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 2013

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

GROUP FINANCIAL HIGHLIGHTS

For the year ended 31 December 2013:

- The turnover from continuing operations was approximately HK$14,278,000 (2012: HK$Nil);
- The profit attributable to owners of the Company was approximately HK$4,863,000 (2012: loss of HK$5,845,000); and
- The Directors do not recommend the payment of any final dividend.

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 2013, together with the comparative figures of 2012, as follows:

Consolidated statement of comprehensive income
for the year ended 31 December 2013
(Expressed in Hong Kong dollars)

	Notes	**2013** **HK$'000**	2012 *HK$'000*
Continuing operations			
Turnover	*5*	**14,278**	—
Cost of sales		**(2,656)**	—
Gross profit		**11,622**	—
Other revenue	*7*	**159**	2
Changes in fair value of consideration payable for business combination	*15*	**2,778**	—
Administrative expenses		**(4,678)**	(6,402)
Research and development expenses		**(2,392)**	—
Selling and distribution expenses		**(2,172)**	—
Profit/(loss) from operations		**5,317**	(6,400)
Finance costs	*8(a)*	**(641)**	(515)
Profit/(loss) before taxation	*8*	**4,676**	(6,915)
Income tax	*9*	**358**	—
Profit/(loss) for the year from continuing operations		**5,034**	(6,915)
Discontinued operation			
(Loss)/profit for the year from discontinued operation	*10*	**(171)**	1,070
Profit/(loss) for the year attributable to owners of the Company		**4,863**	(5,845)
Other comprehensive loss for the year			
Items that may be classified subsequently to profit or loss:			
— Exchange differences on translation of financial statements of an overseas subsidiary, net of nil tax		**(74)**	—
Total comprehensive income/(loss) for the year attributable to owners of the Company		**4,789**	(5,845)
		HK cents	*HK cents* (Restated)
Earnings/(loss) per share			
From continuing and discontinued operations			
— Basic and diluted	*12*	**1.05**	(2.30)
From continuing operations			
— Basic and diluted	*12*	**1.09**	(2.72)
From discontinued operation			
— Basic and diluted	*12*	**(0.04)**	0.42

Consolidated statement of financial position at 31 December 2013
(Expressed in Hong Kong dollars)

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**448**	243
Intangible assets		**5,217**	4,778
Goodwill	*15*	**20,236**	20,236
Deferred tax assets		**1,660**	1,402
		27,561	26,659
Current assets			
Inventories		**81**	69
Trade and other receivables	*13*	**5,597**	5,862
Cash and cash equivalents		**44,284**	1,869
		49,962	7,800
Current liabilities			
Trade and other payables	*14*	**962**	4,514
Financial assistance from government		**477**	322
Deferred income		**2,074**	1,756
Short term borrowing		**—**	6,554
Loans from a shareholder		**11,339**	—
Consideration payable for business combination		**6,052**	14,841
		20,904	27,987
Net current assets/(liabilities)		**29,058**	(20,187)
Total assets less current liabilities		**56,619**	6,472
Non-current liabilities			
Financial assistance from government		**438**	669
Loans from a shareholder		**—**	4,640
Deferred tax liabilities		**397**	497
Consideration payable for business combination		**—**	8,989
		835	14,795
NET ASSETS/(LIABILITIES)		**55,784**	(8,323)
Capital and reserves			
Share capital		**10,000**	2,000
Reserves		**45,784**	(10,323)
TOTAL EQUITY/(DEFICIT) ATTRIBUTABLE TO OWNERS OF THE COMPANY		**55,784**	(8,323)

Consolidated statement of changes in equity
for the year ended 31 December 2013
(Expressed in Hong Kong dollars)

