

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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

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

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

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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.

SUMMARY

For the nine months ended 30 September 2014:

- The turnover was approximately HK\$12,996,000;
- The loss attributable to owners of the Company was approximately HK\$2,587,000; and
- The Directors do not recommend the payment of any interim dividend.

THIRD QUARTERLY UNAUDITED RESULTS

The board of directors of the Company (the “Board”) hereby presents the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months and three months ended 30 September 2014, together with the unaudited comparative figures for the corresponding periods in 2013, as follows:

Condensed consolidated statement of comprehensive income

		Three months ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations					
Turnover	2	4,957	3,165	12,996	9,237
Cost of sales		(1,535)	(485)	(4,165)	(1,791)
Gross profit		3,422	2,680	8,831	7,446
Other revenue	3	14	59	91	104
Changes in fair value of consideration payable for business combination		—	—	(1)	(159)
Administrative expenses		(2,467)	(502)	(6,127)	(2,458)
Research and development expenses		(645)	(537)	(3,064)	(1,595)
Selling and distribution expenses		(858)	(565)	(2,202)	(1,611)
(Loss)/profit from operations		(534)	1,135	(2,472)	1,727
Finance costs	4	(4)	(163)	(193)	(474)
(Loss)/profit before taxation	5	(538)	972	(2,665)	1,253
Income tax	6	32	—	82	—
(Loss)/profit for the period from continuing operations		(506)	972	(2,583)	1,253
Discontinued operation					
Loss for the period from discontinued operation		—	(2)	(4)	(17)
(Loss)/profit for the period attributable to owners of the Company		(506)	970	(2,587)	1,236
Other comprehensive (loss)/income for the period					
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		(1)	2	(1)	(77)
Total comprehensive (loss)/income for the period attributable to owners of the Company		(507)	972	(2,588)	1,159

		Three months ended		Nine months ended	
		30 September		30 September	
		2014	2013	2014	2013
		<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
<i>Notes</i>		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/earnings per share					
From continuing and discontinued operations					
— Basic and diluted	8	<u>(0.10)</u>	<u>0.22</u>	<u>(0.52)</u>	<u>0.28</u>
From continuing operations					
— Basic and diluted	8	<u>(0.10)</u>	<u>0.22</u>	<u>(0.52)</u>	<u>0.28</u>
From discontinued operation					
— Basic and diluted	8	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Condensed consolidated statement of changes in equity

	Attributable to owners of the Company						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Capital surplus HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	
Balance at 31 December 2012 and 1 January 2013 (Audited)	2,000	30,224	2,035	16,699	—	(59,281)	(8,323)
Profit for the period	—	—	—	—	—	1,236	1,236
Other comprehensive loss	—	—	—	—	(77)	—	(77)
Total comprehensive income for the period	—	—	—	—	(77)	1,236	1,159
Capital contribution by a shareholder in the form of interest-free loans	—	—	390	—	—	—	390
Shares issued upon open offer	8,000	50,626	—	—	—	—	58,626
Balance at 30 September 2013 (Unaudited)	<u>10,000</u>	<u>80,850</u>	<u>2,425</u>	<u>16,699</u>	<u>(77)</u>	<u>(58,045)</u>	<u>51,852</u>
Balance at 31 December 2013 and 1 January 2014 (Audited)	10,000	81,150	2,427	16,699	(74)	(54,418)	55,784
Loss for the period	—	—	—	—	—	(2,587)	(2,587)
Other comprehensive loss	—	—	—	—	(1)	—	(1)
Total comprehensive loss for the period	—	—	—	—	(1)	(2,587)	(2,588)
Balance at 30 September 2014 (Unaudited)	<u>10,000</u>	<u>81,150</u>	<u>2,427</u>	<u>16,699</u>	<u>(75)</u>	<u>(57,005)</u>	<u>53,196</u>

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed third quarterly financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting.

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis. The principal accounting policies used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2013 except in relation to the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are expected to be reflected in the 2014 annual financial statements. The adoption of these new and revised HKFRSs has had no material impact on the unaudited condensed consolidated financial statements.

