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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Aurum Pacific (China) Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED REFRESHMENT OF GENERAL MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial adviser to the Company

AMASSE CAPITAL
寶 積 資 本

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

AKRON
Akron Corporate Finance Limited
亞貝隆資本有限公司

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

A letter from the Independent Board Committee is set out on page 10 of this circular and a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 18 of this circular.

A notice convening the EGM of the Company to be held at 9/F., Gloucester Tower, The Landmark, Central, Hong Kong on Wednesday, 12 October 2016 at 11:30 a.m. is set out on pages 19 to 21 of this circular.

A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

This circular will remain on the “Latest Company Announcement” page of the website of the GEM of the Stock Exchange at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the website of the Company at www.aurumpacific.com.hk.

24 September 2016

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“2016 AGM”	the annual general meeting of the Company held on 30 May 2016
“associates”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks are generally open for business in Hong Kong
“Company”	Aurum Pacific (China) Group Limited (stock code: 8148), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“controlling shareholder”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the grant of the Refreshed General Mandate
“Existing General Mandate”	the general mandate granted by the Shareholders at the 2016 AGM to authorise the Directors to allot, issue or otherwise deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing the relevant resolution approving such general mandate (i.e. up to 151,200,000 Shares)
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	the independent board committee of the Board comprising all independent non-executive Directors, established for the purpose of advising the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate
“Independent Financial Adviser”	Akron Corporate Finance Limited, a licenced corporation to carry on Type 6 (advising on corporate finance) regulated activity as defined under the SFO
“Independent Shareholders”	Shareholders other than any controlling shareholders of the Company and their respective associates or, where there are no controlling shareholders, any Shareholders other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	21 September 2016, being the latest practicable date for ascertaining certain information referred to in this circular prior to printing of this circular
“Next AGM”	the next annual general meeting of the Company that is expected to be held in around May 2017, which is approximately 8 months from the Latest Practicable Date
“Refreshed General Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the EGM to exercise the power of the Company to allot, issue or otherwise deal with new Shares not exceeding 20% of the total number of issued Shares as at the date of passing the relevant resolution at the EGM
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company as at the Latest Practicable Date
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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)

Executive Directors:

CHAN Wai Kit
HUNG Tat Chi Alan
MUI Yuk Wah
WONG Chi Yan

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent non-executive Directors:

LEUNG Man Chun
FOK Kin Fung Eric
LEE Nim Wai

Head office and principal place of

business in Hong Kong:
22/F., Hua Fu Commercial Building
111 Queen's Road West
Hong Kong

24 September 2016

To the Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

The purpose of this circular is to provide you with, among other things, (i) information relating to the grant of the Refreshed General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the grant of the Refreshed General Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the grant of the Refreshed General Mandate; and (iv) the notice of the EGM.

PROPOSED REFRESHMENT OF GENERAL MANDATE

Background

Pursuant to an ordinary resolution passed by the Shareholders at the 2016 AGM, the Directors were granted the Existing General Mandate to allot and issue up to 151,200,000 Shares, representing 20% of the total number of issued Shares as at the date of passing the relevant resolution approving the Existing General Mandate until the revocation, variation or expiration of the Existing General Mandate. There had not been any refreshment of the Existing General Mandate since the 2016 AGM up to the Latest Practicable Date.

LETTER FROM THE BOARD

On 8 July 2016, the Company entered into a placing agreement in relation to the placing of 151,200,000 new Shares (the “**Placing**”). The Placing was completed on 3 August 2016. Accordingly, 151,200,000 new Shares were successfully placed and the net proceeds from the Placing amounting to approximately HK\$19 million was received by the Company. The entire net proceeds has been used for the deposit of the proposed acquisition (the “**Proposed Acquisition**”) of HK\$40 million as disclosed in the announcement of the Company dated 8 August 2016. As at the Latest Practicable Date, as a result of completion of the Placing, the Existing General Mandate has been fully utilised.

On 8 August 2016, Hyper Venture Limited, a wholly-owned subsidiary of the Company, as purchaser, Mr. Yiu Wing Hei and Triumph Team Ventures Limited, as vendors, and the Company, as guarantor, entered into a sale and purchase agreement in relation to the acquisition of a company which is incorporated in the British Virgin Islands with limited liability at the consideration of HK\$150 million. Such company together with its subsidiaries are engaged in the mobile online game industry. By investing in them, it is expected that the Group can tap into the mobile online game industry and capture the related opportunities.

The Company will convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the Refreshed General Mandate to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution at the EGM.