	Attributable to owners of the Company						
	Share capital	**Share premium**	**Capital reserve**	**Capital surplus**	**Exchange reserve**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2012	2,000	30,224	1,569	15,090	—	(53,436)	(4,553)
Loss and total comprehensive loss for the year	—	—	—	—	—	(5,845)	(5,845)
Capital contribution by a shareholder in the form of interest-free loans	—	—	466	—	—	—	466
Waiver of amount due to a shareholder	—	—	—	445	—	—	445
Waiver of loans from a shareholder	—	—	—	1,164	—	—	1,164
Balance at 31 December 2012 and 1 January 2013	**2,000**	**30,224**	**2,035**	**16,699**	**—**	**(59,281)**	**(8,323)**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**4,863**	**4,863**
Other comprehensive loss	**—**	**—**	**—**	**—**	**(74)**	**—**	**(74)**
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**(74)**	**4,863**	**4,789**
Capital contribution by a shareholder in the form of interest-free loans	**—**	**—**	**392**	**—**	**—**	**—**	**392**
Issue of shares	**8,000**	**50,926**	**—**	**—**	**—**	**—**	**58,926**
Balance at 31 December 2013	**10,000**	**81,150**	**2,427**	**16,699**	**(74)**	**(54,418)**	**55,784**

1 COMPANY INFORMATION

Aurum Pacific (China) Group Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands. Its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company has its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands, and its principal place of business at 22/F, Hua Fu Commercial Building, 111 Queen's Road West, Hong Kong.

The Group, comprising the Company and its subsidiaries, currently engages in provision of communications software platform. The Group previously also engaged in provision of custom-made solution; and this business has been abandoned since 1 January 2013.

The consolidated financial statements are presented in thousand of units of Hong Kong dollars ("HK$'000") unless otherwise stated. Hong Kong dollars ("HK$") is the Company's functional and the Group's presentation currency.

At 31 December 2013, the directors consider the immediate parent and ultimate controlling party of the Company to be Prime Precision Holdings Limited, which is incorporated in the British Virgin Islands.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements for the year ended 31 December 2013 comprise the Company and its subsidiaries (together the "Group").

These consolidated financial statements have been prepared in accordance with all applicable 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"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that contingent consideration payable for business combination are stated at its fair value.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income
- HKFRS 10, Consolidated financial statements
- HKFRS 12, Disclosure of interests in other entities
- HKFRS 13, Fair value measurement

— Amendments to HKFRS 7 — Disclosures — Offsetting financial assets and financial liabilities

— Annual improvements to HKFRSs 2009 — 2011 cycle

The amendments to HKAS 1 require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of comprehensive income in these financial statements has been modified accordingly.

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and HK-SIC 12 Consolidation — Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

The adoption of other revisions, amendments and new HKFRSs has had no effect on the Group's financial statements.

The Group has not applied any new or revised HKFRS that is not yet effective for the current accounting period (see note 18).

4 EXTRACT OF INDEPENDENT AUDITORS' REPORT

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance."

5 TURNOVER

Turnover represents the sales value of goods and services supplied to customers from the provision of communications software platform.

6 SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, which are used to make strategic decisions.

The Group has two (2012: two) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. No operating segments identified by the chief operating decision-maker have been aggregated in arriving at the reportable segments of the Group. The following summary describes the operations in each of the Group's reportable segments:

Continuing operations

— Communications software platform — developing and marketing of patented server based technology and the provision of communications software platform and software related services.

Discontinued operation

— Custom-made solutions — developing and implementing custom-made solutions which are specifically designed and developed for the specific needs and requirements of a particular customer and providing technical support services.

Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' result that is used by the chief operating decision-maker for assessment of segment performance.

(a) Business segment

	Continuing operations		Discontinued operation			
	Communications software platform		Custom-made solutions		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**14,278**	—	**—**	97	**14,278**	97
Reportable segment profit/(loss)	**5,130**	—	**(171)**	1,070	**4,959**	1,070
Amortisation of intangible assets	**603**	—	**—**	—	**603**	—
Depreciation of property, plant and equipment	**179**	—	**—**	70	**179**	70
Write-off of trade receivables	**—**	—	**153**	—	**153**	—
Income tax credit	**358**	—	**—**	—	**358**	—
Reportable segment assets	**18,650**	11,291	**203**	489	**18,853**	11,780
Reportable segment liabilities	**(3,801)**	(3,697)	**—**	—	**(3,801)**	(3,697)

