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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)

**(1) STATUS OF RESUMPTION PROPOSAL;
(2) SHARE CONSOLIDATION;
(3) OPEN OFFER ON THE BASIS OF
FOUR OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE**

Underwriter



KINGSTON SECURITIES LTD.

Financial adviser to the Company

VEDA | CAPITAL

智 略 資 本

STATUS OF RESUMPTION PROPOSAL

The Board is pleased to announce that the Stock Exchange decided to allow the Company to proceed with the Resumption Proposal subject to the Resumption Conditions to be fulfilled by 31 March 2013, including but not limited to, completion of transactions contemplated under the Resumption Proposal (including the Acquisition, the Share Consolidation, change in board lot size and the Open Offer). Further announcement(s) shall be made by the Company upon the fulfillment of the Resumption Conditions and before Resumption.

SHARE CONSOLIDATION

The Board proposed to implement the Share Consolidation of every two issued and unissued Shares of HK\$0.01 each into one Consolidated Share of HK\$0.02 each.

OPEN OFFER

Subject to the Share Consolidation becoming effective, the Company proposed to raise approximately HK\$60 million (before expenses) by way of the Open Offer of 400,000,000 Consolidated Shares at the Offer Price of HK\$0.15 per Offer Share on the basis of four (4) Offer Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date.

The Open Offer is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. Qualifying Shareholders must be registered as a member of the Company on the Record Date. There will not be any arrangement for application of the Offer Shares by Qualifying Shareholders in excess of his/her/its entitlements.

As at the date of this announcement, the Company has no outstanding warrants, options or convertible or exchangeable securities.

The Investor has undertaken to take up in full its entitlements under the Open Offer to subscribe for 285,986,960 Offer Shares. Pursuant to the Underwriting Agreement, the Open Offer is fully underwritten by the Underwriter, save for the entitlements falls under the Investor's Undertaking, of 114,013,040 Offer Shares. The Underwriter has undertaken to the Company to place down any Offer Shares under the Open Offer to Independent Shareholders so that neither the Underwriter nor any of the placees of the Open Offer will hold 10% or more shareholding in the Company upon completion of the Open Offer.

GENERAL

The Share Consolidation is subject to the Shareholders' approval at the EGM at which no shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

The Open Offer is subject to, among other things, the approval by the Independent Shareholders at the EGM.

A circular containing, among other things, further details of the Share Consolidation, the Open Offer and a notice convening the EGM will be despatched to the Shareholders as soon as practicable on or before 4 January 2013.

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the fulfillment of certain conditions set out below under the section headed "Conditions of the Open Offer". Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

CONTINUED SUSPENSION IN TRADING OF THE SHARES

Trading in the Shares has been suspended at the request of the Company since 22 March 2007. Until satisfaction of all the Resumption Conditions set out by the Stock Exchange, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the Shares will resume trading or that the listing approval for the Consolidated Shares, including the Offer Shares, will be granted. Shareholders should note that the Shares may remain in suspension in the event that the Company fails to satisfy all or any the Resumption Conditions within the time stipulated by the Stock Exchange. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares or Consolidated Shares.

STATUS OF RESUMPTION PROPOSAL

The Board is pleased to announce that the Stock Exchange decided to allow the Company to proceed with the Resumption Proposal subject to the following Resumption Conditions to be fulfilled by 31 March 2013:

1. completion of transactions contemplated under the Resumption Proposal (including the Acquisition, the Share Consolidation, change in board lot size and the Open Offer);
2. inclusion in the circular:
 - (a) a pro forma balance sheet upon completion of the Open Offer and a comfort letter from the auditors under Rule 7.31 of the GEM Listing Rules; and
 - (b) a statement from the Directors (including the proposed Directors) confirming working capital sufficiency for at least 12 months after Resumption, and a comfort letter from the auditors and financial adviser of the Company on the Directors' statement; and
3. provision of a confirmation from an independent professional adviser that the Group has adequate financial reporting system and internal control procedures.

The Stock Exchange may modify the Resumption Conditions if the Company's situation changes.

