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**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser, securities dealer, 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, you should at once hand this Prospectus and the accompanying Application Form to the purchaser, the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. Dealings in the Shares and the Offer Shares may be settled through CCASS (as defined herein) established and operated by HKSCC (as defined herein). You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as defined herein). The Registrar of Companies in Hong Kong takes no responsibility as to the contents of any of these documents. Subject to the grant of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer 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 Offer Shares on the Stock Exchange or such other dates 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.

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 Prospectus, 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 Prospectus.

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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)**

**OPEN OFFER ON THE BASIS OF  
ONE OFFER SHARE FOR EVERY TWO SHARES HELD  
ON RECORD DATE AT HK\$0.70 PER OFFER SHARE**

**Financial adviser to the Company**



**英皇融資有限公司  
Emperor Capital Limited**

**Underwriter to the Open Offer**



**英皇證券(香港)有限公司  
Emperor Securities Limited**

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Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus.

The Shares have been dealt in on an ex-entitlement basis commencing from Tuesday, 21 April 2015 and dealing in Shares will take place while the conditions to which the Open Offer is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on Monday, 18 May 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed.

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (see the section headed "Termination of the Underwriting Agreement" on pages 5 to 6 of this Prospectus). Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

The latest time for acceptance of and payment for the Offer Shares is at 4:00 p.m. on Wednesday, 13 May 2015. The procedures for application and payment for the Offer Shares are set out on pages 16 to 18 of this Prospectus.

This Prospectus 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 publication and on the Company's website at [www.hklistco.com/8265](http://www.hklistco.com/8265).

28 April 2015

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## CHARACTERISTICS OF GEM

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**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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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*In this prospectus, unless the context requires otherwise, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 31 March 2015 in relation to the Open Offer
“Application Form”	the form of application to be used by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“Board”	the board of Directors
“business day(s)”	a day (excluding Saturdays, Sundays, public holidays and a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time and remaining in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Close associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”	Powerwell Pacific Holdings Limited (stock code: 8265), a company incorporated in Bermuda with limited liability and the 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
“Excluded Shareholders”	the Overseas Shareholder(s) to whom the Directors, after marking enquiries, consider it necessary or expedient not to offer the Offer Shares to such Shareholder(s) on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“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 PRC
“Last Trading Day”	30 March 2015, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
“Latest Acceptance Date”	the date of the Latest Acceptance Time
“Latest Acceptance Time”	4:00 p.m. on Wednesday, 13 May 2015 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Practicable Date”	24 April 2015, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus
“Latest Time for Termination”	4:00 p.m. on the third business day following (but excluding) the Latest Acceptance Date (which is expected to be Monday, 18 May 2015) or such later date as the Underwriter and the Company may agree in writing
“Listing Committee”	the listing committee of the Stock Exchange
“Offer Share(s)”	Share(s) to be issued and allotted under the Open Offer, being 88,000,000 Offer Shares
“Open Offer”	the proposed issue of the Offer Shares at the Subscription Price by way of open offer on the basis of one Offer Share for every two existing Shares held by the Qualifying Shareholders on the Record Date
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown on the register of members of the Company on the Record Date are in places outside Hong Kong
“PRC”	the People’s Republic of China
“Prospectus”	this Prospectus issued by the Company in connection with the Open Offer

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## DEFINITIONS

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“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	Tuesday, 28 April 2015 or such other date as the Underwriter may agree in writing with the Company, as the expected date of despatch of the Prospectus Documents to the Qualifying Shareholders and this Prospectus, for information only, to the Excluded Shareholders
“Qualifying Shareholders”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Monday, 27 April 2015 or such other date as the Company and the Underwriter may agree in writing, being the date by reference to which entitlements to the Open Offer will be determined
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the existing share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Subscription Price”	the subscription price of HK\$0.70 per Offer Share
“substantial shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO

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## DEFINITIONS

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“Underwriting Agreement”	the underwriting agreement dated 30 March 2015 entered into between the Company and the Underwriter in respect of the underwriting arrangement for the Open Offer
“Underwritten Shares”	88,000,000 Offer Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%”	per cent.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if, prior to the Latest Time for Termination (provided that for the purposes of the termination clause of the Underwriting Agreement, if the date of the Latest Time for Termination shall be a business day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next business day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (a) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof, of a political, military, financial, economic, currency, market or other nature (whether or not of the same kind or nature with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
  - (iv) any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (vi) the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or



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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer.

The Underwriter shall be entitled by notice in writing to the Company to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

**Upon the giving of notice of termination, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease (without prejudice to the rights of any party in respect of antecedent breaches) provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Open Offer will not proceed.**

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## EXPECTED TIMETABLE

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The expected timetable for the Open Offer is set out below:

**2015**

Despatch of this Prospectus and the Application Form . . . . .	Tuesday, 28 April
Latest time for acceptance and payment for Offer Shares . . . . .	4:00 p.m. on Wednesday, 13 May
Latest Time for Termination . . . . .	4:00 p.m. on Monday, 18 May
Announcement of the results of the Open Offer . . . . .	Tuesday, 19 May
Despatch of certificates for the Offer Shares or refund cheques if the Open Offer is terminated . . . . .	Wednesday, 20 May
Dealings in the Offer Shares commence . . . . .	9:00 a.m. on Thursday, 21 May

All times and dates in this Prospectus refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified in the expected timetable above are indicative only and may be extended or varied by agreement between the Company and the Underwriter.

In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST ACCEPTANCE TIME**

The Latest Acceptance Time will not take place at 4:00 p.m. on Wednesday, 13 May 2015 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning. If such circumstances are:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 13 May 2015, the Latest Acceptance Time will not take place at 4:00 p.m. on 13 May 2015, but will be extended to 5:00 p.m. on the same day instead; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 13 May 2015, the Latest Acceptance Time will not take place on 13 May 2015, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Acceptance Time does not take place on 13 May 2015, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.



