shareholder of the Company. The principal business of the Purchaser is investment holding

### Connection between the parties

As at the Latest Practicable Date, the Purchaser, a Controlling Shareholder of the Company, beneficially owned 108,000,000 Shares, representing 72% of the issued share capital of the Company. Mr. Liu, Mr. Lam and Mr. Wong, all Directors, owned 47.6%, 23.8% and 23.8% of the issued share capital of the Purchaser respectively. Thus, the Purchaser is a connected person of the Company and the transaction contemplated under the Agreement constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

### Assets to be disposed of

The assets to be disposed of consist of 100,000 shares of HK\$1 each (representing the entire issued share capital) of Richmind and the benefit of the Loan.

Richmind is a company incorporated in Hong Kong on 9 December 1998 and is principally engaged in property holding. For the two years ended 31 December 2011, its audited net profits before taxation were approximately HK\$530,351 and HK\$660,516 respectively while its audited net profits after taxation were approximately HK\$430,351 and HK\$540,516 respectively. There was no extraordinary item during the two years ended 31

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## LETTER FROM THE BOARD

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December 2011. The unaudited net asset value of Richmind amounted to approximately HK\$3,568,000 as at 17 December 2012. As at the Latest Practicable Date, Richmind was indebted to the Vendor the Loan in the sum of HK\$2,119,580.

As at the Latest Practicable Date, Richmind owned the Properties with total gross floor area and saleable area of approximately 12,000 square feet and 7,676 square feet respectively. As valued by the Valuer, the market value of the Properties as at 30 November 2012 were HK\$24,000,000. The texts of a letter and a valuation certificate of the Properties prepared by the Valuer are set out in Appendix I.

The Properties are currently leased to the Tenants on a monthly basis at a total rent of HK\$80,000 per month, exclusive of rates and management fees, for use as workshop, ancillary office and warehouse. Particulars of the Existing Tenancies are as follows:

| <b>Tenants</b>                 | <b>Unit(s) of the Properties</b> | <b>Monthly rent</b> |
|--------------------------------|----------------------------------|---------------------|
| Ampress Merchandising Limited  | Workshop A on 7th Floor          | HK\$10,000          |
| Ampress Packaging Asia Limited | Workshops A and B on 11th Floor  | HK\$20,000          |
| Ampress Merchandising Limited  | Workshop B on 12th Floor         | HK\$10,000          |
| Ampress Merchandising Limited  | Workshops A and B on 16th Floor  | HK\$20,000          |
| EC Pacific Limited             | Workshops A and B on 19th Floor  | HK\$20,000          |

Under the terms of the Agreement, on Completion, the Tenants and Richmind will enter into the Tenancy Agreements in relation to the respective units of the Properties for a term of three years from the 1st day of the month following the Completion at the same rents under the Existing Tenancies (totally HK\$80,000 per month), exclusive of rates and management fees, with an option to the Tenants to renew the tenancy for another three years at the then prevailing market rent and otherwise on the same terms of the Tenancy Agreements (except the option unless otherwise agreed) and on such other normal commercial terms as may be agreed between the Tenants and Richmind. The Existing Tenancies will be terminated on the commencement of the term of the Tenancy Agreements. The rents under the Tenancy Agreements are the same as the market rentals of the Properties valued by the Valuer as at 30 November 2012. The Tenancy Agreements will allow the Group to continue its use of the Properties and ensure that the ordinary business operation of the Group will not be affected after Completion.

### **Consideration and payment terms**

The Consideration of HK\$24,000,000 (consisting of HK\$21,880,420 for the entire issued share capital of Richmind and HK\$2,119,580 for the benefits of the Loan) will be payable by the Purchaser to the Vendor in cash at Completion.

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## LETTER FROM THE BOARD

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The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor. The consideration for the entire issued share capital of Richmind was equal to the valuation of the Properties by the Valuer as at 30 November 2012 less the amount of the Loan while the consideration for the Loan was at par value.

### **Condition precedent**

Completion of the Agreement will be conditional upon the approval of the Independent Shareholders at the SGM.