The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

2. TURNOVER

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

3. OTHER REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations				
Bank interest income	14	59	89	102
Others	—	—	2	2
	<u>14</u>	<u>59</u>	<u>91</u>	<u>104</u>

4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations				
Interest expense on financial liabilities not at fair value through profit or loss				
— Interest on short term borrowing	—	—	—	78
— Interest on bank loans	4	—	4	—
— Imputed interest on interest-free loans from a shareholder	—	163	189	396
	<u>4</u>	<u>163</u>	<u>193</u>	<u>474</u>

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations				
Staff costs (including directors' remuneration)				
— Salaries, wages and other benefits	3,219	1,357	9,382	4,073
— Contributions to defined contribution retirement plan	128	65	344	195
	<u>3,347</u>	<u>1,422</u>	<u>9,726</u>	<u>4,268</u>
Auditor's remuneration	75	75	256	231
Acquisition – related costs for business combination	—	—	282	—
Amortisation of intangible assets	673	51	1,442	153
Depreciation of property, plant and equipment	85	49	215	137
Operating lease charges:				
minimum lease payment for property rental	190	45	440	58
	<u>190</u>	<u>45</u>	<u>440</u>	<u>58</u>

6. INCOME TAX RELATING TO CONTINUING OPERATIONS

Taxation in the condensed consolidated statement of comprehensive income represents:

	Three months ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Deferred tax				
Origination and reversal of temporary differences	32	—	82	—

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 period or do not have any estimated assessable profit subject to Hong Kong Profits Tax during the periods ended 30 September 2014 and 2013.

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 jurisdictions.

No provision for Enterprise Income Tax of the People's Republic of China (the "PRC") has been made as its subsidiary incorporated in the PRC has estimated tax losses for the periods ended 30 September 2014 and 2013.

7. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the nine months ended 30 September 2014 (2013: HK\$Nil).

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

(i) From continuing and discontinued operations

The calculation is based on the loss attributable to owners of the Company of HK\$2,587,000 (2013: profit of HK\$1,236,000) and the weighted average number of ordinary shares of 500,000,000 (2013: 448,657,899) in issue during the period.

(ii) From continuing operations

The calculation is based on loss for the period from continuing operations attributable to owners of the Company of HK\$2,583,000 (2013: profit of 1,253,000) and the weighted average number of ordinary shares of 500,000,000 (2013: 448,657,899) in issue during the period.

(iii) From discontinued operation

The calculation is based on loss for the period from the discontinued operation attributable to owners of the Company of HK\$4,000 (2013: HK\$17,000) and the weighted average number of ordinary shares of 500,000,000 (2013: 448,657,899) in issue during the period.

(b) Diluted (loss)/earnings per share

The diluted (loss)/earning per share for the periods ended 30 September 2014 and 2013 is the same as the basic (loss)/earning per share as there were no potentially dilutive ordinary shares in issue.

9. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Authorised:		
<i>Ordinary shares</i>		
At 31 December 2013 and 30 September 2014 of HK\$0.02 each	2,000,000	40,000
Issued and fully paid:		
<i>Ordinary shares</i>		
At 31 December 2013 and 30 September 2014 of HK\$0.02 each	500,000	10,000

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation.

11. EVENTS AFTER THE REPORTING PERIOD

On 26 September 2014, the Company entered into a memorandum of understanding (the "MOU 1") with a target company to subscribe 51% of the enlarged issued share capital in the target company (the "Proposed Subscription"). The target company is principally engaged in providing an online business-to-business trading platform for the construction materials to purchasers and suppliers to conduct businesses. Subject to the results of the due diligence review and the entering into the formal agreement, the subscription price for the Proposed Subscription is expected to be around HK\$15 million.

On 9 October 2014, the Company completed a placing in which an aggregate of 50,000,000 placing shares were successfully placed by the placing agent, One China Securities Limited, to not less than six placees (the "Placing 1"). The net proceeds from the Placing 1, after deducting the placing commission and other related expenses payable by the Company, are approximately HK\$31.5 million, which are intended to be used for general working capital and/or future investments of the Group.

Also, on 13 October 2014, the Company entered into a memorandum of understanding (the “MOU 2”) with an independent third party regarding a proposed acquisition of the 51% equity interest in a target company for an intended consideration of approximately HK\$80,000,000, subject to the terms and conditions of the formal agreement. The target company is principally engaged in custom-made software development services including urban grid management system, internet marketing and other projects. As at date of this results announcement, HK\$23,000,000 have been paid as a refundable deposit.

