



8 May 2012

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL GENERAL OFFER BY
KINGSTON SECURITIES LIMITED
ON BEHALF OF PRIME PRECISION HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN AURUM PACIFIC (CHINA) GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED
BY PRIME PRECISION HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Sale and Purchase Agreement and the Offer.

As set out in the Joint Announcement, on 30 March 2012, the Vendor and the Offeror entered into the unconditional Sale and Purchase Agreement, pursuant to which, the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares of 142,651,965 Shares, at consideration of HK\$21,397,794.75 (equivalent to HK\$0.15 per Sale Share). Completion took place on 11 April 2012. Immediately following Completion, the Offeror and parties acting in concert with it were interested in 142,651,965 Shares, representing approximately 71.33% of the existing issued share capital of the Company. Accordingly, the Offeror was required to make the Offer for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) under Rule 26.1 of the Takeovers Code.

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. The terms of the Offer are set out in this letter, Appendix I to this Composite Document and the Form of Acceptance.

The Independent Shareholders are strongly advised to consider carefully the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from Vinco Capital" as set out in this Composite Document before reaching a decision as to whether or not to accept the Offer.

THE OFFER

As at the Latest Practicable Date, there were 200,000,000 Shares in issue. The Company has no outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares.

Principal terms of the Offer

Kingston Securities is making the Offer, on behalf of the Offeror, in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$0.15 in cash

The Offer Shares to be acquired under the Offer shall be fully paid or credited as fully paid and free from all liens, claims and encumbrances and together with all rights attaching to them as at the Completion Date, including the rights to receive all dividends and distributions declared, made or paid, if any, on or after the Completion Date.

Comparison of value

As at 31 December 2011, the Group had audited net liabilities of approximately HK\$4.55 million, representing net liabilities of approximately HK\$0.023 per Share.

The Offer Price of HK\$0.15 per Offer Share represents a discount of approximately 51.61% to the closing price of HK\$0.31 per Share as quoted by the Stock Exchange on the Last Trading Day.

Highest and lowest Share prices

Trading in the Shares has been suspended since 22 March 2007. The closing price of the Shares on the Last Trading Day was HK\$0.31.

Value of the Offer

Based on the Offer Price of HK\$0.15 per Share and 200,000,000 Shares in issue as at the date of Joint Announcement, the entire issued share capital of the Company is valued at HK\$30 million. As at the date of the Joint Announcement and upon Completion, the Offeror and parties acting in concert with it are interested in 142,651,965 Shares. As such, 57,348,035 issued Shares will be subject to the Offer and the Offer is valued at HK\$8,602,205.25.

Financial resources available to the Offeror

The financial resources required by the Offeror to fund the full acceptance of the Offer is expected to be approximately HK\$8.6 million, which will be financed by the internal resources of the Offeror. Kingston Corporate Finance, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptances of the Offer.

Effect of accepting the Offer

By accepting the Offer, the relevant Shareholders will sell their Shares to the Offeror free from all liens, claims and encumbrances and together with all rights attaching to them as at the Completion Date, including the right to receive all dividends and distributions declared, paid or made, if any, on or after the Completion Date.

Stamp duty

Seller's ad valorem stamp duty payable by the relevant Shareholders who accept the Offer is calculated at a rate of 0.1% of: (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within 7 Business Days after the date on which the relevant documents of title and duly completed acceptance(s) are received by the Offeror to render each such acceptance complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

Other arrangements

As at the Latest Practicable Date, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 of Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company, and there is no agreement or arrangement to which the Offeror or Mr. Lau is a party which relate to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

As at the Latest Practicable Date, none of the Offeror, Mr. Lau and parties acting in concert with any one of them has received any irrevocable commitment to accept or reject the Offer; and none of the Offeror, Mr. Lau and parties acting in concert with any one of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company. None of the Offeror, Mr. Lau and parties acting in concert with any one of them has entered into any contract in relation to the outstanding derivatives in respect of securities in the Company.

Overseas Shareholders

The Offer will be related to securities of a company incorporated in the Cayman Islands and will be subject to the procedure and disclosure requirements of Hong Kong securities laws and regulations, which may be different from other jurisdictions. Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Shareholders in respect of such jurisdiction).

Acceptances of the Offer by any Overseas Shareholders will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. The Overseas Shareholders are recommended to seek professional advice on deciding whether or not to accept the Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below shareholders structure of the Company immediately before Completion, immediately after Completion and as at the Latest Practicable Date.

	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The Vendor	142,651,965 ^{Note}	71.33	—	—
The Offeror and parties acting in concert with it	—	—	142,651,965	71.33
Public Shareholders	<u>57,348,035</u>	<u>28.67</u>	<u>57,348,035</u>	<u>28.67</u>
	<u>200,000,000</u>	<u>100.00</u>	<u>200,000,000</u>	<u>100.00</u>

Note: Prior to the Completion, the 142,651,965 Shares (being the Sale Shares) were pledged by the Vendor to Kingston Finance Limited pursuant to a loan agreement. Upon Completion, the charge over the Sale Shares were released.

As at the Latest Practicable Date, (i) the Company had no outstanding options, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares; and (ii) save for the Sale Shares acquired through the Share Acquisition by the Offeror and parties acting in concert with it, none of the Offeror, its directors, nor the parties acting in concert with the Offeror has held, owned or controlled any Shares, derivatives, warrants or convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into, Shares during the Relevant Period.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability and is wholly owned by Mr. Lau, who is the sole director of the Offeror. Immediately after Completion, the Offeror and parties acting in concert with it were interested in 142,651,965 Shares, representing approximately 71.33% of the entire issued share capital of the Company as at the Latest Practicable Date. Immediately prior to the entering into of the Sale and Purchase Agreement, the Offeror and its ultimate beneficial owner are Independent Third Parties.

