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King Full Inc Limited

(incorporated in Hong Kong with limited liability)



POWERWELL PACIFIC HOLDINGS LIMITED

宏峰太平洋集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 8265)

JOINT ANNOUNCEMENT

- (1) CLOSE OF THE MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CAPITAL LIMITED ON BEHALF OF KING FULL INC
LIMITED FOR ALL THE ISSUED SHARES IN POWERWELL PACIFIC
HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY KING FULL INC LIMITED AND PARTIES
ACTING IN CONCERT WITH IT);**
- (2) INSUFFICIENCY OF PUBLIC FLOAT**
- (3) CHANGE OF DIRECTORS AND CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE OFFICERS OF THE COMPANY;**
- (4) CHANGE OF COMPOSITION OF AUDIT COMMITTEE,
NOMINATION COMMITTEE AND REMUNERATION COMMITTEE;**
- (5) CHANGE OF AUTHORISED REPRESENTATIVES, COMPLIANCE
OFFICER AND COMPANY SECRETARY;**
- AND**
- (6) CHANGE OF HEADQUARTERS AND PRINCIPAL PLACE
OF BUSINESS IN HONG KONG**

**Financial adviser to
King Full Inc Limited**



**英皇融資有限公司
Emperor Capital Limited**

**Financial adviser to
Powerwell Pacific Holdings Limited**



**大有融資有限公司
MESSIS CAPITAL LIMITED**

CLOSE OF THE OFFER

The Offeror announces that the Offer was closed at 4:00 p.m. on Monday, 22 September 2014. The Offer has not been revised or extended by the Offeror.

As at 4:00 p.m. on Monday, 22 September 2014, being the latest time for acceptance of the Offer as set out in the Composite Document, valid acceptances of the Offer have been received in respect of 5,072,000 Shares, representing approximately 3.38% of the issued share capital of the Company as at the date of this joint announcement.

Upon close of the Offer, the Offeror and parties acting in concert with it are interested in an aggregate of 113,072,000 Shares, representing approximately 75.38% of the issued share capital of the Company as at the date of this joint announcement and 36,928,000 Shares, representing approximately 24.62% of the issued share capital of the Company, are held by the public (within the meanings of the GEM Listing Rules).

Insufficiency of public float of the Company

Immediately following the Share Purchase Completion on Tuesday, 26 August 2014, the Offeror and parties acting in concert with it became interested in 108,000,000 Shares, representing 72% of the issued share capital of the Company. Taking into account of the valid acceptances (subject to the completion of transfer of those Shares to the Offeror), as at the date of this joint announcement, (i) the Offeror and parties acting in concert with it are interested in an aggregate of 113,072,000 Shares immediately at the close of the Offer, representing approximately 75.38% of the issued share capital of the Company; and (ii) 36,928,000 Shares, representing approximately 24.62% of the issued share capital of the Company, are held by the public (within the meaning of the GEM Listing Rules). Accordingly, the minimum public float requirement of 25% under Rule 11.23(7) of the GEM Listing Rules is not satisfied.

The Company will apply to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules for the period from 22 September 2014 (being the Closing Date) to 22 December 2014 (both dates inclusive). As disclosed in the Composite Document, the Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares. In this connection, the Offeror intends to place down the Shares it acquires from the Offer to independent third parties through a placing agent or sell the Shares it acquires from the Offer directly to selected independent third parties.

As at the date of this joint announcement, 36,928,000 Shares, representing approximately 24.62% of the issued share capital of the Company are held by the public. In order to restore the minimum public float of 25% of the Company, the Offeror will have to place down or dispose of at least 575,000 Shares, representing approximately 0.38% of the issued share capital of the Company as at the date of this joint announcement.

Further announcement will be made by the Company to keep the Shareholders and prospective investors of the Company informed of the progress of the matter as and when appropriate.

CHANGE OF DIRECTORS, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICERS OF THE COMPANY

With effect from 22 September 2014, (i) Mr. Fung Chi Kin has been appointed as an executive Director; (ii) each of Mr. Cheung Siu Wah, Mr. Jim Yiu Ming and Mr. Sit Sai Hung, Billy has been appointed as an independent non-executive Director; (iii) Mr. Liu ceased to be the chairman of the Board and Mr. Fei has been appointed as the chairman of the Board; and (iv) Mr. Lam and Mr. Yang ceased to be the chief executive officer of Hong Kong operation and the chief executive officer of PRC operation of the Company respectively.