On 7 November 2014, the Company entered into a placing agreement with the placing agent, One China Securities Limited, 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 than six placees who and whose ultimate beneficial owners shall be independent third parties (the “Placing 2”). The Placing 2 has not yet been completed as at date of this announcement, it is expected that the maximum gross proceeds and net proceeds from the Placing 2 will be approximately HK\$32.5 million and HK\$31.5 million respectively. The net proceeds from the Placing 2 are intended to be used for general working capital of the Group and/or future investments of the Group.

Details of the above MOU 1, MOU 2, the Placing 1 and the Placing 2 are set out in the announcements of the Company dated 29 September 2014, 9 October 2014, 13 October 2014 and 7 November 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the nine months ended 30 September 2014, the Group recorded a total turnover from continuing operations of approximately HK\$12,996,000, as compared to that of approximately HK\$9,237,000 for the same financial period in 2013. Loss attributable to owners of the Company amounted to approximately HK\$2,587,000, as compared to the profit of approximately HK\$1,236,000 in 2013. The loss was mainly attributable to, among other things, the increase in headcount and the staff cost to approximately HK\$9,726,000 for the nine months ended 30 September 2014 (nine months ended 30 September 2013: HK\$4,268,000).

Dividend

The Directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2014.

Business Review and Prospect

For the nine months ended 30 September 2014, 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 be 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.

On 27 June 2014, the Group completed the acquisition of the entire equity interest in KanHan Educational Services Limited and its subsidiary (together “KanHan Education Group”) from an independent third party at a nominal consideration of HK\$6,500,000 (the “Acquisition”). KanHan Education Group became the indirectly wholly-owned subsidiaries of the Company. KanHan Education Group principally engages in the provision of website development, education and communication software platforms. It focuses on the development of syllabus and contents for Chinese Language teaching and learning in primary and secondary schools and enterprises. KanHan Education Group has built a solid business organization selling into the Hong Kong education market. More than 100 primary and secondary schools are subscribing to the web based courseware serving students in learning Putonghua, Chinese Language for native and non-Chinese speakers. The Board considers that the Acquisition would have a synergy effect to our existing business by creating a one-stop shop for e-learning solutions and school administration system that could be seamlessly integrated. Details of the Acquisition were set out in the announcements of the Company dated 23 and 27 June 2014 and note 15(a) of the interim results report of the Company dated 8 August 2014.

We intend to continue taking efforts in developing and upgrading our products and services 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

At 30 September 2014, the Group had cash and bank balances of approximately HK\$19,781,000 (31 December 2013: HK\$44,284,000). During the nine months ended 30 September 2014, the loan from the controlling shareholder, Prime Precision Holdings Limited, with principal amount of approximately

HK\$11,528,000 had been fully repaid. And also, the outstanding balance of consideration of HK\$6,053,100 for the acquisition of the entire equity interest in KanHan Technologies Limited and its subsidiary had been fully settled. Details of which were set out in the Company's announcement dated 19 March 2014. In addition, as at 30 September 2014 KanHan Technologies Limited has obtained a revolving loan facility with a financial institution to the extent of HK\$5,000,000 (the "Bank Facility"). The Bank Facility is secured by personal guarantees and mortgaged properties owned by independent third parties. At 30 September 2014, KanHan Technologies Limited has not yet utilized the revolving Bank Facility. Most of the cash and bank balances and the borrowings are denominated in Hong Kong dollars.

Gearing Ratio

At 30 September 2014, total assets of the Group were approximately HK\$58,901,000 (31 December 2013: HK\$77,523,000) whereas total liabilities were approximately HK\$5,704,000 (31 December 2013: HK\$21,739,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was 9.7% (31 December 2013: 28.0%) and the current ratio, calculated as current assets over current liabilities, was 5.0 (31 December 2013: 2.4). 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 30 September 2014, the Group did not have any substantial pledge of assets and contingent liabilities.

Material Acquisition, Disposal and Significant Investment

Save as disclosed above, the Group did not have any material acquisition, disposal and significant investment during the nine months ended 30 September 2014.