If the aforesaid condition is not satisfied by 31 May 2013 or such later date as may be agreed between the parties, the Agreement shall lapse and no party to the Agreement shall have any claim against the other party except in respect of any antecedent breach.

### **Completion**

Completion will take place on or before 31 May 2013, or such other date as may be agreed between the parties, after the condition of the Agreement has been fulfilled.

Upon Completion, Richmind will cease to be a subsidiary of the Company.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in sourcing of watches, costume jewelries, and display and packaging products for customers and sale of watches in the PRC.

In view of the substantial increase in the value of the Properties over their book value and the uncertain global economic environment, the Directors consider that the Disposal presents a good opportunity to realise its investment in Richmind.

The Directors consider that the terms of the Disposal are on normal commercial terms which are fair and reasonable and the Disposal is in the interest of the Company and the Shareholders as a whole. Mr. Liu, Mr. Lam and Mr. Wong (who are interested in the Disposal) have abstained from voting on the board resolution approving the Agreement.

### **USE OF PROCEEDS**

The net proceeds of the Disposal, after deducting related expenses, will be approximately HK\$23.5 million. It is proposed that HK\$19.5 million will be distributed to the Shareholders by way of a special dividend of HK\$0.13 per Share (assuming no Share will be issued from the Latest Practicable Date to the record date for the purpose of ascertaining entitlement of the Shareholders to such dividend) with the remaining balance of approximately HK\$4.0 million as general working capital of the Group. An announcement on the arrangement for payment of the special dividend will be made after Completion.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECTS OF THE DISPOSAL

The Company expects to realise a gain from the Disposal of approximately HK\$18.3 million, representing the Consideration received less the unaudited net asset value of Richmind as at 17 December 2012 and the amount of the Loan. The calculations above are only estimates provided for illustrative purposes. The actual gain that the Company is able to realise from the Disposal will depend on the relevant figures at Completion.

### GEM LISTING RULES IMPLICATION

As certain relevant percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules.

The Purchaser (owned as to 47.6% by Mr. Liu, 23.8% by Mr. Lam, 23.8% by Mr. Wong and 4.8% by Ms. Tam respectively) is a Controlling Shareholder of the Company interested in 108,000,000 Shares, representing 72% of the issued share capital of the Company as at the Latest Practicable Date. Thus, the Purchaser is a connected person of the Company and the transaction contemplated under the Agreement constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements thereunder. The Purchaser, Mr. Liu, Mr. Lam, Mr. Wong and their respective associates, who have material interests in the Agreement, will abstain from voting at the SGM on the resolution for approving the Disposal and the transactions contemplated under the Agreement.

The Group does not have any transaction with the Purchaser which is required to be aggregated with the Agreement under Rule 19.22 or 20.25 of the GEM Listing Rules.

Since the Purchaser is a connected person of the Company, the Tenancy Agreements will constitute continuing connected transactions of the Company pursuant to Chapter 20 of the GEM Listing Rules upon signing on Completion. As the total annual consideration of the Tenancy Agreements is less than HK\$1,000,000, they are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Rule 20.33(3) of the GEM Listing Rules.

### SGM

The SGM will be held at 3/F., Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 28 February 2013 at 3:00 p.m.. The notice of the SGM is set out on pages 26 to 27 of this circular. The purpose of the SGM is to consider and, if thought fit, to pass an ordinary resolution to approve the Agreement and the transactions contemplated thereunder. Voting on such resolution at the SGM shall be taken by way of poll.

A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar

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## LETTER FROM THE BOARD

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and transfer office in Hong Kong, Tricor Investors Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting thereof if you so wish and, in such event, the relevant form of proxy shall be deemed to be revoked.

### RECOMMENDATION

The Board is of the view that the terms and conditions of the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. You are advised to read carefully the letters from the Independent Board Committee and the Independent Financial Adviser respectively as contained in this circular before deciding whether or not to vote in favour of the resolution to be proposed at the SGM to approve the Agreement.

### ADDITIONAL INFORMATION

Your attention is drawn to the addition information as set out in the appendices to this circular.