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2013	2012
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**14,278**	97
Segment revenue from discontinued operation	**—**	(97)
Consolidated turnover from continuing operations	**14,278**	—
Profit for the year		
Reportable segment profit from continuing operations	**5,130**	—
Segment (loss)/profit from discontinued operation	**(171)**	1,070
Unallocated corporate income and expenses	**(96)**	(6,915)
Consolidated profit/(loss)	**4,863**	(5,845)
Assets		
Reportable segment assets from continuing operations	**18,650**	11,291
Segment assets from discontinued operation	**203**	489
Unallocated corporate assets	**58,670**	22,679
Consolidated total assets	**77,523**	34,459
Liabilities		
Reportable segment liabilities from continuing operations	**3,801**	3,697
Unallocated corporate liabilities	**17,938**	39,085
Consolidated total liabilities	**21,739**	42,782

The unallocated corporate income and expenses mainly include changes in fair value of consideration payable for business combination, staff costs and legal and professional fees of head office. The unallocated corporate assets and liabilities mainly include goodwill, prepayments and cash and cash equivalents of head office, short term borrowing, loans from a shareholder and consideration payable for business combination.

(c) Geographical information and major customers

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets and goodwill ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the assets, in case of property, plant and equipment, and the location of the operation to which they are allocated, in case of intangible assets and goodwill.

	Revenue from external customers		**Specified non-current assets**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**14,246**	97	**25,878**	25,237
Mainland China	**32**	—	**23**	20
	14,278	97	**25,901**	25,257

For the communications software platform business, revenue from the Group's largest customer amounted to HK$2,213,000 (2012: HK$Nil), being 15% (2012: Nil%) of the Group's total revenue from this segment.

For the custom-made solutions business, revenue from the Group's largest customer amounted to HK$Nil (2012: HK$97,000), being Nil% (2012: 100%) of the Group's total revenue from this segment.

7 OTHER REVENUE

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**157**	2
Sundry income	**2**	—
	159	2

8 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Interest expense on financial liabilities not at fair value through profit or loss		
— Interest on short term borrowing	**78**	391
— Imputed interest on interest-free loans from a shareholder	**563**	124
	641	515

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

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Salaries, wages and other benefits	**6,993**	859
Contributions to defined contribution retirement plan	**295**	14
	7,288	873

(c) Other items:

	2013	2012
	HK$'000	*HK$'000*
Continuing operations		
Auditor's remuneration		
— Provision for the year	**416**	452
— Over-provision in respect of prior year	**—**	(3)
Acquisition-related costs for business combination	**—**	1,918
Amortisation of intangible assets	**603**	—
Depreciation of property, plant and equipment	**187**	7
Operating lease charges: minimum lease payments		
— property rentals	**183**	216
Professional fees for resumption of trading	**—**	1,835
Write-off of property, plant and equipment	**—**	4

9 INCOME TAX RELATING TO CONTINUING OPERATIONS

Taxation in the consolidated statement of comprehensive income represents:

	2013	2012
	HK$'000	*HK$'000*
Deferred tax		
Origination and reversal of temporary differences	**358**	—

No provision for Hong Kong Profits Tax has been made as the Group companies comprising continuing operations has either tax losses brought forward in excess of the assessable profits for the year or do not have any estimated assessable profit subject to Hong Kong Profits Tax during the year (2012: HK$Nil).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the respective tax jurisdictions.

No provision for Enterprise Income Tax of the PRC has been made as the subsidiary incorporated in the PRC has estimated tax losses for the year.

10 (LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUED OPERATION

On 1 January 2013, the directors abandoned the custom-made solutions business.

(Loss)/profit and cash flows for the period from 1 January 2013 (date of abandonment) to 31 December 2013 from the discontinued operation were as follows:

	2013	2012
	HK$'000	*HK$'000*
Turnover	—	97
Cost of sales	—	(70)
Gross profit	—	27
Other net income	—	1,125
Administrative expenses	**(171)**	(82)
(Loss)/profit before taxation	**(171)**	1,070
Income tax	—	—
(Loss)/profit for the year from discontinued operation and attributable to owners of the Company	**(171)**	1,070
Cash flows from discontinued operation:		
Operating activities	**(133)**	55
Net cash (outflows)/inflows	**(133)**	55

11 DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2013 (2012: HK$Nil).

12 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

(i) From continuing and discontinued operations

The calculation is based on the profit for the year attributable to owners of the Company of HK$4,863,000 (2012: loss of HK$5,845,000) and the weighted average number of ordinary shares of 461,598,922 (2012 (restated): 254,098,361) in issue during the year.

