THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Aurum Pacific (China) Group Limited, you should at once hand this circular and the proxy form to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF MAX HONOUR INTERNATIONAL LIMITED AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser

VEDA | CAPITAL
智略資本

A notice convening the extraordinary general meeting of the Company ("**EGM**") to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 15 June 2011 at 12:30 p.m. is set out on page 42 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

This circular 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.

26 May 2011

CONTENTS

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

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

"associate(s)"	has the meanings ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	a day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
"Company"	Aurum Pacific (China) Group Limited (stock code: 8148), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM
"Completion"	the seventh Business Day following the day on which all the conditions precedent under the Disposal Agreement are fulfilled (or such later date as the Company and the Purchaser may agree in writing prior to Completion)
"Completion Accounts"	the audited accounts of the Disposal Company for the financial period from 1 January 2011 to the Completion Date, which shall be presented to the Purchaser within 4 weeks after the Completion Date
"Completion Date"	date of Completion
"connected person(s)"	has the meaning ascribed to it in the GEM Listing Rules
"Consideration"	the consideration of the Disposal Share
"Director(s)"	director(s) of the Company
"Disposal"	the proposed disposal of the Disposal Share pursuant to the terms of the Disposal Agreement, which constitutes a very substantial disposal for the Company under the GEM Listing Rules
"Disposal Agreement"	the sale and purchase agreement dated 31 March 2011 (and as supplemented by the supplemental agreement dated 7 April 2011) entered into between the Company and the Purchaser in relation to the Disposal
"Disposal Company"	Max Honour International Limited, a company incorporated in Hong Kong which is a directly wholly-owned subsidiary of the Company as at the Latest Practicable Date and immediately before Completion
"Disposal Share"	one share of the Disposal Company, representing its entire issued share capital, beneficially held by the Company immediately before Completion

"EGM"	the extraordinary general meeting of the Company to be held for the purpose of considering and if thought fit passing the resolution in respect of, among others, the Disposal Agreement and the transactions contemplated thereunder
"GEM"	the Growth Enterprise Market operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of the Group and connected persons of the Group
"Latest Practicable Date"	20 May 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"Long Stop Date"	30 June 2011, or such other date as the Company and the Purchaser may agree in writing
"NAV"	the audited net asset value of the Disposal Company as at the Completion Date as contained in the Completion Accounts
"Premium"	HK$500,000
"Purchaser"	Hong Yue Limited, a company incorporated in the British Virgin Islands
"Remaining Group"	the Group excluding the Disposal Company
"Settlement Date"	the third Business Day following the day on which the Vendor presents the Completion Accounts to the Purchaser
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	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:
Mr. Cheung Yu Ping
(Chairman and Chief Executive Officer)
Mr. Lee Ah Sang

Independent non-executive Directors:
Mr. Chi Chi Hung, Kenneth
Mr. Chan Wai Fat
Mr. Chui Kwong Kau

Registered office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong
Unit 903, 9/F., Wings Building
110–116 Queen's Road Central
Central, Hong Kong

26 May 2011

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF MAX HONOUR INTERNATIONAL LIMITED

INTRODUCTION

On 31 March 2011, the Company as the vendor entered into the Disposal Agreement with the Purchaser, pursuant to which, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Disposal Company.

The Disposal constitutes a very substantial disposal for the Company pursuant to the GEM Listing Rules. Accordingly, the Disposal is subject to the approval of the Shareholders by way of poll at the EGM.

The purpose of this circular is to provide you with, among other things, further information of the Disposal Company, and the notice convening the EGM.

Date

31 March 2011

Parties

(i)	the vendor	the Company
(ii)	the Purchaser	Hong Yue Limited is an investment holding company incorporated in the British Virgin Islands with limited liability. To the best of the directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Disposal Share

One share of the Disposal Company, being its entire issued share capital. The Disposal Company is a wholly-owned subsidiary of the Company as at the Latest Practicable Date and prior to the Completion.

Consideration

The consideration for the Disposal Share shall be the audited net asset value as contained in the audited accounts of the Disposal Company for the financial period from 1 January 2011 to the Completion Date (to be presented to the Purchaser within 4 weeks after the Completion Date) plus the Premium. The Premium is agreed between the Company and the Purchaser after arm's length negotiations based on the estimated costs and expenses of the Disposal.

Based on the audited net asset value of the Disposal Company of approximately HK$4.11 million as at 31 December 2010 and assuming the NAV remains unchanged upon Completion, the Consideration would be approximately HK$4.61 million.

The Consideration shall be settled as follows:

(i) as to HK$3,000,000 payable by the Purchaser to the Vendor by bank cashier's cheque issued by a bank in Hong Kong or bankers' draft in favour of the Company or the Company's direction on the Completion Date; and

(ii) (a) if the Consideration is more than HK$3,000,000, as to the balance of the Consideration payable by the Purchaser to the Company by bank cashier's cheque issued by a bank in Hong Kong or bankers' draft in favour of the Company or to the Company's direction on the Settlement Date; or

(b) if the Consideration is less than HK$3,000,000, as to the shortfall of the Consideration from HK$3,000,000 payable by the Company to the Purchaser by bank cashier's cheque issued by a bank in Hong Kong or bankers' draft in favour of the Purchaser or to the Purchaser's direction on the Settlement Date.

The Consideration was agreed between the Company and the Purchaser after arm's length negotiations based on the NAV of the Disposal Company.

Conditions precedent of the Disposal Agreement

Completion of the Disposal Agreement is conditional upon satisfaction of all of the following conditions:

(a) compliance with all regulatory requirements in relation to the Disposal Agreement and the transactions contemplated thereunder including but not limited to those under the GEM Listing Rules and all relevant regulatory requirements in Hong Kong;

(b) passing of all the necessary resolution(s) by the Shareholders pursuant to the GEM Listing Rules at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder; and

(c) the warranties and representations given by the Company and the Vendor remaining true and accurate in all material respects.

None of the above conditions precedent is waivable. If any of the conditions above have not been fulfilled by the Long Stop Date, all rights and obligations of the parties thereunder shall cease and determine and none of the parties thereto shall have any claim against the others save for any antecedent breaches.

Completion

Completion shall take place on the Completion Date. Upon Completion, the Company will cease to hold any interest in the Disposal Company and the Disposal Company will cease to be the subsidiary of the Company and the results of the Disposal Company will no longer be consolidated into the accounts of the Group after the Completion.