Yours faithfully,  
By Order of the Board  
**Powerwell Pacific Holdings Limited**  
**Yang Yijun**  
*Executive Director*



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**POWERWELL PACIFIC HOLDINGS LIMITED**

**宏峰太平洋集團有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8265)**

30 January 2013

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
DISPOSAL OF SUBSIDIARY AND LOAN**

We refer to the circular (the “**Circular**”) dated 30 January 2013 issued by the Company of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless specified otherwise.

We have been formed to advise you in relation to the terms of the Agreement and the transactions contemplated thereunder. Messis Capital has been appointed by the Company as the Independent Financial Adviser to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are set out on pages 11 to 18 of the Circular. Your attention is also drawn to the letter from the Board and the additional information set out in the appendices to the Circular.

Having considered the terms of the Agreement and taking into account the advice from the Independent Financial Adviser, we consider that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend you to vote in favour of the resolution to be proposed at the SGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully

For and on behalf of the  
**Independent Board Committee**

**Mr. Cheung Chi Man, Dennis**

**Professor Lui Tai Lok**  
*Independent non-executive Directors*

**Mr. Yip Kwok Kwan**

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.*



**大有融資有限公司**  
**MESSIS CAPITAL LIMITED**

30 January 2013

*To: The Independent Board Committee and the Independent Shareholders of  
Powerwell Pacific Holdings Limited*

Dear Sir/Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF SUBSIDIARY AND LOAN**

#### **INTRODUCTION**

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the Shareholders dated 30 January 2013, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 21 December 2012 (after the trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of Richmind, and the benefit of the Loan at an aggregate consideration of HK\$24,000,000.

As certain relevant percentage ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules. The Purchaser (owned as to 47.6% by Mr. Liu, 23.8% by Mr. Lam, 23.8% by Mr. Wong and 4.8% by Ms. Tam respectively) is a Controlling Shareholder of the Company interested in 108,000,000 Shares, representing 72% of the issued share capital of the Company as at the Latest Practicable Date. Thus, the Purchaser is a connected person of the Company and the transaction contemplated under the Agreement constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules and is subject to the reporting, announcement and independent shareholders’ approval requirements thereunder. The Purchaser, Mr. Liu, Mr. Lam, Mr. Wong and their respective associates, who have material interests in the Agreement, will abstain from voting at the SGM on the resolution or approving the Disposal and the transactions contemplated under the Agreement.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Cheung Chi Man, Dennis, Professor Lui Tai Lok and Mr. Yip Kwok Kwan, has been established to advise whether (i) the terms of the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Disposal is in the interests of the Company and the Shareholders as a whole. We, Messis Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **BASIS OF OUR ADVICE**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any statement in the Circular, misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group, the Purchaser and their respective associates.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Disposal. Except for its inclusion in the Circular, it shall not be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

### **1. Business overview of the Group**

The Group is principally engaged in sourcing of watches, costume jewelries, and display and packaging products for customers and sale of watches in the PRC.

According to the annual report for the year ended 31 December 2011, the Group's consolidated revenue increased from approximately HK\$208.2 million for the year ended 31 December 2010 to approximately HK\$240.2 million for the year ended 31 December 2011. The audited profits attributable to the Shareholders amounted to approximately HK\$7.6 million and HK\$10.4 million, respectively, for the two years ended 31 December 2011. According to the interim report for the six months ended 30 June 2012, the unaudited net asset value of the Group was approximately HK\$59.0 million as at 30 June 2012. The Group's cash and cash equivalents amounted to approximately HK\$51.6 million as at 30 June 2012.

### **2. Information on Richmind and the Loan**

Richmind was incorporated in Hong Kong on 9 December 1998 and was principally engaged in property holding as at the Latest Practicable Date. For the two years ended 31 December 2011, the audited net profits before taxation of Richmind were HK\$530,351 and HK\$660,516 respectively while its audited net profits after taxation were HK\$430,351 and HK\$540,516 respectively. The unaudited net asset value of Richmind amounted to approximately HK\$3,568,000 as at 17 December 2012. As at the Latest Practicable Date, Richmind was indebted to the Vendor the Loan in the sum of HK\$2,119,580.