(ii) From continuing operations

The calculation is based on profit for the year from continuing operations attributable to owners of the Company of HK$5,034,000 (2012 (restated): loss of HK$6,915,000) and the weighted average number of ordinary shares of 461,598,922 (2012 (restated): 254,098,361) in issue during the year.

(iii) From discontinued operation

The calculation is based on loss for the year from the discontinued operation attributable to owners of the Company of HK$171,000 (2012 (restated): profit of HK$1,070,000) and the weighted average number of ordinary shares of 461,598,922 (2012 (restated): 254,098,361) in issue during the year.

The weighted average number of ordinary shares for 2013 and 2012 above has been adjusted for the open offer which was completed on 27 February 2013.

(b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share for the years ended 31 December 2013 and 2012 is the same as the basic earnings/(loss) per share as there were no potentially dilutive ordinary shares in issue.

13 TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**4,948**	4,586
Deposits and prepayments	**619**	1,247
Other receivables	**30**	29
	5,597	5,862

All trade and other receivables, apart from certain deposits of HK$140,000 (2012: HK$3,000) are expected to be recovered or recognised as expenses within one year.

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of allowance for doubtful debts, is as follows:

	2013	2012
	HK$'000	*HK$'000*
Within 1 month	**2,968**	3,165
1 to 3 months	**1,304**	887
3 to 6 months	**509**	317
6 to 12 months	**148**	45
Over 12 months	**19**	172
	4,948	4,586

Trade receivables are due within 30 days (2012: 30 days) from the date of billing.

14 TRADE AND OTHER PAYABLES

	2013	2012
	HK$'000	*HK$'000*
Trade payables	**—**	5
Other payables and accrued charges	**962**	4,509
	962	4,514

All trade and other payables are expected to be settled or recognised as income within one year or repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2013	2012
	HK$'000	*HK$'000*
More than 3 months	**—**	5

15 BUSINESS COMBINATION

On 31 December 2012, the Group acquired the entire equity interest in KanHan and its subsidiary (together "KanHan Group") from independent third parties at a nominal consideration of HK$28,000,000. KanHan Group was principally engaged in the provision of communications software platform. Pursuant to the sale and purchase agreement dated 26 June 2012 in respect of the acquisition (the "S&P Agreement"), the consideration would be satisfied in the following manner:

(i) as to HK$4,000,000 in cash or by cheque within 5 business days upon execution of the S&P Agreement;

(ii) as to HK$15,000,000 (1) in cash or by cheque in the event that the resumption of trading of the Company's shares on the GEM of the Stock Exchange (the "Resumption") has been effected or (2) by the issuance of the first interest-free promissory notes ("1st Promissory Notes") in the event that the Resumption has not been effected and shall be repayable in one lump sum on the date falling two years from the date of issue of the 1st Promissory Notes, upon the completion of acquisition; and

(iii) as to HK$9,000,000 (1) in cash or by cheque in the event that the Resumption has been effected or (2) by the issuance of the second interest-free promissory note ("2nd Promissory Note") in the event that the Resumption has not been effected, within 7 business days after the issuance of the 2013 audited accounts of KanHan Group and shall be repayable in one lump sum on the date falling two years from the date of issue of the 2nd Promissory Note.

The consideration is subject to adjustment based on the audited consolidated profit before interest, taxes, depreciation and amortisation ("EBITDA") of KanHan Group of not less than HK$5,500,000 for the year ended 31 December 2012 and not less than HK$8,500,000 for the year ended 31 December 2013 (the "Guaranteed Amount"). The consideration payable shall be reduced by an amount equal to the shortfall.

The first payment of HK$4,000,000 was settled in cash on 3 July 2012. The 1st Promissory Notes were issued on 31 December 2012 and redeemed by paying HK$15,000,000 in cash on 28 February 2013.

On 31 December 2012, based on the assessment of the directors of the Company, the possibility of shortfall in PBITDA against the Guaranteed Amount is remote, and consequently the fair value of guarantee asset is HK$Nil.

The audited EBITDA of KanHan Group for the year ended 31 December 2012 and 2013, which is approximately HK$5,746,000 and HK$5,553,000. Accordingly, the consideration payable shall be reduced by the shortfall amount of approximately HK$2,947,000 in EBITDA against the Guaranteed Amount for the year ended 31 December 2013. Consequently, a fair value gain on consideration payable for business combination of HK$2,778,000 is recognised in profit or loss according to the accounting policy.

