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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)

PROPOSED SHARE SUBDIVISION

Financial adviser to the Company



The Board proposed that each of the existing issued and unissued Shares of par value of HK\$0.10 each in the share capital of the Company be subdivided into five Subdivided Shares of par value of HK\$0.02 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out in the section headed “Conditions of the Share Subdivision” below.

A SGM will be convened and held to consider and, if thought fit, approve the Share Subdivision. A circular containing further details of the Share Subdivision, including the trading arrangements in respect of the Subdivided Shares and the arrangements for free exchange of share certificates, together with a notice convening the SGM, is expected to be despatched to the Shareholders on or before 15 April 2016.

PROPOSED SHARE SUBDIVISION

The Board proposed that each of the existing issued and unissued Shares of par value of HK\$0.10 each in the share capital of the Company be subdivided into five Subdivided Shares of par value of HK\$0.02 each.

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares of HK\$0.10 each, of which 306,700,000 Shares have been issued and are fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 5,000,000,000 Subdivided Shares of HK\$0.02 each, of which 1,533,500,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are allotted, issued or repurchased prior to the Share Subdivision becoming effective.

The Company's shares are currently traded in board lots of 4,000 Shares. Upon the Share Subdivision becoming effective, the board lot size will remain unchanged and in board lots of 4,000 Subdivided Shares. The Share Subdivision is not expected to result in any odd lots other than those already exist. Upon the Share Subdivision becoming effective, the Subdivided Shares will rank pari passu with each other in all respects.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Subdivision; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares arising from the Share Subdivision.

Assuming all the conditions are fulfilled, the Share Subdivision will become effective on the next Business Day following the passing of the ordinary resolution as specified therein, which is expected to be 4 May 2016.

REASONS FOR THE SHARE SUBDIVISION

Upon the proposed Share Subdivision becoming effective, the par value of each share will decrease and the total number of shares in issue will increase. The Share Subdivision will result in a downward adjustment to the trading price of the shares of the Company. The Board believes that the Share Subdivision will improve the liquidity of the Subdivided Shares. Furthermore, the Board is of the view that the Share Subdivision may broaden the shareholders' base of the Company.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Shares Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders. The Board considers that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Subdivision becoming effective, the Shareholders can submit their existing certificates for the Shares in light red colour to the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for new share certificates for the Subdivided Shares in light blue colour free of charge between 9:00 a.m. and 4:30 p.m. on any Business Day from Wednesday, 4 May 2016 to Monday, 13 June 2016 (both days inclusive). After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or each new share certificate issued (whichever number of share certificates involved is higher).

It is expected that the new share certificates for the Subdivided Shares will be available for collection within a period of ten Business Days after submission of the existing share certificates for the Shares to Tricor Investor Services Limited for exchange.

The existing certificates will only be valid for trading purpose for the period up to 4:00 p.m. on Tuesday, 7 June 2016 and thereafter will not be accepted for trading purpose. However, the existing certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Subdivided Shares on the basis of one Share for five Subdivided Shares.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

Event	Time and date <i>2016</i>
Despatch of the Circular (including notice of SGM and the proxy form of the SGM)	on or before Friday, 15 April
Latest time for return of proxy form of the SGM (not less than 48 hours prior to time of the SGM)	11:15 a.m. on Sunday, 1 May
Expected date and time of the SGM	11:15 a.m. on Tuesday, 3 May
Publication of announcement of the poll results of the SGM	Tuesday, 3 May
The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above.	
Effective date of the Share Subdivision	Wednesday, 4 May
First day of free exchange of existing share certificates for new share certificates for the Subdivided Shares	Wednesday, 4 May
Dealing in Subdivided Shares commences	9:00 a.m. on Wednesday, 4 May
Original counter for trading in Shares in board lots of 4,000 Shares temporarily closes	9:00 a.m. on Wednesday, 4 May
Temporary counter for trading in Subdivided Shares in board lots of 20,000 Subdivided Shares (in the form of existing share certificates) opens	9:00 a.m. on Wednesday, 4 May

Original counter for trading in Subdivided Shares
in board lots of 4,000 Subdivided Shares
(in the form of new share certificates) re-opens 9:00 a.m.
on Wednesday, 18 May

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates and
on new shares certificates) commences 9:00 a.m.
on Wednesday, 18 May

Temporary counter for trading in Subdivided Shares
in board lots of 20,000 Subdivided Shares
(in the form of existing share certificates) closes 4:00 p.m.
on Tuesday, 7 June

Parallel trading in Shares and Subdivided Shares
(in the form of existing share certificates and
new share certificates) ends 4:00 p.m.
on Tuesday, 7 June

Last day for free exchange of existing share certificates
for new share certificates for the Subdivided Shares Monday, 13 June

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve the Share Subdivision. No Shareholders are required to abstain from voting at the SGM on the resolution in relation to the Share Subdivision. A circular containing further details of the Share Subdivision, including the trading arrangements in respect of the Subdivided Shares and the arrangements for free exchange of share certificates, together with a notice convening the SGM, is expected to be despatched to the Shareholders on or before 15 April 2016.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares arising from the Share Subdivision.

DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Stock Exchange is open for transactions of business
“Company”	Powerwell Pacific Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market 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
“Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Share Subdivision
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company before the Share Subdivision becoming effective
“Share Subdivision”	the proposed subdivision of each issued and unissued Share(s) into five Subdivided Shares
“Shareholder(s)”	the holder(s) of the Share(s) or Subdivided Share(s), as the case may be

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Subdivided Share(s)”

ordinary share(s) of HK\$0.02 each in the share capital of the Company upon the Share Subdivision becoming effective

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

Hong Kong, 8 April 2016

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, Mr. Sit Sai Hung, Billy and Mr. Shen Ruolei.

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 GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the designated website of the Company at www.hklistco.com/8265.