According to the Letter from the Board, Richmind owns the Properties at Workshop A on 7th Floor, Workshop B on 12th Floor, Workshops A and B on 11th, 16th and 19th Floors, Henry Centre, No. 131 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong which comprise 8 industrial units within a 26-storey industrial building of reinforced concrete construction completed in 1992. The total gross floor area and saleable area of the Properties are approximately 12,000 square feet and 7,676 square feet respectively.

### **3. Reasons for and benefits of the Disposal**

The properties market in Hong Kong has demonstrated a strong growth in the last year. According to the Hong Kong Property Review released by the Rating and Valuation Department of Hong Kong, the average prices of private flatted factories in New Territories, Hong Kong, in which the Properties are located, grew from

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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HK\$23,818/m<sup>2</sup> in October 2011 to HK\$35,980/m<sup>2</sup> in October 2012, representing an increase of approximately 51.5%. The table below sets out the average prices of private flatted factories in New Territories:

| <b>Year</b> | <b>Month</b> | <b>Average prices<br/>(HK\$/m<sup>2</sup>)</b> |
|-------------|--------------|--|
| 2011        | October      | 23,818   |
|             | November     | 23,672   |
|             | December     | 23,325   |
| 2012        | January      | 24,929   |
|             | February     | 24,921   |
|             | March        | 24,596   |
|             | April        | 26,593   |
|             | May          | 26,830   |
|             | June         | 26,844*  |
|             | July         | 27,632*  |
|             | August       | 28,479*  |
|             | September    | 30,999*  |
|             | October      | 33,417*  |
|             | November     | 35,980*  |

*Sources:* Hong Kong Property Review — Monthly Supplement January 2013

\* *Provisional figures*

Having taken into account that (i) the aforesaid strong growth in prices of private flatted factories in New Territories in which the Properties are located; (ii) the uncertainty in the movement of interest rate and the Hong Kong Government intervention policy in future; (iii) the substantial increase in the value of the Properties over their book value; (iv) the Properties are not core-operating assets of the Group and subject to the Completion as stated in the paragraph headed “Use of proceeds” under the subsection headed “4. Principal terms of the Disposal” below, there will be a proposed payment of special dividend which provides an opportunity for the Shareholders to realise part of their investment in the Company; and (v) the improvement in earnings and working capital position of the Group upon Completion as set out in the subsection headed “5. Financial effects of the Disposal” below, we concur with the Directors’ view that the Disposal presents a good opportunity to realise its investment in Richmond and the Disposal is in the interests of the Company and the Shareholders as a whole.

#### 4. Principal terms of the Disposal

On 21 December 2012 (after the trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of Richmind, and the benefit of the Loan at an aggregate consideration of HK\$24,000,000.

##### *Parties*

The Vendor : Good Destination Co., Ltd., a direct wholly-owned subsidiary of the Company incorporated in BVI with limited liabilities

The Purchaser : Data Champion Limited, a company incorporated in BVI with limited liabilities and a Controlling Shareholder of the Company. The principal business of the Purchaser is investment holding

##### *Assets to be disposed of*

The assets to be disposed of consist of 100,000 shares of HK\$1 each (representing the entire issued share capital) of Richmind and the benefit of the Loan.

##### *Condition precedent*

Completion of the Agreement will be conditional upon the approval of the Independent Shareholders at the SGM.

If the aforesaid condition is not satisfied by 31 May 2013 or such later date as may be agreed between the parties, the Agreement shall lapse and no party to the Agreement shall have any claim against the other party except in respect of any antecedent breach.

##### *Completion*

Completion will take place on or before 31 May 2013, or such other date as may be agreed between the parties, after the condition of the Agreement has been fulfilled.

Upon Completion, Richmind will cease to be a subsidiary of the Company.