PROPOSED SHARE CONSOLIDATION

The Board proposed to implement the Share Consolidation of every two (2) issued and unissued Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.02 each.

As at the date of this announcement, the Company has issued share capital of 200,000,000 Existing Shares. Assuming that no further Shares will be issued or repurchased from the date of this announcement up to the date on which the Share Consolidation becoming effective, the Company shall have issued share capital of 100,000,000 Consolidated Shares which are

fully paid or credited as fully paid following the Share Consolidation but before completion of the Open Offer. As at the date hereof, the Company does not have any outstanding warrants, options or convertible securities.

Full and complete implementation of the Share Consolidation would not, by itself, alter in whatsoever and howsoever way the underlying assets, liabilities, businesses, management or financial position of the Company and the Group or the rights of the Shareholders except for incurring the liability for payment of the professional fees and printing costs and the related expenses.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Conditions of the Share Consolidation

The Share Consolidation will be conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;
- (b) the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares in issue; and
- (c) the compliance with the requirements under the memorandum and articles of association of the Company.

The Share Consolidation will become effective on the next Business Day immediately following fulfillment of the above conditions. The expected effective date of the Share Consolidation is Tuesday, 22 January 2013.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares, and is expected to bring about a corresponding increase in the trading price of the Consolidated Shares. The Share Consolidation will also reduce the total number of Shares currently in issue. As such, the transaction and handling costs of the Company in relation to the dealings in the Consolidated Shares are expected to be reduced, which will be beneficial to the Company. Accordingly, the Board is of the view that the Share Consolidation is in the interest of the Company and the Shareholders as a whole.

Status of the Consolidated Shares

The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

Other than the expenses incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

Odd lot arrangement

To facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation and the change of board lot size, the Company has agreed to procure an agent to arrange for matching services regarding the sale and purchase of odd lots of Consolidated Shares on a best efforts basis, during the period from Thursday, 28 February 2013 to Friday, 22 March 2013 (both days inclusive). Further details in respect of the odd lots trading arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Tuesday, 22 January 2013 until Wednesday, 20 February 2013 (both days inclusive), submit existing share certificates for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares (on the basis of two (2) Shares for one (1) Consolidated Share). Thereafter, share certificates for the Shares will remain effective as documents of title but will be accepted for exchange only at any time on payment of a fee of HK\$2.50 (or such other amount as may from time to time specified by the Stock Exchange) by the Shareholders for each certificate issued or cancelled, whichever the number of certificates cancelled/issued is higher. Existing share certificates for the Existing Shares will cease to be accepted for delivery, trading and settlement purpose(s) after Wednesday, 20 February 2013.

Change of board lot size

As at the date of this announcement, the Shares are traded in board lots of 10,000 Existing Shares. It is proposed that the Consolidated Shares will be changed to be traded in board lots of 5,000 Consolidated Shares upon the Share Consolidation becoming effective on Tuesday, 22 January 2013.

PROPOSED OPEN OFFER

Basis of the Open Offer:	Four (4) Offer Shares for every (1) Consolidated Share held on the Record Date
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Offer price:	HK\$0.15 per Offer Share
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Number of Shares in issue:	200,000,000 Shares (equivalent to 100,000,000 Consolidated Shares immediately after completion of the Share Consolidation)
Number of Offer Shares:	400,000,000 Consolidated Shares
Gross proceeds:	HK\$60,000,000
Investor's Undertaking:	the Investor has undertaken to take up in full its entitlements under the Open Offer to subscribe for 285,986,960 Offer Shares pursuant to the Undertaking
Underwriter:	Kingston Securities Limited
Number of Offer Shares underwritten by the Underwriter:	114,013,040 Offer Shares
Number of Consolidated Shares in issue upon completion of the Open Offer:	500,000,000 Consolidated Shares

As at the date of this announcement, the Company has no outstanding warrants, options or convertible or exchangeable securities.

Total number of Offer Shares of 400,000,000 Consolidated Shares represents (i) 400% of the issued share capital of the Company as at the date of this announcement (assuming the Share Consolidation becoming effective); and (ii) 80% of the issued share capital of the Company upon completion of Share Consolidation and as enlarged by the Offer Shares.

