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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)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO A
POSSIBLE ACQUISITION**

This announcement is made on a voluntary basis to update the Shareholders and potential investors on the business of the Company.

The Board wishes to announce that on 31 July 2020 (after trading hours), the Company entered into the non-legally binding MOU with the Intended Vendor, pursuant to which the Company (or its designated subsidiary) has conditionally proposed to acquire, and the Intended Vendor has proposed to sell the entire or part of the issued share capital of the Target Company.

Based on the information provided by the Intended Vendor, the HK Company, a wholly-owned subsidiary of the Target Company upon completion of the Reorganisation, is principally engaged in the provision of translation and communication services with a particular emphasis on financial translation and is a well-established local professional translation and multilingual communication services provider.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it will constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the Shares of the Company.

This announcement is made on a voluntary basis to update the Shareholders and potential investors on the business of the Company.

The Board wishes to announce that on 31 July 2020 (after trading hours), the Company entered into the non-legally binding MOU with the Intended Vendor, pursuant to which the Company (or its designated subsidiary) has conditionally proposed to acquire, and the Intended Vendor has proposed to sell the entire or part of the issued share capital of the Target Company.

Principal terms of the MOU are set out as follows:

MEMORANDUM OF UNDERSTANDING

Date

31 July 2020 (after trading hours)

Parties

- (1) the Company; and
- (2) the Intended Vendor

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Intended Vendor and its beneficial owner is an Independent Third Party.

Asset to be acquired

Subject to the Parties entering into a formal agreement for the Possible Acquisition, it is proposed that the Company (or its designated subsidiary) will acquire, and the Intended Vendor will dispose of, the entire or part of the issued share capital of the Target Company.

As at the date of this announcement, the HK Company is directly wholly owned by the Intended Vendor. Pursuant to the MOU, a corporate reorganisation will be implemented by the Intended Vendor such that upon completion of the Reorganisation, the Intended Vendor will, through the Target Company, indirectly hold the entire issued share capital of the HK Company.

Based on the information provided by the Intended Vendor, the HK Company is principally engaged in the provision of translation and communication services with a particular emphasis on financial translation and is a well-established local professional translation and multilingual communication services provider.

Consideration

The consideration for the Possible Acquisition will be subject to further negotiation between the Parties to the MOU and will be determined with reference to, among other things, the valuation from an independent valuer to be appointed.

Due Diligence

Upon signing of the MOU, the Intended Purchaser shall have the right to commence a due diligence review on the operation, financial, legal and other affairs of the Target Group. The Intended Vendor shall provide, and shall procure its agents to provide, assistance to the Intended Purchaser and its advisers and agents for the due diligence review.

Exclusivity Right

After signing of the MOU, the Intended Vendor shall grant to the Intended Purchaser an exclusive right for a period of six (6) months to discuss and negotiate the terms of the Possible Acquisition. During the exclusivity period, the Intended Vendor shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of the Sale Shares.

Binding Effect

Save for certain provisions relating to the exclusivity period, costs, confidentiality, and governing law and jurisdiction, the MOU does not have any legally binding effect and the MOU does not constitute any legally-binding commitment in respect of the Possible Acquisition. The consummation of the Possible Acquisition is subject to the execution and completion of a formal agreement.

GENERAL

The Possible Acquisition, if materializes, may constitute notifiable transaction on the part of the Company pursuant to the GEM Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholders' approval requirements under the GEM Listing Rules as and when appropriate.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. Shareholders and investors are urged to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

Unless the context requires otherwise, the capitalized terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 8148)
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
HK Company	Intlingo (Hong Kong) Limited (國際語源(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company upon completion of the Reorganisation.
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons (as defined in the GEM Listing Rules) of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Intended Purchaser”	the Company (or its designated subsidiary)
“Intended Vendor”	Intlingo Limited, a company incorporated in the Seychelles with limited liability, which directly holds the entire issued share capital of the HK Company as at the date of this announcement and will indirectly hold the entire issued share capital of the HK Company through the Target Company upon completion of the Reorganisation. According to the information provided by the Intended Vendor, the ultimate beneficial owners of the Intended Vendor are Mr. Yang Tao and Mr. Lam Shing Ming.

“MOU”	the non-legally binding memorandum of understanding dated 31 July 2020 entered into between the Company and the Intended Vendor setting out preliminary understanding in relation to the Possible Acquisition
“Parties”	the Intended Purchaser and the Intended Vendor collectively
“Possible Acquisition”	the possible acquisition by the Intended Purchaser of the Sale Shares
“Reorganisation”	a corporate reorganization to be implemented by the Intended Vendor such that upon completion of the Reorganisation, the Intended Vendor will, through the Target Company, indirectly hold the entire issued share capital of the HK Company
“Sale Shares”	such number of issued shares in the Target Company representing the entire or part of the issued share capital in the Target Company
“Shareholders”	holders of the Shares
“Shares”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a company to be incorporated under the laws of the British Virgin Islands, which is to be wholly owned by the Intended Vendor which, upon completion of the Reorganisation, will indirectly hold the entire issued share capital of the HK Company
“Target Group”	The Target Company and its subsidiary(ies) (including the HK Company) upon completion of the Reorganisation

By order of the Board
Aurum Pacific (China) Group Limited
Chow Yik
Executive Director

Hong Kong, 31 July 2020

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. Chow Yik

Mr. Tsui Wing Tak

Ms. Sin Pui Ying

Non-executive Director:

Mr. Zheng Yongqiang

Independent non-executive Directors:

Mr. Leung Man Chun

Mr. Fok Kin Fung Eric

Dr. Lee G. Lam

Mr. Chung Man Lai

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rule of the Stock Exchange 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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.aurumpacific.com.hk.