Based on 907,200,000 Shares in issue as at the Latest Practicable Date and assuming that the Company does not issue or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM, the Refreshed General Mandate, if granted, will allow the Directors to allot and issue up to 181,440,000 Shares.

The Refreshed General Mandate, if granted, will expire at the earliest of: (a) the conclusion of the Next AGM; (b) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the Next AGM; and (c) the expiration of the period within which the Next AGM is required by the memorandum and articles of association of the Company or any applicable laws to be held.

Reasons for the proposed grant of the Refreshed General Mandate

The Group is principally engaged in the businesses of (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; and (iii) money lending business.

As at the Latest Practicable Date, the net proceeds from the fund raising activities carried out by the Company in the past 12 months as discussed below have been fully utilised as intended and as a result of the Placing, the Existing General Mandate has been fully utilised. In addition, the Next AGM is expected to be held in around May 2017, which is approximately 8 months from the Latest Practicable Date.

LETTER FROM THE BOARD

After having taken into account the net proceeds raised from the Placing and the deposit for the Proposed Acquisition, as at 31 August 2016, the unaudited cash and bank balance of the Group would be approximately HK\$18 million. Taking into account the Group's internal resources and available banking facilities, and in the absence of unforeseeable circumstances, the Directors are of the view that the Group has sufficient working capital for its present requirements and for at least 12 months from the Latest Practicable Date. Based on the projection of the Company, it estimates that the working capital requirement for the Group, after having taken into account the Proposed Acquisition, for the next twelve months will be approximately HK\$10.4 million. Accordingly, it is estimated that by the end of August 2017, the Group will still maintain a positive cash position but reduced to a level below HK\$7.6 million. If the Proposed Acquisition does not materialize, it is intended by the Company to utilise the net proceeds from the Placing for the Group's general working capital and/or future investments opportunities, including but not limited to the proposed acquisition of the entire issued share capital of a company, which together with its associates, are principally engaged in constructing and managing fiberglass internet networks in the Netherlands, with reference to the memorandum of understanding dated 21 June 2016 as entered into by the Company and a vendor. Details of which are disclosed in the announcement of the Company dated 21 June 2016.

In the event that any unexpected circumstances occur prior to the Next AGM being held, an increase in the working capital requirement of the Group may be required. However, the projected level of liquidity and the cash position of the Group may be insufficient to cover such circumstances. Therefore, the Directors consider that the refreshment of the Existing General Mandate could provide the Group with the flexibility to have immediate access to additional working capital for its existing business operation and for coping with any business challenges.

The Directors note that the utilisation of the Refreshed General Mandate will have potential dilution impact on the shareholding of the Shareholders, of which the maximum dilution effect on the shareholding is limited to 20% of the existing issued share capital of the Company as at the date of EGM or approximately 16.67% of the enlarged issued share capital of the Company immediately upon full utilisation of the Refreshed General Mandate. The Directors also note that should the Refreshed General Mandate is being utilised before the Next AGM, the Company might seek for another refreshment of the general mandate in the Next AGM which may result in further dilution effect to the shareholding of the Shareholders, of which the maximum accumulative dilution effect on the shareholding is limited to 44% of the existing issued share capital of the Company as at the date of EGM or approximately 30.56% of the enlarged issued share capital of the Company immediately upon full utilisation of the Refreshed General Mandate and the general mandate to be granted at the Next AGM. However, as potential business investment opportunities may arise at any time, it is crucial for the Group to have the ability to respond to the changing market conditions in a timely manner and to provide the Group with the flexibility to have immediate access to cash resources at reasonable costs from time to time for appropriate business development and investment opportunities. Taking into account the volatility of the market, the Company may fail to seize and capitalise on potential investment opportunities if it has to wait until the Next AGM for the grant of the Refreshed General Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company did not have any plan for raising capital by the issue of new Shares under the Refreshed General Mandate. However, the Directors do not rule out the possibility that the Company will raise further funds by equity issue to finance other investment opportunities if such opportunities arise or there is change in prevailing circumstances. In this regard, the Company will make further announcement(s) and comply with all applicable requirements under the GEM Listing Rules as and when appropriate. The Directors will also consider other financing methods such as rights issue, open offer and debt financing, if appropriate, so as to meet its financing requirements arising from any future development of the Group. However, it usually takes more than three months to raise funds by rights issue or open offer and it may not allow the Company to grasp potential opportunities in a timely manner. In addition, rights issue and open offer will incur higher underwriting commission and involve extra administrative work and cost for the trading arrangements. Moreover, debt financing such as bank borrowing may incur interest burden to the Group and may be subject to lengthy due diligence and negotiations. Given the financial performance and position of the Group as disclosed in its published financial reports, the Directors consider that it might be difficult for the Group to obtain bank borrowing at a reasonable interest rate. Furthermore, allotting and issuing new Shares under a specific mandate requires a relatively long time when compared against utilising a general mandate granted to the Directors. The Directors consider that should attractive terms for investment in the Shares become available from potential investors or investment opportunities arise, the Board would be able to respond to the market promptly as fund raising exercise pursuant to a general mandate and it will provide the Company with a simpler and shorter lead time process than other types of fund raising exercises.