The fair value of the identifiable assets and liabilities of KanHan Group acquired as at its date of acquisition is as follows:

	HK$'000
Property, plant and equipment	232
Intangible assets	4,778
Deferred tax assets	1,402
Inventories	69
Trade and other receivables	4,613
Cash and cash equivalents	197
Trade and other payables	(453)
Financial assistance from government	(991)
Deferred income	(1,756)
Deferred tax liabilities	(497)
Fair value of net identifiable assets acquired	7,594
Goodwill arising on acquisition	20,236
Total consideration	27,830
Total consideration, satisfied by:	
Cash	4,000
Fair value of 1st Promissory Notes	14,841
Fair value of consideration payable in cash	8,989
	27,830
Net cash outflow arising on acquisition:	
Consideration paid in cash	(4,000)
Cash and cash equivalents acquired	197
	(3,803)

The goodwill is attributable to the synergies of the acquired business expected to arise after the Group's acquisition of KanHan Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Acquisition-related costs amounting to HK$1,918,000 for the year ended 31 December 2012 have been excluded from the consideration transferred and have been recognised as "administrative expenses" in the consolidated statement of comprehensive income.

KanHan Group did not contribute any turnover or profit to the Group for the year as the acquisition was completed on 31 December 2012.

Had this business combination taken place on 1 January 2012, the directors of the Company estimate that the consolidated turnover and the consolidated net profit for the year ended 31 December 2012 would have been HK$11,954,000 and HK$304,000 respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and result of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2012.

16 EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below and elsewhere in the consolidated financial statements, the Group does not have other significant events after the end of the reporting period.

On 14 January 2014, KanHan has entered into a facility letter with a financial institution for a revolving loan facility to the extent of HK$12,000,000 (the "Bank Facility"). The Bank Facility is secured by personal guarantees and mortgaged properties owned by independent third parties. Up to the date of approval of these financial statements, the Group has not utilised the Bank Facility.

As at date of this announcement, the Company has fully repaid the loans from a shareholder.

17 COMPARATIVE FIGURES

As a result of the separate presentation of the discontinued operation, certain comparative figures, including figures in consolidated statement of comprehensive income, consolidated statement of cash flows, and their related notes, have been re-presented to conform to changes in disclosures in the current year.

As a result of the open offer which were completed during the year, the earnings/loss per share for the year ended 31 December 2012 has been restated.

18 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2013

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2013 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7, Mandatory effective date of HKFRS 9 and transition disclosures	*Note*
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011), Investment entities	1 January 2014
Amendments to HKAS 32, Offsetting financial assets and financial liabilities	1 January 2014
Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets	1 January 2014
Amendments to HKAS 39, Novation of derivatives and continuation of hedge accounting	1 January 2014
HK(IFRIC) — Int 21, Levies	1 January 2014
Annual improvements to HKFRSs 2010 — 2012 cycle	1 July 2014
Annual improvements to HKFRSs 2011 — 2013 cycle	1 July 2014
HKFRS 9, Financial instruments	*Note*

Note: Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

The directors have confirmed in writing that the Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the year under review, the Group recorded a total turnover from continuing operations of approximately HK$14,278,000. Profit attributable to owners of the Company amounted to approximately HK$4,863,000, as compared to loss of approximately HK$5,845,000 in the same financial year of 2012. The profit was mainly attributable to (i) the inclusion of the first full financial year of operating profit from the information technology solution provider business acquired on 31 December 2012; and (ii) the changes in fair value of consideration payable for business combination.

DIVIDEND

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2013 (2012: HK$Nil).

BUSINESS REVIEW AND PROSPECT

The acquisition of KanHan Technologies Limited ("KanHan") and its subsidiary (together, "KanHan Group") had been completed on 31 December 2012 (the "Acquisition"), KanHan Group became the wholly-owned subsidiaries of the Company.