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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)**

*Executive Directors:*

Mr. Fei Jie (*Chairman*)

Mr. Fung Chi Kin

*Independent non-executive Directors:*

Mr. Cheung Siu Wah

Mr. Jim Yiu Ming

Mr. Sit Sai Hung, Billy

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Headquarter and principal*

*place of business in Hong Kong:*

Units 610–611

Tower Two, Lippo Centre

89 Queensway

Hong Kong

28 April 2015

*To the Qualifying Shareholders and, for information only,  
the Excluded Shareholders*

Dear Sir or Madam,

**OPEN OFFER ON THE BASIS OF  
ONE OFFER SHARE FOR EVERY TWO SHARES HELD  
ON RECORD DATE AT HK\$0.70 PER OFFER SHARE**

**INTRODUCTION**

On 31 March 2015, the Company announced that it proposed to raise approximately HK\$61.6 million before expenses by way of Open Offer on the basis of one Offer Share for every two existing Shares held on the Record Date at the Subscription Price of HK\$0.70 per Offer Share and payable in full upon application. No excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders, any Offer Shares created by aggregation of fractional Offer Shares and any Offer Shares which the Excluded Shareholders would otherwise have been entitled (if any) will be taken up by the Underwriter. The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

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## LETTER FROM THE BOARD

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The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Open Offer including the procedures for application and payment for the Offer Shares; (ii) the financial information of the Group; and (iii) the general information of the Group.

### THE OPEN OFFER

#### Issue statistics

Basis of the Open Offer:	One Offer Share for every two existing Shares held on the Record Date
Subscription Price:	HK\$0.70 per Offer Share with nominal value of HK\$0.10 each
Number of Shares in issue as at the Latest Practicable Date:	176,000,000 Shares
Number of Offer Shares:	88,000,000 Offer Shares (assuming no new Shares are allotted and issued on or before the Record Date)
	The aggregate nominal value of the Offer Shares will be HK\$8,800,000
Enlarged issued share capital of the Company upon completion of the Open Offer:	264,000,000 Shares
Underwriter:	Emperor Securities Limited
	To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
Funds raised before expenses:	HK\$61.6 million

The Open Offer is fully underwritten by the Underwriter pursuant to the Underwriting Agreement.

Assuming no new Shares (other than the Offer Shares) are allotted and issued on or before completion of the Open Offer, the aggregate number of the Offer Shares represents 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.33% of the Company's issued share capital as enlarged by the issue of the Offer Shares.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Board has not received any information from any substantial shareholders of the Company or the Directors of their intention to take up the Offer Shares or not.

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The Open Offer is not subject to any Shareholders' approval and the Offer Shares are not issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 12 May 2014.

### **Qualifying Shareholders**

To qualify for the Open Offer, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholding in the Company will be diluted.

### **Closure of register of members**

The register of members of the Company was closed from Thursday, 23 April 2015 to Monday, 27 April 2015, both days inclusive. No transfer of Shares was registered during this book closure period.

### **Subscription Price**

The Subscription Price of HK\$0.70 per Offer Share, payable in full upon acceptance of the relevant assured allotment under the Offer Shares, represents:

- (a) a discount of approximately 24.73% to the closing price of HK\$0.93 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 26.78% to the average closing price of HK\$0.956 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 26.62% to the average closing price of HK\$0.954 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;

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## LETTER FROM THE BOARD

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- (d) a discount of approximately 17.94% to the theoretical ex-entitlements price of HK\$0.85 per Share based on the closing price of HK\$0.853 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (e) a discount of approximately 13.58% to the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (f) a premium of approximately 410.95% over the net asset value per Share of approximately HK\$0.137 each based on the net asset value of the Group of approximately HK\$24.18 million as at 31 December 2014 and 176,000,000 Shares in issue as at the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. As the Offer Shares are offered to all Qualifying Shareholders, the Directors propose the Subscription Price at a level that can attract Qualifying Shareholders to participate in the Open Offer. The Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Offer Share after deducting the related expenses of the Open Offer will be approximately HK\$0.67.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Based on the register of members of the Company, the Company did not have any Overseas Shareholders as at the Record Date. Accordingly, there are no Excluded Shareholders under the Open Offer.

### **Basis of assured entitlement**

The basis of the assured entitlement will be one Offer Share for every two existing Shares held by Qualifying Shareholders at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for with 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 on or before the Latest Acceptance Time.

### **Fractions of the Offer Shares**

Entitlements to the Open Offer will be rounded down to the nearest whole number. No fractional entitlements to the Offer Shares will be offered to the Qualifying Shareholders. All such fractional entitlements will be aggregated and will be taken up by the Underwriter.

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## LETTER FROM THE BOARD

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### **Status of the Offer Shares**

The Offer Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the then existing Shares in issue on the date of allotment of the Offer Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

### **No application for excess Offer Shares**

The Board has decided that the Qualifying Shareholders will not be entitled to subscribe for any Offer Shares in excess of their respective assured entitlements. Given that each Qualifying Shareholder will be given equal and fair opportunity to participate in the Open Offer, the Board considers that it will put in additional effort and costs to administer the excess application procedures which are not cost-effective. Any Offer Shares not taken up by the Qualifying Shareholders, any Offer Shares created by aggregation of fractional Offer Shares and any Offer Shares which the Excluded Shareholders would otherwise have been entitled (if any) will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

### **Share certificates and refund cheques for the Open Offer**

Subject to the fulfillment or waiver (as applicable) of the conditions precedent of the Open Offer as set out in the paragraph headed "Conditions of the Open Offer" in this section below, share certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 20 May 2015. Each shareholder will receive one share certificate for all allotted Offer Shares. Refund cheques will be posted on or before Wednesday, 20 May 2015 by ordinary post to the applicants at their own risk if the Open Offer is terminated.