Having considered that (i) the Existing General Mandate has been fully utilised after the Placing; and (ii) the grant of the Refreshed General Mandate provides more flexibility and options of financing to the Group for business development as well as for potential future investments in a timely manner, the Directors are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Equity fund raising activities of the Company in the past 12 months

The following table summarizes the fund raising activities carried out by the Company in the past 12 months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds (approximately)	Intended use of net proceeds	Actual use of net proceeds	
8 July 2016	Placing of new shares	HK\$19 million	General working capital and/or future investments of the Group	All proceeds was used for the deposit of the Proposed Acquisition	
29 March 2016	Open offer	HK\$57.78 million	Approximately HK\$40 million, will be utilised for the development of money lending business and the remaining, will be utilised for general working capital	(i)	Approximately HK\$16.67 million was used for the acquisition of a company which holds a property in Hong Kong
				(ii)	Approximately HK\$22.44 million was used to settle the mortgage loan and interest expenses
				(iii)	The remaining proceeds was used for money lending business
26 October 2015	Placing of new shares	HK\$81.7 million	General working capital of the Group including but not limited to its money lending business and/or future investments of the Group	(i)	Approximately HK\$55.2 million was used for money lending business
				(ii)	The remaining proceeds was used for the general working capital of the Group

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

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

Pursuant to the GEM Listing Rules, the grant of the Refreshed General Mandate requires the approval of the Independent Shareholders at the EGM by way of poll. Any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the relevant resolution to approve the grant of the Refreshed General Mandate.

As at the Latest Practicable Date, (i) there is no controlling Shareholder; and (ii) none of the Directors and the chief executive of the Company and their respective associates hold any Shares and are required to abstain from voting in favour of the ordinary resolution to approve the grant of the Refreshed General Mandate and they have no intention to vote against the relevant resolution(s) to approve the refreshment of the Existing General Mandate if any of them hold any Shares on the date of the EGM, and to the extent that any of the Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of his/her/their Shares at the date of EGM, they are required to abstain from voting in favour of the ordinary resolution to approve the grant of the Refreshed General Mandate at the EGM.

GENERAL

The Independent Board Committee, comprising Dr. Lee Nim Wai, Mr. Fok Kin Fung Eric and Mr. Leung Man Chun, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. Akron Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate. The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the grant of the Refreshed General Mandate.

A notice convening the EGM of the Company to be held at 9/F., Gloucester Tower, The Landmark, Central, Hong Kong on Wednesday, 12 October 2016 at 11:30 a.m. is set out on pages 19 to 21 of this circular.

A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 10 of this circular and the letter of advice from the Independent Financial Adviser set out on pages 11 to 18 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate, its recommendation as to how to vote on the relevant resolution at the EGM and the principal factors considered by it in arriving at its recommendation.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole and accordingly recommends the Independent Shareholders to vote in favour of the resolution approving the grant of the Refreshed General Mandate at the EGM.

Accordingly, the Directors (including the independent non-executive Directors) consider that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution approving the grant of the Refreshed General Mandate at the EGM.

RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

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

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)

24 September 2016

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company to the Shareholders dated 24 September 2016 (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the grant of Refreshed General Mandate which will enable the Board to exercise the power of the Company to allot, issue and deal with the new Shares not exceeding 20% of the aggregate number of the issued shares of the Company as at the date of passing the relevant resolution at the EGM.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the grant of the Refreshed General Mandate is fair and reasonable as far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of its recommendation, together with the principal factors and reasons taken into consideration in arriving at such recommendation, are set out on pages 11 to 18 of this Circular.

Your attention is also drawn to the letter from the Board set out on pages 3 to 9 of this Circular.

