

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **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)**

#### **INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED SUBSCRIPTION AND PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**一中證券有限公司**

**One China Securities Limited**

#### **THE MEMORANDUM OF UNDERSTANDING**

The Board is pleased to announce that on 26 September 2014 (after trading hours), the Company entered into the MOU with the Prospective Target regarding the Proposed Subscription. Subject to the results of the due diligence review and the entering into the Formal Agreement, the aggregate subscription price for the Proposed Subscription is expected to be around HK\$15 million. The terms and conditions of the Proposed Subscription are subject to further negotiations between the parties thereof and the due diligence review to be undertaken by the Group and/or its professional advisers, is yet to be finalised as at the date of this announcement. The MOU is not legally binding.

**The MOU may or may not lead to the entering into of any formal agreement(s). If the Proposed Subscription contemplated under the MOU is materialised, it may constitute a notifiable transaction on the part of the Company pursuant to Chapter 19 of the GEM Listing Rules. The Company will comply with the relevant requirements of the GEM Listing Rules when the Formal Agreement is entered into. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

On 26 September 2014 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 50,000,000 Placing Shares at the Placing Price of HK\$0.65 per Placing Share to not more than six Placees who and whose beneficial owners shall be Independent Third Parties. The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 8 May 2014.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) 10% of the existing issued share capital of the Company of 500,000,000 Shares as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,000,000.

The Placing Price of HK\$0.65 represents a discount of approximately 18.75% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.80 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.778 in the last five trading days prior to the date of the Placing Agreement.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$32.5 million and HK\$31.6 million respectively. On such basis, the net issue price will be approximately HK\$0.632 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the Group and/or future investments of the Group, which included but not limited to the financing of all or part of the funding needs of the Proposed Subscription.

**Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

## THE MEMORANDUM OF UNDERSTANDING

The Board is pleased to announce that on 26 September 2014 (after trading hours), the Company entered into the MOU with the Prospective Target regarding the Proposed Subscription. To the best of knowledge, information and belief of the Directors, as at the date of this announcement, having made all reasonable enquiries, the Prospective Target, together with its principal subsidiaries, is principally engaged in providing an online business-to-business trading platform for the construction materials purchasers and suppliers to conduct businesses.

Subject to the results of the due diligence review and the entering into the Formal Agreement, the total consideration for the Proposed Subscription is expected to be around HK\$15 million comprising of HK\$12 million payable in cash and HK\$3 million to be settled by issuance of consideration Shares.

Pursuant to the MOU, the Prospective Target guaranteed to the Company that the net profit of the Prospective Target shall not be less than HK\$2 million, HK\$4 million, and HK\$8 million, respectively for each of the three years after the Company becomes a shareholder of the Prospective Target. In the event that the Prospective Target fails to achieve the above financial results, all the consideration paid to the Prospective Target together with interest shall be refunded by the Prospective Target to the Company.

The Company shall be entitled to carry out due diligence review on the Prospective Target which shall commence from the date of the MOU and be completed as soon as reasonably practicable within two months (or such other date as the parties may agree). In order to facilitate the due diligence review, the Prospective Target shall procure that, upon request by the Company and/or its professional advisers, the Company and/or its professional advisers will be given all such information relating to the Prospective Target.

The MOU is not legally binding.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Prospective Target and its ultimate beneficial owners is an Independent Third Party.

**The Board wishes to emphasise that the Proposed Subscription is subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are yet to be agreed. Hence, the MOU may or may not lead to the entering into of any formal agreement(s). If the Proposed Subscription contemplated under the MOU is materialised, it may constitute a notifiable transaction on the part of the Company pursuant to Chapter 19 of the GEM Listing Rules. The Company will comply with the relevant requirements of the GEM Listing Rules when the Formal Agreement is entered into. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

26 September 2014 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

One China Securities Limited

Pursuant to the terms of the Placing Agreement, the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 50,000,000 Placing Shares to independent Placees. The terms of the Placing Agreement were arrived at after arm's length

negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions. The Directors are of the view that the terms of the Placing Agreement are fair and reasonable based on current market conditions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties. As at the date of this announcement, the Placing Agent and its associates were not interested in any Share.

### **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Parties.

### **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of Placing Shares under the Placing represent (i) 10% of the existing issued share capital of the Company of 500,000,000 Shares as at the date of this announcement; and (ii) approximately 9.09% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$1,000,000.

### **Ranking of Placing Shares**

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$0.65 represents a discount of approximately 18.75% to the benchmarked price of the Shares, which is the higher of (i) the closing price of HK\$0.80 as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) the average closing price of HK\$0.778 in the last five trading days prior to the date of the Placing Agreement.