With effect from 23 September 2014, (i) Mr. Liu, Mr. Lam, Mr. Wong and Mr. Yang shall resign as executive Directors; and (ii) Mr. Dennis Cheung, Professor Lui and Mr. Yip shall resign as independent non-executive Directors.

CHANGE OF COMPOSITION OF AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

With effect from 22 September 2014, Mr. Liu, Mr. Lam, Mr. Wong, Mr. Cheung, Professor Lui and Mr. Yip ceased all their respective roles in the audit committee, the nomination committee and/or the remuneration committee of the Company.

The following Directors have been appointed to the respective roles in the audit committee, remuneration committee and nomination committee of the Company set out below, all with effect from 22 September 2014:

Audit committee: Mr. Sit Sai Hung, Billy (chairman), Mr. Jim Yiu Ming (member) and Mr. Cheung Siu Wah (member)

Remuneration committee: Mr. Sit Sai Hung, Billy (chairman), Mr. Cheung Siu Wah (member) and Mr. Jim Yiu Ming (member)

Nomination committee: Mr. Jim Yiu Ming (chairman), Mr. Cheung Siu Wah (member) and Mr. Sit Sai Hung, Billy (member)

CHANGE OF AUTHORISED REPRESENTATIVES, COMPLIANCE OFFICER AND COMPANY SECRETARY

With effect from 22 September 2014, (i) Mr. Liu has resigned as the authorised representative of the Company under Rule 5.24 of the GEM Listing Rules, the authorised representative for accepting service of process and notices in Hong Kong on behalf of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the compliance officer of the Company; (ii) Mr. Lam has resigned as the authorised representatives of the Company under Rule 5.24 of the GEM Listing Rules; (iii) Mr. Lee Ka Ho has resigned as the alternative authorised representative of the Company to Mr. Liu under Rule 5.24 of the GEM Listing Rules; and (iv) Ms. Tam Chiu Ming Tammy has resigned as the alternate authorized representative of the Company to Mr. Lam Chi Wai, Peter under Rule 5.24 of the GEM Listing Rules.

With effect from 22 September 2014, (i) Mr. Fei and Mr. Chan Kwong Leung, Eric have been appointed as the authorised representatives of the Company pursuant to Rule 5.24 of the GEM Listing Rules, (ii) Mr. Fei has been appointed as the authorised representative of the Company for accepting service of process and notices in Hong Kong on behalf of the Company as required under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and (iii) Mr. Fung Chi Kin has been appointed as the compliance officer of the Company.

Mr. Chan Sun Kwong has resigned as company secretary of the Company and Mr. Chan Kwong Leung, Eric has been appointed as the company secretary of the Company with effect from 22 September 2014.

CHANGE OF HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The headquarters and principal place of business of the Company in Hong Kong has been changed to Units 601–611, Tower Two, Lippo Centre, 89 Queensway, Hong Kong with effect from 22 September 2014.

Reference is made to the composite offer and response document dated 1 September 2014 jointly issued by the Offeror and the Company (the “**Composite Document**”) in connection with the Offer. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE OFFER

The Offeror announces that the Offer was closed at 4:00 p.m. on Monday, 22 September 2014. The Offer has not been revised or extended by the Offeror.

As at 4:00 p.m. on Monday, 22 September 2014, being the latest time for acceptance of the Offer as set out in the Composite Document, valid acceptances of the Offer have been received in respect of 5,072,000 Shares, representing approximately 3.38% of the issued share capital of the Company as at the date of this joint announcement.

Insufficiency of public float of the Company

Immediately following the Share Purchase Completion on Tuesday, 26 August 2014, the Offeror and parties acting in concert with it became interested in 108,000,000 Shares, representing 72% of the issued share capital of the Company. Taking into account of the valid acceptances (subject to the completion of transfer of those Shares to the Offeror), as at the date of this joint announcement, (i) the Offeror and parties acting in concert with it are interested in an aggregate of 113,072,000 Shares immediately at the close of the Offer, representing approximately 75.38% of the issued share capital of the Company; and (ii) 36,928,000 Shares, representing approximately 24.62% of the issued share capital of the Company, are held by the public (within the meaning of the GEM Listing Rules). Accordingly, the minimum public float requirement of 25% under Rule 11.23(7) of the GEM Listing Rules is not satisfied.