Having considered the grant of the Refreshed General Mandate and the recommendation of the Independent Financial Adviser, we consider that the grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the grant of the Refreshed General Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Leung Man Chun

Mr. Fok Kin Fung Eric

Dr. Lee Nim Wai

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Refreshed General Mandate, and is prepared for inclusion in this circular.



24 September 2016

The Independent Board Committee and the Independent Shareholders

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Refreshed General Mandate, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to its Shareholders dated 24 September 2016 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Pursuant to the GEM Listing Rules, the grant of the Refreshed General Mandate requires the approval of the Independent Shareholders at the EGM by way of poll. Any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the relevant resolution to approve the grant of the Refreshed General Mandate.

As at the Latest Practicable Date, (i) there is no controlling Shareholder; and (ii) none of the Directors and the chief executive of the Company and their respective associates hold any Shares and are required to abstain from voting in favour of the ordinary resolution to approve the grant of the Refreshed General Mandate and they have no intention to vote against the relevant resolution(s) to approve the refreshment of the Existing General Mandate if any of them hold any Shares on the date of the EGM, and to the extent that any of the Directors and their respective associates controlled or were entitled to exercise control over the voting rights in respect of his/her/their Shares at the date of EGM, they are required to abstain from voting in favour of the ordinary resolution to approve the grant of the Refreshed General Mandate at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Dr. Lee Nim Wai, Mr. Fok Kin Fung Eric and Mr. Leung Man Chun, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. We, Akron Corporate Finance Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted as the independent financial adviser to the independent board committee and the independent Shareholders of the Company for any transaction.

Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to the GEM Listing Rules.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinion and representations contained or referred to in the Circular and the statements, information, opinion and representations provided to us by the management of the Company and the Directors. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the management of the Company and the Directors, for which they are solely and wholly responsible, were true, accurate and complete at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors as set out in the Circular were reasonably made after due and careful inquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and representations contained in the Circular.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular 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 in the Circular or the Circular as a whole misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the grant of the Refreshed General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Refreshed General Mandate, we have taken into consideration the following factors and reasons:

1. Background of the grant of the Refreshed General Mandate

Pursuant to an ordinary resolution passed by the Shareholders at the 2016 AGM, the Directors were granted the Existing General Mandate to allot and issue up to 151,200,000 Shares, representing 20% of the total number of issued Shares as at the date of passing the relevant resolution approving the Existing General Mandate until the revocation, variation or expiration of the Existing General Mandate. There had not been any refreshment of the Existing General Mandate since the 2016 AGM up to the Latest Practicable Date.

On 8 July 2016, the Company entered into a placing agreement in relation to the placing of 151,200,000 new Shares. The Placing was completed on 3 August 2016. Accordingly, 151,200,000 new Shares were successfully placed and the net proceeds from the Placing amounting to approximately HK\$19 million was received by the Company. The entire net proceeds has been used for the deposit of the Proposed Acquisition of HK\$40 million. As at the Latest Practicable Date, as a result of completion of the Placing, the Existing General Mandate has been fully utilised.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that the Existing General Mandate has been fully utilised, the Board proposed to seek approval from the Independent Shareholders for the grant of the Refreshed General Mandate at the EGM so as to allow the Directors to issue new Shares not exceeding 20% of the total number of issued Shares as at the date of passing the relevant resolution at the EGM. Based on 907,200,000 Shares in issue as at the Latest Practicable Date and assuming that the Company does not issue or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM, the Refreshed General Mandate, if granted, will allow the Directors to allot and issue up to 181,440,000 Shares.

2. Reasons for the grant of the Refreshed General Mandate

The Group is principally engaged in the businesses of (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; and (iii) money lending business.

For the six months ended 30 June 2016, the Group recorded negative net cash flows from operating activities of approximately HK\$63.6 million. Unaudited cash and bank balance of the Group was only approximately HK\$34.1 million as at 30 June 2016. While the Directors believe that the Group will have sufficient funds to finance its current working capital requirements, the Group's operating cash flows may be adversely affected by a variety of competition, macroeconomic and other related factors which are beyond its control. We have reviewed the working capital forecast of the enlarged Group (after taking into account the Proposed Acquisition) (the "**Enlarged Group**") for the next twelve months as provided by the management of the Company and we note that the working capital requirement for the Enlarged Group for the next twelve months will be approximately HK\$10.4 million. Accordingly, it is estimated that by the end of August 2017, the Enlarged Group will still maintain a positive cash position but reduced to a level below HK\$7.6 million. In addition, as discussed with the management of the Company, if the Proposed Acquisition does not materialize, the Company intends to utilise the net proceeds from the Placing for the Group's general working capital, initially for the Group's money lending business and/or future investments opportunities (including but not limited to a proposed acquisition as disclosed in the announcement of the Company dated 21 June 2016). Accordingly, assuming approximately HK\$19 million will be utilised for the Group's money lending business or future investments opportunities, it is estimated that by the end of August 2017, the cash position of the existing Group will be reduced to a level below HK\$6.9 million.