INFORMATION OF THE GROUP

As at the Latest Practicable Date, the Group is principally engaged in two business segments:

(i) trading of computer equipment and accessories (via the Disposal Company) including computerised smart sockets and related accessories; and

(ii) provision of custom-made solutions.

Upon Completion, the Group would be engaged in provision of custom-made solutions only.

INFORMATION OF THE DISPOSAL COMPANY

The Disposal Company is a wholly-owned subsidiary of the Company and is principally engaged in trading of computer equipment and accessories including computerised smart sockets and related accessories.

Financial information of the Disposal Company

	For the year ended 31 December 2010 *(audited)* *HK$'000*	For the year ended 31 December 2009 *(audited)* *HK$'000*
Profit before taxation and extraordinary items	3,484	2,513
Profit after taxation and extraordinary items	2,909	2,098

LOSS ON THE DISPOSAL

Based on the audited net asset value of the Disposal Company as at 31 December 2010 of approximately HK$4.11 million, the Consideration would be approximately HK$4.61 million after adding the Premium. Assuming the NAV remains unchanged upon Completion and taken into account of expenses of approximately HK$680,000, the net proceeds from the Disposal is expected to be approximately HK$3.93 million. The Company expects to record a loss of approximately HK$180,000, taken into account of the expenses of the Disposal and NAV. The Company intends to utilize the net proceeds as general working capital of the Remaining Group.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on the unaudited pro forma financial information of the Remaining Group (the "**Statement**") as set out in appendix III to this circular, assuming the Disposal had been completed on 31 December 2010, the Disposal would have the following financial effects on the Group.

Assets/liabilities

As at 31 December 2010, the audited consolidated total assets and total liabilities of the Group were approximately HK$12,014,000 and HK$13,465,000 respectively. Based on the Statement, the Remaining Group's total assets and total liabilities would become approximately HK$7,313,000 and HK$8,944,000, respectively upon Completion.

Earnings

Upon Completion, the Company expects to record a loss of approximately HK$180,000 which is the difference between the Consideration of approximately HK$4,612,000 and (i) the audited net asset value of the Disposal Company as at 31 December 2010 of approximately HK$4,112,000; and (ii) the direct expenses in relation to the Disposal of approximately HK$680,000.

It should be noted that the aforementioned estimations are for illustrative purpose only and do not purport to represent how the financial position of the Remaining Group will be upon Completion.

FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

As set out in appendix II to this circular, the audited net profit of the Disposal Company for the year ended 31 December 2010 was approximately HK$2.9 million and as shown in the unaudited pro forma financial information of the Remaining Group in appendix III to this circular, the Remaining Group would be loss making of approximately HK$3.0 million assuming the Completion took place on 1 January 2010. After the Completion of the Disposal, the Remaining Group will continue to focus on and expand its custom-made solutions business.

The Company has submitted a resumption proposal dated 30 June 2010 (the "**Resumption Proposal**") to the Stock Exchange which has proposed several transactions including a very substantial acquisition of a target company from an Independent Third Party (the "**Target Company**"). The Target Company is principally engaged in provision of custom-made solutions which is in line with the principal business of the Remaining Group. The Resumption Proposal is currently under consideration by the Stock Exchange and the Company has not yet proceeded with the proposed transactions. The Directors believe that the Target Company could enrich the business segment in the provision of custom-made solutions and could subsequently strengthen the financial position and maintain a sustainable business operation of the Remaining Group. Meanwhile, the Board would continue to review its overall strategy to improve the existing operation and to explore means to improve the Company's performance so as to provide maximum investment return to the Shareholders.

REASONS AND BENEFITS OF THE DISPOSAL

In view of the keen competition and poor operating environment of the Group's trading business of computer equipment, computerised smart sockets and related accessories and the fact that the Group has obtained indication on decreasing trend in sales demand for the coming months, the Disposal Company is expected to record a sales decrease for the current financial year.

As abovementioned, the Company has submitted the Resumption Proposal to the Stock Exchange which has proposed several transactions including a very substantial acquisition of the Target Company which is engaged in provision of custom-made solutions and is in line with the principal business of the Company at the time when the trading of the Shares was suspended. In view that the Consideration would have immediate positive effects on the cash position of the Company, the Directors consider that the Disposal could enhance better resources distribution to focus on the business of provision of custom-made solutions along with the business of the Target Company and given that the sales of the Disposal Company is expected to decrease in the current financial year, the impact of the Disposal on the operation and financial position of the Group would be minimized and taken into account of the subsequent acquisition of the Target Company, which may or may not proceed, the enlarged Remaining Group is expected to be able to maintain sustainable business operation.

As such, the Directors believe the terms of the Disposal Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

The Disposal constitutes a very substantial disposal for the Company pursuant to the GEM Listing Rules. Accordingly, the Disposal is subject to the approval of the Shareholders by way of poll at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal. Accordingly, no Shareholder is required to abstain from voting on the relevant resolution to approve the Disposal Agreement and the transactions contemplated thereunder at the EGM.

EGM

The EGM will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Wednesday, 15 June 2011 at 12:30 p.m., the notice of which is set out on page 42 of this circular, to consider and, if thought fit, approve the ordinary resolution(s) to approve the Disposal Agreement and the transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Disposal and the terms of the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions at the EGM.

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 to the Stock Exchange, which is still being reviewed and under consideration 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 of the Company may or may not be approved by the Stock Exchange. The Disposal does not form part of the Resumption Proposal.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
Aurum Pacific (China) Group Limited
Cheung Yu Ping
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2008, 2009 and 2010 are set out in the annual reports of the Company for the years ended 31 December 2008 at http://www.hkexnews.hk/listedco/listconews/gem/20090325/GLN20090325003.pdf, 31 December 2009 at http://www.hkexnews.hk/listedco/listconews/gem/20100330/GLN20100330003.pdf, and 31 December 2010 at http://www.hkexnews.hk/listedco/listconews/gem/20110329/GLN20110329069.pdf respectively and are published on the website of the Company (www.aurumpacific.com.hk).

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Liquidity, financial resources and capital structure

At 31 December 2010, the Remaining Group had cash and bank balances of approximately HK$2,812,000 (2009: HK$1,011,000), and loans from the controlling shareholder with a carrying amount of HK$1,078,000 (2009: HK$7,658,000), which are unsecured, interest free and not repayable before 31 August 2013. In addition, the Group obtained a loan with principal amount of HK$5,000,000 (2009: HK$Nil) from an independent third party during the year. The loan is unsecured, bearing interest rate at 3% over the Hong Kong prime rate per annum plus an arrangement fee. The average effective interest rate for the year after taking into account the arrangement fee is approximately 18%. The loan is repayable within one year. All the cash and bank balances and the borrowings are denominated in Hong Kong dollars.