The Company will apply to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules for the period from 22 September 2014 (being the Closing Date) to 22 December 2014 (both dates inclusive). As disclosed in the Composite Document, the Offeror has undertaken to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares. In this connection, the Offeror intends to place down the Shares it acquires from the Offer to independent third parties through a placing agent or sell the Shares it acquires from the Offer directly to selected independent third parties.

As at the date of this joint announcement, 36,928,000 Shares, representing approximately 24.62% of the issued share capital of the Company are held by the public. In order to restore the minimum public float of 25% of the Company, the Offeror will have to place down or dispose of at least 575,000 Shares, representing approximately 0.38% of the issued share capital of the Company as at the date of this joint announcement.

Further announcement will be made by the Company to keep the Shareholders and prospective investors of the Company informed of the progress of the matter as and when appropriate.

None of the Offeror or the parties acting in concert with it held, controlled or directed any Shares or any rights over Shares prior to the commencement of the Offer Period. Save for Share Purchase and the acceptances of the Offer described above, the Offeror and the parties acting in concert with it have not acquired or agreed to acquire any Shares or rights over Shares during the Offer Period. None of the Offeror or the parties acting in concert with it has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company during the Offer Period.

Settlement of the Offer

Provided that the Form of Acceptance and/or the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Registrar for the acceptance of the Offer, a cheque for the amount representing the cash consideration due to each accepting Independent Shareholder in respect of the Shares tendered by him/her or his/her agent(s) under the Offer, less seller's ad valorem stamp duty payable by him/her in the case for tendered Shares, will be despatched to each accepting Independent Shareholder by ordinary post at his/her own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt of duly completed acceptances by the Registrar.

Shareholding structure of the Company

The following table sets forth the shareholding structure of the Company (i) immediately after the Share Purchase Completion and before the commencement of the Offer; and (ii) immediately after the close of the Offer:

| | Immediately after Share Purchase Completion and before commencement of the Offer | | Immediately after close of the Offer | |
|--|---|--------------------------|---|--------------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| The Offeror and parties acting in concert with it (<i>Note</i>) | 108,000,000 | 72.00 | 113,072,000 | 75.38 |
| Public | <u>42,000,000</u> | <u>28.00</u> | <u>36,928,000</u> | <u>24.62</u> |
| Total | <u><u>150,000,000</u></u> | <u><u>100.00</u></u> | <u><u>150,000,000</u></u> | <u><u>100.00</u></u> |

Note: Mr. Fei, an executive Director, is deemed to be interested in the Shares held by the Offeror by virtue of his interest in the Offeror.

CHANGE OF DIRECTORS, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICERS OF THE COMPANY

The Board is pleased to announce that, with effect from 22 September 2014, (i) Mr. Fung Chi Kin has been appointed as an executive Director; (ii) each of Mr. Cheung Siu Wah, Mr. Jim Yiu Ming and Mr. Sit Sai Hung, Billy has been appointed as an independent non-executive Director; (iii) Mr. Liu ceased to be the chairman of the Board and Mr. Fei has been appointed as the chairman of the Board; and (iv) Mr. Lam and Mr. Yang ceased to be the chief executive officer of Hong Kong operation and the chief executive officer of PRC operation of the Company respectively.

As a result of the change in control of the Company, the Board announces that with effect from 23 September 2014, (i) Mr. Liu, Mr. Lam, Mr. Wong and Mr. Yang Yijun (“**Mr. Yang**”) shall resign as executive Directors; and (ii) Mr. Cheung Chi Man, Dennis (“**Mr. Dennis Cheung**”), Professor Lui Tak Lok (“**Professor Lui**”) and Mr. Yip Kwok Kwan (“**Mr. Yip**”) shall resign as independent non-executive Directors:

Each of Mr. Liu Tin Chak, Arnold, Mr. Lam Chi Wai, Peter, Mr. Wong Yu Man, Elias, Mr. Yang Yijun, Mr. Cheung Chi Man, Dennis, Professor Lui Tak Lok and Mr. Yip Kwok Kwan has confirmed to the Board that he has no disagreements with the Board and that there are no other matters in relation to his resignation that need to be brought to the attention of the Shareholders or the Stock Exchange.

