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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**發利證券有限公司**  
**PRIME SECURITIES LIMITED**

On 21 April 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, all of the Placing Shares.

The Placing Shares will be issued pursuant to the General Mandate. The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

**Completion is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

On 21 April 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement. The principal terms of the Placing Agreement are set out below.

### **Subject matter**

The Placing Agent has conditionally agreed, subject to the terms and conditions of the Placing Agreement, to act as agent for the Company to procure the Placees to subscribe for the Placing Shares at the Placing Price on a best effort basis.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of the Company and its connected persons (as defined in the Listing Rules).

The Placing Shares will be placed to not less than 6 Placees.

The Placing Agent has agreed to use its best endeavours to ensure that the Placees will be third parties independent of and not acting in concert with the Company or its connected persons (as defined in the Listing Rules) and that none of the Placees will, immediately upon Completion, become a substantial shareholder of the Company (as defined in the Listing Rules).

### **Placing Shares**

The Placing Shares represent:

- i. approximately 4.88% of the existing issued share capital of the Company (consisting of 2,051,209,327 Shares in issue as at the date of this announcement); and
- ii. approximately 4.65% of the Company's issued share capital as enlarged by the Placing.

The aggregate normal value of the Placing Shares is HK\$2,000,000 as at the date of this announcement.

### **Ranking**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares and will have the right to receive all dividends or other distributions hereafter declared paid or made on such Shares with reference to a record date occurring on or after the Completion.

## **Placing Price**

The Placing Price of HK\$2.80 represents:

- i. a discount of approximately 15.66% to the closing price of HK\$3.32 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- ii. a discount of approximately 14.89% to the average closing price of approximately HK\$3.29 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement.

The net Placing Price under the Placing is approximately HK\$2.78 per Placing Share.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares.

## **Commission**

The Placing Agent will be entitled to receive a placing commission of 0.8 per cent. of the aggregate Placing Price for the Placing Shares actually placed by the Placing Agent.

The commission was negotiated on an arm's length basis among the Company and the placing Agent and determined with reference to, among other things, the prevailing commission rate charged by other placing agent.

The Directors are of the view that the placing commission is fair and reasonable.

## **Condition**

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, all of the Placing Shares.

If the condition is not fulfilled by the Long Stop Date, the Placing and all rights and obligations thereunder will terminate.

Completion will take place on the Completion Date.

## **Termination**

The Placing Agent may, in its absolute opinion, terminate the Placing Agreement by notice in writing to the Company at any time up to 9:00 a.m. on the Completion Date if:

- (i) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing;
- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed;
- (iv) any statement contained in this announcement or any of the announcements and circulars issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the annual report of the Company for the year ended 31 December 2016, has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing;
- (v) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
- (vi) any event of force majeure (being an event beyond the control of the Company and the Placing Agent and which is unforeseeable or unavoidable), including without limiting the generality of the foregoing, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties under the Placing Agreement.

## **Lock-up undertaking**

The Placing Agent will procure the Placees to sign an undertaking to undertake to the Company that, unless prior written consent of the Company has been obtained, neither the Placee(s) (nor any specified person) will, within 540 calendar days of the Completion Date: (i) transfer or dispose of his/its Placing Share(s) and any new direct or indirect interests therein; (ii) enter into any swap, derivative transactions or any such arrangements which have the effect of transferring and disposing all or part of his/its Placing Shares; (iii) transfer or dispose of any direct or indirect beneficial interests that he/it has in the Placing Share(s); and (iv) announce any intention to enter into any abovementioned transactions.

## **APPLICATION FOR LISTING**

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **GENERAL MANDATE**

The Placing Shares will be issued pursuant to the General Mandate. As at the date of this announcement, the General Mandate has not been utilized.

Upon allotment and issue of the Placing Shares, 100,000,000 Shares of the General Mandate will be utilized and the remaining balance of the General Mandate will be 206,700,000 Shares.

The allotment and issue of the Placing Shares is not subject to the approval of the Shareholders.

## **REASONS FOR THE PLACING**

The Group is principally engaged in (i) the provision of sourcing and procurement solutions to customers for production of watches, costume jewelries, and display and packaging products; (ii) the retail and wholesale of luxury brand silverware and silver utensils in the PRC; and (iii) the manufacture and sale of rechargeable batteries, electric vehicles and related products and provision of related services.

The Directors consider that the Placing will enlarge the shareholder and capital base of the Company and also increase the overall liquidity of the Shares and strengthen the financial position of the Group. The Directors consider that the terms and conditions of the Placing Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS

The gross proceeds from the Placing are expected to be HK\$280 million. The net proceeds from the Placing, after the deduction of all related costs, fees, expenses and commission, are estimated to be approximately HK\$277.76 million, of which the Company intends to apply HK\$20 million for general working capital of the Group and the remaining balance for the development of the business of electric vehicles.

## CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and upon Completion on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the Completion; and (b) the Placees do not and will not hold any Shares other than the Placing Shares, is summarised as follows:

Shareholders/directors	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approximate percentage</i>	<i>Number of Shares</i>	<i>Approximate percentage</i>
King Full Inc Limited ( <i>Note</i> )	781,950,000	38.12%	781,950,000	36.35%
Top Bliss Holdings Limited	517,709,327	25.24%	517,709,327	24.07%
Placees	–	0%	100,000,000	4.65%
Other public Shareholders	<u>751,550,000</u>	<u>36.64%</u>	<u>751,550,000</u>	<u>34.93%</u>
Total	<u>2,051,209,327</u>	<u>100.00%</u>	<u>2,151,209,327</u>	<u>100.00%</u>

*Note:* the entire issued share capital of King Full Inc Limited is wholly and beneficially owned by Mr. Fei Jie.

**Completion is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not undertaken any fund-raising activity or any issue of equity securities in the past 12 months before the date of this announcement.

## DEFINITION

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

“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Powerwell Pacific Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM (Stock code: 8265)
“Completion”	completion of the Placing
“Completion Date”	the third Business Day after the fulfillment of the condition set out under the paragraph headed “Condition” of this announcement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by a resolution of by the Shareholders passed at the annual general meeting of the Company held on 3 May 2016 to allot and Shares subject to the limit of up to 20% of the issued share capital of the Company in issue on that date (i.e. 306,700,000 Shares, taking into account the Share Subdivision)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Long Stop Date”	19 May 2017 (or such other date as may be mutually agreed between the Placing Agent and the Company)
“Placees”	individuals, institutional or other professional investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing”	the placing of the Placing Shares by the Placing Agent on a best effort basis
“Placing Agent”	Prime Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement dated 21 April 2017 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$2.80 per Placing Share
“Placing Shares”	up to 100,000,000 new Shares
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Share Subdivision”	subdivision of each issued and unissued share(s) into five subdivided shares which became effective on 4 May 2016
“Shareholder(s)”	the 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, 21 April 2017

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