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AURUM PACIFIC (CHINA) GROUP LIMITED

奧栢中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8148)

(1) DISCLOSEABLE TRANSACTION — PAYMENT OF DEPOSIT UNDER A MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION;

(2) APPOINTMENT OF EXECUTIVE DIRECTOR, REDESIGNATION OF DIRECTOR, CHANGE OF AUTHORISED REPRESENTATIVE AND COMPLIANCE OFFICER

(1) DISCLOSEABLE TRANSACTION — PAYMENT OF DEPOSIT

The Memorandum of Understanding

The Board is pleased to announce that on 13 October 2014 (after trading hours), the Company entered into the MOU with the Prospective Vendor regarding the Proposed Acquisition of the 51% equity interest in the Target Company for an intended consideration of approximately HK\$80,000,000, subject to the terms and conditions of the Formal Agreement.

Implication under the GEM Listing Rules

Pursuant to the terms of the MOU, the payment of the Deposit and the receipt of interest constitute a provision of financial assistance by the Company to the Prospective Vendor. As one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the financial assistance arrangement under the MOU was more than 5% but less than 25%, the entering into of the MOU constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

The payment of the Deposit also constitutes an advance to an entity for the Company under the GEM Listing Rules. Given that the amount of the Deposit exceeds 8% of the assets ratio of the Company as defined under Chapter 19 of the GEM Listing Rules, the Company is required to make the relevant disclosures under Chapter 17 of the GEM Listing Rules.

(2) APPOINTMENT OF EXECUTIVE DIRECTOR, REDESIGNATION OF DIRECTOR, CHANGE OF AUTHORISED REPRESENTATIVE AND COMPLIANCE OFFICER

The Board announces the following changes with effective from 13 October 2014:

- (i) Mr. Chan Wai Kit has been appointed as an executive Director, authorised representative and compliance officer of the Company; and

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| (ii) Mr. Xu Zhigang has been re-designated from an executive Director to a non-executive Director and resigned as authorised representative and compliance officer of the Company. |
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(1) DISCLOSEABLE TRANSACTION

The Memorandum of Understanding

The Board is pleased to announce that on 13 October 2014 (after trading hours), the Company entered into the MOU with the Prospective Vendor regarding the Proposed Acquisition of the 51% equity interest in Target Company for an intended consideration of approximately HK\$80,000,000, subject to the terms and conditions of the Formal Agreement.

Principal terms of the MOU

Date

13 October 2014

Parties

- (i) The Company, as the prospective purchaser; and
- (ii) Mr. Lai Huamin, as the Prospective Vendor.

Subject to be acquired

The Target Company is owned as to 51% and 49% by the Prospective Vendor and another natural person as at the date of this announcement. As represented by the Prospective Vendor and stated in the MOU, the Target Company is principally engaged in custom-made software development services including urban grid management system, internet marketing and other projects.

The Prospective Vendor shall procure a reorganization exercise resulting his interest in the Target Company to be duly transferred into his wholly-owned offshore company prior to the signing of the Formal Agreement. Subject to the terms of the Formal Agreement, the Company intends to acquire the Prospective Vendor's interest in the Target Company through the offshore company.

Consideration and payment terms

Subject to the terms of the Formal Agreement, the total consideration for the Proposed Acquisition is intended to be approximately HK\$80,000,000. The intended consideration for the Proposed Acquisition, which has not yet been finalised, may be satisfied by the Company in any forms as the Company and the Prospective Vendor may agree upon signing of the Formal Agreement.

Refundable deposit and interest payment

A sum of HK\$23,000,000 shall be paid in cash by the Company to the Prospective Vendor within 7 business days after signing of the MOU as a refundable deposit.

If a Formal Agreement has been entered into between the Company and the Prospective Vendor, the Deposit (exclusive of the interest) shall be applied as partial payment of the consideration for the Proposed Acquisition in accordance with the terms of the Formal Agreement. If no Formal Agreement is entered into during the term of the MOU (being the sixth month falling from the date of the MOU or such other date as may be agreed by the parties thereto) or if the Prospective Vendor has received a written termination notice from the Company (whichever is earlier), the Prospective Vendor shall refund the Deposit together with all outstanding interest accrued thereon to the Purchaser within 7 days.