Gearing ratio

As at 31 December 2010, total assets of the Remaining Group were approximately HK$3,381,000 (2009: HK$7,175,000), whereas the total liabilities were approximately HK$8,944,000 (2009: HK$8,829,000). The gearing ratio of the Remaining Group, calculated as total liabilities over total assets, was 264.5% (2009: 123.1%) and the current ratio, calculated as current assets over current liabilities, was 0.4 (2009: 5.9). The Directors will continue to take measures to further improve the liquidity and gearing position of the Group.

Foreign exchange exposure

The Directors consider that the Remaining Group had no material foreign exchange exposure.

Investment held and material acquisitions and disposals

During the year ended 31 December 2010, a wholly owned subsidiary of the Company entered into a sale and purchase agreement with the independent third parties in relation to an acquisition of a company engaging in the business of system integration providing e-medical solutions and corporate performance management solutions. The acquisition has not been completed as at the date of the reporting period. Save as disclosed above, the Remaining Group did not have any material acquisition, disposal and significant investment.

Pledge of assets and contingent liabilities

As at 31 December 2010, the Remaining Group did not have any substantial pledge of assets and contingent liabilities.

Segment information

Based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions, the Remaining Group has one reportable segment, namely the custom-made solutions. As at 31 December 2010, this segment had reportable segment assets and reportable segment liabilities of approximately HK$651,000 (2009: HK$485,000) and HK$1,316,000 (2009: HK$130,000) respectively. For the year ended 31 December 2010, the reportable segment revenue was approximately HK$560,000 (2009: HK$138,000) and its reportable segment loss for the period was approximately HK$430,000 (2009: HK$235,000).

Employees and remuneration policies

As at 31 December 2010, the Remaining Group employed 8 staff (2009: 10). The staff costs (including directors' remuneration) was approximately HK$1,528,000 for the year under review (2009: HK$3,431,000). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. The Remaining Group provides benefits in accordance with the relevant laws and regulations including the Mandatory Provident Fund Scheme of Hong Kong.

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 March 2011, being the latest practicable date for ascertaining certain information relating to this indebtedness statement, the Group had total outstanding borrowings of approximately HK$8,104,000 comprising unsecured borrowings due to a controlling shareholder and an independent third party of approximately HK$2,239,000 and HK$5,865,000 respectively.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, as at the close of business on 31 March 2011, the Group did not have any debt securities, either issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments and guarantees or other material contingent liabilities.

4. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the Group's internal resources, cash flow from operations and cash proceed from the Disposal, the Remaining Group, after completion of the Disposal, will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this circular in the absence of unforeseen circumstances.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, the date to which the latest audited financial statements of the Group were made up.

A. ACCOUNTANTS' REPORT

The following is the text of an accountants' report on the Disposal Company, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, BDO Limited, Certified Public Accountants.

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
Telephone: (852) 2541 5041
Telefax: (852) 2815 2239

26 May 2011

The Board of Directors
Aurum Pacific (China) Group Limited
Unit 903, 9/F, Wings Building
110–116 Queen's Road Central
Hong Kong

Dear Sirs,

We set out below our report on the financial information of Max Honour International Limited (the "Disposal Company") for the period from 26 June 2008 (date of incorporation) to 31 December 2008 and the two years ended 31 December 2009 and 2010 (the "Relevant Periods") for inclusion in the circular issued by Aurum Pacific (China) Group Limited dated 26 May 2011 (the "Circular") in connection with, among other thing, the proposed disposal of the entire equity interest of the Disposal Company.

The Disposal Company was incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance and principally engaged in trading of computerised smart sockets and related accessories during the Relevant Periods.

The statutory financial statements of the Disposal Company for the period from 26 June 2008 (date of incorporation) to 31 December 2008 were audited by Shu Lun Pan Horwath Hong Kong CPA Limited and the two years ended 31 December 2009 and 2010 were audited by BDO Limited. These financial statements are prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the Relevant Periods (the "Underlying Financial Statements").

The financial information and the notes thereto for the Relevant Periods (the "Financial Information") have been prepared based on the Underlying Financial Statements of the Disposal Company with no adjustment made thereon.

We have not audited any financial statements of the Disposal Company in respect of any period subsequent to 31 December 2010.

The directors of the Disposal Company are responsible for the preparation and the true and fair presentation of the Underlying Financial Statements and the Financial Information in accordance with HKFRSs. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors of Aurum Pacific (China) Group Limited are responsible for the contents of the Circular in which this report is included.

It is our responsibility to form an independent opinion on the Financial Information and to report our opinion to you. For the purpose of this report, we have examined the Financial Information and carried out such additional procedures as are necessary in accordance with Auditing Guideline 3.340 "Prospectus and the reporting accountant" issued by the HKICPA.

In our opinion, the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of the Disposal Company as at 31 December 2008, 2009 and 2010 and of the results and cash flows of the Disposal Company for the Relevant Periods.

B. FINANCIAL INFORMATION

Statement of Comprehensive Income

For the period from 26 June 2008 (date of incorporation) to 31 December 2008 and the years ended 31 December 2009 and 2010

	Notes	Period from 26 June 2008 (date of incorporation) to 31 December 2008 HK$'000	Year ended 31 December 2009 HK$'000	Year ended 31 December 2010 HK$'000
Turnover	6	15,548	36,803	38,332
Cost of sales		(13,059)	(30,288)	(32,202)
Gross profit		2,489	6,515	6,130
Selling and distribution expense		(622)	(1,414)	(1,533)
Administrative expenses		(1,396)	(2,588)	(1,113)
Profit before income tax	9	471	2,513	3,484
Income tax expense	10	(78)	(415)	(575)
Profit for the period/year		393	2,098	2,909
Other comprehensive income for the period/year		—	—	—
Total comprehensive income for the period/year		393	2,098	2,909