### **Odd lot arrangement**

There will be no odd lots arrangement in relation to and as a result of the Open Offer.

### **Application for listing**

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty (if any) in Hong Kong and any other applicable fees and charges in Hong Kong.

Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer 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.

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## LETTER FROM THE BOARD

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No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. The Offer Shares will have the same board lot size of 4,000 Shares per board lot.

### **Taxation**

Qualifying Shareholders are advised to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealings of the Offer Shares. It is emphasized that none of the Company, the Directors or any parties involved in the Open Offer accepts responsibility for any tax effect or liabilities of holders of the Offer Shares resulting from the purchase, holding or disposal of, or dealing of the Offer Shares.

### **UNDERWRITING AGREEMENT**

Date: 30 March 2015

Underwriter: Emperor Securities Limited

Total number of Offer Shares being underwritten by the Underwriter: The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Offer Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis

Being 88,000,000 Offer Shares (assuming no new Shares are allotted and issued on or before the Record Date), being all the Offer Shares under the Open Offer

Underwriting commission: The Underwriter will receive a commission in respect of its underwriting of the Open Offer at 2% of the aggregate Subscription Price in respect of the Underwritten Shares pursuant to the Underwriting Agreement

The underwriting commission was determined after arm's length negotiations between the Company and the Underwriter with reference to the existing financial position of the Company, the size of the Open Offer, the current and expected market conditions and prevailing market rate. The Board considers that the terms of the Underwriting Agreement and the underwriting commission are fair and reasonable and in the interests of the Company and Shareholders as a whole.



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## LETTER FROM THE BOARD

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### Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if, prior to the Latest Time for Termination:

- (a) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof, of a political, military, financial, economic, currency, market or other nature (whether or not of the same kind or nature with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
  - (iv) any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
  - (vi) the commencement by any third party of any litigation or claim against any member of the Group which is or might be material to the Group taken as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong

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## LETTER FROM THE BOARD

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Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or

- (c) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to apply for its assured entitlements of Offer Shares under the Open Offer.

The Underwriter shall be entitled by notice in writing to the Company to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (ii) any Specified Event comes to the knowledge of the Underwriter.

**Upon the giving of notice of termination, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease (without prejudice to the rights of any party in respect of antecedent breaches) provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Open Offer will not proceed.**

### Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares by no later than the Prospectus Posting Date;
- (ii) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (iii) the filing and registration of the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;

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## LETTER FROM THE BOARD

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- (iv) the posting of the Prospectus Documents to Qualifying Shareholders and a letter in the agreed form to the Excluded Shareholders (if applicable) on or before the Prospectus Posting Date;
- (v) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and
- (vi) no Specified Event having occurred prior to the Latest Time for Termination.

The Company shall use all reasonable endeavours to procure the fulfilment of the above conditions by the Latest Acceptance Date and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the fulfilment of all the above conditions.

The above conditions set out in paragraphs (i), (iii) and (iv) are incapable of being waived by the Underwriter and the Company. The Underwriter may waive the conditions set out in paragraphs (ii), (v) and (vi) in whole or in part by written notice to the Company. If the above conditions are not satisfied and/or waived in whole or in part by the Latest Acceptance Date (or such later date or dates as the Underwriter and the Company may agree in writing) and/or the above conditions set out in paragraphs (ii), (v) and (vi) do not remain fulfilled (unless waived by the Underwriter) up to the Latest Time for Termination, the Underwriting Agreement shall terminate (save in respect of the provisions in relation to indemnity, notices and governing law and any rights or obligations which may accrue under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for costs, damages, compensation or otherwise and the Open Offer will not proceed.

### PROCEDURES FOR APPLICATION

The Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Qualifying Shareholders should note that they may subscribe for any number of Offer Shares only up to the number set out in the Application Form.

If Qualifying Shareholders wish to exercise his/her/its rights to subscribe for all the Offer Shares offered to them as specified in the Application Form or to exercise his/her/its rights to subscribe for any number less than their entitlements under the Open Offer, they must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Shares they have subscribed for with Tricor Investor Services Limited, the branch share register of the Company in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Wednesday, 13 May 2015. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Powerwell Pacific Holdings Limited — Open Offer Account" and crossed "Account Payee Only".

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## LETTER FROM THE BOARD

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It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with Tricor Investor Services Limited, by not later than 4:00 p.m. on Wednesday, 13 May 2015 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed “Expected timetable” in this Prospectus), the relevant assured allotment of Offer Shares and all rights and entitlements in relation thereto shall be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if you wish to accept the whole or part of your assured entitlement. All cheques or cashier orders accompanying completed Application Form will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or cashier order, will constitute a warranty by the applicant that the cheque and/or cashier order will be honoured on first presentation. Any application in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed “Account Payee Only”, through ordinary post at the risk of the applicant(s) to the address specified in the register of members of the Company on or before Wednesday, 20 May 2015.

No action has been taken to permit the offering of the Offer Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus or the Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Prospectus Documents outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before subscribing for the assured allotted Offer Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Offer Shares will be accepted from any person who is an Excluded Shareholder.

The Company will not allot any fractions of the Offer Shares.

The Application Form is for use only by the person(s) named therein and is not transferable.

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## LETTER FROM THE BOARD

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No receipt will be issued in respect of any application monies received.

### WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and Underwriter not having terminated the Underwriting Agreement on or before the Latest Time for Termination. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Tuesday, 21 April 2015 and that dealing in the Shares have taken place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other persons dealing in the Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be on 4:00 p.m. on Monday, 18 May 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing the Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

### EFFECTS OF THE OPEN OFFER ON SHAREHOLDINGS IN THE COMPANY

The changes in the shareholding structure of the Company arising from the Open Offer are as follows (assuming no new Shares (other than the Offer Shares) are allotted and issued on or before completion of the Open Offer):

	As at the Latest Practicable Date		Immediately after completion of the Open Offer (assuming all Offer Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Open Offer (assuming none of the Offer Shares are taken up by the Qualifying Shareholders)	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
King Full Inc Limited ( <i>note 1</i> )	105,980,000	60.22	158,970,000	60.22	105,980,000	40.14
Underwriter ( <i>notes 2, 3 &amp; 4</i> )	—	—	—	—	88,000,000	33.33
Public Shareholder	<u>70,020,000</u>	<u>39.78</u>	<u>105,030,000</u>	<u>39.78</u>	<u>70,020,000</u>	<u>26.53</u>
	<u>176,000,000</u>	<u>100.00</u>	<u>264,000,000</u>	<u>100.00</u>	<u>264,000,000</u>	<u>100.00</u>

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*Notes:*

1. King Full Inc Limited is wholly and beneficially owned by Fei Jie, who is an executive Director.
2. This scenario is for illustration purpose only. Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in it and parties acting in concert with it (within the meaning of the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”)) to own 30% or more of the voting rights of the Company upon completion of the Open Offer; and the Underwriter shall use its best endeavours to ensure that each of the sub-underwriters and independent placees and/or subscribers procured by any of them shall be third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or substantial Shareholders or their respective close associates.
3. In the event that there is insufficient public float of the Company within the meaning of the GEM Listing Rules immediately upon completion of the Open Offer solely because of the Underwriter’s performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 11.23(7) of the GEM Listing Rules, such as procuring independent subscribers to take up the Underwritten Shares provided that each of them will not be interested in 10% or more of the total issued share capital of the Company immediately after completion of the Open Offer.
4. The Underwriter has confirmed that it has entered into a sub-underwriting agreement with an independent sub-underwriter in respect of 12,000,000 Underwritten Shares whose ordinary business does not include underwriting.

### **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The Group is principally engaged in the business of providing sourcing and procurement solutions to customers who are mainly brand owners and importers.

As announced by the Company on 9 December 2014 and 27 February 2015, the Company has acquired 51% indirect equity interest in 浙江通銀貴金屬經營有限公司 (for identification purpose, Zhejiang Tong Yin Precious Metal Operation Company Limited), which is principally engaged in retail of luxury brand silverware and silver utensils in the PRC.

The gross proceeds of the Open Offer will be HK\$61.6 million before expenses. The estimated net proceeds of the Open Offer will be approximately HK\$59.3 million. The Company intends to apply such net proceeds from the Open Offer for financing future investment activities if and when suitable opportunities arise and business development and working capital requirement of the Group. The net price per Offer Share after deducting the related expenses of the Open Offer will be approximately HK\$0.67.

The Board considers that the Open Offer is in the best interests of both the Company and the Shareholders as it provides an equitable means for the Qualifying Shareholders to participate in the future development of the Company and the opportunity to maintain their respective shareholding interests. Furthermore, the Open Offer will enable the Group to

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## LETTER FROM THE BOARD

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strengthen the capital base of the Company and to enhance its financial position. Accordingly, the Board considers that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole.

### **FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS**

As disclosed in the announcements of the Company dated 13 March 2015 and 24 March 2015, the Company entered into a placing agreement with the placing agent in relation to the placing of bonds up to the maximum principal amount of HK\$50,000,000 for financing future investment activities if and when suitable opportunities arise and business development and working capital requirement of the Group. The placing agreement lapsed on 24 March 2014 and the placing did not proceed.

Save as disclosed above, the Company has not conducted any equity fund raising exercise in the past 12 months immediately prior to the Latest Practicable Date.

### **RISK FACTORS**

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group which includes, but does not limit to, the following:

#### **Business risk relating to the Group**

The Group is principally engaged in the businesses of sourcing watches, display and packaging products and costume jewelries in the PRC. Sourcing and procurement is a fragmented industry and the entry barrier to the business of providing sourcing and procurement solutions is considered low. The Group's competitive edge may therefore be eroded in circumstances when other sourcing business operators are able to match the Group's qualities or provide similar businesses but undercut the Group on pricing. There is also no territorial limitation on where the sourcing and procurement solutions may be provided from. The Group's competitors may choose to work from lower costs areas where labour and living costs are much lower than those in Hong Kong and the PRC.

As a result of the rapid economic growth in the PRC and the increase in demand for labour in the Pearl River Delta region, factories in the Pearl River Delta region have been facing increasing labour cost in recent years. The Group's contract manufacturers may shift their burden on increase of raw materials, components and labour costs to the Group in its outsourcing contracts. The increases in raw materials, components and labour cost will materially affect the Group's profitability, financial condition, results of operations and prospects.

#### **Financial risks relating to the Group**

The Group's activities expose it to a variety of financial risks including but not limited to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the

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unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not use derivative financial instruments to hedge its risk exposures.

**(a) Market risk**

*(i) Foreign currency risk*

The Group's assets, liabilities and transactions are principally denominated in United States dollars, Renminbi and Hong Kong dollars, which are also the functional currency of the Group's entities to which these balances related.

*(ii) Interest rate risk*

The Group's interest rate risk mainly arises from the secured loan which is arranged at floating rate.

**(b) Credit risk**

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

In order to minimise the credit risk, the management of the Group has formulated a credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Credit risk on bank balances is limited because the counterparties are reputable banks.