The biographical details of the appointed Directors are set forth below:

Executive Director

Fung Chi Kin (“Mr. Fung”)

Mr. Fung, aged 65, is the Honorary Permanent President of The Chinese Gold & Silver Exchange Society, the International Advisor of Shanghai Gold Exchange and Director of Fung Chi Kin Consulting Limited. Mr. Fung has over 30 years of experience in banking and finance. Prior to his retirement, he was the Director and Deputy General Manager of Po Sang Bank Limited (merged into Bank of China (Hong Kong) Limited in 2001), Managing Director of BOCI Securities Limited and Chief Administration Officer of BOC International Holdings Limited. From October 1998 to June 2000, Mr. Fung served as a Council Member of the First Legislative Council of the HKSAR. He also held offices in various public organisations and was the Vice Chairman of The Stock Exchange of Hong Kong Limited, Director of the Hong Kong Futures Exchange Limited, Director of Hong Kong Securities Clearing Company Limited and Hong Kong Affairs Advisor. Mr. Fung has been an independent non-executive director of Chaoda Modern Agriculture (Holdings) Limited (stock code: 682) since 2003 and was an independent non-executive director of New Times Energy Corporation Limited (stock code: 166) from 2006 to 2012.

Independent Non-Executive Directors

Cheung Siu Wah (“Mr. Cheung”)

Mr. Cheung, aged 48, Associate Member of the Institute of Chartered Secretaries and Administrators, obtained the Honours Diploma of Company Secretary and Administration at Lingnan College in 1991. Mr. Cheung held senior management positions in various multi-national companies and has been working in the management, finance, accounting and administration sectors for over 24 years.

Jim Yiu Ming (“Mr. Jim”)

Mr. Jim, aged 47, obtained the Degree of Bachelor of Laws at The University of Hong Kong in 1989 and completed the Postgraduate Certificate in Laws at The University of Hong Kong in 1991. Mr. Jim is a practicing solicitor in Hong Kong and is the founding partner of Jim & Co., Solicitors.

Sit Sai Hung Billy (“Mr. Sit”)

Mr. Sit, aged 58, obtained the Degree of Bachelor of Social Science at The Chinese University of Hong Kong in 1981, the Diploma in Surveying at The College of Estate Management in 1996 and the Degree of Master of Law at The University of Beijing in 2002. Mr. Sit also completed the Merchant Bank Program at the School of Business Administration of The University of Washington in 1994. Mr. Sit has been working in the banking and financial related sector for more than 30 years.

Save as disclosed above, as at the date of this joint announcement, each of Mr. Fung, Mr. Cheung, Mr. Jim and Mr. Sit does not (i) have any relationship with any directors, senior management, substantial or controlling shareholders of the Company, (ii) have any interests in the Shares within the meaning of Part XV of the SFO, (iii) any other position in the Company and its subsidiaries, and (iv) any directorships in any listed public companies in Hong Kong and overseas during the past three years. Save as disclosed above, each of Mr. Fung, Mr. Cheung, Mr. Jim and Mr. Sit is not aware of any matters that are required to be disclosed pursuant to paragraphs 17.50 (2)(h) to (v) of the GEM Listing Rules or any matters that need to be brought to the attention of the Shareholders.

As at the date of this joint announcement, no service contract has been entered into between each of Mr. Fung, Mr. Cheung, Mr. Jim and Mr. Sit and the Company in relation to their respective appointments. Each of Mr. Fung, Mr. Cheung, Mr. Jim and Mr. Sit currently has no fixed terms of services with the Company but will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws of the Company. The remuneration of each of Mr. Fung, Mr. Cheung, Mr. Jim and Mr. Sit has not been fixed and will be determined with reference to their qualifications, experience and duties and responsibilities in the Group. Further announcement will be made when such remuneration has been fixed.

CHANGE OF COMPOSITION OF AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

As a result of the change in control of the Company, the Board announces that with effect from 22 September 2014,

- (i) Mr. Liu ceased to be a member of the nomination committee of the Company;
- (ii) Mr. Dennis Cheung ceased to be the chairman of the audit committee and a member of the nomination committee of the Company;
- (iii) Professor Lui ceased to be a member of the audit committee and remuneration committee and chairman of the nomination committee of the Company; and
- (iv) Mr. Yip ceased to be a member of the audit committee and the nomination committee and chairman of the remuneration committee of the Company.