The Placing Price of the Placing was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interests of the Company and the Shareholders as a whole.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$32.5 million and HK\$31.6 million respectively. On such basis, the net issue price will be approximately HK\$0.632 per Placing Share.

### **General Mandate to allot and issue of the Placing Shares**

The Placing Shares will be issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the AGM. Accordingly, the issue of the Placing Shares is not subject to the approval of the

Shareholders. Under the General Mandate, the Company is authorized to issue up to 100,000,000 Shares under the General Mandate. Up to the date of this announcement, no Share has been issued under the General Mandate.

### **Application for listing of Placing Shares**

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

### **Conditions of the Placing Agreement**

Completion of the Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement on or before 16 October 2014 (“**Long Stop Date**”).

If the above condition is not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of (i) any antecedent breaches of any obligation thereunder; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements).

### **Completion of the Placing**

Completion of the Placing shall take place on the third Business Day after the fulfilment of the above condition or on such other date as the Company and the Placing Agent may agree in writing.

### **Force majeure**

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of completion of the Placing if, in the reasonable opinion of the Placing Agent, after consultation with the Company:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in this announcement and the previously published announcements by the Company has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or

- (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
- (6) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties under the Placing Agreement.

Upon termination of the Placing Agreement as described above, all liabilities of the parties to the Placing Agreement shall cease and determine and no party thereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of (i) any antecedent breach of any obligation under the Placing Agreement; and (ii) any liabilities in respect of the representations and warranties made by the Company, undertakings by the Placing Agent, indemnity and reimbursements.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

**Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is an information technology solutions provider which principally engages in the development and marketing of patented server based technology and the provision of communication software platform and software related services in Hong Kong and the PRC.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$32.5 million and HK\$31.6 million respectively. The net proceeds from the Placing are intended to be used for general working capital of the Group and/or future investments of the Group, which included but not limited to the financing of all or part of the funding needs of the Proposed Subscription.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide funding to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

## **FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

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

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (subject to completion



of the Placing and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out below:

	<b>As at the date of this announcement</b>		<b>Upon completion of the Placing</b>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Prime Precision Holdings Limited (Note 1)	212,483,700	42.50	212,483,700	38.63
Wen Jialong (Note 2)	90,000,000	18.00	90,000,000	16.36
The Placees	—	—	50,000,000	9.09
Other public Shareholders	<u>197,516,300</u>	<u>39.50</u>	<u>197,516,300</u>	<u>35.91</u>
Total:	<u>500,000,000</u>	<u>100.00</u>	<u>550,000,000</u>	<u>100.00</u>

Notes:

- a. Prime Precision Holdings Limited, 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, who was an executive director of the Company and resigned on 10 September 2014.
- b. Mr. Wen Jialong is an executive Director and chairman of the Company.
- c. The aggregate percentages above may not add up to 100% due to rounding.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions have the following meanings:

“AGM”	the annual general meeting of the Company held on 8 May 2014 at which, among other things, the General Mandate was granted to the Directors;
“Board”	the board of Directors;
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on GEM;
“connected person”	has the same meaning as ascribed to it under the GEM Listing Rules;
“Director(s)”	director(s) of the Company for the time being;
“Formal Agreement”	the formal agreement to be entered into between the Prospective Target and the Company with respect to the Proposed Subscription;

“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with up to 100,000,000 Shares;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the GEM Listing Rules);
“MOU”	the memorandum of understanding dated 26 September 2014 entered into between the Company and the Prospective Target in respect of the Proposed Subscription;
“Placee(s)”	any individuals, corporates, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the Placing;
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in the Placing Agreement;
“Placing Agent”	One China Securities Limited (一中證券有限公司), a licensed corporation to carry out business in type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 26 September 2014 in relation to the Placing under the General Mandate;
“Placing Price”	HK\$0.65 per Placing Share;
“Placing Shares”	50,000,000 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”;
“Proposed Subscription”	the proposed subscription of 51% of the enlarged issued share capital in the Prospective Target by the Company;
“Prospective Target”	Dragon China Enterprise Holdings Limited (龍華企業控股有限公司), a company incorporated in the British Virgin Islands with limited liability;



“Share(s)”	ordinary shares of HK\$0.02 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

By order of the Board  
**Aurum Pacific (China) Group Limited**  
**Wen Jialong**  
*Chairman*

Hong Kong, 29 September 2014

*As at the date of this announcement, the Board comprises three executive Directors, Mr. Wen Jialong, Mr. Mo Wai Ming, Lawrence and Mr. Xu Zhigang, 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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the page of “Latest Company Announcements” on the GEM website for at least 7 days from the date of its posting and the website of the Company at [www.aurumpacific.com.hk](http://www.aurumpacific.com.hk).*