**(c) Liquidity risk**

The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

The liquidity policies have been followed by the Group since prior years and considered by the Directors to have been effective in managing liquidity risks.

**Risks related to politics, economics and regulations**

The business operations of the Group are primarily based in the PRC. Accordingly, the Group's operating results, financial position and prospects could be adversely affected by economic, political and legal developments in the PRC. If there is any material adverse change in the general economic, political and legal developments in the PRC, the Group's operations and financial position may be adversely affected.



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### **Risks relating to the Share price**

The price and trading volume of the Shares will be determined by the market and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in the PRC or Hong Kong could cause the market price of the Shares to change substantially.

### **Risk relating to the Open Offer**

Under the Underwriting Agreement, the Underwriter is entitled to terminate its obligations by giving notice in writing to the Company upon the occurrence of any of the events stated in the section headed "Termination of the Underwriting Agreement" and the paragraph headed "Termination of the underwriting Agreement" under the section headed "Underwriting Agreement" in this Prospectus on or before the Latest Time for Termination.

Should the Open Offer proceed as intended, the interest of the existing Shareholders in the Company will be diluted if they do not or cannot, as the case may be, subscribe for the Offer Shares which they are entitled to.

### **Additional Risk**

Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or otherwise deemed immaterial by the Directors as at the Latest Practicable Date, may also adversely affect the Group's business, operating results and financial condition in a material aspect.

### **ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information of the Group set out in the appendices to this Prospectus.

By Order of the Board of  
**Powerwell Pacific Holdings Limited**  
**Fei Jie**  
*Chairman*

**FINANCIAL INFORMATION INCORPORATED BY REFERENCE**

The audited consolidated financial statements of the Group for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014, including the notes thereto, have been published in the annual reports of the Company for the years ended 31 December 2012 (pages 40 to 46), 31 December 2013 (pages 37 to 43), and 31 December 2014 (pages 39 to 46), which are available on the Company's website at [www.hklistco.com/8265](http://www.hklistco.com/8265) and the GEM website at [www.hkgem.com](http://www.hkgem.com), with the hyperlinks as follows:

- the annual report of the Company for the year ended 31 December 2012 published on 25 March 2013 (pages 40 to 46) (<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0325/GLN20130325007.pdf>)
- the annual report of the Company for the year ended 31 December 2013 published on 31 March 2014 (pages 37 to 43) (<http://www.hkexnews.hk/listedco/listconews/GEM/2014/0331/GLN20140331039.pdf>)
- the annual report of the Company for the year ended 31 December 2014 published on 26 March 2015 (pages 39 to 46) (<http://www.hkexnews.hk/listedco/listconews/GEM/2015/0326/GLN20150326005.pdf>)

**FINANCIAL AND TRADING PROSPECT OF THE GROUP****Silverware and Silver Utensils Business**

The acquisition of 51% indirect equity interest in 浙江通銀貴金屬經營有限公司 (for identification purpose, Zhejiang Tong Yin Precious Metal Operation Company Limited) ("Tong Yin") was completed in February 2015 as announced by the Company on 27 February 2015. The acquisition earmarks an important strategic step of the Group to successfully expand its business. The Group will step up expansion activities to increase the number of retail shops of Tong Yin at selected prime shopping and tourist locations in Zhejiang Province, the PRC aiming to strengthen the performance of this new business and contributions to the Group steadily. Looking ahead the PRC's economy is expected to maintain a relatively stable growth only while change of consumer sentiment from time to time with the ups and downs of the economy will pose challenges to the PRC retailers. However, with continual rising of the living standard of the middle class in the PRC and the quality and competing edge of the unique products provided by Tong Yin in the market, the Directors are optimistic about the long term prospects of Tong Yin's business

**Sourcing Business**

While the watch sourcing business demonstrated improvement in the year ended 31 December 2014, the market condition of the sourcing business remained mixed and uncertain. The Company shall remain cautious on cost control and to uphold quality assurance of products in order to remain competitive for its valuable customers in our watch business. It is also the Company's ongoing objective to develop business with new

brand customers and enhance existing business relationship to stimulate growth and continue to maintain the overall costing level until signs of recovery is noticed in display and packaging products.

#### **STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 March 2015, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this Prospectus, the Group had outstanding secured loan from a third party of approximately HK\$15.1 million and unsecured advance from controlling shareholder of approximately HK\$5.4 million. The secured loan is secured by the share charge in respect of the entire issued share capital of a wholly owned subsidiary of the Company.

Save as aforesaid and apart from the intra-group liabilities, the Group did not have, at the close of business on 31 March 2015, any outstanding borrowings, mortgages, charges, debentures, loan capital or overdraft, debt securities or other similar indebtedness, finance leases or hire-purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities.

#### **CONTINGENT LIABILITIES**

As at close of business on 31 March 2015, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this Prospectus, the Directors have confirmed that there has been no material contingent liabilities outstanding.

Save as disclosed above, the Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 March 2015.

#### **WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account of the net proceeds from the Open Offer and the internal resources of the Group, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of publication of this Prospectus.

#### **MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated accounts of the Group were made up, as at the Latest Practicable Date.

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared by the directors of the Company in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules to illustrate the effect of the Open Offer on the basis of one Offer Share for every two existing Shares held on the Record Date at the Subscription Price of HK\$0.7 per Offer Share on the consolidated net tangible assets of the Group as if the Open Offer had taken place on 31 December 2014.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited net assets of the Group attributable to owners of the Company as at 31 December 2014, as extracted from the published annual report of the Company for the year ended 31 December 2014 and is adjusted for the effect of the Open Offer.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not reflect the true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Open Offer.

**Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group**

	<b>Audited consolidated net tangible assets of the Group as at 31 December 2014</b>	<b>Estimated net proceeds from the Open Offer</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group after the Open Offer</b>	<b>Consolidated net tangible assets of the Group per Share as at 31 December 2014</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share after the Open Offer</b>
	<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i> <i>(Note 3)</i>	<i>HK\$'000</i>	<i>HK\$</i> <i>(Note 4)</i>	<i>HK\$</i> <i>(Note 5)</i>
Issue of Offer Shares based on 88,000,000 Offer Shares at the subscription price of HK\$0.7 per Offer Share <i>(Note 1)</i>	24,177	59,300	83,477	0.161	0.351

*Notes:*

1. The issue of 88,000,000 Offer Shares is calculated on the basis of one Offer Share for every two existing Shares held on the Record Date. It is based on 176,000,000 Shares in issue at the Latest Practicable Date which comprise 150,000,000 Shares in issue as at 31 December 2014 and 26,000,000 Consideration Shares (as defined in note 6) issued.
2. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 are based on audited consolidated net assets of the Group as extracted from the published annual report of the Company for the year ended 31 December 2014.
3. The estimated net proceeds from the Open Offer are based on 88,000,000 Offer Shares to be issued at the Subscription Price of HK\$0.7 per Offer Share and after deduction of the estimated related expenses including financial advisory fee, underwriting commission and other professional fees which are directly attributable to the Open Offer of approximately HK\$2,300,000.
4. The calculation of consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 31 December 2014 is based on 150,000,000 Shares in issue as at 31 December 2014.
5. The unaudited pro forma adjusted consolidated net tangible assets per Share immediately following the completion of the Open Offer is calculated based on 238,000,000 Shares which comprise 150,000,000 Shares in issue as at 31 December 2014 and 88,000,000 Offer Shares expected to be issued on completion of the Open Offer as if the Open Offer had been completed on 31 December 2014.
6. On 27 February 2015, the Company acquired the entire issued share capital in and shareholder's loan due by Core Kingdom Limited ("Core Kingdom", together with its subsidiaries referred to as the "Core Kingdom Group"), which indirectly owns 51% equity interest in 浙江通銀貴金屬經營有限公司 (for identification purpose, Zhejiang Tong Yin Precious Metal Operation Company Limited), (the "Acquisition") at the consideration of HK\$36,000,000 which was satisfied as to HK\$31,200,000 by the allotment and issue of 26,000,000 new shares (the "Consideration Shares") of the Company and HK\$4,800,000 in cash. For details of the Acquisition, please refer to the Company's announcements dated 9 December 2014 and 27 February 2015.
7. No adjustment has been made to the unaudited pro forma adjusted net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2014.

**(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report, prepared for inclusion in this prospectus, received from the independent reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, in relation to the Group's unaudited pro forma financial information.*



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28 April 2015

The Board of Directors  
Powerwell Pacific Holdings Limited

Dear Sirs,

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Powerwell Pacific Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2014 and the related notes (the "Unaudited Pro Forma Financial Information") as set out in Section A of Appendix II to the prospectus of the Company dated 28 April 2015 (the "Prospectus"). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are set out in Section A of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the proposed open offer on the basis of one offer share for every two existing shares held by the qualifying shareholders of the Company (the "Open Offer") on the Group's consolidated net tangible assets attributable to the owners of the Company as at 31 December 2014 as if the Open Offer had taken place at 31 December 2014. As part of this process, information about the Group's financial position as at 31 December 2014 has been extracted by the directors of the Company from the Group's audited consolidated financial statements for the year ended 31 December 2014, on which an audit report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Open Offer on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

**BDO Limited**  
*Certified Public Accountants*  
Hong Kong



**RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, include 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 Prospectus 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 Prospectus misleading.

**SHARE CAPITAL**

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer are as follows:

**(a) Share capital as at the Latest Practicable Date:**

<b>Authorised</b>	<i>HK\$</i>
<u>1,000,000,000</u> Shares	<u>100,000,000.00</u>
<b>Issued and fully paid</b>	
<u>176,000,000</u> Shares	<u>17,600,000.00</u>

**(b) Share capital immediately upon the completion of the Open Offer:**

<b>Authorised</b>	<i>HK\$</i>
<u>1,000,000,000</u> Shares	<u>100,000,000.00</u>
<b>Issued and fully paid</b>	
176,000,000 Shares	17,600,000.00
<u>88,000,000</u>	<u>8,800,000.00</u>
264,000,000	26,400,000.00
<u>Shares following the completion of the Open Offer</u>	<u>26,400,000.00</u>

**DISCLOSURE OF INTERESTS****(a) Directors and Chief Executive of the Company**

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, were as follows:

<b>Name of Director</b>	<b>Capacity</b>	<b>Long position/ short position</b>	<b>Number of Shares held</b>	<b>Approximate percentage of the issued share capital of the Company (%)</b>
Fei Jie ( <i>Note</i> )	Corporate interest	Long position	105,980,000	60.22

*Note:* These Shares are held by King Full Inc Limited, which is a company wholly and beneficially owned by Fei Jie, an executive Director.