Investor's Undertaking

The Investor has undertaken to take up in full its entitlements under the Open Offer to subscribe for 285,986,960 Offer Shares.

The Offer Price

The Offer price for the Offer shares is HK\$0.15 per Offer Share payable in cash and in full upon application by a Qualifying Shareholder. The Offer price of HK\$0.15 per Offer Share represents:

- (a) a discount of approximately 75.81% to the closing price of HK\$0.62 per Consolidated Share (assuming the Share Consolidation has become effective) on the Last Trading Day;
- (b) a discount of approximately 80.67% to the average closing prices of the Shares for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.776 per Consolidated Share (assuming the Share Consolidation has become effective); and

- (c) a discount of approximately 38.52% to the theoretical ex-entitlement price of approximately HK\$0.244 per Consolidated Share (assuming the Share Consolidation has become effective) for the Last Trading Day.

Trading of the Shares had been suspended for more than five years since 22 March 2007 and with the tight financial position and net liability position that the Company is facing, the Company has, upon arm's length negotiation agreed with the Underwriter that the Offer Price should represent a substantial discount to the closing price before the Suspension so as to incentivize the Qualifying Shareholders to take up their entitlements under the Open Offer. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its shareholding in the Company as at the Record Date. The Directors (including the proposed Directors) consider the Offer Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price to be raised upon completion of the Open Offer will be approximately HK\$0.135 per Offer Share.

Status of the Offer Shares

The Offer Shares when allotted and issued, will rank *pari passu* in all respects with the then existing Consolidated Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send the Open Offer Documents to the Qualifying Shareholders and will send the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the posting date of the Open Offer Documents.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date, and not being an Excluded Shareholder. In order to be registered members of the Company on the Record Date, Shareholders must lodge any transfer of Shares (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Thursday, 24 January 2013.

The Open Offer Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will ascertain whether there are any Overseas Shareholders on the Record Date. In determining whether there will be Excluded Shareholders, the Company will make enquiry regarding the legal restrictions, if any, under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relationship to the Company's offering of the Offer Shares to the Overseas Shareholders in compliance with the GEM Listing Rules. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient not to offer the

Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Open Offer Documents.

Closure of Register of Members

The register of members of the Company is expected to be closed from Friday, 25 January 2013 to Thursday, 31 January 2013, both dates inclusive, to determine the eligibility of the Shareholders to the Open Offer. No transfer of Shares will be registered during this period.

No excess application for the Offer Shares

Considering that the Open Offer will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company, if application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs to administer the excess application procedures. Accordingly, no excess Offer Shares will be offered to the Qualifying Shareholders and any Offer Shares not taken up by the Qualifying Shareholders will be underwritten by the Underwriter.

Fractions of Offer Shares

Fractional entitlements to the Offer Shares will not be allotted and will not be issued. The Offer Shares representing such fractional entitlements and entitlements of the Excluded Shareholders will be aggregated and retained for the benefit of the Company.

Certificates of the fully-paid Offer Shares

Subject to the fulfillment of the conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer” below, share certificates for the fully paid Offer Shares are expected to be posted on or before Wednesday, 27 February 2013 to those Qualifying Shareholders who have accepted and paid for the Offer Shares by ordinary post at his/her/its own risk.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in the Offer Shares. Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Offer Shares may be settled through CCASS.

UNDERWRITING AGREEMENT

Date:	21 December 2012
Underwriter:	Kingston Securities Limited
Number of Offer Shares underwritten:	114,013,040 Offer Shares
Underwriting commission:	2.5% on 114,013,040 Offer Shares underwritten
Investor's Undertaking:	the Investor has undertaken to take up in full its entitlements under the Open Offer to subscribe for 285,986,960 Offer Shares pursuant to the Underwriting Agreement and the Undertaking

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, the Underwriter is not interested in any Shares.

