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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)

CLARIFICATION ANNOUNCEMENT IN RELATION TO RENEWAL OF CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of the Company dated 20 March 2013 in respect of the Renewal Master Agreement entered into between Guifeng and the Company on 20 March 2013 to renew the Existing Master Agreement.

Under the Renewal Master Agreement, Guifeng agrees to carry out watch assembly work for the Group based on purchase orders placed by the Group from time to time on a basis which is consistent with the Existing Master Agreement.

The consideration to be paid by the Group, that is the price of each purchase order, is determined and agreed between both parties on an arm's length basis according to the quotation provided by Guifeng, which takes into account the packing material and labour costs of the watches assembly and the prevailing market conditions.

Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the announcement of the Company dated 20 March 2013.

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

Hong Kong, 27 March 2013

As at the date of this announcement, the executive directors of the Company 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, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 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.