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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")

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 Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Aurum Pacific (China) Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (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:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

GROUP FINANCIAL HIGHLIGHTS

- The turnover of the Group for the year ended 31 December 2008 was approximately HK$18,582,000, representing an increase of 4.4 times as compared with approximately HK$3,447,000 for the year ended 31 December 2007.

- The gross profit of the Group for the year ended 31 December 2008 was approximately HK$4,073,000, representing an increase of 4.2 times as compared with approximately HK$779,000 for the year ended 31 December 2007.

- The loss attributable to equity shareholders of the Company for the year ended 31 December 2008 was approximately HK$9,711,000, representing an increase of 80.6% as compared with that of last year.

- The Directors do not recommend the payment of a dividend for the year ended 31 December 2008.

RESULTS

The board of directors of the Company (the "Board") hereby presents the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2008, together with the comparative figures of 2007, as follows:

Consolidated income statement

	Notes	**2008** **HK$'000**	2007 *HK$'000* (Restated)
Continuing operations			
Turnover	*5*	**18,582**	3,447
Cost of sales		**(14,509)**	(2,668)
Gross profit		**4,073**	779
Selling and distribution expenses		**(835)**	(241)
Administrative expenses		**(10,420)**	(4,997)
Loss before operations		**(7,182)**	(4,459)
Finance costs	*7*	**(366)**	—
Waiver of amount due to a former shareholder		**—**	1,595
Loss before taxation from continuing operations	*7*	**(7,548)**	(2,864)
Income tax	*8*	**(147)**	—
Loss for the year from continuing operations		**(7,695)**	(2,864)
Discontinued operations			
Loss for the year from discontinued operations	*9*	**(2,016)**	(2,523)
Loss for the year		**(9,711)**	(5,387)
Attributable to:			
Equity holders of the Company		**(9,711)**	(5,376)
Minority interests		**—**	(11)
		(9,711)	(5,387)
Basis loss per share, in HK cents	*11*		
Continuing and discontinued operations		**(4.86)**	(2.69)
Continuing operations		**(3.85)**	(1.43)

Consolidated balance sheet
As at 31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**117**	327
Deposits for acquisition of subsidiaries		**5,370**	22,710
		5,487	23,037
Current assets			
Trade and other receivables	*12*	**11,491**	633
Cash and cash equivalents		**5,073**	675
		16,564	1,308
Assets classified as held for sale	*13*	**12,888**	—
		29,452	1,308
Current liabilities			
Trade and other payables	*14*	**8,679**	9,753
Amounts due to former directors		**—**	14
Amount due to a shareholder		**97**	—
Amount due to a former shareholder		**450**	5,032
Bank loan, unsecured		**—**	14,980
Other loan payable, unsecured		**—**	495
Tax payable		**147**	—
		(9,373)	(30,274)
Liabilities directly associated with assets classified as held for sale	*13*	**(27,074)**	—
		(36,447)	(30,274)
Net current liabilities		**(6,995)**	(28,966)
Total assets less current liabilities		**(1,508)**	(5,929)
Non-current liabilities			
Loan from a shareholder		**(12,210)**	—
Loan from a former shareholder		**(1,146)**	—
Net liabilities		**(14,864)**	(5,929)
EQUITY			
Share capital		**2,000**	2,000
Reserves		**(18,340)**	(9,314)
Equity attributable to equity holders of the Company		**(16,340)**	(7,314)
Minority interests		**1,476**	1,385
Total equity (deficiency)		**(14,864)**	(5,929)