Mr. Lau Man Tak

Mr. Lau, aged 42, holds a bachelor degree in Accountancy from the Hong Kong Polytechnic University. He has more than 15 years of experience in corporate finance, accounting and auditing. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Securities Institute.

Mr. Lau is currently an executive director and chief financial officer of China Grand Forestry Green Resources Group Limited (stock code: 910) and an independent non-executive director of AMCO United Holdings Limited (stock code: 630), Climax International Company Limited (stock code: 439), Kingston Financial Group Limited (stock code: 1031) and Kong Sun Holdings Limited (stock code: 295).

INTENTION OF THE OFFEROR REGARDING THE GROUP

Notwithstanding trading of the Shares has been suspended since 22 March 2007, having discussed with the management of the Group and considered the transactions contemplated under the Resumption Proposal, the Offeror considers that the prospects of the Group, in particular the proposed acquisition of an IT business as mentioned in the Announcement and under the Resumption Proposal, remains viable in the long-run and hence proceeded the transactions under the Sale and Purchase Agreement and the Offer. The Directors confirm that negotiations on the proposed acquisition of an IT business engaged in a patented server based font technology for its real time on-line communications software platforms as mentioned in the Announcement were still ongoing as at the Latest Practicable Date. Further announcement will be made by the Company in due course.

It is the intention of the Offeror that following the close of the Offer, the Group will continue with its existing principal activities and to proceed with the transactions under the Resumption Proposal, which included the proposed acquisition of an IT business engaged in a patented server based font technology for its real time on-line communication software platform as mentioned in the Announcement and the Joint Announcement. The Offeror will conduct a detailed review of the business and operations of the enlarged Group upon completion of the transactions contemplated under the Resumption Proposal in order to formulate a long term strategy for the enlarged Group and explore other business or investment opportunities in line with the principal business of the Group before the Suspension to enhance its future business development and strengthen its revenue bases. As at the Latest Practicable Date, save for the transactions under the Resumption Proposal, the Offeror does not have any plan to inject any asset, or business into the Group, or introduce any changes to the principal business of the Group, or to procure the Company to acquire or dispose of any asset, or to re-deploy the fixed assets of the enlarged Group other than in the ordinary course of business following completion of the transactions under the Resumption Proposal.

PROPOSED CHANGE OF COMPOSITION OF THE BOARD

The Offeror intends to nominate Mr. Lau and up to two other new Directors to the Board. Such appointments will be made in accordance with the Takeovers Code and the GEM Listing Rules. It is expected that Mr. Cheung Yu Ping will resign as executive Director after the close of the Offer. Save as

the aforesaid, the Offeror does not intend to re-deploy the employees of the Group. Accordingly, the existing business will continue to be operated by the existing employees under the supervision and management of the new executive Board.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any power of compulsory acquisition of the Shares after the close of the Offer.

MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror and Mr. Lau intend to maintain the listing of the Shares on GEM after the close of the Offer. The Offeror and Mr. Lau will severally undertake to the Stock Exchange to take appropriate steps as soon as practicable following the close of the Offer and before the Resumption to ensure that sufficient public float exists for the Shares pursuant to the GEM Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer and before the Resumption, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or**
- there are insufficient Shares in public hands to maintain an orderly market;**

then it will consider exercising its discretion to continue suspend dealings in the Shares.

SUSPENSION OF TRADING

Trading in the Shares has been suspended at the request of the Company since 22 March 2007 and will remain in suspension until further notice. The Company has submitted the Resumption Proposal which is being reviewed by the Stock Exchange. Further announcement(s) in respect of the Resumption Proposal will be published as and when appropriate.

Shareholders and potential investors of the Company shall note that the Resumption Proposal may or may not be approved by the Stock Exchange. Trading in the Shares may remain suspended after the close of the Offer. Shareholders who are in doubt as to: (i) any aspect of the Offer, its implications or action to be taken, or (ii) their rights and obligations under the laws of the Cayman Islands, should consult a solicitor or other professional advisers.

TAX IMPLICATIONS

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications that may arise from accepting the Offer. It is emphasised that none of the Offeror and parties acting concert with it, the Company, Kingston Corporate Finance, Kingston Securities, Vinco Capital, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offer or any of their respective agents accepts any responsibility for any tax effect on, or liabilities of, the Independent Shareholders as a result of their acceptance of the Offer.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Offer Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

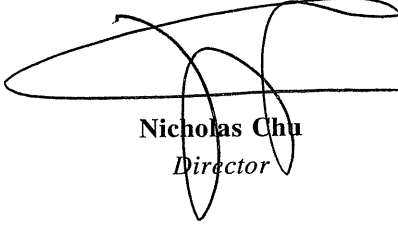
The attention of the Overseas Shareholders is drawn to paragraph 7(h) in Appendix I to this Composite Document.

All documents and remittances sent to the Independent Shareholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Independent Shareholders, to the Independent Shareholders whose name appears first in the register of members of the Company. None of the Offeror and parties acting concert with it, the Company, Kingston Corporate Finance, Kingston Securities, Vinco Capital, the Registrar or any of their respective directors or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which forms part of this Composite Document.

Yours faithfully,
For and on behalf of
Kingston Securities Limited



Nicholas Chu
Director