Pursuant to the Underwriting Agreement, the Open Offer is fully underwritten by the Underwriter, save for the entitlements falls under the Investor's Undertaking, of 114,013,040 Offer Shares. The Underwriter has undertaken to the Company to place down any Offer Shares under the Open Offer to Independent Shareholders so that neither the Underwriter nor any of the placees of the Open Offer will hold 10% or more shareholding in the Company upon completion of the Open Offer.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to the Latest Time for Termination if there occurs:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or

trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

- (b) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (f) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of any of the Underwriter, a material omission in the context of the Open Offer; or
- (g) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Open Offer Documents or other announcements or circulars in connection with the Open Offer.

Upon the giving of notice in accordance with the above, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

Conditions of the Open Offer

The Open Offer is conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Open Offer Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents

required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies Ordinance not later than the posting date of the Open Offer Documents;

- (b) the passing by the Independent Shareholders by way of poll at the EGM of an ordinary resolution to approve the Open Offer;
- (c) the posting of the Open Offer Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only, explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the posting date of the Open Offer Documents;
- (d) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listings of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (e) the Stock Exchange has granted its approval-in-principle (subject to any conditions as may be imposed by the Stock Exchange) for the Resumption;
- (f) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms on or before the Latest Time of Termination;
- (g) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement;
- (h) compliance with and performance of all undertakings and obligations of the Investor and the sole shareholder under the Investor's Undertaking;
- (i) the completion of the Acquisition in such manner as the Company and the Underwriter may agree; and
- (j) completion of the Share Consolidation.

All the above conditions are not waivable. If any of the conditions of the Open Offer is not satisfied in whole or in part by the Company by the Latest time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting Agreement shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

REASONS FOR THE OPEN OFFER

The Board considers that the Open Offer is in the interests of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Enlarged Group should they wish to do so.

Based on the closing price of HK\$0.31 per Share (or HK\$0.62 per Consolidated Share assuming the Share Consolidation has become effective) as quoted on the Stock Exchange on the Last Trading Day, the theoretical ex-entitlement price per Share after the Open Offer is approximately HK\$0.244, representing a discount of approximately 38.52% to the closing price of HK\$0.31 per Share (or HK\$0.62 per Consolidated Share assuming the Share Consolidation has become effective).

The Directors (including the proposed Directors) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole having taken into account the terms of the Open Offer.

THE USE OF PROCEEDS

The net proceeds (after payment of the fees for Resumption of approximately HK\$6 million) from the Open Offer of approximately HK\$54 million will be applied as follows:

- (a) approximately HK\$24 million for the settlement of the balance of the consideration of the Acquisition;
- (b) approximately HK\$12 million for the repayment of other borrowings and the Working Capital Loan; and
- (c) as to the remaining approximately HK\$18 million for future working capital for the Enlarged Group and any acquisitions or investments that the Group may decide to pursue after Resumption.

SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholdings structure of the Company as at the date of this announcement and the shareholding structure of the Company immediately upon the Share Consolidation becoming effective and the completion of the Open offer are set out below for illustration purposes only:

Scenario A: As at the date of this announcement; upon Share Consolidation becoming effective; and all Independent Shareholders take up the Open Offer in FULL

	As at the date of this announcement		Upon Share Consolidation becoming effective		Upon completion of the Open Offer	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Investor	142,993,481	71.50	71,496,740	71.50	357,483,700	71.50
Public						
— existing	<u>57,006,519</u>	<u>28.50</u>	<u>28,503,260</u>	<u>28.50</u>	<u>142,516,300</u>	<u>28.50</u>
Total	<u>200,000,000</u>	<u>100.00</u>	<u>100,000,000</u>	<u>100.00</u>	<u>500,000,000</u>	<u>100.00</u>

Scenario B: As at the date of this announcement; upon Share Consolidation becoming effective; and no existing Independent Shareholder takes up the Open Offer

	As at the date of this announcement		Upon Share Consolidation becoming effective		Upon completion of the Open Offer	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Investor	142,993,481	71.50	71,496,740	71.50	357,483,700	71.50
Public						
— existing	57,006,519	28.50	28,503,260	28.50	28,503,260	5.70
— placees under the Open Offer (<i>Note</i>)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>114,013,040</u>	<u>22.80</u>
Total	<u>200,000,000</u>	<u>100.00</u>	<u>100,000,000</u>	<u>100.00</u>	<u>500,000,000</u>	<u>100.00</u>

Note: Under the terms of the Underwriting Agreement, the Underwriter has undertaken to the Company to place down any Offer Shares under the Open Offer to Independent Shareholders so that neither the Underwriter nor any of the placees of the Open Offer will hold 10% or more shareholding in the Company upon completion of the Open Offer.