Statements of Financial Position

As at 31 December 2008, 2009 and 2010

		As at 31 December		
		2008	**2009**	**2010**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Current assets				
Trade receivables	*12*	8,126	4,223	8,220
Amount due from holding company	*16(c)*	—	3,308	—
Cash and cash equivalents		1,105	7	413
Total current assets		**9,231**	**7,538**	**8,633**
Current liabilities				
Trade payables	*13*	7,359	2,258	4,361
Amount due to a fellow subsidiary	*16(c)*	821	2,296	—
Amount due to holding company	*16(c)*	580	—	—
Tax payable		78	493	160
Total current liabilities		**8,838**	**5,047**	**4,521**
Net assets		**393**	**2,491**	**4,112**
Capital and reserves				
Share capital	*14*	—	—	—
Retained profits		393	2,491	4,112
Total equity		**393**	**2,491**	**4,112**

Statements of Changes in Equity

For the period from 26 June 2008 (date of incorporation) to 31 December 2008 and the years ended 31 December 2009 and 2010

	Share capital	Retained profits	Total
	HK$'000	*HK$'000*	*HK$'000*
	(Note 14)		
Issue of share capital	—	—	—
Total comprehensive income for the period	—	393	393
Balance at 31 December 2008	**—**	**393**	**393**
Total comprehensive income for the year	—	2,098	2,098
Balance at 31 December 2009	**—**	**2,491**	**2,491**
Interim dividends declared and paid	—	(1,288)	(1,288)
Total comprehensive income for the year	—	2,909	2,909
Balance at 31 December 2010	**—**	**4,112**	**4,112**

Statements of Cash Flows

For the period from 26 June 2008 (date of incorporation) to 31 December 2008 and the years ended 31 December 2009 and 2010

	Period from 26 June 2008 (date of incorporation) to 31 December 2008	Year ended 31 December 2009	Year ended 31 December 2010
	HK$'000	*HK$'000*	*HK$'000*
Operating activities			
Profit before income tax and operating cash flows before working capital changes	471	2,513	3,484
(Increase)/decrease in trade receivables	(8,126)	3,903	(3,997)
(Increase)/decrease in amount due from holding company	—	(3,308)	2,020
Increase/(decrease) in trade payables	7,359	(5,101)	2,103
Increase/(decrease) in amount due to a fellow subsidiary	821	1,475	(2,296)
Increase/(decrease) in amount due to holding company	580	(580)	—
Cash generated from/(cash in) operations	1,105	(1,098)	1,314
Income tax paid	—	—	(908)
Net cash generated from/(used in) operating activities and net increase/(decrease) in cash at banks and in hand	1,105	(1,098)	406
Cash at banks and in hand at beginning of period/year	—	1,105	7
Cash at banks and in hand at end of period/year	1,105	7	413

Notes to the Financial Information of the Disposal Company

For the period from 26 June 2008 (date of incorporation) to 31 December 2008 and the years ended 31 December 2009 and 2010

1. GENERAL INFORMATION

The Disposal Company is a private limited liability company incorporated in Hong Kong. Its registered office, which is also the principal place of business is located at Room 3707, 37/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

The Disposal Company is engaged in trading of computerised smart sockets and related accessories.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purposes of preparing and presenting the Financial Information for the Relevant Periods, the Disposal Company has adopted all the new/revised HKFRSs issued by HKICPA, which are effective for the Disposal Company's financial year beginning on 1 January 2010, consistently throughout the Relevant Periods, where appropriate.

The following new or revised HKFRSs, potentially relevant to the Disposal Company's operations, have been issued but are not yet effective and have not been early adopted by the Disposal Company:

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1&2]
HKAS 24 (Revised)	Related Party Disclosures[2]
HKFRS 9	Financial Instruments[3]

[1] Effective for annual periods beginning on or after 1 July 2010
[2] Effective for annual periods beginning on or after 1 January 2011
[3] Effective for annual periods beginning on or after 1 January 2013

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The directors of the Disposal Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the Financial Information.

3. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

(a) Statement of compliance

The Financial Information has been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the Hong Kong Companies Ordinance.

(b) Basis of measurement

The Financial Information has been prepared under the historical cost basis.

(c) Functional and presentational currency

The Financial Information is presented in Hong Kong dollars, which is the same as the functional currency of the Disposal Company.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

The Disposal Company classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Loans and receivables are initially recognised at fair value plus directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method, less any identified impairment losses.

(ii) Impairment loss on financial assets

The Disposal Company assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtors' financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iii) Financial liabilities

The Disposal Company classifies its financial liabilities, depending on the purpose for which the liabilities were incurred.

The Disposal Company's financial liabilities include payables and amounts due to group companies. They are initially recognised at fair value net of directly attributable transaction costs and subsequently measured at amortised cost, using the effective interest method.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Disposal Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Disposal Company derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(c) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

(d) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Disposal Company has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(e) Income taxes

Income taxes for the Relevant Periods comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Income taxes are recognised in profit or loss except when they relate to items directly recognised in other comprehensive income in which case the taxes are also directly recognised in other comprehensive income.

(f) Foreign currency

Transactions entered into by the Disposal Company in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

(g) Revenue recognition

Revenue from sales of goods is recognised on the transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customers.

5. CRITICAL ACCOUNTING JUDEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Disposal Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant effects on amounts recognised in the Financial Information arising from the judgement used by management.

6. TURNOVER

Turnover, which is also revenue, represents the invoiced value of goods supplied to customers.

7. SEGMENT INFORMATION AND MAJOR CUSTOMERS

During the Relevant Periods, the Disposal Company operated a single business of trading of computerised smart sockets and related accessories in Hong Kong. The chief operating decision maker of the Disposal Company reviewed the revenue of the Disposal Company for purposes of resource allocation and performance assessment and no other discrete financial information is available. Accordingly, no segment analysis is presented.

During the Relevant Periods, revenue from the Disposal Company's largest customer amounted to HK$15,548,000, HK$36,104,000 and HK$38,332,000 respectively, being 100%, 98% and 100% of the total revenue of the Disposal Company.

8. DIRECTORS' REMUNERATION AND EMPLOYEES' EMOLUMENTS

No emoluments were paid or payable to the directors and employee for the Relevant Periods.

9. PROFIT BEFORE INCOME TAX EXPENSE

	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Profit before income tax expense is arrived at after charging:			
Auditor's remuneration	100	150	150
Management fees paid to group companies	1,050	2,100	890

10. INCOME TAX EXPENSE

The amount of income tax expense in the statement of comprehensive income represents provision for Hong Kong profits tax calculated at 16.5% for the Relevant Periods on the estimated assessable profits for the year.