The Board is pleased to announce that the following Directors have been appointed to the respective roles in the audit committee, remuneration committee and nomination committee of the Company set out below, all with effect from 22 September 2014:

| | |
|-------------------------|---|
| Audit committee: | Mr. Sit Sai Hung, Billy (chairman), Mr. Jim Yiu Ming (member) and Mr. Cheung Siu Wah (member) |
| Remuneration committee: | Mr. Sit Sai Hung, Billy (chairman), Mr. Cheung Siu Wah (member) and Mr. Jim Yiu Ming (member) |
| Nomination committee: | Mr. Jim Yiu Ming (chairman), Mr. Cheung Siu Wah (member) and Mr. Sit Sai Hung, Billy (member) |

CHANGE OF AUTHORISED REPRESENTATIVES, COMPLIANCE OFFICER AND COMPANY SECRETARY

With effect from 22 September 2014, (i) Mr. Liu has resigned as the authorised representative of the Company under Rule 5.24 of the GEM Listing Rules, the authorised representative for accepting service of process and notices in Hong Kong on behalf of the Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the compliance officer of the Company; (ii) Mr. Lam has resigned as the authorised representatives of the Company under Rule 5.24 of the GEM Listing Rules; (iii) Mr. Lee Ka Ho has resigned as the alternative authorised representative of the Company to Mr. Liu Tin Chak, Arnold under Rule 5.24 of the GEM Listing Rules; and (iv) Ms. Tam Chiu Ming Tammy has resigned as the alternate authorised representative of the Company to Mr. Lam Chi Wai, Peter under Rule 5.24 of the GEM Listing Rules.

With effect from 22 September 2014, (i) Mr. Fei and Mr. Chan Kwong Leung, Eric have been appointed as the authorised representatives of the Company pursuant to Rule 5.24 of the GEM Listing Rules, (ii) Mr. Fei has been appointed as the authorised representative of the Company for accepting service of process and notices in Hong Kong on behalf of the Company as required under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and (iii) Mr. Fung Chi Kin has been appointed as the compliance officer of the Company.

Mr. Chan Sun Kwong has resigned as company secretary of the Company and Mr. Chan Kwong Leung, Eric has been appointed as the company secretary of the Company with effect from 22 September 2014. Mr. Chan Kwong Leung, Eric is an associate member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.

CHANGE OF HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board announces that the headquarters and principal place of business of the Company in Hong Kong has been changed to Units 601–611, Tower Two, Lippo Centre, 89 Queensway, Hong Kong with effect from 22 September 2014.

GENERAL

The biographical details of Mr. Fei are set out in the Composite Document.

The Board would like to express its appreciation for the valuable contribution of Mr. Liu, Mr. Lam, Mr. Wong, Mr. Yang, Mr. Dennis Cheung, Professor Lui and Mr. Yip to the Company during their respective terms of service and to welcome Mr. Fei, Mr. Fung Chi Kin, Mr. Cheung Siu Wah, Mr. Jim Yiu Ming, Mr. Sit Sai Hung, Billy and Mr. Chan Kwong Leung, Eric on their new appointment.

By order of the sole director of
King Full Inc Limited
Fei Jie
Director

By order of the Board of
Powerwell Pacific Holdings Limited
Fei Jie
Chairman and Executive Director

Hong Kong, 22 September 2014

As at the date of this joint announcement, the executive Directors are Mr. Liu Tin Chak, Arnold, Mr. Lam Chi Wai, Peter, Mr. Wong Yu Man, Elias, Mr. Yang Yijun, Mr. Fei Jie and Mr. Fung Chi Kin and the independent non-executive Directors are Mr. Cheung Chi Man, Dennis, Professor Lui Tai Lok, Mr. Yip Kwok Kwan, Mr. Cheung Siu Wah, Mr. Jim Yiu Ming and Mr. Sit Sai Hung, Billy.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, Mr. Fei and parties acting in concert with any of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror, Mr. Fei and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Fei Jie is the sole director of the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group), and confirm, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been

arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

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.