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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)

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

Financial adviser

VEDA | CAPITAL
智 略 資 本

THE DISPOSAL AGREEMENT

The Directors are pleased to announce that 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.

A circular containing, among other things, further information of the Disposal Company and the notice convening the EGM will be dispatched to the Shareholders in accordance with the relevant requirements of the GEM Listing Rules. Since additional time would be required to prepare the financial information of the Disposal Company, the circular is expected to be dispatched to the Shareholders on or before 26 May 2011.

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 of the Company dated 30 June 2010 to the Stock Exchange, which is still being reviewed by the Stock Exchange. Further announcement(s) in respect of the resumption proposal of the Company 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.

THE DISPOSAL AGREEMENT

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 date of this announcement 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 date of this announcement, 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.

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, sales forecasts of the Disposal Company is expected to record a decrease for the current financial year.

The Company has submitted a resumption proposal dated 30 June 2010 to the Stock Exchange which has proposed several transactions including a very substantial acquisition of a target company from an Independent Third Party ("**Target Company**"). The Target Company is principally engaged in provision of custom-made solutions which is in line with the principal business of the Company at the time when the trading of the Shares was suspended. 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 Group.

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 will have no material adverse impact on the operations and financial position of the Group upon completion of the subsequent acquisition of the Target Company.

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.

A circular containing, among other things, further information of the Disposal Company and the notice convening the EGM will be dispatched to the Shareholders in accordance with the relevant requirements of the GEM Listing Rules. Since additional time would be required to prepare the financial information of the Disposal Company, the circular is expected to be dispatched to the Shareholders on or before 26 May 2011.

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 of the Company dated 30 June 2010 to the Stock Exchange, which is still being reviewed by the Stock Exchange. Further announcement(s) in respect of the resumption proposal of the Company 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.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“associates”	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
“Directors”	directors 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 date of this announcement 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 of 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
“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
“Settlement Date”	the third Business Day following the day on which the Vendor presents the Completion Accounts to the Purchaser
“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.

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

Hong Kong, 12 April 2011

As at the date of this announcement, 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.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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.