

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus of Powerwell Pacific Holdings Limited (宏峰太平洋集團有限公司) (the “Company”) dated 29 December 2010 (the “Prospectus”).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Shares thereby being offered.

POWERWELL PACIFIC HOLDINGS LIMITED

宏峰太平洋集團有限公司

(incorporated in Bermuda with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 42,000,000 Shares
Placing Price : HK\$0.80 per Placing Share (payable in full upon application, plus brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%)
Nominal value : HK\$0.10 each
GEM stock code : 8265

Joint Sponsors



Sole Bookrunner



Joint Lead Managers

CIMB Securities (HK) Limited

Gransing Securities Co., Limited

- The Placing Price is agreed at HK\$0.80 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%).
- The 42,000,000 Placing Shares offered by the Company under the Placing have been moderately over-subscribed.
- Pursuant to the Placing, 42,000,000 Shares have been conditionally allocated to a total of 425 selected professional, institutional and other investors.
- The Directors confirm that all placees under the Placing are independent of and not connected with any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.
- Immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be 28% of the enlarged issued share capital of the Company.
- Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Wednesday, 26 January 2011.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is agreed at HK\$0.80 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds to be received by the Company from the Placing, after deducting underwriting fees and estimated expenses payable by the Company in connection therewith, are estimated to be approximately HK\$17.9 million. As the Placing Price is HK\$0.80 (being the low-end of the proposed Placing Price range), the allocation of the net proceeds will be adjusted on a pro rata basis as set out in the Prospectus.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 42,000,000 Placing Shares offered by the Company under the Placing have been moderately over-subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 42,000,000 Shares have been conditionally allocated to a total of 425 selected professional, institutional and other investors. The distribution of the Placing Shares is set out as below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated (i.e. 42,000,000 Placing Shares)	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue (i.e. 150,000,000 Shares)
Top placee	6,432,000	15.31%	4.29%
Top 5 placees	19,000,000	45.24%	12.67%
Top 10 placees	25,656,000	61.09%	17.10%
Top 25 placees	34,452,000	82.03%	22.97%

Number of Placing Shares allocated	Number of placees	Aggregate number of Placing Shares allocated
4,000 to 12,000	341	1,580,000
12,001 to 100,000	39	1,400,000
100,001 to 1,000,000	36	14,336,000
1,000,001 to 5,000,000	8	18,252,000
5,000,001 and above	<u>1</u>	<u>6,432,000</u>
Total	<u>425</u>	<u>42,000,000</u>

The Directors confirm that all placees under the Placing are independent of and not connected with any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries, and their respective associates or any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. Immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be 28% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. 26 January 2011) or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on 25 January 2011 for credit to the respective CCASS participants' stock accounts or investor participants' stock accounts of the Underwriters, the places or their agents (as the case may be).

Prospective investors should note that CIMB (for itself and on behalf of the Underwriters) has the right to terminate the Underwriting Agreement by notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date upon occurrence of any of the events set forth in the paragraph headed "Grounds for termination" in the section headed "Underwriting" of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. In the event that the Placing and the Underwriting Agreement are terminated, an announcement will be published by the Company on the GEM website at www.hkgem.com and the Company's website at www.hklistco.com/8265 accordingly.

COMMENCEMENT OF DEALINGS

Dealing in the Shares on GEM are expected to commence at 9:30 a.m. on Wednesday, 26 January 2011. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the GEM website at www.hkgem.com and the Company's website at www.hklistco.com/8265. The Shares will be traded in board lots of 4,000 Shares each. The stock code for the Shares is 8265.

By order of the Board
Powerwell Pacific Holdings Limited
Liu Tin Chak, Arnold
Chairman and Executive Director

Hong Kong, 25 January 2011

As at the date of this announcement, the executive Directors 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 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 enquires, 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 of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.hklistco.com/8265.