The income tax expense for the Relevant Periods can be reconciled to the profit before income tax expense per the statement of comprehensive income as follows:

	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Profit before income tax expense	471	2,513	3,484
Income tax calculated at Hong Kong profits tax rate of 16.5%	78	415	575

The Disposal Company had no significant potential deferred tax assets and liabilities at the end of each reporting period.

11. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful.

12. TRADE RECEIVABLES

An ageing analysis of trade receivables at the end of each of the reporting period is as follows:

	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Within 30 days	2,356	4,223	4,794
31–60 days	3,772	—	2,252
61–90 days	1,998	—	1,174
	8,126	4,223	8,220

The average credit period granted to customers is 60 days.

An ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired as at the end of each reporting period is as follows:

	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Not past due	6,128	4,223	7,046
Less than 1 month past due	1,998	—	1,174
	8,126	4,223	8,220

Trade receivables relate to customers that have a good track record with the Disposal Company. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Disposal Company does not hold any collateral over these balances.

13. TRADE PAYABLES

An ageing analysis of trade payables as at the end of each reporting period is as follows:

	2008	2009	2010
	HK$'000	*HK$'000*	*HK$'000*
Current or less than 1 month	1,978	2,258	4,027
1 to 3 months	5,381	—	334
	7,359	2,258	4,361

14. SHARE CAPITAL

	2008		2009		2010	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
		HK$'000		*HK$'000*		*HK$'000*
Authorised:						
Ordinary shares of HK$1.00 each	10,000	10	10,000	10	10,000	10
Issued and fully paid:						
At beginning and end of year	1	—	1	—	1	—

The Disposal Company was incorporated on 26 June 2008 with an authorised share capital of HK$10,000 divided into 10,000 shares of HK$1 each. 1 share of HK$1 each was issued to the subscriber to the Memorandum of Association at par for cash on incorporation to provide the initial capital.

15. DIVIDENDS

During 2010, an interim dividend of HK$1,288,000 was paid. The directors do not recommend the payment of a final dividend in respect of the year 2010. No dividend was paid or proposed in 2008 and 2009.

16. RELATED PARTY TRANSACTIONS

The Disposal Company entered into the following transactions with related parties:

(a) In the ordinary course of business, the Disposal Company paid management fees to its holding company and fellow subsidiaries for the Relevant Periods as below:

	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Holding Company	480	960	400
Fellow subsidiaries	570	1,140	490

(b) In the ordinary course of business, the Disposal Company paid rental expense and building management fee in aggregate of HK$242,000, HK$335,000 and HK$67,000 to a fellow subsidiary for the period ended 31 December 2008 and each of the years ended December 2009 and 2010 respectively.

(c) Amounts due from/(to) holding company and a fellow subsidiary were interest free, unsecured and repayable on demand. They were settled in full in 2010.

(d) Members of key management personnel comprised of the directors only who did not receive any remuneration during the Relevant Periods.

17. SIGNIFICANT NON-CASH TRANSACTION

An interim dividend of HK$1,288,000 was declared and paid by offsetting the amount due from the holding company during 2010.

18. OPERATING LEASE ARRANGEMENTS

The Disposal Company as lessee

	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Minimum lease payments under operating leases recognised as an expense during the Relevant Periods	204	291	57

Operating lease payments represent rentals payable by the Disposal Company for its leased properties. The leased agreement was signed by a fellow subsidiary with the landlord. Accordingly, the Disposal Company had no outstanding operation lease commitment as at the end of each of the reporting period.

19. CAPITAL RISK MANAGEMENT

The Disposal Company's objective of managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Disposal Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The capital structure of the Disposal Company consists of equity attributable to owner of the Disposal Company only, comprising share capital and retained profits.

20. FINANCIAL RISK MANAGEMENT

The main risks arising from the Disposal Company's financial instruments in the normal course of the Disposal Company's business are credit risk, liquidity risk, interest rate risk and currency risk.

These risks are limited by the Disposal Company's financial management policies and practices described below.

(a) Credit risk

The Disposal Company's credit risk is primarily attributable to trade receivables. Management has credit policy in place and the exposure to this credit risk is monitored on an ongoing basis.

During the Relevant Periods, the Disposal Company had a concentration of credit risk as 100%, 83% and 100% respectively of the total trade receivables was due from its major distributor. The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. The Disposal Company does not provide any other guarantees which would expose itself to credit risk.

(b) Liquidity risk

The Disposal Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in both short and long term. All financial liabilities at the end of each period are either repayable on demand or due to repay within one year.

(c) Interest rate risk

As the Disposal Company has no significant interest-bearing assets and liabilities, the Disposal Company's operating cash flows are substantially independent of changes in market interest rate.

(d) Currency risk

Currency risk to the Disposal Company is minimal as most of the Disposal Company's transactions are carried out in Hong Kong dollars.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2008, 2009 and 2010.

21. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Disposal Company's financial assets and financial liabilities as recognised at the end of the Relevant Periods may be categorised as follows:

	2008	**2009**	**2010**
	HK$'000	*HK$'000*	*HK$'000*
Financial assets			
Loans and receivables (including cash and bank balances)	9,231	7,538	8,633
Financial liabilities			
Financial liabilities measured at amortised cost	8,760	4,554	4,361

22. SUBSEQUENT FINANCIAL INFORMATION

No audited financial statements have been prepared by the Disposal Company in respect of any period subsequent to 31 December 2010.

Yours faithfully
BDO Limited
Certified Public Accountants
Shiu Hong NG
Practising Certificate Number: P03752
25th Floor, Wing On Centre
111 Connaught Road Central, Hong Kong

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

1. Accountants' Report on the Unaudited Pro Forma Financial Information of the Remaining Group

The following is the full text of a report from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong for incorporation in this circular.