Interest on the Deposit shall accrue at the rate of 1.5% per month calculated from the date of the MOU for three months, to be payable by the Prospective Vendor on a monthly basis in arrears.

Due diligence review

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

Exclusivity period

The MOU shall, unless terminated by the Company in writing, be terminated if the Formal Agreement or other formal legal documents is not entered into between the Company and the Target Company within six months from the date of the MOU (or such other date as may be agreed by the parties thereto). Pursuant to the MOU, during the term of the MOU, the Prospective Vendor awards the right of exclusive negotiation to the Company with respect to the Proposed Acquisition. The Prospective Vendor shall not engage in negotiation, with any other parties apart from the Company with regard to the Proposed Acquisition without the prior written consent of the Company.

Save for the provisions relating to payment of the Deposit and interest, due diligence review, exclusivity, fees, confidentiality, termination, governing law and jurisdiction, the MOU is not legally binding.

In the event that the Formal Agreement materialises, the transactions contemplated thereunder may or may not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules.

Information of the Group

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

Information of the Prospective Vendor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Prospective Vendor is a natural person residing in the PRC and an Independent Third Party.

Reasons for the Proposed Acquisition

The Group is an established information technology company with extensive experience in developing products and deploying projects for major government departments and enterprises. In recent years, the Group excels in the adoption and support of open source web based technologies helping users to phase out dated proprietary systems and the development of mobile applications working coherently with web based software. The Board considers that the Proposed Acquisition will assist the Group in expanding the software business in the PRC. Based on the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the MOU, including the payment of the Deposit, which were arrived at after arm's length negotiations between the Company and the Prospective Vendor, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Implication under the GEM Listing Rules

Pursuant to the terms of the MOU, the arrangement of the payment of the Deposit and the receipt of interest constitutes a provision of financial assistance by the Company to the Prospective Vendor. As one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the financial assistance arrangement under the MOU was more than 5% but less than 25%, the entering into of the MOU constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

The payment of the Deposit also constitutes an advance to an entity for the Company under the GEM Listing Rules. Given that the amount of the Deposit exceeds 8% of the assets ratio of the Company as defined under Chapter 19 of the GEM Listing Rules, the Company is required to make the relevant disclosures under Chapter 17 of the GEM Listing Rules.

The Board wishes to emphasise that the Proposed Acquisition is subject to, among other things, the signing of the Formal Agreement, the terms and conditions of which are yet to be agreed. As the Proposed Acquisition may or may not proceed, investors and Shareholders are advised to exercise caution when dealing in the Shares.

(2) APPOINTMENT OF EXECUTIVE DIRECTOR, REDESIGNATION OF DIRECTOR, CHANGE OF AUTHORISED REPRESENTATIVE AND COMPLIANCE OFFICER

Appointment of Executive Director, Authorised Representative and Compliance Officer

The Board is pleased to announce that Mr. Chan Wai Kit ("Mr. Chan") has been appointed as an executive Director, authorised representative and a compliance officer of the Company with effect from 13 October 2014.

Mr. Chan aged 31, holds a Bachelor Degree in Information System and a Master Degree of Accounting from Curtin University of Technology, Australia. Mr. Chan has joined the Group from September 2014 and is currently the Vice President of the Company and the

director of some subsidiaries of the Group. Mr. Chan is currently the international business development manager of Pearl Oriental Oil Limited, a company listed on the Stock Exchange (stock code: 00632). He is also a director and vice president of SZ Enterprise Union Finance Limited, a subsidiary of Wing Lee Holdings Limited, a company listed on the Stock Exchange (stock code: 00876). And Mr. Chan is currently a company secretary of Titanium Group Limited, a company quoted on OTC Bulletin Board in the US. Mr. Chan has extensive experience in accounting, finance, corporate governance, strategic planning, as well as merger and acquisition.

