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AURUM PACIFIC (CHINA) GROUP LIMITED

奧栢中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8148)

DISCLOSEABLE TRANSACTION ACQUISITION OF VIVA STAR INTERNATIONAL LIMITED

On 11 May 2016 after trading hours, the Purchaser and the Vendor entered into the Agreement pursuant to which the Purchaser has agreed to acquire the Sale Shares and the Sale Loan in the Target at the total consideration of approximately HK\$26.97 million (calculated based on the unaudited financial statements of the Target as at 31 March 2016) to be settled by cash.

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

THE AGREEMENT

Date: 11 May 2016

Parties:

1. Mr. Chiu Ngai Hung as Vendor; and
2. Lead Billion Enterprises Limited as Purchaser.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Under the Agreement, the Purchaser has agreed to acquire (i) 50,000 ordinary shares of US\$1.00 each in the Target which represents the entire issued share capital of the Target and (ii) the entire loan amount owing from the Target to the Vendor as at Completion.

Consideration

The Consideration shall be calculated according to the following formula :

$$\text{Consideration} = \text{HK\$49,484,370} + \text{Sum X} - \text{Sum Y}$$

Where Sum X means the aggregate amount of, among others, all refundable deposits and cash held by the Target as at the date of Completion and Sum Y means all liabilities of the Target as at the date of Completion including the existing mortgage/charge on the Property but excluding the Sale Loan as at the date of Completion.

According to the unaudited financial statements of the Target as at 31 March 2016, Sum X was nil and Sum Y was approximately HK\$22,517,140. Hence the Consideration calculated based on such sums was approximately HK\$26,967,230.

The Consideration shall be paid to the Vendor by the Purchaser in the following manner :

- (a) HK\$5,000,000 as initial deposit and part payment already paid prior to the signing of the Agreement;
- (b) HK\$5,000,000 as further deposit and part payment to be paid in cash within 10 business days from the date of signing of the Agreement;
- (c) The balance to be paid by cash to the Vendor within 30 days after Completion.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the preliminary valuation of the Property by ROMA Appraisals Limited, an independent professional valuer, of approximately HK\$44,000,000 using market approach.

Conditions precedent

Completion of the Agreement is conditional upon the followings :

- (a) the Vendor having shown and proved that the Company has a good title to the Property and can give a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);
- (b) there having been no outstanding notices, orders, complaints or requirements issued by any governmental body, authority or department, the manager or the owner's committee of the building, or the owner or occupier of any adjoining or neighbouring property to the Company in respect of the Property or the building of which the Property forms part or any part or parts thereof or requiring compliance with the terms of the government lease in respect of the Property;
- (c) the Company having no liabilities or indebtedness (whether actual or contingent) as at Completion other than the Sale Loan and the existing mortgage over the Property;
- (d) there having been no breach of the warranties in the Agreement;
- (e) satisfactory completion by the Purchaser of legal, financial and other due diligence on various aspects of the Company before Completion;
- (f) The Vendor having delivered to the Purchaser all title deeds and documents in respect of the Property including all tenancy agreements;
- (g) there having been no breach of any terms and conditions in the existing mortgage and relevant loan documents on the part of the Company as a result of the transactions contemplated under this Agreement;
- (h) there having been no objection or demand for repayment of existing mortgage upon Completion;
- (i) the Company having obtained (where applicable) the approval of its shareholders relating to this Agreement and the transactions contemplated hereunder as required by the GEM Listing Rules; and
- (j) the Purchaser and the Company having complied with and to the satisfaction of The Stock Exchange all requirements under the GEM Listing Rules in relation to the Agreement and the transactions contemplated thereunder.

If the above conditions have not been satisfied (or waived by the Purchaser in respect of conditions (a) to (h)) on or before 31 May 2016 or such later date as the Vendor and the Purchaser may agree in writing, the Agreement shall cease and determine and the Vendor shall forthwith return all the deposits paid under the Agreement to the Purchaser in full and neither party shall have any obligations and liabilities towards each other save for any antecedent claims.

Completion

Completion shall take place on or before 31 May 2016 or such other date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Target will become a wholly owned subsidiary of the Company whose financial results and position will be consolidated into the financial statements of the Company.

INFORMATION ON THE TARGET

The Target is a limited company incorporated in the British Virgin Islands whose principal activity is property holding. The only substantial asset of the Target is the Property.

Set out below is the financial information of the Target extracted from its unaudited management accounts for the period from 13 February 2015 (incorporation date) to 31 March 2015 and year ended 31 March 2016 :

	For the period from 13 February 2015 (incorporation date) to 31 March 2015 <i>HK\$'000</i>	For the year ended 31 March 2016 <i>HK\$'000</i>
Loss before taxation	0	1,785
Loss after taxation	0	1,785
Net assets/(liabilities)	388	(1,398)

Information on the Property

The Property is a commercial premises situated at Wanchai, Hong Kong with a saleable area of approximately 2,180 square feet. The Property is subject to a tenancy to which a wholly owned subsidiary of the Company is the tenant. The Property is currently occupied by the Group and is undergoing internal decoration. The Property is subject to an existing mortgage/charge in favor of certain financial institutions.

REASONS FOR THE ACQUISITION

The Group is principally engaged in (i) developing and marketing of the patented server based technology and the provision of communications software platform and software related services with primary focus in the government industry sector; (ii) the provision of website development, education and communications software platform which focuses on the development of syllabus and contents for Chinese Language teaching and learning in primary and secondary schools and enterprises; (iii) the provision of software platform such as the custom-made software development services including urban grid management system, internet marketing and other projects; and (iv) money lending business.

The Property is intended to be used as the head office for the Group in Hong Kong. The Acquisition will enlarge the fixed asset base and reduce the administrative expenses of the Group. The Directors are of the view that the terms and conditions of the Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares and Sale Loan pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 11 May 2016 made between the Vendor and the Purchaser relating to the sale and purchase of the Sale Shares and Sale Loan
“Board”	the Board of Directors
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	completion of the Acquisition

“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration payable by the Purchaser to the Vendor pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of and not connected with the Company and its connected persons
“Property”	All that 21st Floor, Henan Building, Nos. 90 and 92 Jaffe Road and Nos. 15-19 Luard Road, Hong Kong
“Purchaser”	Lead Billion Enterprises Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Sale Loan”	all amounts owing by the Target to the Vendor as at Completion
“Sale Shares”	50,000 ordinary shares of US\$1.00 each in the capital of the Target
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Viva Star International Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Mr. Chiu Ngai Hung

By Order of the Board of
Aurum Pacific (China) Group Limited
Mui Yuk Wah
Executive Director

Hong Kong, 11 May 2016

As at the date of this announcement, the Board comprises four executive Directors Mr. Chan Wai Kit, Ms. Wong Chi Yan, Mr. Mui Yuk Wah and Mr. Hung Tat Chi Alan and three independent non-executive Directors, Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee Nim Wai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the page of “Latest Company Announcements” on the GEM website for at least 7 days from the date of its posting and the website of the Company at www.aurumpacific.com.hk.