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In view of the above, we are of the view that the current cash position is just sufficient and is expected to be reserved for covering daily operations and administration, and meeting its present working capital requirements for either the businesses of the existing Group or the Enlarged Group for the next twelve months. In the event that any unexpected circumstances occur prior to the Next AGM being held, an increase in the working capital requirement of the Group may be required and the then cash position of the Group may not be sufficient to cover its working capital requirement. Therefore, we concur with the Director's view that it will be a merit for the Group to have additional working capital for its existing business operation and for coping with any business challenges.

As advised by the Company, although there is no intention/plan for utilising the Refreshed General Mandate as at the Latest Practicable Date, the Directors do not rule out the possibility that the Company will raise further funds by equity issue to finance other investment opportunities if such opportunities arise or there is change in prevailing circumstances, which may utilise the Refreshed General Mandate. The Directors consider that grant of Refreshed General Mandate would provide the Group with the necessary flexibility to (i) fulfill any possible funding needs for future business development and/or investment decisions which may arise at any time; (ii) strengthen the capital base of the Company to have additional working capital for its existing business operation and for coping with any business challenges; and (iii) have an option to consider issue of consideration shares as one of the settlement means in an acquisition as and when the Directors consider to be appropriate should suitable opportunities arise in the future. In addition, the Directors regarded equity financing as an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

In addition, as discussed with the Company, although the Company does not have any current plans for fund raising activities, given the current volatile market conditions, we consider that it is important for the Group to maintain a necessary flexible fund raising capability not only to fulfil the Group's potential working capital requirements for the next twelve months, but also enable the Company to make prompt decisions and to solicit funding in a relatively short period of time as the interests of the Company and the Shareholders may be adversely impacted if (i) the Company does not have a readily-available flexibility to utilise the Refreshed General Mandate to allot and issue new Shares as one of the settlement means in an acquisition of any possible investment opportunities; and (ii) the Company may not be able to capture any prospective investment opportunities in a timely manner as the decision-making process of the Company will be prolonged which will also reduce the bargaining power of the Company.

Taking into account that (i) the Existing General Mandate has been fully utilised; (ii) the Refreshed General Mandate allows the Group to have cash buffer for funding any future business development and investment opportunities in a timely and effective manner, in particular when the existing cash resources of the Group are only sufficient to cover daily operations and to meet its present working capital requirements for its existing businesses; and (iii) allotting and issuing new Shares under a specific mandate requires a relatively longer time than under the general mandate in which the Company may not be able to capture any prospective investment opportunities in a timely manner,

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we concur with Director's view that the grant of the Refreshed General Mandate is fair and reasonable, and in the interest of the Company and its Shareholders as a whole as it will enable the Company to have additional alternative and flexibility in raising capital for the funding requirements or appropriate investment opportunities of the Group which may arise at any time prior to the Next AGM which is approximately 8 months away from the Latest Practicable Date.

3. Equity fund raising activities of the Company in the past 12 months

The following table summarizes the fund raising activities carried out by the Company in the past 12 months immediately prior to the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds (approximately)	Intended use of net proceeds	Actual use of net proceeds
8 July 2016	Placing of new shares	HK\$19 million	General working capital and/or future investments of the Group	All proceeds was used for the deposit of the Proposed Acquisition
29 March 2016	Open offer	HK\$57.78 million	Approximately HK\$40 million, will be utilised for the development of money lending business and the remaining, will be utilised for general working capital	(i) Approximately HK\$16.67 million was used for the acquisition of a company which holds a property in Hong Kong (ii) Approximately HK\$22.44 million was used to settle the mortgage loan and interest expenses (iii) The remaining proceeds was used for money lending business
26 October 2015	Placing of new shares	HK\$81.7 million	General working capital of the Group including but not limited to its money lending business and/or future investments of the Group	(i) Approximately HK\$55.2 million was used for money lending business (ii) The remaining proceeds was used for the general working capital of the Group

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4. Other financing alternatives

