

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Powerwell Pacific Holdings Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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 AND NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to the Company



A notice convening a special general meeting ("SGM") of Powerwell Pacific Holdings Limited to be held at Lavender, Level 3, Three Pacific Place, 1 Queen's Road East, Admiralty, Hong Kong on Tuesday, 3 May 2016 at 11:15 a.m. is set out on pages 9 to 10 of this circular. A form of proxy for use by the shareholders of the Company at the SGM is also enclosed with this circular.

Whether or not you intend to attend and vote at the SGM, or any adjourned meeting, (as the case may be) in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM, or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM, or any adjournment thereof, should you so wish and in such event, the proxy will be deemed to be revoked.

15 April 2016

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM")
OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Stock Exchange is open for transactions of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Powerwell Pacific Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Latest Practicable Date”	13 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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
“Shareholder(s)”	the registered holder(s) of the Share(s) or Subdivided Share(s), as the case may be

DEFINITIONS

“Share Subdivision”	the proposed subdivision of each issued and unissued Share(s) into five Subdivided Shares
“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

EXPECTED TIMETABLE

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

Event	Time and date
	2016
Despatch of the Circular (including notice of SGM and the proxy form of the SGM)	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
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" in the "Letter from the Board".	
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 new shares certificates) commences	9:00 a.m. on Wednesday, 18 May

EXPECTED TIMETABLE

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

Dates or deadlines specified in the expected timetable above are subject to the satisfaction of the conditions of the Share Subdivision as set out in the section headed "Conditions of the Share Subdivision" in this circular and are therefore for indicative purpose only and may be varied by the Company. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when it is appropriate.



POWERWELL PACIFIC HOLDINGS LIMITED

宏峰太平洋集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 8265)

Executive Directors:

Mr. Fei Jie

Mr. Fung Chi Kin

Independent Non-executive Directors:

Mr. Cheung Siu Wah

Mr. Jim Yiu Ming

Mr. Sit Sai Hung, Billy

Mr. Shen Ruolei

Registered office:

Clarendon House

2 Church Street

Hamilton

HM 11

Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*

Units 610-611

Tower Two, Lippo Centre

89 Queensway

Hong Kong

15 April 2016

To the Shareholders,

Dear Sir or Madam,

PROPOSED SHARE SUBDIVISION

INTRODUCTION

The purpose of this circular is to provide you with the relevant information, amongst other things, regarding the Share Subdivision and to give you a notice of the SGM at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Share Subdivision.

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 Latest Practicable Date, 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

LETTER FROM THE BOARD

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.

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

Subject to the granting of listing of, and permission to deal in, the Subdivided Shares arising from the Share Subdivision, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being proposed to be sought, on any other stock exchange.

LETTER FROM THE BOARD

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 increase of total number of shares in issue and the downward adjustment to the trading price of the Company as a result of the Share Subdivision will improve the liquidity of the Subdivided Shares. Furthermore, the Board is of the view that a more liquid market as the result of the Share Subdivision will enhance the flexibility for investors to trade the shares of the Company and may then 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 proposed Share Subdivision is set out on pages 3 to 4 of this circular.

LETTER FROM THE BOARD

SGM

A notice convening the SGM is set out on pages 9 to 10 of this circular.

No Shareholder is required to abstain from voting at the SGM on the resolution in relation to the Share Subdivision.

Pursuant to Rule 17.47(4) of the GEM Listing Rules, all votes at the SGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 17.47(5) of the GEM Listing Rules.

A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend and vote at the SGM or any adjourned meeting (as the case may be) in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Branch Share Registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors believe that the proposed Share Subdivision is fair and reasonable and in the interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the ordinary resolution to approve the Share Subdivision.

COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors and controlling Shareholders or their associates had any interest in any business which competes or may compete with the business of the Group or has or may have any other conflicts of interest with the Group pursuant to the GEM Listing Rules.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

Yours faithfully,
By order of the Board
Powerwell Pacific Holdings Limited
Fei Jie
Chairman



POWERWELL PACIFIC HOLDINGS LIMITED

宏峰太平洋集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 8265)

NOTICE IS HEREBY GIVEN that a special general meeting of Powerwell Pacific Holdings Limited (the “**Company**”) will be held at Lavender, Level 3, Three Pacific Place, 1 Queen’s Road East, Admiralty, Hong Kong on Tuesday, 3 May 2016 at 11:15 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution which will be proposed as ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subdivided Shares (as defined below) to be in issue upon the Share Subdivision (as defined below) becoming effective, with effect from the first business day immediately following the date on which this resolution is passed:
 - (a) every existing issued and unissued share of par value of HK\$0.10 each in the share capital of the Company be subdivided (the “**Share Subdivision**”) into five shares of par value of HK\$0.02 each in the share capital of the Company (the “**Subdivided Share(s)**”);
 - (b) all of the Subdivided Shares shall rank pari passu in all respects with each other in the same class and have the rights and privileges and be subject to the restrictions contained in the bye-laws of the Company; and
 - (c) the directors of the Company be and are hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under the common seal of the Company (where applicable), for and on behalf of the Company, as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”

Yours faithfully,

By order of the Board

Powerwell Pacific Holdings Limited

Fei Jie

Chairman

Hong Kong, 15 April 2016

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
3. Any shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company. A proxy need not be a shareholder of the Company.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
5. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
7. As at the date of this notice, the board of directors of the Company comprises: (i) Mr. Fei Jie and Mr. Fung Chi Kin as Executive Directors; and (ii) Mr. Cheung Siu Wah, Mr. Jim Yiu Ming, Mr. Sit Sai Hung, Billy and Mr. Shen Ruolei as Independent Non-executive Directors.