Consolidated statement of changes in equity

For the year ended 31 December 2008

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Capital surplus HK$'000	General reserve HK$'000	Exchange reserve HK$'000	Share-based compen-sation reserve HK$'000	Accumul-ated losses HK$'000	Sub total HK$'000	Minority interests HK$'000	Total HK$'000
Balance at 1 January 2007	**2,000**	**30,224**	**—**	**15,090**	**2,927**	**(550)**	**1,742**	**(51,905)**	**(472)**	**1,305**	**833**
Total expense recognised directly in equity:											
Exchange differences arising on translation of overseas subsidiaries	—	—	—	—	—	(1,466)	—	—	(1,466)	91	(1,375)
Loss for the year	—	—	—	—	—	—	—	(5,376)	(5,376)	(11)	(5,387)
Total recognised (expenses)/income for the year	—	—	—	—	—	(1,466)	—	(5,376)	(6,842)	80	(6,762)
Lapse of share options	—	—	—	—	—	—	(1,742)	1,742	—	—	—
Balance at 31 December 2007	**2,000**	**30,224**	**—**	**15,090**	**2,927**	**(2,016)**	**—**	**(55,539)**	**(7,314)**	**1,385**	**(5,929)**
Net income recognised directly in equity:											
Exchange differences arising on translation of overseas subsidiaries	—	—	—	—	—	(1,625)	—	—	(1,625)	91	(1,534)
Capital contribution by a shareholder in the form of interest-free loans	—	—	2,310	—	—	—	—	—	2,310	—	2,310
	—	—	2,310	—	—	(1,625)	—	—	685	91	776
Loss for the year	—	—	—	—	—	—	—	(9,711)	(9,711)	—	(9,711)
Total recognised (expenses)/income for the year	—	—	2,310	—	—	(1,625)	—	(9,711)	(9,026)	91	(8,935)
Balance at 31 December 2008	**2,000**	**30,224**	**2,310**	**15,090**	**2,927**	**(3,641)**	**—**	**(65,250)**	**(16,340)**	**1,476**	**(14,864)**

Notes:

1. ORGANISATION AND OPERATIONS

Aurum Pacific (China) Group Limited (the "Company") (formerly known as "S & D International Development Group Limited") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed (currently suspended) on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and its principal place of business is located at Room 3707, 37/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

Pursuant to a special resolution passed at the extraordinary general meeting held on 16 October 2008, the name of the Company has been changed from "S & D International Development Group Limited" to "Aurum Pacific (China) Group Limited".

The principal activities of the Group during the year are the provision of custom-made solutions and trading of computer equipment, computerised smart sockets and accessories.

2. ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies.

The adoption of HK(IFRIC) — Int 11 "HKFRS 2 — Group and treasury share transactions", HK(IFRIC) — Int 12 "Service concession arrangements", HK(IFRIC) — Int 14 "HKAS 19 — The limit on a defined benefit asset, minimum funding requirements and their interaction" and HKAS 39 & HKFRS 7 Amendments "Reclassification of financial assets" has no impact on these financial statements.

At the date of authorisation of these financial statements, the following HKFRSs were in issue but not yet effective:

		Effective date
HKAS 1 (Revised)	Presentation of financial statements	(i)
HKAS 23 (Revised)	Borrowing costs	(i)
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	(i)
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate	(i)
HKFRS 8	Operating segments	(i)
HK(IFRIC) — Int 15	Agreements for the construction of real estates	(i)
HKFRS 2 (Amendment)	Vesting conditions and cancellation	(i)
HKAS 27 (Revised)	Consolidated and separate financial statements	(ii)
HKFRS 3 (Revised)	Business combinations	(ii)
HK(IFRIC) — Int 13	Customer loyalty programmes	(iii)
HK(IFRIC) — Int 16	Hedges of a net investment in a foreign operation	(iv)
HK(IFRIC) — Int 17	Distributions of non-cash assets toowners	(ii)
HK(IFRIC) — Int 18	Transfers of assets from customers	(ii)
2008 Improvements to HKFRSs that may result in accounting changes for presentation, recognition or measurement	— HKAS 1, HKAS 16, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28,, HKAS 29, HKAS 31, HKAS 36, HKAS 38, HKAS 39, HKAS 40 & HKAS 41	(i)
	— HKFRS 5	(ii)

Effective date

(i) Annual periods beginning on or after 1 January 2009

(ii) Annual periods beginning on or after 1 July 2009

(iii) Annual periods beginning on or after 1 July 2008

(iv) Annual periods beginning on or after 1 October 2008

The Group is in the process of making an assessment of what the impact of these new HKFRSs is expected to be in the period of their initial application.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable HKFRSs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions 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").

(b) These financial statements have been prepared under the historical cost convention, as modified for certain financial instruments which are stated at fair value.

(i) State of books and records maintained by certain subsidiaries

The financial statements have been prepared based on the books and records maintained by the Company and its subsidiaries. However, after the reconstitution of the Board during the year ended 31 December 2007, the Group no longer has access to certain of prior years' books and records of SJTU Sunway Information Technology Co. Ltd., SUNV (Beijing) Century Information Technology Co., Ltd., Beijing Guoxin Sunway IT Co, Ltd., Shanghai Sunway Century IT Co., Ltd. and Fujian Multi Language Translation Service Co., Ltd., the subsidiaries of the Company and Beijing Advanced Information Storage Technology Co., Ltd., an associate of the Company. The present Board tried to obtain assistance from the former directors to locate the relevant information and documents. However, the present Board lost contact with the responsible former directors and were therefore unable to have access to the relevant information and documents within the time constraint in the preparation of these financial statements. Hence, only limited books and records of these subsidiaries are accessible by the present Board. In view of the foregoing, no representations as to the completeness of the books and records could be given by the present Board although care has been taken in the preparation of the financial statements to mitigate the effect of the incomplete records. The directors have in the assessment of the Group's assets and liabilities taken such steps as they considered practicable to establish these assets and liabilities based on the information of which they were aware and have made provisions and adjustments as they considered appropriate in the preparation of these financial statements.