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
Telephone: (852) 2541 5041
Telefax: (852) 2815 2239

26 May 2011

The Board of Directors
Aurum Pacific (China) Group Limited
Unit 903, 9/F., Wings Building
110–116 Queen's Road Central
Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information (the "Unaudited Pro Forma Financial Information") of Aurum Pacific (China) Group Limited (the "Company") and its subsidiaries (together referred to as the "Group"), comprising unaudited pro forma consolidated statement of financial position as at 31 December 2010, unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2010, which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the disposal of the Company's entire equity interest in Max Honour International Limited (the "Disposal Company") (the Group excluding the Disposal Company hereinafter referred to as the "Remaining Group"), might have affected the financial information presented, for inclusion in Appendix III to the circular dated 26 May 2011 (the "Circular"). The basis of preparation of the Unaudited Pro Forma Financial Information is set out on the pages 28 to 35 of the Circular.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 31 December 2010 or any future date; or
- the results and cash flows of the Group for the year ended 31 December 2010 or for any future period.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the stated accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,
For and on behalf of
BDO Limited
Certified Public Accountants
Hong Kong
Shiu Hong NG
Practising Certificate number: P03752

2. The Unaudited Pro Forma Financial Information

(I) Unaudited pro forma consolidated statement of financial position of the Remaining Group

(A) Introduction

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared to illustrate the effect of the disposal of the Company's entire equity interest in the Disposal Company. On 31 March 2011, the Company entered into an agreement to dispose of its entire equity interest in the Disposal Company at a consideration of approximately HK$4,612,000 (subject to adjustments) (the "Disposal").

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared in accordance with Rule 7.31 of the GEM Listing Rules for the purpose of illustrating the effect of the Disposal as if the Disposal took place on 31 December 2010.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is based upon the consolidated statement of financial position of the Group as at 31 December 2010, which has been extracted from the annual report of the Group for the year ended 31 December 2010 (the "Annual Report"), after making pro forma adjustments relating to the Disposal that are (i) directly attributable to the Disposal and not relating to future events or decisions; and (ii) factually supportable.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared for illustrative purposes only and is based on judgments, estimations and assumptions of the Group's Directors, and because of its hypothetical nature, it may not give a true picture of the financial position of the Remaining Group as at 31 December 2010 or at any future date.

The unaudited pro forma consolidated statement of financial position of the Remaining Group should be read in conjunction with the historical information of the Group as set out in the Annual Report and other financial information included elsewhere in this circular.

2. The Unaudited Pro Forma Financial Information — continued

(I) Unaudited pro forma consolidated statement of financial position of the Remaining Group — continued

(B) Unaudited pro forma consolidated statement of financial position

	The Group as at 31 December 2010	Pro Forma Adjustments		Pro forma the Remaining Group as at 31 December 2010
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		(Note 1)	*(Note 2)*	
Non-current assets				
Property, plant and equipment	198	—		198
Current assets				
Inventories — finished goods for resale	101	—		101
Trade and other receivables	8,490	(8,220)		270
Cash and cash equivalents	3,225	(413)	3,932	6,744
Total current assets	**11,816**	**(8,633)**		**7,115**
Current liabilities				
Trade and other payables	6,625	(4,361)		2,264
Other borrowing — secured	5,602	—		5,602
Tax payable	160	(160)		—
Total current liabilities	**12,387**	**(4,521)**		**7,866**
Net current liabilities	**(571)**	**(4,112)**		**(751)**
Total assets less current liabilities	**(373)**	**(4,112)**		**(553)**
Non-current liabilities				
Loans from a shareholder	1,078	—		1,078
Net liabilities	**(1,451)**	**(4,112)**		**(1,631)**
Capital and reserves attributable to owners of the Company				
Share capital	2,000			2,000
Reserves	(3,451)		(180)	(3,631)
Total equity — deficit	**(1,451)**			**(1,631)**

2. The Unaudited Pro Forma Financial Information — continued

(I) Unaudited pro forma consolidated statement of financial position of the Remaining Group — continued

(B) Unaudited pro forma consolidated statement of financial position — continued

Notes:

1. The adjustment reflects the exclusion of the assets and liabilities of the Disposal Company from the consolidated statement of financial position of the Group as at 31 December 2010, assuming that the Disposal took place on 31 December 2010.

2. The adjustment reflects the estimated net proceeds received and the estimated loss arising from the Disposal, assuming that the Disposal took place on 31 December 2010.

	HK$'000
The estimated consideration	4,612
Less: Estimated direct expenses in relation to the Disposal	(680)
Net proceeds from the Disposal	3,932
Less: Net asset value of the Disposal Company as at 31 December 2010	(4,112)
The estimated loss on the Disposal	(180)

Pursuant to the sales and purchase agreement dated 31 March 2011 entered into between the Company and Hong Yue Limited, the consideration shall be equivalent to the net asset value of the Disposal Company as at the Completion Date, plus a premium of HK$500,000. For the purpose of preparing the unaudited pro forma consolidated statement of financial position, the estimated consideration is assumed to be approximately HK$4,612,000, being net asset value of the Disposal Company as at 31 December 2010 plus HK$500,000.

The financial effect and the actual amount of loss on the Disposal will be determined based on adjustments to the total consideration, estimated direct expenses in relation to the Disposal, the carrying amount of the net asset value of the Disposal Company at the Completion Date and is therefore subject to change upon completion of the Disposal. The amounts shown in this adjustment are for illustrative purpose only.

2. The Unaudited Pro Forma Financial Information — continued

(II) Unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group

(A) Introduction

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared to illustrate the effect of the Disposal.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared in accordance with Rule 7.31 of the GEM Listing Rules for the purpose of illustrating the effect of the Disposal as if the Disposal took place on 1 January 2010.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows are based upon the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 December 2010, which have been extracted from the Annual Report, after making pro forma adjustments relating to the Disposal that are (i) directly attributable to the Disposal and not relating to future events; and (ii) factually supportable.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared for illustrative purposes only and are based on judgments, estimations and assumptions of the Group's Directors, and because of their hypothetical nature, they may not give a true picture of the results and cash flows of the Remaining Group for the year ended 31 December 2010 or at any future period.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group should be read in conjunction with the historical information of the Group as set out in the Annual Report and other financial information included elsewhere in this circular.

