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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)

ANNOUNCEMENT UPDATE ON THE PROPOSAL PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”).

References are made to the announcements of Powerwell Pacific Holdings Limited (the “**Company**”) dated 16 January 2014, 17 February 2014, 17 March 2014 and 2 April 2014 respectively (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Company wishes to continue to update the shareholders of the Company that, after making an enquiry with the Controlling Shareholder, Data Champion Limited (which is owned as to 47.6% by Mr. Liu Tin Chak, Arnold, 23.8% by Mr. Lam Chi Wai, Peter and 23.8% by Mr. Wong Yu Man, Elias, all of whom are executive Directors), as at the date of this announcement, it has been informed that there has not been further progress on the discussions between the Controlling Shareholder and the Potential Investor and/or the Second Potential Investor as referred to in the Announcements in relation to the Proposal. The Proposal is yet to be materialised and as at the date of this announcement, no formal or legally binding agreement has been entered into between the Controlling Shareholder and the Potential Investor or the Second Potential Investor in respect of the Proposal.

Further announcement(s), including monthly announcement(s) setting out the progress of the discussions, will be made as and when necessary in accordance with the GEM Listing Rules and the Takeovers Code.

There is no assurance that any discussion mentioned in the Announcements will either materialise or eventually be consummated, and the discussion may or may not lead to the making of an offer for the Shares. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Powerwell Pacific Holdings Limited
Liu Tin Chak, Arnold
Chairman and Executive Director

Hong Kong, 2 May 2014

This announcement, 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the executive Directors are Liu Tin Chak, Arnold, Lam Chi Wai, Peter, Wong Yu Man, Elias and Yang Yijun and the independent non-executive Directors are Cheung Chi Man, Dennis, Lui Tai Lok and Yip Kwok Kwan.

This announcement will remain on the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.hklistco.com/8265.