On this basis, the directors believe that no significant liability has been omitted from these financial statements.

(ii) Going concern

In preparing these financial statements, the directors of the Company have considered the future liquidity of the Group in view of its net liabilities as at 31 December 2008. During the year, a wholly owned subsidiary of the Company defaulted on the repayment of bank loan. The said subsidiary was subsequently disposed after year end. Details is set out in Note 9.

In order to strengthen the capital base of the Group and to improve the Group's financial position, immediate liquidity and cash flows, and otherwise to sustain the Group as a going concern, the directors of the Company have adopted the following measures:

i) The Company entered into a sale and purchase agreement with a third party to sell the Disposal Group (as defined in Note 9) on 2 March 2009;

ii) The directors of the Company are considering various alternatives to strengthen the capital base of the Company through various fund raising exercises, including but not limited to, a private placement, an open offer or a rights issue of new shares of the Company;

iii) The directors of the Company continue to take action to tighten cost controls over various operating expenses, and are actively seeking new investment and business opportunities with an aim to attain profitable and positive cash flow operations; and

iv) The controlling shareholder continues to provide financial support to the Group.

In the opinion of the directors of the Company, in light of the measures taken to date, together with expected results of other measures in progress and the continual financial support extended by the controlling shareholder, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to return to a commercially viable going concern. Accordingly, notwithstanding that the Group incurred a consolidated net loss of approximately HK$9,711,000 for the year ended 31 December 2008 and had consolidated net current liabilities of approximately HK$6,995,000 and consolidated net liabilities of approximately HK$14,864,000 as at 31 December 2008, the directors of the Company are of the opinion that it is appropriate to prepare these financial statements for the year ended 31 December 2008 on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. The effects of these potential adjustments have not been reflected in the financial statements.

4. AUDITOR'S OPINION

The Auditor qualified its report on the financial statements for the year ended 31 December 2008 in respect of the limitation of scope regarding the following matters:

(1) Limitation of scope — Assets classified as held for sale and liabilities directly associated with assets classified as held for sale

As explained in Note 3(b)(i) above, due to the reconstitution of the Board during 2007 and 2008, the Group is no longer able to have access to certain books and records of the Disposal Group (as defined in Note 9 to the financial statements). Accordingly, we have been unable to carry out audit procedures that we considered necessary to obtain adequate assurance regarding the completeness, accuracy, classification and disclosures in respect of either the transactions undertaken during the year ended 31 December 2008 and the related balances further detailed in Notes 9 and 13 to the financial statements in connection with the Disposal Group.

Any adjustment found to be necessary in respect of the matters set out in the above would have a consequential impact on the amounts "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" as recorded in the consolidated balance sheet, the Group's and Company's net liabilities as at 31 December 2008 and the Group's loss for the year then ended.

(2) Limitation of scope — Minority interests and exchange reserve

As explained in Note 3(b)(i) above, the underlying books and records of certain subsidiaries were not accessible by the Group, and due to the incompleteness of the books and records of these subsidiaries being made available to us, we were unable to carry out adequate audit procedures to satisfy ourselves that minority interests and exchange reserve relating to these subsidiaries in the consolidated balance sheet as at 31 December 2008, the consolidated income statement for the year then ended and notes thereon were fairly stated.

Any adjustment found to be necessary in respect of the matters set out in the above would have a consequential impact on the minority interests and exchange reserve as recorded in the consolidated balance sheet as at 31 December 2008 and the Group's loss for the year then ended.

The prior year auditor qualified its opinion in respect of the same limitation of scope in the auditor's report for the year ended 31 December 2007. Therefore, the comparative figures may not be comparable and any adjustments to the amounts may have a consequential effect on the opening balance of accumulated losses of the Group as at 1 January 2008, its loss for the year ended 31 December 2008 and related disclosures in the financial statements.