Save as disclosed above, Mr. Chan did not hold any directorships in any other listed public companies in Hong Kong or overseas during the past three years and he does not hold any other position with the Company or other members of the Group. As at the date of this announcement, Mr. Chan did not have any interest in the shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As at the date of this announcement, there is no service contract between Mr. Chan as executive Director and the Company and he is not appointed for a specific term but will be subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Chan is entitled to a director's fee of HK\$120,000 per annum. The emoluments to Mr. Chan will be determined and subject to review by the remuneration committee of the Company and by the Board from time to time with reference to his duties and responsibilities with the Company and the market benchmark.

Mr. Chan is not connected with any Directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the GEM Listing Rules. Save as disclosed above, there is no other information required to be disclosed in relation to the appointment of Mr. Chan pursuant to any of the requirements of the Rule 17.50(2) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders.

The Board would like to extend our warmest welcome to Mr. Chan for joining the Company.

Re-designation of Director, Resignation of Authorised Representative and Compliance Officer

The Board also announces that, Mr. Xu Zhigang ("Mr. Xu") has been re-designated from an executive Director to a non-executive Director and resigned as authorised representative and compliance officer of the Company with effect from 13 October 2014 due to the work re-allocation.

Mr. Xu aged 44, joined the Company in September 2014. He holds the Master of Business Management Degree in Southwest Jiaotong University in the PRC. Mr. Xu is currently the vice president of the Wing Lee Holdings Limited in Hong Kong, a company listed on the Stock Exchange (stock code: 00876). He was the vice chairman and executive director of Cancare Group (H.K.) Limited from February 2009 to May 2014. He has extensive experience in investment, business financing, merger and acquisition and business restructuring activities.

Save as disclosed above, Mr. Xu did not hold any directorships in any other listed public companies in Hong Kong or overseas during the past three years and he does not hold any other position with the Company or other members of the Group. As at the date of this announcement, Mr. Xu did not have any interest in the shares or underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Xu and the Company have entered into a service contract for a term of three years commencing from 13 October 2014 with an annual emolument of HK\$360,000 per annum. The emoluments to Mr. Xu will be determined and subject to review by the remuneration committee of the Company and by the Board from time to time with reference to his duties and responsibilities with the Company and the market benchmark.

Mr. Xu is not connected with any Directors, senior management, substantial shareholders or controlling shareholders of the Company as defined in the GEM Listing Rules. Save as disclosed above, there is no other information required to be disclosed in relation to the appointment of Mr. Xu pursuant to any of the requirements of the Rule 17.50(2) of the GEM Listing Rules or there is no other matter that needs to be brought to the attention of the Shareholders.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on GEM
“Deposit”	a sum of HK\$23,000,000, payable by the Company to the Prospective Vendor within 7 business days after the signing of the MOU as the refundable deposit for the Proposed Acquisition
“Director(s)”	director(s) of the Company for the time being
“Formal Agreement”	the formal sale and purchase agreement in relation to the Proposed Acquisition
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party who is not connected person of the Company (as defined in the GEM Listing Rules) and is independent of the Company and connected persons of the Company
“MOU”	the memorandum of understanding dated 13 October 2014 entered into between the Company and the Prospective Vendor in respect of the Proposed Acquisition

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Acquisition”	the proposed acquisition of the 51% equity interest of the Target Company by the Company from the Prospective Vendor pursuant to the MOU
“Prospective Vendor”	Mr. Lai Huamin, being the beneficial owner of 51% of the equity interest of the Target Company and the prospective vendor under the MOU
“Shares”	ordinary shares of HK\$0.02 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	深圳州富網絡科技有限公司 (in English, for identification purpose only, Shenzhen Zhoufu Internet Technology Company Limited), a company incorporated in the PRC with limited liability with a registered capital of RMB5,000,000, is beneficially owned as to 51% and 49% by the Prospective Vendor and another natural person, respectively
“US”	United States
“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, 13 October 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.