##### *Consideration and payment terms*

The Consideration of HK\$24,000,000 (consisting of HK\$21,880,420 for the entire issued share capital of Richmind and HK\$2,119,580 for the benefits of the Loan) will be payable by the Purchaser to the Vendor in cash at Completion.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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According to the Letter from the Board, the Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor. The consideration for the entire issued share capital of Richmind was equal to the market value of the Properties of HK\$24,000,000 as at 30 November 2012 as valued by the Valuer less the amount of the Loan while the consideration for the Loan was at par value. A copy of the valuation report (the "Valuation Report") is set out in the Appendix I to the Circular.

We understand from the Valuation Report that the valuation of the Properties has been made on the assumption that the Group sells the Properties on the market in their existing states without the benefit of deferred term contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Properties. In addition, the Valuer has assumed that the owner of the Properties had a free and uninterrupted right to use the Properties for the whole of the unexpired term of its Government Lease.

As set out in the Valuation Report and also based on our discussions with the Valuer, the Valuer has adopted the comparison method where comparison based on prices realized or market prices of comparable properties is made. We understand from the Valuer that the abovementioned comparison method is a commonly adopted method used for property valuation. Comparable properties of similar size, character and location are analysed and carefully weighed by the Valuer against all the respective advantages and disadvantages of each properties in order to arrive at a fair comparison of capital values. As advised by the Valuer, in arriving at the valuation of the Properties, they have identified and reviewed six recent comparable transactions which the subject properties are located in different floors of Henry Centre and a building near Henry Centre, namely Riley House, and we have reviewed the details of such transactions.

Based on our discussion with the Valuer and our understanding of the works conducted by the Valuer, we consider that the assumptions, the basis and the methodology adopted for the valuation of the Properties are fair and reasonable.

Having considered that (i) the assumptions, basis and the methodology adopted by the Valuer in arriving at the valuation of the Properties are reasonable; and (ii) the Consideration has taken into account the market value of the Properties as at 30 November 2012 as appraised by the Valuer and the amount of the Loan, we are of the view that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

### *Use of proceeds*

The net proceeds from the Disposal of approximately HK\$23.5 million will be distributed to the Shareholders by a special dividend of HK\$19.5 million (equivalent to HK\$0.13 per Share assuming no Share will be issued from the Latest Practicable Date to the record date for the propose of ascertaining entitlement of the Shareholders to such dividend) with the remaining balance of

approximately HK\$4.0 million as general working capital of the Group. According to the Letter from the Board, an announcement on the arrangement for payment of the special dividend will be made by the Company after Completion.

#### **5. Financial effects of the Disposal**

Upon Completion, Richmind will cease to be a subsidiary of the Company. Accordingly, the financial results of Richmind will not be consolidated into the financial statements of the Group.

##### *Earnings*

As stated in the Letter from the Board, the Directors expect that, based on the unaudited net asset value of Richmind as at 17 December 2012, the Group would record an unaudited gain of approximately HK\$18.3 million from the Disposal. As advised by the Directors, the actual gain from the Disposal to be recognised by the Group, which will depend on relevant figures at Completion, is not expected to be materially different. The gain from the Disposal will be reflected in the profit and loss account of the Group for the year ending 31 December 2013.

##### *Net assets value*

The Consideration of HK\$24,000,000 will be payable by the Purchaser to the Vendor in cash at Completion. As such, the cash and cash equivalents of the Group and the net asset value of the Group will be increased immediately after Completion. However, after the payment of the special dividend of HK\$19.5 million, it is expected that the cash and cash equivalents of the Group and the net asset value of the Group will be decreased significantly. Given that the decrease in net asset value of the Group is caused by the distribution of special dividend which the Shareholders will have proportional entitlements, we consider the possible decrease in net asset value of the Group is fair and reasonable so far as the Independent Shareholders are concerned.

##### *Working capital*

As stated in the Letter from the Board, approximately HK\$4.0 million of the net proceeds from the Disposal will be applied as general working capital of the Group. Therefore, the working capital position of the Group is expected to be strengthened upon Completion.

Taking into account the improvement in earnings and working capital position of the Group upon Completion and the proposed distribution of special dividend after Completion, we consider that the Disposal is in the interests of the Company and the Shareholders as a whole.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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**RECOMMENDATION**

Having taken into account the abovementioned principal factors and reasons, we are of the opinion that the terms of the Disposal are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal.