We are advised by the Company that apart from equity financing, the Directors may also consider other financing methods such as rights issue, open offer and debt financing, if appropriate, so as to meet its financing requirements arising from any future development of the Group. We understand that it usually takes more than three months to raise funds by rights issue or open offer and it may not allow the Company to grasp potential opportunities in a timely manner. In addition, rights issue and open offer will incur higher underwriting commission and involve extra administrative work and cost for the trading arrangements. Although rights issue and open offer would be offered to the Shareholders on a pro rata entitlement basis, those qualifying shareholders who choose not to take up their assured entitlements in full would have dilution to their shareholding interests in the Company. Debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks which involve providing documents for credit evaluation procedures by the banks before entering into any debt financing agreement. Based on the aforementioned reasons, we concur with the view of the Directors that the grant of the Refreshed General Mandate is more cost-effective, efficient and less time consuming and will enhance the Company's financial flexibility to expand and develop the business of the Company.

5. Potential dilution on shareholdings

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Refreshed General Mandate (assuming that the Company does not issue or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM), for illustrative and reference purpose:

	As at the Latest Practicable Date		Upon full utilisation of the Refreshed General Mandate (assuming that the Company does not issue or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Maximum number of new Shares to be issued under the Refreshed General Mandate	–	–	181,440,000	16.67
Public Shareholders	907,200,000	100.00	907,200,000	83.33
Total	<u>907,200,000</u>	<u>100.00</u>	<u>1,088,640,000</u>	<u>100.00</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Upon full utilisation of the Refreshed General Mandate, 181,440,000 Shares will be issued, representing 20% of the issued share capital of the Company as at the Latest Practicable Date and approximately 16.67% of the issued share capital of the Company as enlarged by the Shares issued under the Refreshed General Mandate. Assuming that the Company does not issue or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM, the aggregate shareholding of the public Shareholders will decrease from approximately 100% as at the Latest Practicable Date to approximately 83.33% upon full utilisation of the Refreshed General Mandate, representing a potential maximum dilution in public shareholding by approximately 16.67%. If the refreshment of general mandate is granted in the Next AGM and utilised thereafter, it may further result in a maximum possible future dilution effect of approximately 16.67% and 30.56% in the shareholding of the Shareholders as enlarged by the issue of new Shares under the Refreshed General Mandate alone and as enlarged by both of the Refreshed General Mandate and the general mandate granted at the Next AGM respectively. In view of the refreshment of the general mandate at the Next AGM is (i) in line with the market practice to provide the Group with sufficient financial flexibility to enable the Group to meet its needs for future business development and/or working capital purposes in a timely manner; and (ii) subject to the approval of the Shareholders, we concur with the view of the Directors that the refreshment of the general mandate to issue new Shares at the Next AGM is in the interest of the Company and the Shareholders as a whole.

Taking into account that the grant of the Refreshed General Mandate (i) will allow the Company to raise capital by allotment and issuance of new Shares before the Next AGM which is expected to be held in around 8 months from the Latest Practicable Date; (ii) will provide more flexibility and options of financing to the Group for its operation and for further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise; (iii) the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit of the Company and its Shareholders as a whole; and (iv) the shareholding interests of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we consider such potential dilution to shareholdings of the public Shareholders to be acceptable.

RECOMMENDATION

Having considered the factors and reasons as stated above, we are of the opinion that the grant of the Refreshed General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the grant of the Refreshed General Mandate.

Yours faithfully,
For and on behalf of
Akron Corporate Finance Limited
Ross Cheung
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Aurum Pacific (China) Group Limited (the “**Company**”) will be held at 9/F., Gloucester Tower, The Landmark, Central, Hong Kong on Wednesday, 12 October 2016 at 11:30 a.m. to consider and, if thought fit, approve, with or without modifications, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT :**

- (a) the general mandate granted to the directors of the Company (“**Directors**”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 May 2016 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to paragraph (d) below, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the authorised and unissued shares in the capital of the Company (each a “**Share**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (c) the approval in paragraph (b) above shall authorise the Directors to make or grant offers, agreements and options, during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (d) the total number of Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (b) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company,

shall not exceed 20 per cent. of the total number of issued Shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (b) of this resolution shall be limited accordingly and if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the number of Shares subject to the aforesaid limit shall be adjusted to the effect that the number of Shares subject to such limit as a percentage of the total number of issued Shares immediately before and after such consolidation or subdivision shall be the same;

- (e) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by an ordinary resolution passed by the Company’s shareholders in a general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws to be held.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).“

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

Hong Kong, 24 September 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.

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