Under the sales and purchase agreement of the Acquisition, the 1st vendor and the guarantor have irrevocably warranted and guaranteed that the 2012 EBITDA of KanHan Group would not be less than HK$5.5 million (the "2012 Guaranteed Amount"); while the 2013 EBITDA of KanHan Group would not be less than the HK$8.5 million (the "2013 Guaranteed Amount"). The 2012 Guaranteed Amount has been met and no adjustment on the 1st promissory note was made. Details of the Acquisition were set out in the Company's circular dated 10 December 2012 (the "Circular") and announcements dated 31 December 2012 and 22 July 2013.

The 2013 EBITDA of the KanHan Group was HK$5,553,100, which represented a shortfall of HK$2,946,900 (the "2013 Shortfall") to the 2013 Guaranteed Amount. The 2013 Shortfall will be payable by the 1st Vendor and the guarantor in accordance with the terms of the sales and purchase agreement by setting off against the remaining outstanding balance of the consideration of HK$9,000,000. After adjustment of the consideration of Acquisition as a result of the 2013 Shortfall, the Group shall be obliged to pay to the 1st Vendor of HK$6,053,100 for the remaining outstanding balance of the consideration.

The Board believed that the 2013 Shortfall mainly attributes to (i) the delay in acceptance of projects by customers and extension of deployment date due to increasing complexity and clients' request for changing requirements in the development process which in turn delay the revenue recognition; and (ii) the increase in staff cost. Details of the adjustment are set out in the note 15 of this annual results announcement and the announcement of the Company dated 19 March 2014.

For the year ended 31 December 2013, the Group mainly focused on developing and marketing of the patented server based technology and the provision of communications software platform and software related services with primary focus in the government industry sector. The products and services can mainly divided into five categories, namely, (i) HanPHONE supported Client Management Infrastructure; (ii) KanHan Client Management Infrastructure; (iii) HanWEB; (iv) solutions to expand business through creative promotions; and (v) voice system service to the under-privileged groups.

Being a market leader in providing the HanPHONE branded telephony solutions, KanHan has been providing a one-stop shop for most telecom related needs including equipment supplies and maintenance services since 2003. In 2013, KanHan moved on establishing a new telecom and customer care division manned by certified professionals, ready to deliver world-class solutions and maintenance service on renowned Private Automatic Branch Exchange (PABX) equipment and voice recorder system including the Alcatel-Lucent lines of PABX and NICE lines of voice recording solution. KanHan's PABX related telecom experience and expertise were further accredited by Electrical & Mechanical Services Department (EMSD) in admitting KanHan into her departmental contractor list for PABX supply to HKSAR government departments in October 2013.

We intend to continue taking efforts in developing and upgrading our products and solutions with a generic growth of the business in order to broaden our income sources. The Group will continue to deploy appropriate operation strategies to meet the challenges posted by the competitive market to improve the performance and maximize the returns of shareholders as a whole.

Financial Resource and Liquidity

On 27 February 2013, the Company completed the open offer and resulted in gross proceeds of HK$60,000,000. The proceeds from the open offer will be used as intended. Details of the open offer were set out in the Company's prospectus and announcement dated 1 February 2013 and 26 February 2013 respectively. At 31 December 2013, the Group had cash and bank balances of approximately HK$44,284,000 (31 December 2012: HK$1,869,000). In addition, a loan facility of up to HK$40,000,000 was granted by the controlling shareholder, Prime Precision Holdings Limited. As at 31 December 2013, principal amount of approximately HK$11,528,000 (31 December 2012: HK$5,000,000) had been drawn. This shareholder's loan was unsecured, interest free and not repayable before April 2014. As at date of this announcement, this shareholder's loan had been fully repaid. Most of the cash and bank balances and the borrowings are denominated in Hong Kong dollars.

Gearing Ratio

At 31 December 2013, total assets of the Group were approximately HK$77,523,000 (31 December 2012: HK$34,459,000) whereas total liabilities were approximately HK$21,739,000 (31 December 2012: HK$42,782,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was 28.0% (31 December 2012: 124.2%) and the current ratio, calculated as current assets over current liabilities, was 2.4 (31 December 2012: 0.3). 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 Group had no material foreign exchange exposure.

Pledge of Assets and Contingent Liabilities

At 31 December 2013, the Group did not have any substantial pledge of assets and contingent liabilities.

Material Acquisition, Disposal and Significant Investment

The Group did not have any material acquisition, disposal and significant investment for the period ended 31 December 2013.