(3) Limitation of scope — carrying amount of interests in subsidiaries and amounts due from subsidiaries

As at 31 December 2008, included in the Company's balance sheet are interests in subsidiaries of HK$1,000 stated net of an impairment loss of HK$13,764,000, and amounts due from subsidiaries of HK$15,674,000, stated net of an impairment loss of HK$22,937,000. Due to the scope limitations in respect of points (1) and (2) above, we have not been able to satisfy ourselves as to whether the impairment losses determined by the Company's directors against the carrying amounts of such interests in subsidiaries and amounts due from subsidiaries as at 31 December 2008, and in consequence the net carrying amounts of the Company's interests in subsidiaries and amounts due from subsidiaries as at 31 December 2008 in the Company's balance sheet and notes thereon were fairly stated.

Any adjustment found to be necessary in respect of the matters set out in the above would have a consequential impact on the carrying amount of interests in subsidiaries and amounts due from subsidiaries as recorded in the Company's balance sheet, the Company's net liabilities as at 31 December 2008 and the Company's loss for the year then ended.

The prior year auditor qualified its opinion in respect of the same limitations of scope in the auditor's report for the year ended 31 December 2007. Therefore the comparative figures may not be comparable and any adjustments to the amounts may have a consequential effect on the opening balance of accumulated losses of the Company at 1 January 2008 and its loss for the year ended 31 December 2008, its net liabilities as at 31 December 2008 and related disclosures in the financial statements.

(4) Limitation of scope — prior year audit scope limitation affecting opening balances and comparative figures

The opinion on the financial statements of the Group and the Company for the year ended 31 December 2007 was disclaimed by the prior year auditor. Details of the qualifications were fully explained in the 2007 annual report.

Therefore, the comparative figures may not be comparable and any adjustments to these figures may have a consequential effect on the opening balance of accumulated losses of the Group at 1 January 2008, its loss for the year ended 31 December 2008, the Group's and Company's net liabilities as at 31 December 2008 and related disclosures in the financial statements.

Disclaimer of opinion: disclaimer on view given by financial statements

Because of the significance of the limitations of scope described in the basis for disclaimer of opinion paragraph, the auditor do not express an opinion on the financial statements as to whether they give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2008 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Fundamental uncertainty relating to going concern

As explained in Note 3(b)(ii) above, the Group sustained a loss of HK$9,711,000 for the year ended 31 December 2008. It had net current liabilities and net liabilities of HK$6,995,000 and HK$14,864,000 respectively as at 31 December 2008. The financial statements have been prepared by the directors on a going concern basis, the validity of which depends on the outcome of measures as detailed in Note 3(b)(ii).

The auditor considers that appropriate disclosures and estimates have been made in the financial statements and its opinion is not qualified in this respect.

5. TURNOVER

Turnover represents the revenue from provision of custom-made solutions, and the sales value of goods sold after allowances for goods returned. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Trading of computer equipment and accessories	**16,437**	2,247
Provision of custom-made solutions	**2,145**	1,200
	18,582	3,447

6. SEGMENT REPORTING

Business segmental information of the group for the years ended 31 December 2008 and 2007 is shown as below.

Primary reporting format — Business segments

The Group comprises the following main business segments:

Continuing operations

(i) Custom-made solutions

To develop and implement custom-made solutions which are specifically designed and developed for the specific needs and requirements of a particular customer.

(ii) Computer equipment and accessories

Trading of computer hardware and software, and computerised smart sockets and related accessories.

Discontinued operations

(i) Information localisation services

To provide translation and information localisation services.

For the year ended 31 December 2008

	Continuing operations		Discontinued operations	
	Provision of custom-made solution	Trading of computer equipment and accessories	Information localisation services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	2,145	16,437	—	18,582
Segment results	(1,057)	1,794	(12)	725
Unallocated operating income and expenses				(7,919)
Loss from operations				(7,194)
Finance costs				(2,370)
Loss before taxation				(9,564)
Income tax				(147)
Loss for the year				(9,711)
Capital expenditure	—	—	—	
Depreciation of property, plant and equipment	—	—	—	
Fair value adjustment on deposit for acquisition of subsidiaries	—	—	—	
At 31 December 2008				
Segment assets	189	9,233	—	9,422
Unallocated assets				25,517
Consolidated total assets				34,939
Segment liabilities	—	7,359	1,186	8,545
Unallocated liabilities				41,258
Consolidated total liabilities				49,803