Events after end of reporting period

On 26 September 2014, the Company entered into a memorandum of understanding (the "MOU 1") with a target company to subscribe 51% of the enlarged issued share capital in the target company (the "Proposed Subscription"). The target company is principally engaged in providing an online business-to-business trading platform for the construction materials to purchasers and suppliers to conduct businesses. Subject to the results of the due diligence review and the entering into the formal agreement, the subscription price for the Proposed Subscription is expected to be around HK\$15 million.

On 9 October 2014, the Company completed a placing in which an aggregate of 50,000,000 placing shares were successfully placed by the placing agent, One China Securities Limited, to not less than six placees (the "Placing 1"). The net proceeds from the Placing 1, after deducting the placing commission and other related expenses payable by the Company, are approximately HK\$31.5 million, which are intended to be used for general working capital and/or future investments of the Group.

Also, on 13 October 2014, the Company entered into a memorandum of understanding (the "MOU 2") with an independent third party regarding a proposed acquisition of the 51% equity interest in a target company for an intended consideration of approximately HK\$80,000,000, subject to the terms and conditions of the formal agreement. The target company is principally engaged in custom-

made software development services including urban grid management system, internet marketing and other projects. As at date of this results announcement, HK\$23,000,000 have been paid as a refundable deposit.

On 7 November 2014, the Company entered into a placing agreement with the placing agent, One China Securities Limited, 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 than six placees who and whose ultimate beneficial owners shall be independent third parties (the “Placing 2”). The Placing 2 has not yet been completed as at date of this announcement, it is expected that the maximum gross proceeds and net proceeds from the Placing 2 will be approximately HK\$32.5 million and HK\$31.5 million respectively. The net proceeds from the Placing 2 are intended to be used for general working capital of the Group and/or future investments of the Group.

Details of the above MOU 1, MOU 2, the Placing 1 and the Placing 2 are set out in the announcements of the Company dated 29 September 2014, 9 October 2014, 13 October 2014 and 7 November 2014.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2014, 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. Wen Jialong	Beneficial owner (<i>Note</i>)	90,000,000	18.00%

Note:

Mr. Wen Jialong has been appointed as an executive Director and chairman of the Company with effective from 10 September 2014.

Upon the completion of Placing 1 on 9 October 2014, the issued shares capital of the Company increased to 550,000,000 shares. The shares held by Mr. Wen Jialong changed to 16.36% of the issued share capital of the Company after the completion of Placing 1.

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

Substantial Shareholders

To the best knowledge of Directors, as at 30 September 2014, 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 Holdings Limited (“Prime Precision”)	Beneficial owner (Note 2)	212,483,700(L)	42.50%
Mr. Lau Man Tak	Corporate interest (Note 2)	212,483,700(L)	42.50%
Mr. Wen Jialong	Beneficial owner (Note 3)	90,000,000	18.00%

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. Mr. Lau Man Tak was an executive Director and resigned on 10 September 2014.

Upon the completion of Placing 1 on 9 October 2014, the issued shares capital of the Company increased to 550,000,000 shares. The shares held by Prime Precision/Mr. Lau Man Tak changed to 38.63% of the issued share capital of the Company after the completion of Placing 1.

3. Mr. Wen Jialong has been appointed as an executive Director and chairman of the Company with effective from 10 September 2014.

Upon the completion of Placing 1 on 9 October 2014, the issued shares capital of the Company increased to 550,000,000 shares. The shares held by Mr. Wen Jialong changed to 16.36% of the issued share capital of the Company after the completion of Placing 1.

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 30 September 2014.

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 contribution 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 period ended 30 September 2014 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 ON CORPORATE GOVERNANCE PRACTICES

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 as contained in Appendix 15 of the GEM Listing Rules throughout the period ended 30 September 2014.

AUDIT COMMITTEE

The Company has established the 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 unaudited third quarterly report for the period ended 30 September 2014.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2014, 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 nine months ended 30 September 2014.

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

Hong Kong, 11 November 2014

As at the date of this announcement, the Board comprises three executive Directors, Mr. Wen Jialong, Mr. Mo Wai Ming, Lawrence and Mr. Chan Wai Kit, two non-executive Directors, Mr. Chan Tik Yuen, and Mr. Xu Zhigang, 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.