FUND-RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising exercises in the past 12 months immediately preceding the date of this announcement.

EXPECTED TIMETABLE

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

2013

Despatch of Circular and proxy form of EGM on or before
Friday, 4 January

Latest time and date for lodging transfer of Existing Shares
in order to qualify for attending EGM 4:30 p.m.
Friday, 18 January

Latest time and date for return of proxy form of EGM
(not less than 48 hours prior to time of EGM) 11:00 a.m.
Saturday, 19 January

Time and date of EGM 11:00 a.m.
Monday, 21 January

Announcement of results of EGM Monday, 21 January

Effective date of Share Consolidation and change in board lot size	Tuesday, 22 January
First day for free exchange of Existing Share certificates for Consolidated Shares certificates	Tuesday, 22 January
Last day of cum-entitlements of the Open Offer.	Tuesday, 22 January
First day of ex-entitlements of the Open Offer.	Wednesday, 23 January
Latest time and date for lodging transfers of Consolidated Shares in order to qualify for Open Offer	4:30 p.m. Thursday, 24 January
Register of members closes (both dates inclusive)	Friday, 25 January to Thursday, 31 January
Record Date for Open Offer	Thursday, 31 January
Despatch of Open Offer Documents	Friday, 1 February
Latest time and date for acceptance and payment for the Offer Shares	4:00 p.m. Wednesday, 20 February
Last day for free exchange of Existing Share certificates for Consolidated Share certificates	Wednesday, 20 February
Latest time and date for termination of the Underwriting Agreement	4:00 p.m. Monday, 25 February
Announcement of the results of the Open Offer	Tuesday, 26 February
Certificates for the Offer Shares expected to be despatched on or before.	Wednesday, 27 February
Despatch of refund cheques if the Open Offer is terminated	Wednesday, 27 February
Resumption of trading and first day of dealings in Consolidated Shares including the Offer Shares on the Stock Exchange	Thursday, 28 February
Matching of odd lots of the Shares commences	Thursday, 28 February
Matching of odd lots of the Shares ends	Friday, 22 March

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

GENERAL

The Share Consolidation is subject to the Shareholders' approval at the EGM at which no shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

The Open Offer is subject to, among other things, the approval by the Independent Shareholders at the EGM. Pursuant to the GEM Listing Rules, the controlling Shareholder, being the Investor, and its associates are required to abstain from voting in favour of the resolutions relating to the Open Offer.

A circular containing, among other things, further details of the Share Consolidation, the Open Offer and a notice convening the EGM will be despatched to the Shareholders as soon as practicable on or before 4 January 2013.

WARNING OF THE RISK OF DEALING IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the fulfillment of certain conditions set out below under the section headed "Conditions of the Open Offer". Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisers.