For the year ended 31 December 2007

	Continuing operations		Discontinued operations	
	Provision of custom-made solution	Trading of computer equipment and accessories	Information localisation services	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	1,200	2,247	—	3,447
Segment results	(1,409)	(259)	(428)	(2,096)
Unallocated operating income and expenses				(3,183)
Loss from operations				(5,279)
Finance costs				(1,703)
Waiver of amount due to a former shareholder				1,595
Loss before taxation				(5,387)
Income tax				—
Loss for the year				(5,387)
Capital expenditure	—	—	—	
Depreciation of property, plant and equipment	—	—	—	
Allowance for impairment loss for trade receivables	—	—	57	
Write-off of other receivables	—	—	702	
At 31 December 2007				
Segment assets	313	38	—	351
Unallocated assets				23,994
Consolidated total assets				24,345
Segment liabilities	1,722	298	1,113	3,133
Unallocated liabilities				27,141
Consolidated total liabilities				30,274

Secondary reporting format — Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers, whereas segment assets and capital expenditure are based on the geographical location of the assets.

The following is the analysis of the Group's turnover by geographical market based on geographical location of customers.

	The PRC		Hong Kong		Other Asian Countries		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**2,145**	250	**15,548**	950	**889**	2,247	**18,582**	3,447

	The PRC		Hong Kong		Other Asian Countries		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**385**	380	**34,554**	23,965	**—**	—	**34,939**	24,345
Capital expenditure	**—**	—	**65**	382	**—**	—	**65**	382

7. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

Loss before taxation from continuing operations is arrived at after charging:

(a) Finance costs:

	2008	2007
	HK$'000	*HK$'000*
		(Restated)
Interest expense on financial liabilities not at fair value through profit or loss		
— Interest on other loan wholly repayable with five years	**144**	—
— Imputed interest on interest-free loans from a shareholder	**222**	—
	366	—

(b) Staff costs (including directors' remuneration):

	2008	2007
	HK$'000	*HK$'000*
Salaries, wages and allowances	**3,577**	2,091
Contributions to retirement benefits schemes	**94**	58
	3,671	2,149

(c) **Other items**

	2008 *HK$'000*	2007 *HK$'000*
Auditor's remuneration	**480**	438
Depreciation of property, plant and equipment	**97**	55
Allowance for impairment loss in respect of trade receivables	**—**	57
Fair value adjustment on deposits for acquisition of subsidiaries	**630**	—
Write-off of other receivables	**—**	702
Net foreign exchange loss	**—**	1
Written off of property, plant and equipment	**178**	—

8. INCOME TAX

Taxation in the consolidated income statement represents provision for Hong Kong profits tax calculated at 16.5% on the estimated assessable profits for the year. No provision for Hong Kong profits tax has been made as the Group did not earn profits subject to Hong Kong profits tax for the year ended 31 December 2007.

For the years ended 31 December 2008 and 2007, no provision for PRC income tax has been made as the Group had no assessable profit subject to the income tax rules and regulations in the PRC.

9. LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS

On 2 March 2009, the Company entered into an agreement to dispose of its entire equity interest of Besto Investment Limited, a wholly owned subsidiary and its subsidiaries and associate (collectively the "Disposal Group"). The Disposal Group engaged in the business of providing information localisation services. In accordance with Hong Kong Financial Reporting Standard 5 "Non Current Assets Held For Sale and Discontinued Operations") ("HKFRS 5") issued by the HKICPA, the business segment of information localisation services was required to be presented as discontinued operations and the related assets and liabilities are classified as held for sale and liabilities directly associated with assets classified as held for sale, respectively.

The loss for the year from discontinued operations is analysed as follows:

	2008 *HK$'000*	2007 *HK$'000*
Revenue	**—**	—
Administrative expenses *(Note)*	**(12)**	(820)
Finance costs	**(2,004)**	(1,703)
Loss before taxation for the year	**(2,016)**	(2,523)

Note: No allowance for impairment loss for trade and other receivables is included for the year ended 31 December 2008 (2007: HK$760,000).

10. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2008 (2007: Nil).

11. LOSS PER SHARE

(a) Basic loss per share

(i) From continuing and discontinued operations

It is based on the loss attributable to equity holders of the Company of approximately HK$9,711,000 (2007: HK$5,376,000) and the weighted average of 200,000,000 (2007: 200,000,000) ordinary shares in issue during the year.

(ii) From continuing operations

It is based on loss for the year from continuing operations of approximately HK$7,695,000 (2007: HK$2,864,000) and the weighted average of 200,000,000 (2007: 200,000,000) ordinary shares is issued during the year.

(b) Diluted loss per share

Diluted loss per share is not presented as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2008 and 2007.