Yours faithfully,  
For and on behalf of  
**Messis Capital Limited**  
**Robert Siu**  
*Executive Director*

*The following are the texts of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 30 November 2012 of the Properties.*



**Asset Appraisal Limited**  
**中誠達資產評值顧問有限公司**

Rm 901 9/F On Hong Commercial Building  
No.145 Hennessy Road Wanchai HK  
香港灣仔軒尼詩道145號安康商業大廈9樓901室  
Tel: (852) 2529 9448 Fax: (852) 3521 9591

30 January 2013

**The Board of Directors**  
**Powerwell Pacific Holdings Limited**

Dear Sirs,

**Re: Valuation of property interests situated in Hong Kong**

In accordance with the instructions from **Powerwell Pacific Holdings Limited** (the “Company”) to value the property interests (the “Property”) owned by Richmind International Investment Limited, a subsidiary of the Company, situated in Hong Kong, we confirm that we have carried out inspections of the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Property as at **30 November 2012** (the “date of valuation”).

#### **BASIS OF VALUATION**

Our valuation of the Property represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

#### **TITLESHIP**

We have caused searches to be made at the appropriate Land Registry for the Property. However, we have not verified ownership of the Property or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

According to the Land Registry records, the registered owner of the Property is Richmind International Investment Limited.

**VALUATION METHODOLOGY**

The Property is valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

**ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sell the Property on the market in its existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owner by means of long term Government lease, we have assumed that the owner has a free and uninterrupted right to use the Property for the whole of the unexpired term of its Government Lease.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

**LIMITING CONDITIONS**

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Property was inspected on 2 January 2013 by Mr. Liu Ho Chi, who is a member of The Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Property, we have complied with all the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

We enclose herewith our valuation certificate.

Yours faithfully,  
for and on behalf of  
**Asset Appraisal Limited**  
**Sandra Lau**  
*MHKIS AAPI RPS(GP)*  
*Director*

*Ms. Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.*

## VALUATION CERTIFICATE

## Property to be disposed by the Group

| Property  | Description and tenure  | Particulars of occupancy   | Market value in<br>existing state as<br>at 30 November<br>2012<br>HK\$ |
|---|---|--|--|
| Workshop A on 7/F,<br>Workshops A and B<br>on 11/F,<br>Workshop B on 12/F,<br>Workshops A and B<br>on 16/F and<br>Workshops A and B<br>on 19/F,<br>Henry Centre,<br>No. 131 Wo Yi Hop<br>Road,<br>Kwai Chung,<br>New Territories. | The Property comprises eight industrial units within a 26-storey industrial building of reinforced concrete construction completed in 1992.   | The Property is currently being occupied by the Company as workshop, ancillary office and warehouse. | 24,000,000   |
| 1,536/9,993th shares of<br>and in Lot No. 312 in<br>D.D. 444.   | The total gross floor area and total saleable area of the property are approximately 12,000 square feet and 7,676 square feet respectively.<br><br>The property is held under New Grant No. 4288 for a term of 99 years commencing on 1 July 1898 and has been extended without premium until 30 June 2047 at a government rent of three percent of the rateable value of the property is charged from the date of extension. |  |  |

*Notes:*

1. The registered owner of the Property is Richmind International Investment Limited.
2. Deed of Mutual Covenant and Management Agreement of the Property was registered vide memorial no. TW853141 dated 15 August 1992.
3. The Property falls within an area zoned as "Other Specified Uses (Business)" under draft Kwai Chung Outline Zoning Plan no. S/KC/26 dated 20 April 2012.

**RESPONSIBILITY STATEMENT**

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

**DISCLOSURE OF INTERESTS****Interests of Directors**

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company 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 which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

| <b>Name</b> | <b>Number of Shares</b> | <b>Nature of interest</b> | <b>Percentage of shareholding</b> |
|-------------|-------------------------|---------------------------|-----------------------------------|
| Mr. Liu     | 108,000,000             | Corporate ( <i>Note</i> ) | 72%                               |

*Note:* These Shares are held by Data Champion. Mr. Liu, Mr. Lam, Mr. Wong and Ms. Tam have 47.6%, 23.8%, 23.8% and 4.8% interests in Data Champion respectively. Data champion, being the holding company of the Company, is an associated corporation of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Rules 5.48 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

Mr. Liu, Mr. Lam and Mr. Wong are directors of Data Champion.

