

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **POWERWELL PACIFIC HOLDINGS LIMITED**

**宏峰太平洋集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8265)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE AND RESUMPTION OF TRADING**

**Placing Agent**



**英皇證券(香港)有限公司  
Emperor Securities Limited**

#### **THE PLACING**

On 14 July 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company agreed to place, through the Placing Agent, on a best effort basis, a maximum of 35,200,000 new Shares to not less than six Places at a price of HK\$0.725 per Placing Share.

The maximum of 35,200,000 Placing Shares represent (i) approximately 13.33% of the issued share capital of the Company of 264,000,000 Shares as at the date of this announcement; and (ii) approximately 11.76% of the issued share capital of the Company of 299,200,000 Shares as enlarged by the issue of the 35,200,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$3,520,000.

The Placing Price of HK\$0.725 per Placing Share represents (i) a discount of approximately 19.44% to the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on 14 July 2015, being the date of the Placing Agreement; and (ii) a discount of approximately 0.96% to the average closing price of HK\$0.732 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Shares will be issued under the General Mandate and therefore the Placing will not be subject to any Shareholders' approval.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$25.5 million and HK\$25.0 million respectively. The net Placing price will be approximately HK\$0.710 per Share. The net proceeds from the Placing are intended to be used for working capital to the Group to meet any future development and obligations.

**Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 July 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 16 July 2015.

### **THE PLACING AGREEMENT**

Date: 14 July 2015 (after trading hours)

Issuer: the Company

Placing Agent: Emperor Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules).

### **Number of Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent agreed to procure, on a best effort basis, not less than six Placers to subscribe for a maximum of 35,200,000 Placing Shares at the Placing Price of HK\$0.725. The maximum of 35,200,000 Placing Shares represent (i) approximately 13.33% of the issued share capital of the Company of 264,000,000 Shares as at the date of this announcement; and (ii) approximately 11.76% of the issued share capital of the Company of 299,200,000 Shares as enlarged by the issue of the 35,200,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$3,520,000.

### **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank *pari passu* among themselves and with the Shares in issue at the time of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.725 per Placing Share represents (i) a discount of approximately 19.44% to the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on 14 July 2015, being the date of the Placing Agreement; and (ii) a discount of approximately 0.96% to the average closing price of HK\$0.732 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and placing commission) are on normal commercial terms and are fair and reasonable and that the Placing is in the interests of the Company and the Shareholders as a whole.

## **Placees**

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are independent institutional, professional and/or individual investors, and not connected with any directors, chief executive or substantial Shareholder (if any) of the Company or its subsidiaries and their respective associates. It is expected that none of the Placees and their respective associates will become a substantial Shareholder of the Company as a result of the Placing.

## **Conditions of the Placing Agreement**

Completion of the placing by the Placing Agent of the Placing Shares under the Placing Agreement is conditional upon:

- (i) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant a listing of, and permission to deal in, the Placing Shares.

The Company shall use its best endeavours to procure the fulfilment of the conditions and in the event the conditions are not fulfilled by 4 August 2015 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and none of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach.

## **Termination and force majeure**

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the date of completion of the Placing Agreement upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or

the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement, if there develops, occurs or comes into force:

- a. the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- b. the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- c. any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- d. any litigation or claim being instigated against any member of the Group, which has or may have an effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- e. any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- f. any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to date of the completion of the Placing Agreement which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- g. there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

## Completion

Completion of the Placing will take place at 4:00 p.m. (Hong Kong time) within three Business Day after the date on which all the conditions as set out in paragraph headed “Conditions of the Placing Agreement” above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

## Placing commission

The Placing Agent shall receive a placing commission of 2% of the amount equal to the Placing Price multiplied by the number of the Placing Shares successfully placed. The placing commission was determined after arm’s length negotiations between the Company and the Placing Agent with reference to the market rate.

## General Mandate

Under the General Mandate, the Company is authorized to issue up to 35,200,000 Shares. Up to the date of this announcement, no Share has been issued under the General Mandate. The maximum of 35,200,000 Placing Shares will be issued under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

## Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

	As at the date of this announcement		Upon completion of the Placing	
	No. of Shares	Approximate %	No. of Shares	Approximate %
King Full Inc Limited <i>(note)</i>	158,970,000	60.22	158,970,000	53.13
Public Shareholders	105,030,000	39.78	105,030,000	35.11
Places	—	—	35,200,000	11.76
	<u>264,000,000</u>	<u>100.00</u>	<u>299,200,000</u>	<u>100.00</u>

*Note:* King Full Inc Limited is wholly and beneficially owned by Mr. Fei Jie, who is an executive Director.

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products, as well as the retail of luxury brand silverware and silver utensils in the PRC.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$25.5 million and HK\$25.0 million respectively. The net Placing price will be approximately HK\$0.710 per Share. The net proceeds from the Placing are intended to be used for working capital to the Group to meet any future development and obligations.

The Directors are of the view that the Placing will strengthen the financial position of the Group, including its ability to meet any future obligations and broaden the shareholder's base. The Directors consider that the terms of the Placing, including the rate of the placing commission, are fair and reasonable based on the current market conditions. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below are the fund raising activities of the Company during the past 12 months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Description</b>	<b>Net proceeds (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds (approximately)</b>
31 March 2015	Open Offer on the basis of one offer share for every two shares at the subscription price at HK\$0.70 per offer share which was completed in May 2015	HK\$59.3 million	Financing future investment activities if and when suitable opportunities arise and business development and working capital requirement of the Group	Approximately HK\$29 million was utilized as expansion of silverware retail business and related investment development. Approximately HK\$30.3 million was earmarked for potential investment projects and general working capital of the Group.

As disclosed in the announcements of the Company dated 13 March 2015 and 24 March 2015, the Company entered into a placing agreement with the placing agent in relation to the placing of bonds up to the maximum principal amount of HK\$50,000,000 for financing future investment activities if and when suitable opportunities arise and business development and working capital requirement of the Group. The placing agreement lapsed on 24 March 2015 and the placing did not proceed.

Save as disclosed herein, the Company has not conducted any equity fund raising activity in the 12 months immediately preceding the date of this announcement.

## GENERAL

**Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 July 2015 pending release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 16 July 2015.

## DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“AGM”	the annual general meeting of the Company held on 4 May 2015
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	Powerwell Pacific Holdings Limited (stock code: 8265), a company incorporated in Bermuda with limited liability which shares are listed on GEM
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Board pursuant to the resolution passed by the Shareholders at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company (being 176,000,000 Shares) as at the date of passing such resolution, which is equivalent to 35,200,000 Shares
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placee(s)”	any independent institutional, professional and/or individual investors who are not connected with any directors, chief executive or substantial Shareholder(s) (if any) of the Company or its subsidiaries and their respective associates
“Placing”	the placing of a maximum of 35,200,000 Placing Shares on a best effort basis pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the Placing Agent of the Placing Shares under the Placing Agreement

“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 14 July 2015 in respect of the Placing
“Placing Price”	HK\$0.725 per Placing Share (excluding any transaction levy, Stock Exchange trading fee and other fees or levies as may be payable by the Placees)
“Placing Share(s)”	a maximum of 35,200,000 Shares to be issued pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 15 July 2015

*As at the date of this announcement, the executive Directors are Mr. Fei Jie and Mr. Fung Chi Kin and the independent non-executive Directors are Mr. Cheung Siu Wah, Mr. Jim Yiu Ming and Mr. Sit Sai Hung, Billy.*

*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.*

*This announcement will remain on the website of the GEM at [www.hkgem.com](http://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](http://www.hklistco.com/8265).*