12. TRADE AND OTHER RECEIVABLES

	2008	2007
	HK$'000	*HK$'000*
Trade debtors	**8,126**	—
Other debtors, deposits and prepayments	**3,365**	633
	11,491	633

The average credit period to the Group's trade debtors is 60 days. An aged analysis of the trade receivables is shown as follows:

	2008	2007
	HK$'000	*HK$'000*
Within 30 days	**2,356**	—
31 to 60 days	**3,772**	—
61 to 90 days	**1,998**	—
	8,126	—

13. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

As explained in Note 9, the assets and liabilities of the Disposal Group were classified as held for sale and liabilities directly associated with assets classified as held for sale respectively as at 31 December 2008. They are presented as follows:

	2008
	HK$'000
Cash and cash equivalents	**178**
Deposits for acquisition of subsidiaries	**12,710**
Assets classified as held for sale	**12,888**
Trade and other payables	**10,587**
Bank loan, unsecured	**15,960**
Other loan payables	**527**
Liabilities directly associated with assets classified as held for sale	**27,074**
Minority interests	**(1,476)**
Exchange reserve	**(3,641)**

14. TRADE AND OTHER PAYABLES

	2008	2007
	HK$'000	*HK$'000*
Trade creditors	**7,359**	395
Bank loan interest payable	**—**	3,526
Other creditors and accrued charges	**1,320**	5,832
	8,679	9,753

All of the trade and other payables are expected to be settled within one year. Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Within 30 days	**1,978**	—
31 to 60 days	**3,169**	—
61 to 90 days	**2,212**	—
Over 360 days	**—**	395
	7,359	395

MANAGEMENT DISCUSSION AND ANALYSIS

Change of Company Name

Pursuant to a special resolution passed at the extraordinary general meeting held on 16 October 2008 and issuance of the Certificate of Incorporation on Change of Name by the Registrar of Companies in the Cayman Islands and the Registrar of Companies in Hong Kong on 17 October 2008 and 12 November 2008 respectively, the name of the Company has been changed from "S & D International Development Group Limited 基仕達國際發展集團有限公司" to "Aurum Pacific (China) Group Limited 奧栢中國集團有限公司".

The stock short name, under which the shares of the Company be traded on GEM, has been changed to "AURUM PACIFIC" in English and "奧栢中國" in Chinese with effect from 24 November 2008.

Changes of Directorships

The changes of Directors during the financial year and up to the date of this announcement are:

Executive Directors

Mr. Cheung Yu Ping *(Chairman and Chief Executive Officer)*	(appointed on 14 July 2008)
Mr. Chan Chi Chiu Henry *(Vice Chairman)*	(appointed on 14 July 2008)
Mr. Lee Ah Sang	(appointed on 2 October 2008)
Mrs. Tinna Chan Yee	(resigned on 14 July 2008)
Mr. Henry Dicker Yee *(Chief Executive Officer)*	(resigned on 14 July 2008)
Mrs. Sana Bakhtiar Ahmed	(resigned on 14 July 2008)
Mr. Tan Shu Jiang	(resigned on 14 July 2008)

Independent Non-executive Directors

Mr. Jin Guangjun	(appointed on 14 July 2008)
Mr. Law Kin Ho	(appointed on 14 July 2008)
Mr. Chan Wai Fat	(appointed on 14 July 2008)
Mr. Chan Cheong Yee	(resigned on 14 July 2008)
Mr. Ronald Garry Hopp	(resigned on 14 July 2008)
Mr. Yip Tai Him	(resigned on 14 July 2008)

BUSINESS REVIEW

During the year under review, the Group is principally engaged in the provision of custom-made solutions, trading of computer equipment, computerised smart sockets and related accessories. The Group has continuously expanded in variety of products and different market segments to provide high quality products and services to our customers. As a result, the revenue generated from both the segments of custom-made solutions business and trading business has grown gradually during the year ended 31 December 2008.

When the new Board took over the management of the Company in July 2008, it was faced with the task of rectifying a situation whereby the high gearing ratio of the existing business was besieged with declining operation resulting. The focus of managerial action and resources were devoted to rationalise the inefficient operations and investments; and more importantly, to introduce new lines of operation and business with stable and strong cash flow contribution to the Group. During the year under the review, the Group has successfully expanded into a new market segment in trading of computerised smart sockets and accessories; and the substantial contribution from this operation for the only five months ended 2008 has simply reflected the commitment as well as the ability of the existing management team.

Furthermore, subsequent to the year end, the Group entered into a disposal agreement with an independent third party which acquired the Group's entire interest in the information localisation business which has been dormant for more than two years. Further details are stated in the following section with the heading "Disposal of information localisation business". As a result of this disposal, the Group has had the distressed business disposed of, and made a clean break against any potential liabilities arising from the bank loans therein. The improved performance of the Group, financially as well as operationally, has been apparent.