2. The Unaudited Pro Forma Financial Information — continued

(II) Unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group — continued

(B) Unaudited pro forma consolidated statement of comprehensive income

	Audited results of the Group for the year ended 31 December 2010	**Pro Forma Adjustments**		**Pro forma results the Remaining Group for the year ended 31 December 2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		(Note 3)	*(Notes 4 & 6)*	
Continuing operations				
Turnover	38,892	(38,332)		560
Cost of sales	(32,614)	32,202		(412)
Gross profit	6,278	(6,130)		148
Other revenue	310	—	957	1,267
Selling and distribution expenses	(1,533)	1,533		—
Administrative expenses	(3,437)	1,113	(957)	(3,281)
Profit/(loss) from operations	1,618	(3,484)		(1,866)
Finance costs	(924)	—		(924)
Profit/(loss) before income tax from continuing operations	694	(3,484)		(2,790)
Income tax expense	(575)	575		—
Profit/(loss) for the year from continuing operations	119	(2,909)		(2,790)
Discontinued operations				
Loss for the year from discounted operations	—	—	(180)	(180)
Profit/(loss) and total comprehensive income for the year	**119**	**(2,909)**		**(2,970)**

2. The Unaudited Pro Forma Financial Information — continued

(II) Unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group — continued

(C) Unaudited pro forma consolidated statement of cash flows

	Audited cash flows of the Group for the year ended 31 December 2010	**Pro Forma Adjustments**		**Pro forma cash flows of the Remaining Group for the year ended 31 December 2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		(Note 5)	*(Note 6)*	
Operating activities				
Profit before income tax expenses	694	(3,484)		(2,790)
Adjustments for:				
Depreciation	102	—		102
Finance costs	924	—		924
Imputed interest income	(295)	—		(295)
Bank interest income	(8)	—		(8)
Operating cash flows before working capital changes	1,417	(3,484)		(2,067)
Increase in inventories	(101)	—		(101)
Decrease in trade and other receivables	1,919	3,997		5,916
Increase in amount due from holding company	—	(2,020)		(2,020)
Increase in trade and other payables	2,224	(2,103)		121
Increase in amount due to a fellow subsidiary	—	2,296		2,296
Increase in amount due to a shareholder	972	—		972
Cash generated from operations	6,431	(1,314)		5,117
Income tax paid	(908)	908		—
Net cash generated from operating activities	5,523	(406)		5,117

2. The Unaudited Pro Forma Financial Information — continued

(II) Unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group — continued

(C) Unaudited pro forma consolidated statement of cash flows — continued

	Audited cash flows of the Group for the year ended 31 December 2010	**Pro Forma Adjustments**		**Pro forma cash flows of the Remaining Group for the year ended 31 December 2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		(Note 5)	*(Note 6)*	
Investing activities				
Net cash inflow arising from the Disposal	—	—	2,304	2,304
Purchase of property, plant and equipment	(27)	—		(27)
Interest received	8	—		8
Net cash (used in)/ generated from investing activities	**(19)**	**—**		**2,285**
Financing activities				
Repayment of loans to a shareholder	(8,297)	—		(8,297)
Proceeds from borrowing	5,000	—		5,000
Net cash used in financing activities	**(3,297)**	**—**		**(3,297)**
Net increase in cash at banks and in hand	**2,207**	**(406)**		**4,105**
Cash at banks and in hand at beginning of year	**1,018**			**1,018**
Cash at banks and in hand at end of year	**3,225**			**5,123**

2. The Unaudited Pro Forma Financial Information — continued

(II) Unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group — continued

(C) Unaudited pro forma consolidated statement of cash flows — continued

Notes:

3. The adjustment reflects the exclusion of the results attributable to the Disposal Company from the consolidated statement of comprehensive income of the Group for the year ended 31 December 2010, assuming that the Disposal took place on 1 January 2010.

4. The adjustment reflects the reversal of eliminated inter-company transactions between the Remaining Group and the Disposal Company for the year ended 31 December 2010. The adjustment is not expected to have a continuing effect on the Remaining Group.

5. The adjustment reflects the exclusion of the cash flows attributable to the Disposal Company from the consolidated statement of cash flows of the Group for the year ended 31 December 2010, assuming that the Disposal took place on 1 January 2010.

6. The adjustment reflects the net cash inflow and loss arising from the Disposal, assuming that the Disposal took place on 1 January 2010. The adjustment is not expected to have a continuing effect on the Remaining Group.

   Loss arising from the Disposal is calculated as follows:

	HK$'000
The estimated consideration	2,991
Less: Estimated direct expenses in relation to the Disposal	(680)
Net proceeds from the Disposal	2,311
Less: Net asset value of the Disposal Company as at 1 January 2010	(2,491)
The estimated loss on the Disposal	(180)

   Net cash inflow arising from the Disposal is as follows:

Net proceeds from the Disposal	2,311
Less: Cash and bank balances as at 1 January 2010	(7)
Net cash inflow arising from the Disposal	2,304

7. No other adjustment has been made to reflect any trading results or other transactions of the Disposal Company entered into subsequent to 31 December 2010.

1. 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 Company. 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.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long positions in the Shares

Name of Director	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Cheung Yu Ping	Interest of a controlled corporation	142,651,965	71.33%

(ii) Long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Cheung Yu Ping	Hong Sheng Group Limited	Interest of a controlled corporation	510	51%

Note: The interest in the Shares of Mr. Cheung Yu Ping is held through Hong Sheng, the entire issued share capital of which is beneficially and ultimately owned as to 51% by Mr. Cheung Yu Ping and as to 49% by Ms. Cai Dongmei. By virtue of the SFO, Mr. Cheung Yu Ping is deemed to be interested in the shares held by Hong Sheng.

3. SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTEREST

To the best knowledge of the Directors, as at the Latest Practicable Date, the following persons, other than the Directors or chief executive of the Company, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were expected to be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	**Capacity**	**Number of Shares** *(Note 1)*	**Approximate percentage of shareholding**
Hong Sheng	Beneficial owner *(Note 2)*	142,651,965	71.33%
Ms. Cai Dongmei	Interest of a controlled corporation *(Note 2)*	142,651,965	71.33%
Simplex Technology Investment (Hong Kong) Co. Limited ("Simplex")	Beneficial owner *(Note 3)*	16,896,363	8.45%
Shanghai Jiaoda Industrial Investment Management (Group) Limited ("Jiaoda Industrial Group")	Interest of a controlled corporation *(Note 3)*	16,896,363	8.45%
Shanghai Jiao Tong University	Interest of a controlled corporation *(Note 3)*	16,896,363	8.45%
Kingston Finance Limited ("Kingston")	Person having a security interest *(Notes 4, 5 & 6)*	142,651,965	71.33%
Ample Cheer Limited ("Ample Cheer")	Interest of a controlled corporation *(Note 6)*	142,651,965	71.33%
Best Forth Limited ("Best Forth")	Interest of a controlled corporation *(Note 6)*	142,651,965	71.33%
Mrs. Chu Yuet Wah	Interest of a controlled corporation *(Note 6)*	142,651,965	71.33%

Notes:

1. The entity's interests in the Shares.

2. The interest in the Shares of Ms. Cai Dongmei is held through Hong Sheng, the entire issued share capital of which is beneficially and ultimately owned as to 51% by Mr. Cheung Yu Ping and as to 49% by Ms. Cai Dongmei. By virtue of the SFO, Ms. Cai Dongmei is deemed to be interested in Shares held by Hong Sheng.