**Interests of experts in the Group**

None of the experts named in the paragraph headed “Qualification of experts” in this appendix has any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group.

**Service contracts**

Each of Mr. Liu, Mr. Lam, Mr. Wong and Mr. Yang Yijun has entered into a service contract with the Company for a term of three years from 26 January 2011 with monthly remuneration at the rate of HK\$80,000. Under the service contracts, after each completed year of service, they will each be entitled to payment of a sum equal to the month’s salary and a discretionary bonus.

Each of Mr. Cheung Chi Man, Dennis, Professor Lui Tai Lok and Mr. Yip Kwok Kwan, the independent non-executive Directors, has entered into a letter of appointment with the Company for an initial term of three years commencing from 27 September 2010 with remuneration of HK\$240,000 per year.

**Competing business**

None of (i) CIMB Securities Limited (the Company’s Compliance Advisor), its directors, employees or any of their respective associates; or (ii) the Directors or any of their respective associates has any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group’s business. As at the Latest Practicable Date, there was no proposed Director.

**Interests in assets**

Since 31 December 2011, the date of the latest published audited financial statements of the Group, none of the Directors or the experts named in the paragraph headed “Qualification of experts” in this appendix has any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group save the interests of Mr. Liu, Mr. Lam and Mr. Wong in the Agreement as disclosed in this circular.

None of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group taken as a whole.

**MATERIAL CHANGE**

Save as disclosed in the announcement of the Company dated 21 December 2012 in relation to profit warning and in this circular, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which its latest published audited financial statements were made up.

**LITIGATION**

Neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries at the Latest Practicable Date.

**QUALIFICATION OF EXPERTS**

The qualifications of the experts who have given opinions in this circular are as follows:

| <b>Name</b>             | <b>Qualification</b>  |
|-------------------------|---|
| Messis Capital Limited  | a corporation licensed under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO |
| Asset Appraisal Limited | Independent property valuer   |

**CONSENTS**

The experts named in the paragraph headed “Qualification of experts” in this appendix have given and have not withdrawn their respective written consents to the issue of this circular with copies of their reports, valuation or letters (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the Company’s head office at 19/F., Henry Centre, 131 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong during normal business hours up to and including 18 February 2013:

- (a) the service contracts and letters of appointment referred to in the paragraph headed “Disclosure of interests” in this appendix;
- (b) the Agreement;
- (c) the rental valuation report of the Valuer on the Properties dated 24 January 2013; and
- (d) the written consents referred to in the paragraph headed “Consents” in this appendix.



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**POWERWELL PACIFIC HOLDINGS LIMITED**

**宏峰太平洋集團有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8265)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of the abovementioned company (the “Company”) will be held at 3/F., Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 28 February 2013 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

**ORDINARY RESOLUTION**

“**THAT** the agreement dated 21 December 2012 between (1) Good Destination Co., Ltd. (the “Vendor”) and (2) Data Champion Limited (the “Purchaser”) whereby the Vendor agreed to sell to the Purchaser the entire issued share capital of, and the benefit of shareholder’s loan of HK\$2,119,580 advanced to, Richmind International Investment Limited at the total price of HK\$24,000,000 in cash (a copy of which is tabled at the meeting and signed by the Chairman of the meeting for the purpose of identification) be and is hereby approved and the directors of the Company be and are hereby authorised to implement the transactions contemplated by the said agreement (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company).”

By Order of the Board  
**Powerwell Pacific Holdings Limited**  
**Chan Sun Kwong**  
*Company Secretary*

Hong Kong, 30 January 2013

*Principal office:*

19th Floor, Henry Centre  
131 Wo Yi Hop Road  
Kwai Chung  
New Territories  
Hong Kong

**Notes:**

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.

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## NOTICE OF THE SGM

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2. In order to be valid, a form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.