At the same time, the Group has undertaken a strategic review on the operations in order to improve the current business profile, and is committed to seeking all possibilities to provide additional and sufficient cash flow for the Group. As a result of which, trading of the Company's shares could be resumed hopefully in the near future.

Disposal of information localisation business

There was no business operation and no revenue generated from the information localisation business during the years ended 31 December 2008 and 2007. In view that the competition of translation services in the PRC is keen and such business is not in line with the future development of the Group. On 2 March 2009, the Group entered into an agreement with an independent third party to dispose of its information localisation business as set out in Note 9 and 13. A gain on the disposal of approximately HK$12,020,000 has been realised.

Provision of custom-made solutions

The custom-made solutions are specifically designed and developed for the specific needs and requirement of a particular customer. The Group has successfully expanded its custom-made solutions business to hotel segment in PRC, and will continuously enhance our service quality in order to extend the market penetration.

Trading of computer equipment, computerised smart sockets and accessories

With the valuable contribution from the new management team, in July 2008, the Group obtained an overseas distribution right of certain newly developed computerised smart sockets and related accessories. During the second half of 2008, the newly developed business, trading of computerised smart sockets, had contributed to the Group a turnover and gross profit of approximately HK$15,548,000 and HK$2,489,000 respectively.

FINANCIAL REVIEW

Overall Review

For the year under review, the Group recorded a turnover of approximately HK$18,582,000, representing an increase of approximately 4.4 times as compared with approximately HK$3,447,000 for the year ended 31 December 2007. The gross profit of the Group for the year ended 31 December 2008 was approximately HK$4,073,000, representing an increase of 4.2 times as compared with approximately HK$779,000 for the year ended 31 December 2007. The great increment in turnover and gross profit was mainly contributed by the newly developed business, trading of computerised smart sockets.

As the Group has undertaken strategic changes during the year under review, expenses in respect of legal and professional services and manpower, etc. were increased considerably. As a result, loss attributable to equity shareholders of the Company was approximately HK$9,711,000, representing an increase of 80.6% as compared with approximately HK$5,376,000 for the year ended 31 December 2007.

Financial Resource and Liquidity

As at 31 December 2008, the Group had bank balances and cash of approximately HK$5,073,000 (2007: HK$675,000), no outstanding bank loan and other loans, as such loans had been classified as liabilities directly associated with assets classified as held for sale (2007: HK$15,475,000) and was disposed of on 2 March 2009. The Group had loans from a shareholder and a former shareholder with carrying value of HK$12,210,000 and HK$1,146,000 respectively, which are unsecured, interest free and not repayable before 31 March 2011 and 24 January 2011 respectively. Further, the existing controlling shareholder will provide continuing financial support to the Group whenever it is necessary.

Gearing Ratio

As at 31 December 2008, the total asset value of the Group was approximately HK$34,939,000 whereas the total liabilities were approximately HK$49,803,000. The gearing ratio of the Group, calculated as total liabilities over total assets, was 142.5% (2007: 124.4%). However, subsequent to the disposal of the information localisation business (as set out in Note 9 and 13), the gearing ratio of the Group has been substantially reduced to 103.1%; and the current ratio, calculated as current assets over current liabilities, has been greatly improved from 80.8% to 176.7% as if the said disposal had taken place on 31 December 2008. The Directors will keep taking various measures to further improve the liquidity and gearing position of the Group.

Foreign Exchange Exposure

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

Material Acquisition, Disposal and Significant Investment of the Group

During the year ended 31 December 2008, the Group did not have any material acquisition, disposal and significant investment.

Pledge of Assets and Contingent Liabilities

As at 31 December 2008, the Group did not have any substantial pledge of assets and contingent liabilities.

CHANGE OF CONTROLLING SHAREHOLDER

On 26 May 2008, Hong Sheng Group Limited has become the new controlling shareholder of the Group, which own an aggregate of 142,651,965 issued shares of the Company as at 31 December 2008, representing approximately 71.33% of total issued share capital of the Company. Details of the transaction have disclosed in the circular dated 13 June 2008.

EMPLOYEE INFORMATION

As at 31 December 2008, the Group employed 8 staff (2007: 10 staff). The staff cost (including directors' remuneration) was approximately HK$3,671,000 for the year under review (2007: HK$2,149,000). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee.

The Group provides benefits in accordance with the relevant laws and regulations including the Mandatory Provident Fund Scheme of Hong Kong.