3. The interest in the Shares is held through Simplex, the entire issued share capital of which is beneficially owned by Jiaoda Industrial Group. The registered capital of Jiaoda Industrial Group is owned as to 96.735% by Shanghai Jiao Tong University and 3.265% by Shanghai Jiaoda Enterprise Management Centre (上海交大企業管理中心), an entity wholly owned by Shanghai Jiao Tong University.

4. The entire Shares held by Hong Sheng is charged with Kingston.

5. Kingston has a security interest in the entire Shares held by Hong Sheng as mentioned in Note 4 above.

6. The interest in the Shares is held through Kingston, the entire issued share capital of which is owned by Ample Cheer. The registered capital of Ample Cheer is owned as to 80% by Best Forth, an entity which is beneficially and wholly owned by Mrs. Chu Yuet Wah. Accordingly, Mrs. Chu Yuet Wah is deemed to be interested in the Shares in which Kingston is deemed to be interested as mentioned in Note 5 above.

Save as disclosed above, the Company has not been notified of other interests or short positions of any other person (other than the Directors and chief executives and the substantial shareholders of the Company) in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at the Latest Practicable Date.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and management and shareholders of the Company (within the meaning of the GEM Listing Rules) has an interest in any business which competes or may compete with the business in which the Group is engaged.

6. LITIGATION

As at the Latest Practicable Date, no member of the Remaining Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Remaining Group as at the Latest Practicable Date.

7. INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2010, being the date to which the latest published audited accounts of the Company were made up.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

8. MATERIAL CONTRACTS

Aside from the agreements in relation to the resumption proposal of the Company, the Company did not have any material contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the Group within the 2 years immediately preceding the Latest Practicable Date.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which are contained in this circular.

Name	Qualification
BDO Limited ("**BDO**")	Certified Public Accountants

As at the Latest Practicable Date, BDO:

(a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears;

(b) did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2010, the date to which the latest audited financial statements of the Group was made up; and

(c) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. GENERAL

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The head office and principal place of business of the Company in Hong Kong is Unit 903, 9/F., Wings Building, 110–116 Queen's Road Central, Hong Kong.

(c) The company secretary of the Company is Ms. Wong Chi Yan who is an associate member of the Hong Kong Institute of Certified Public Accountants and has extensive experiences in auditing.

(d) The compliance officer of the Company is Mr. Cheung Yu Ping, an executive Director.

(e) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.

(f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

11. AUDIT COMMITTEE

Under its terms of reference which are aligned with the code provisions set out in the Code on Corporate Governance Practices, the audit committee is set up based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants to evaluate the overall effectiveness of the internal control and risk management frameworks, to review the accounting principles and practices adopted by the Group and other financial reporting matters and ensure the completeness, accuracy and fairness of the financial statements, to monitor compliance with statutory and listing requirements and to oversee the relationship with the external auditors.

The audit committee reviews the quarterly, interim and annual reports before submission to the Board. The audit committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the GEM Listing Rules and the legal requirements in the review of the Company's quarterly, interim and annual reports.

The audit committee comprised all the three independent non-executive Directors namely Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Fat and Mr. Chui Kwong Kau.

Mr. Chi Chi Hung, Kenneth ("Mr. Chi")

Mr. Chi has over 19 years of experience in accounting and financial control area. He holds a Bachelor of Accountancy Degree from the Hong Kong Polytechnic University and is a fellow member of Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom.

Mr. Chi is currently an executive director of Hua Yi Copper Holdings Limited (stock code: 559), China Grand Forestry Green Resources Group Limited (stock code: 910), M Dream Inworld Limited (stock code: 8100) and Morning Star Resources Limited (stock code: 542). He is also an independent non-executive director of ZMAY Holdings Limited (stock code: 8085) and Sam Woo Holdings Limited (stock code: 2322).

Mr. Chan Wai Fat ("Mr. Chan")

Mr. Chan is currently a Senior Vice President of a securities house in Hong Kong. Mr. Chan holds a bachelor degree of commerce from The University of Western Australia and a master degree of business administration from Deakin University, Australia. He has years of experience in compliance, accounting and financial management in securities industry and has worked for international accounting firms and listed company in Hong Kong. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia.

Mr. Chui Kwong Kau ("Mr. Chui")

Mr. Chui has over 15 years' experiences in accounting and auditing fields, including over 10 years' accounting and auditing experience in other public listed companies. Mr. Chui is currently an executive director of China Energy Development Holdings Limited (stock code: 228) and ZMAY Holdings Limited (stock code: 8085).

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (except Saturdays and public holidays) from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:00 p.m. at the Company at Unit 903, 9/F., Wings Building, 110–116 Queen's Road Central, Central, Hong Kong from the date of this circular up to and including the date of the EGM:

(a) the articles of association of the Company;

(b) the annual reports of the Company for the two financial years ended 31 December 2010 and 2009 respectively;

(c) the report from BDO on the financial information of the Disposal Company for the period from 26 June 2008 (date of incorporation) to 31 December 2008 and the two years ended 31 December 2009 and 2010, the text of which is set out in appendix II to this circular;

(d) the report from BDO on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in appendix III to this circular;

(e) the written consent referred to in the section headed "expert and consent" in this appendix to this circular;

(f) the Disposal Agreement; and

(g) this circular.

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 IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of Aurum Pacific (China) Limited ("**Company**") will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong, on Wednesday, 15 June 2011 at 12:30 p.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**

   the sale and purchase agreement dated 31 March 2011 (the "**Agreement**") (copy of which, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked "A") entered into between the Company and Hong Yue Limited be and is hereby approved, confirmed and ratified; and the directors of the Company be and are hereby authorised to do such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Agreement as they may in their absolute discretion consider necessary, desirable or expedient to give effect to the Agreement and the implementation of all transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company."

By order of the Board
Aurum Pacific (China) Group Limited
Cheung Yu Ping
Chairman

Hong Kong, 26 May 2011

Registered office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 903, 9/F., Wings Building
110–116 Queen's Road Central
Central, Hong Kong

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or more separate proxies to attend and vote instead of him. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company.

2. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's Share Registrar in Hong Kong at Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

3. As at the date of this notice, the Board comprises two executive Directors, who are Mr. Cheung Yu Ping 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.