**(b) Substantial Shareholders**

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, no other persons had an interest or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who is expected, directly or indirectly, to be interested in 5% or more of the

nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital:

Name of Shareholder	Capacity/ Nature of interests	Long position/ short position	Number of Shares held	Approximate percentage of the issued share capital of the Company (%)
King Full Inc Limited (Note 1)	Beneficial owner	Long position	105,980,000	60.22
Wu Wen (Note 2)	Interest of spouse	Long position	105,980,000	60.22
Emperor Securities Limited (Note 3)	Beneficial Owner	Long Position	88,000,000	33.33 (Note 4)
Emperor Capital Group Limited (Note 3)	Interest in controlled corporation	Long Position	88,000,000	33.33 (Note 4)
Albert Yeung Holdings Limited (Note 3)	Interest in controlled corporation	Long Position	88,000,000	33.33 (Note 4)
STC International Limited (Note 3)	Trustee	Long Position	88,000,000	33.33 (Note 4)
Dr. Yeung Sau Shing, Albert (Note 3)	Founder of discretionary trust	Long Position	88,000,000	33.33 (Note 4)
Ms. Luk Siu Man, Semon (Note 3)	Interest of spouse	Long Position	88,000,000	33.33 (Note 4)
Chow Tsi Tung	Beneficial owner	Long position	17,308,000	9.83

*Notes:*

1. The entire issued share capital of King Full Inc Limited is wholly and beneficially owned by Fei Jie. By virtue of the SFO, Fei Jie is deemed to be interested in these 105,980,000 Shares held by King Full Inc Limited.
2. The Shares are held by King Full Inc Limited, the entire issued share capital of which is owned by Fei Jie, the spouse of Wu Wen. Accordingly, Wu Wen is deemed to be interested in these 105,980,000 Shares by virtue of the SFO.
3. Emperor Securities Limited is interested in these Offer Shares by virtue of the Underwriting Agreement. Emperor Securities Limited is an indirect wholly-owned subsidiary of Emperor Capital Group Limited, the shares of which are listed on the Stock Exchange. 67.38% of the shares of Emperor Capital Group Limited are held by Emperor Capital Group Holdings Limited. The entire issued share capital of Emperor Capital Group Holdings Limited is held by Albert Yeung Holdings Limited, which in turn is held by STC International Limited on trust for The Albert Yeung Discretionary Trust (the "AY Trust"). Dr. Yeung Sau Shing, Albert, are deemed to be interested in the 88,000,000 Offer Shares for the purpose of the SFO.
4. The percentage of shareholding in the Company is calculated with reference to the number of Shares to be in issued immediately after completion of the Open Offer assuming no issue of new Shares on or before the Record Date.

**DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the date of this Prospectus and which was significant in relation to the business of the Group.

None of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, being the date to which the latest published audited consolidated accounts of the Group were made up.

**COMPETING INTEREST**

So far as the Directors are aware, as at the Latest Practicable Date, none of the Directors nor their respective close associates had any business or interest that competes or may compete with the business of the Group or any other conflicts of interest with the Group.

**LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

**SERVICE CONTRACTS**

As at the Latest Practicable Date, no Director had any existing or proposed service contracts with any member of the Group which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

**EXPERT AND CONSENT**

The following is the qualification of the expert who has been named in this Prospectus or has given opinion, which is contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
BDO Limited	Certified Public Accountants

BDO Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report and the references to its name in the form and context in which they are included in the Prospectus.

As at the Latest Practicable Date, BDO Limited did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

**MATERIAL CONTRACTS**

The following material contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this Prospectus:

- a. the sale and purchase agreement dated 27 June 2014 entered into between the Company and Golden Business Development Limited, a company incorporated in the BVI, in relation to the Company disposes the entire issued share capital of, and the benefits of loans advanced to, Goldnet Holdings Group Limited, a company incorporated in Hong Kong, to Golden Business Development Limited;
- b. the sale and purchase agreement dated 27 June 2014 entered into between the Company and Golden Business Development Limited, a company incorporated in the BVI, in relation to the Company disposes the entire issued share capital of, and the benefits of loans advanced to, Goldnet Holdings Group Limited, a company incorporated in the BVI, to Golden Business Development Limited;
- c. the sale and purchase agreement dated 8 December 2014 entered into between the Company and Mr. Chow Tsi Tung in relation to the acquisition of entire share capital and shareholder's loan due by Core Kingdom Limited, which indirectly owns 51% equity interest in 浙江通銀貴金屬經營有限公司, a company engages in retail of luxury brand silverware and silver utensils in the PRC, by the Company;
- d. the placing agreement dated 13 March 2015 entered into between the Company and SBI China Capital Financial Services Limited in relation to a bond placing up to the maximum principal amount of HK\$50,000,000, which lapsed on 24 March 2015 and the placing did not proceed; and
- e. the Underwriting Agreement.

Save as disclosed above, no material contract has been entered into by the Group within the two years immediately preceding the date of this Prospectus.

**CORPORATE INFORMATION, DIRECTORS AND PARTIES INVOLVED IN THE OPEN OFFER****Directors***Executive Directors*

<b>Name</b>	<b>Address</b>
Mr. FEI Jie ( <i>Chairman</i> )	Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong
Mr. FUNG Chi Kin	Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong

*Independent non-executive Directors*

<b>Name</b>	<b>Address</b>
Mr. CHEUNG Siu Wah	Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong
Mr. JIM Yiu Ming	Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong
Mr. SIT Sai Hung, Billy	Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong

**Corporate information and other parties involved in the Open Offer**

Registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Headquarter and principal place of business in Hong Kong	Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong
Company secretary	Mr. CHAN Kwong Leung, Eric
Compliance officer	Mr. FUNG Chi Kin
Authorised representatives	Mr. FEI Jie Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong  Mr. CHAN Kwong Leung, Eric Units 610–611 Tower Two, Lippo Centre 89 Queensway Hong Kong
Principal share registrar and transfer office in Bermuda	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM 08, Bermuda
Branch share registrar and transfer office in Hong Kong	Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong
Principal banker	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong
Reporting accountants and auditors	BDO Limited 25th Floor Wing On Centre 111 Connaught Road Central Hong Kong

Legal advisers to the Company in relation to the Open Offer	<i>As to Hong Kong Law</i> Vincent T.K. Cheung, Yap & Co. 11/F, Central Building 1–3 Pedder Street, Central Hong Kong
Underwriter	Emperor Securities Limited 23–24/F, Emperor Group Centre 288 Hennessy Road Wanchai, Hong Kong
Financial adviser to the Company	Emperor Capital Limited 28/F, Emperor Group Centre 288 Hennessy Road Wanchai, Hong Kong

## EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges, registration and other related expenses, are estimated to be approximately HK\$2.3 million and are payable by the Company.