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

As at 31 December 2008, the interests and short positions of the Directors or the chief executive in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

(i) Long positions in the shares of the Company

Name of Directors	Nature of Interest	Number of Shares	Approximate percentage of shareholding
Cheung Yu Ping	Interest of a controlled corporation *(Note 1)*	142,651,965	71.33%

(ii) Long positions in the shares of associated corporation

Name of Directors	Name of associated Corporation	Nature of Interest	Number of Shares	Approximate percentage of shareholding
Cheung Yu Ping	Hong Sheng Group Limited	Interest of a controlled corporation *(Note 1)*	510	51%

Note:

1. The interest in the Shares of Cheung Yu Ping was held through Hong Sheng Group Limited, the entire issued share capital of which was beneficially and ultimately owned as to 51% by Cheung Yu Ping and as to 49% by Cai Dongmei.

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

Substantial Shareholders

So far as is known to the Directors, as at 31 December 2008, 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 of the Company as recorded in the register required to be kept under section 336 of the SFO and who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name	Capacity	Number of Shares *(Note 1)*	Approximate percentage of shareholding
Hong Sheng Group Limited	Beneficial owner *(Note 2)*	142,651,965 (L)	71.33%
Cai Dongmei	Interest of a controlled corporation *(Note2)*	142,651,965 (L)	71.33%
Simplex Technology Investment (Hong Kong) Co. Limited ("Simplex")	Beneficial owner *(Note 3)*	16,896,363 (L)	8.45%
Shanghai Jiaoda Industrial Investment Management (Group) Limited ("Jiaoda Industrial Group")	Interest of a controlled corporation *(Note 3)*	16,896,363 (L)	8.45%
Shanghai Jiao Tong University	Interest of a controlled corporation *(Note 3)*	16,896,363 (L)	8.45%

Notes:

1. The letter "L" denotes the entity's interests in the Shares.

2. The interest in the Shares of Cai Dongmei was held through Hong Sheng Group Limited, the entire issued share capital of which was beneficially and ultimately owned as to 51% by Cheung Yu Ping and as to 49% by Cai Dongmei.

3. The interest in the Shares are held through Simplex, the entire issued share capital of which was beneficially owned by Jiaoda Industrial Group. The registered capital of Jiaoda Industrial Group was 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.

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 31 December 2008.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") which was adopted on 25 November 2003 whereby the Directors of the Company may at their discretion invite any employees, directors, suppliers, customers, advisers, consultants, joint venture partners, and any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any member of the Group or any invested entities, to take up options to subscribe for Shares. The Scheme became effective upon the listing of the Company's shares on the GEM of the Stock Exchange on 9 January 2004.

Pursuant to the Scheme, the Company had granted the options at the exercise price of HK$0.45 per share and HK$0.14 per share on 17 January 2005 and 10 October 2005 respectively, all the options granted have lapsed in the past years. As at 31 December 2008, the Company had no outstanding options.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, any of its subsidiaries or fellow subsidiaries was a party, in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPETING INTERESTS

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.

CODE ON CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Company has applied the principles and complied with the code provisions, and where applicable, the recommended best practices of the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules (the "Code") throughout the year ended 31 December 2008.

Mr. Cheung Yu Ping is the Chairman and the Chief Executive Officer of the Company. Pursuant to A.2.1 of the Code, The roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board considers that vesting the roles of both chairman and chief executive officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

AUDIT COMMITTEE

The Company has established audit committee with written terms of reference. The primary duties of the audit committee are to review, in draft form, the Company's annual report and accounts, half-year report, quarterly report and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Jin Guangjun, Mr. Law Kin Ho and Mr. Chan Wai Fat. Mr. Jin Guangjun is the chairman of the audit committee.

The audit committee has reviewed the accounting principles and practices adopted by the Company and discussed with the Board the internal controls and financial reporting matters, including a review of the annual report for the year ended 31 December 2008.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors a written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Board considers all off of the independent non-executive Directors are independent.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2008, the Company had adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2008.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, the Company has complied with the public float requirement under Rule 11.23 of the GEM Listing Rules.

On behalf of the Board
Aurum Pacific (China) Group Limited
Cheung Yu Ping
Chairman

Hong Kong, 11 March 2009

As at the date of this announcement, the Board comprises three executive directors, who are Mr. Cheung Yu Ping, Mr. Chan Chi Chiu Henry and Mr. Lee Ah Sang, and three independent non-executive directors, who are Mr. Jin Guangjun, Mr. Law Kin Ho and Mr. Chan Wai Fat.

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.