Event after end of Reporting Period

Details of event after end of reporting period are set out in the note 16 of this results announcement.

EMPLOYEE INFORMATION AND REMUNERATION POLICY

As at 31 December 2013, the Group employed approximately 45 staff (2012: 30). Staff costs (including directors' remuneration) was approximately HK$7,288,000 for the year under review (2012: HK$873,000). Remuneration is determined by reference to market terms and 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 INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2013, 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 Securities and Futures Ordinance (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:

Long positions in the shares of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage of shareholding
Mr. Lau Man Tak	Corporate interest *(Note)*	357,483,700	71.50%

Note: The interest in the shares of Mr. Lau Man Tak is held through Prime Precision Holdings Limited ("Prime Precision"), a company incorporated in the British Virgin Islands, in which the entire issued share capital is beneficially and ultimately owned by Mr. Lau Man Tak. By virtue of the SFO, Mr. Lau Man Tak is deemed to be interested in the shares held by Prime Precision.

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

Substantial Shareholders

To the best knowledge of Directors, as at 31 December 2013, 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 5% 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 of substantial shareholders	Capacity	Number of shares *(Note 1)*	Approximate percentage of shareholding
Prime Precision	Beneficial owner *(Note 2)*	357,483,700 (L)	71.50%
Mr. Lau Man Tak	Corporate interest *(Note 2)*	357,483,700 (L)	71.50%

Notes:

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

2. The interest in the shares of Mr. Lau Man Tak is held through Prime Precision, in which the entire issued share capital is beneficially and ultimately owned by Mr. Lau Man Tak. By virtue of the SFO, Mr. Lau Man Tak is deemed to be interested in the shares held by Prime Precision.

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 2013.

SHARE OPTION SCHEME

On 8 May 2013, the Company passed an ordinary resolution at the annual general meeting regarding the termination of the old share option scheme (the "Old Share Option Scheme") and adopted a new share option scheme (the "New Share Option Scheme") whereby the Board may grant share options to employees, directors, suppliers, consultants, agents and advisers or any person, at its discretion, for the primary purpose to recognize and motivate their contributions to the Group. The New Share Option Scheme is valid for a period of 10 years commencing from 8 May 2013. Details of the New Share Option Scheme were set out in the circular of the Company dated 27 March 2013.

For the year ended 31 December 2013 and up to date of this announcement, the Company had no outstanding options under the Old Share Option Scheme or the New Share Option Scheme.

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 OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2013, 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.

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE CODE

The Company is committed to maintain corporate governance of high standards and quality procedures. The Company has put in place governance practices with emphasis on the integrity to shareholders and quality of disclosure, transparency and accountability to shareholders for the sake of maximizing returns to shareholders.

The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 December 2013 except for the deviation from code provision A.4.1 which is explained below.

Pursuant to A.4.1 of the CG Code, non-executive directors should be appointed for specific terms, subject to re-election. For the period from 1 January 2013 to 28 February 2013, all the existing independent non-executive directors (the "INEDs") were not appointed for a specific term but are subject to retirement and re-election at the forthcoming annual general meeting of the Company (the "AGM") and retirement by rotation and re-election at least once every three years at the AGM in accordance with the provisions of the Articles. On 1 March 2013, the terms of appointment of the INEDs were revised. Each of the INEDs has entered into a service contract with the Company for an initial term of three years commencing from 1 March 2013, unless terminated by not less than one month's notice in writing served by either party on the other. The code provision A.4.1 has been complied with thereafter.

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 INEDs, namely Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Fat and Mr. Chui Kwong Kau. Mr. Chi Chi Hung, Kenneth 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 financial statements for the year ended 31 December 2013.

SCOPE OF WORK OF AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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 2013.

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.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, employees and management for their continuous dedication, commitment and support to the Company.

On behalf of the Board
Aurum Pacific (China) Group Limited
Lau Man Tak
Chairman

Hong Kong, 19 March 2014

As at the date of this announcement, the Board comprises two executive Directors, Mr. Lau Man Tak and Mr. Mo Wai Ming, Lawrence, one non-executive Director, Mr. Chan Tik Yuen, and three independent non-executive Directors, Mr. Chan Wai Fat, Mr. Chi Chi Hung, Kenneth and Mr. Chui Kwong Kau.

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.