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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)

NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE ACQUISITION

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board is pleased to announce that on 30 October 2015, the Potential Vendors and the Company entered into the MOU in relation to the possible acquisition of Sale Assets by the Company or its subsidiary at the consideration for which may be satisfied by way of issue of new Shares and/or convertible bonds by the Company. As at the date of this announcement, a connected person of the Company at the subsidiary level under the GEM Listing Rules is beneficially interested in over 30% equity interest in each of the Potential Vendors. As such, the Potential Vendors are connected persons of the Company at the subsidiary level under the GEM Listing Rules. The Possible Acquisition, if materializes, may constitute a notifiable and connected transaction for the Company under the GEM Listing Rules.

The MOU is not legally binding with regard to the Possible Acquisition, which may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

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All the Sale Assets are situated in Huzhou city, Zhejiang Province, the PRC and now being used by the Potential Vendors for production and sale of new electric vehicles and lithium-ion batteries for new electric vehicles.

Pursuant to the MOU, the Potential Vendors have granted the Company an exclusivity period of three months commencing from the date of the MOU (or such longer period as may be agreed in writing) during which time (i) the Potential Vendors shall not, and shall procure that their affiliates shall not, whether directly or indirectly participate in any discussion, negotiation, arrangement or enter into any agreement (whether subject to conditions or not) in relation to similar Possible Acquisition and/or the Sale Assets and/or interests in Potential Vendors and/or any of its interests and/or assets and/or business and/or proposed investment in the Potential Vendors with any party other than the Company or provide any information to any other party which would affect or hinder the Possible Acquisition; and (ii) the Company is entitled to carry out due diligence review of, inter alia, the Sale Assets. Save for the legally binding provisions relating to exclusivity, conduct of due diligence and confidentiality, the MOU does not constitute any binding commitment on either the Company or the Potential Vendors in respect of the Possible Acquisition.

The Possible Acquisition is subject to the negotiation and entering into of binding definitive documents required for the transactions contemplated thereunder.

The MOU is not legally binding with regard to the Possible Acquisition. The terms and consideration for the Possible Acquisition will be subject to further negotiation between the Potential Vendors and the Company, and the Possible Acquisition may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Powerwell Pacific Holdings Limited (Stock code: 8265), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land and Buildings”	the land and production facilities legally and beneficially owned by one of the Potential Vendors
“Machineries and Equipment”	the machineries and equipment legally and beneficially owned by the Potential Vendors

“MOU”	the memorandum of understanding dated 30 October 2015 entered into between the Potential Vendors and the Company in relation to the Possible Acquisition
“PRC”	the People’s Republic of China
“Possible Acquisition”	the possible acquisition of the Sale Assets by the Company (or its subsidiary) from the Potential Vendors as contemplated under the MOU
“Potential Vendors”	two companies incorporated in the PRC
“Sale Assets”	collectively, (i) Land and Buildings; and (ii) Machineries and Equipment
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 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, 30 October 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 “Latest Company Announcements” page on the GEM website at www.hkgem.com and on the website of the Company at www.hklistco.com/8265 for 7 days from the date of this posting.