CONTINUED SUSPENSION OF TRADING OF SHARES

Trading in the Shares has been suspended at the request of the Company since 22 March 2007. Until satisfaction of all the Resumption Conditions set out by the Stock Exchange, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the Shares will resume trading or that the listing approval for the Consolidated Shares, including the Offer Shares, will be granted. Shareholders should note that the Shares may remain in suspension in the event that the Company fails to satisfy all or any the Resumption Conditions within the time stipulated by the Stock Exchange. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares or Consolidated Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"Acquisition"	the acquisition of the entire issued share capital of KanHan Technologies Limited by the Group set out in the circular from the Company dated 10 December 2012
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“Application Form(s)”	the form(s) of application for use by the Qualifying Shareholders to apply for the Offer Shares in the agreed form
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open for business other than a Saturday, Sunday, public holiday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Company”	Aurum Pacific (China) Group Limited (stock code: 8148), a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consolidated Share(s)”	the consolidated ordinary share(s) of HK\$0.02 each in the issued and unissued share capital of the Company upon completion of the Share Consolidation
“Director(s)”	the director(s) of the Company for the time being
“EGM”	the extraordinary general meeting of the Company for approving, inter alia, the Open Offer and the transactions contemplated thereunder
“Excluded Shareholders”	those Overseas Shareholder(s) to whom the Company (having obtained relevant and necessary legal opinions) considers it necessary or expedient not to offer the Offer Shares on account of the laws of the relevant place of the requirements of the relevant regulatory body or stock exchange in that place
“Existing Share(s)”	the existing ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company before completion of the Share Consolidation
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholder(s)”	the Shareholder(s), other than the controlling Shareholder, being the Investor, and its associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Investor”	Prime Precision Holdings Limited, a company incorporated in the British Virgin Islands and is wholly owned by Mr. Lau Man Tak, an executive Director and chairman of the Company
“Investor’s Undertaking”	the undertaking given by the Investor under the Underwriting Agreement to take up in full its entitlements under the Open Offer to subscribe for 285,986,960 Offer Shares
“Last Trading Day”	21 March 2007, the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of this announcement
“Latest Time for Termination”	latest time for terminating the Underwriting Agreement at 4:00 p.m. on Monday, 25 February 2013, being the third business day after the latest time for acceptance for the Offer Shares or such other time as may be agreed between the Company and the Underwriter
“Listing Committee”	the Listing Committee of the Stock Exchange
“Offer Price”	HK\$0.15 per Offer Share
“Offer Share(s)”	400,000,000 Consolidated Shares, to be allotted and issued under the Open Offer
“Open Offer”	the proposed issue of the Offer Shares at the Offer Price on the basis of four (4) Offer Shares for every (1) Consolidated Share held on the Record Date
“Open Offer Documents”	the Prospectus and the Application Form

“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown in the register of member of the Company on the Record Date) which are outside Hong Kong
“Prospectus”	the document containing details of, among others, the Share Consolidation and Open Offer to be despatched to the Shareholders
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	Thursday, 31 January 2013, or such other date as may be agreed between the Company and the Underwriter for determining entitlements to the Open Offer
“Registrar”	Tricor Tengis Limited, the Company’s branch share registrar in Hong Kong
“Resumption”	the resumption of trading in the Shares on GEM
“Resumption Conditions”	the conditions for the Resumption as set out in the letter dated 21 December 2012 from the Stock Exchange to the Company
“Resumption Proposal”	the proposal complied by the financial adviser on behalf of the Company dated 16 December 2011 and the subsequent related submissions to the Stock Exchange for the purpose of seeking approval from the Stock Exchange on the Resumption
“Share(s)”	Existing Share(s) or Consolidated Share(s), as the case maybe
“Share Consolidation”	the proposed consolidation of every two (2) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.02 each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”/“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 21 December 2012 in relation to the Open Offer entered into between the Company and the Underwriter

“Underwritten Shares”	all the Offer Shares other than the those Offer shares to be taken up by the Investor under the Investor’s Undertaking, being a maximum of 114,013,040 Offer Shares
“Working Capital Loan”	the loan facility agreement dated 11 April 2012 and side letters dated 26 June 2012 and 15 November 2012 in relation to an unsecured loan facility granted by the Investor to the Company up to an aggregate principal amount of not exceeding HK\$40,000,000 as the working capital of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Aurum Pacific (China) Group Limited
Lau Man Tak
Chairman

Hong Kong, 21 December 2012

As at the date of this announcement, the Board comprises two executive directors, who are Mr. Lau Man Tak and Mr. Lee Ah Sang, and three independent non-executive directors, who are Mr. Chan Wai Fat, Mr. Chi Chi Hung, Kenneth and Mr. Chui Kwong Kau.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. 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.