## PARTICULARS OF DIRECTORS AND COMPANY SECRETARY

### Executive Directors

**Mr. Fei Jie (“Mr. Fei”)**, aged 35, was appointed as an Executive Director on 2 September 2014 and appointed as the Chairman of the Board on 22 September 2014. He has over 10 years of experience in management level positions from deputy manager to chairman of the board in several companies located in Zhejiang province, PRC, two of which are mining related companies.

**Mr. Fung Chi Kin (“Mr. Fung”)**, aged 65, was appointed as an Executive Director and compliance officer of the Company on 22 September 2014. Mr. Fung is also a director of a number of the Company’s subsidiaries. He is the Honorary Permanent President of The Chinese Gold & Silver Exchange Society, the International Advisor of Shanghai Gold Exchange and Director of Fung Chi Kin Consulting Limited. Mr. Fung has over 30 years of experience in banking and finance. Prior to his retirement, he was the Director and Deputy General Manager of Po Sang Bank Limited (merged into Bank of China (Hong Kong) Limited in 2001), Managing Director of BOCI Securities Limited and Chief Administration Officer of BOC International Holdings Limited. From October 1998 to June 2000, Mr. Fung served as a Council Member of the First Legislative Council of the HKSAR. He also held offices in various public organisations and was the Vice Chairman of The Stock Exchange of Hong Kong Limited, Director of the Hong Kong Futures Exchange Limited, Director of Hong Kong Securities Clearing Company Limited and Hong Kong Affairs Advisor. Mr. Fung has been an independent non-executive director of Chaoda Modern



Agriculture (Holdings) Limited (stock code: 682) since 2003 and was an independent non-executive director of New Times Energy Corporation Limited (stock code: 166) from 2006 to 2012.

#### **Independent non-executive Directors**

**Mr. Cheung Siu Wah (“Mr. Cheung”)**, aged 49, was appointed as an Independent Non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee on 22 September 2014. He is the Associate Member of the Institute of Chartered Secretaries and Administrators, obtained the Honours Diploma of Company Secretary and Administration at Lingnan College in 1991. Mr. Cheung held senior management positions in various multinational companies and has been working in the management, finance, accounting and administration sectors for over 24 years.

**Mr. Jim Yiu Ming (“Mr. Jim”)**, aged 48, was appointed as an Independent Non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee on 22 September 2014. Mr. Jim is a practicing solicitor in Hong Kong and is the founding partner of Jim & Co., Solicitors. He obtained the Degree of Bachelor of Laws at The University of Hong Kong in 1989 and completed the Postgraduate Certificate in Laws at The University of Hong Kong in 1991.

**Mr. Sit Sai Hung, Billy (“Mr. Sit”)**, aged 58, was appointed as an Independent Non-executive Director, the chairman of each of the Audit Committee and Remuneration Committee and a member of the Nomination Committee on 22 September 2014. He obtained the Degree of Bachelor of Social Science at The Chinese University of Hong Kong in 1981, the Diploma in Surveying at The College of Estate Management in 1996 and the Degree of Master of Law at The University of Beijing in 2002. Mr. Sit also completed the Merchant Bank Program at the School of Business Administration of The University of Washington in 1994. Mr. Sit has been working in the banking and financial related sector for more than 30 years.

#### **Company Secretary**

**Mr. Chan Kwong Leung, Eric** was appointed as the company secretary of the Company on 22 September 2014. He is an associate member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.

#### **AUDIT COMMITTEE**

As at the Latest Practicable Date, the audit committee of the Company comprises three members, namely, Mr. Sit Sai Hung, Billy (chairman), Mr. Cheung Siu Wah and Mr. Jim Yiu Ming, all being independent non-executive Directors. The primary duties of the audit committee includes:

- (a) monitoring and ensuring a proper relationship with the Company’s auditor;

- (b) the reviewing the Group's quarterly, interim and annual reports with focus on compliance with applicable accounting standards, the GEM Listing Rules and legal requirements in relation to financial reporting before submission to the Board; and
- (c) the overseeing the Company's financial reporting system and internal control procedures.

Biographical details of the members of the audit committee of the Company are set out under the section headed "Particulars of Directors and Company Secretary" in this appendix.

#### **DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents and the consent letter referred to in the paragraph headed "Expert and consent" in this Appendix has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Units 610–611, Tower Two, Lippo Centre, 89 Queensway, Hong Kong for a period of 14 days from the date of this Prospectus:

- a. the memorandum of association and bye-laws of the Company;
- b. the material contracts referred to in the paragraph headed "Material contracts" in this Appendix;
- c. the annual reports of the Group for the financial years ended 31 December 2012, 2013 and 2014;
- d. the report from BDO Limited regarding the unaudited pro forma financial information on the Group as set out in Section B of Appendix II to this Prospectus;
- e. the written consent referred to in the paragraph headed "Expert and consent" in this Appendix; and
- f. the Prospectus Documents.

#### **BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such

documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

### **MISCELLANEOUS**

As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside of Hong Kong. Save and except for Renminbi, the Group has no exposure to foreign exchange liabilities. The Group will have sufficient foreign exchange, generated from the operation of its subsidiaries to pay forecasted or planned dividends and to meet its foreign exchange liabilities as they become due.

The English texts of this Prospectus and the Application Form shall prevail over their respective Chinese texts.