

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 2015

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 2015:

- The turnover was approximately HK\$23,618,000;
- The loss attributable to owners of the Company was approximately HK\$12,994,000;
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 three months and nine months ended 30 September 2015, together with the unaudited comparative figures for the corresponding periods in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months and nine months ended 30 September 2015

(Expressed in Hong Kong dollars)

		Three months ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations					
Turnover	2	11,774	4,957	23,618	12,996
Cost of sales		(2,083)	(1,535)	(5,230)	(4,165)
Gross profit		9,691	3,422	18,388	8,831
Other revenue	3	3	14	256	91
Changes in fair value of consideration payable for business combination		(338)	–	(1,003)	(1)
Administrative expenses		(8,125)	(2,467)	(24,017)	(6,127)
Research and development expenses		(2,072)	(645)	(4,574)	(3,064)
Selling and distribution expenses		(1,533)	(858)	(3,447)	(2,202)
Loss from operations		(2,374)	(534)	(14,397)	(2,472)
Finance costs	4	(35)	(4)	(49)	(193)
Loss before taxation	5	(2,409)	(538)	(14,446)	(2,665)
Income tax credit	6	335	32	793	82
Loss for the period from continuing operations		(2,074)	(506)	(13,653)	(2,583)
Discontinued operation					
Loss for the period from discontinued operation		–	–	–	(4)
Loss for the period		(2,074)	(506)	(13,653)	(2,587)
Attributable to:					
– owners of the Company		(2,040)	(506)	(12,994)	(2,587)
– non-controlling interests		(34)	–	(659)	–
		(2,074)	(506)	(13,653)	(2,587)

		Three months ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
			(restated)		(restated)
<i>Note</i>		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss per share					
From continuing and discontinued operations					
– Basic and diluted	8	<u>(0.049)</u>	<u>(0.017)</u>	<u>(0.330)</u>	<u>(0.086)</u>
From continuing operations					
– Basic and diluted	8	<u>(0.049)</u>	<u>(0.017)</u>	<u>(0.330)</u>	<u>(0.086)</u>
From discontinued operation					
– Basic and diluted	8	<u>–</u>	<u>–</u>	<u>–</u>	<u>(0.001)</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2015

(Expressed in Hong Kong dollars)

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(2,074)	(506)	(13,653)	(2,587)
Other comprehensive income/(expense) for the period				
Items that may be reclassified subsequently to profit or loss:				
– Exchange differences on translation of financial statements of foreign operations, net of nil tax	(7)	(1)	26	(1)
Total comprehensive expense for the period	<u>(2,081)</u>	<u>(507)</u>	<u>(13,627)</u>	<u>(2,588)</u>
Attributable to:				
– owners of the Company	(2,074)	(507)	(12,968)	(2,588)
– non-controlling interests	<u>(34)</u>	<u>–</u>	<u>(659)</u>	<u>–</u>
	<u>(2,081)</u>	<u>(507)</u>	<u>(13,627)</u>	<u>(2,588)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2015 and 30 September 2014

(Expressed in Hong Kong dollars)

	Attributable to owners of the Company						Non-		Total
	Share capital	Share premium	Capital reserve	Capital surplus	Exchange reserve	Accumulated losses	Total	controlling interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014 (Audited)	10,000	81,150	2,427	16,699	(74)	(54,418)	55,784	–	55,784
Loss for the period	–	–	–	–	–	(2,587)	(2,587)	–	(2,587)
Exchange differences on translation of financial statements of foreign operations, net of nil tax	–	–	–	–	(1)	–	(1)	–	(1)
Total comprehensive expense for the period	–	–	–	–	(1)	(2,587)	(2,588)	–	(2,588)
At 30 September 2014 (Unaudited)	10,000	81,150	2,427	16,699	(75)	(57,005)	53,196	–	53,196
At 1 January 2015 (Audited)	12,000	142,285	2,427	16,699	(103)	(56,396)	116,912	11,056	127,968
Loss for the period	–	–	–	–	–	(12,994)	(12,994)	(659)	(13,653)
Exchange differences on translation of financial statements of foreign operations, net of nil tax	–	–	–	–	26	–	26	–	26
Total comprehensive income/(expense) for the period	–	–	–	–	26	(12,994)	(12,968)	(659)	(13,627)
Issue of shares (note 9 (iii))	4,800	54,220	–	–	–	–	59,020	–	59,020
At 30 September 2015 (Unaudited)	16,800	196,505	2,427	16,699	(77)	(69,390)	162,964	10,397	173,361

Notes:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Group's unaudited condensed third quarterly consolidated 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 except that contingent consideration payable for business combination is stated at its fair value. 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 2014 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 2015 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 represents the sales value of goods and services supplied to customers from the provision of software platform.

3. OTHER REVENUE

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations				
Bank interest income	3	14	9	89
Other interest income	—	—	185	—
Sundry income	—	—	62	2
	<u>3</u>	<u>14</u>	<u>256</u>	<u>91</u>

4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	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	35	–	49	–
– Interest on bank loans	–	4	–	4
– Imputed interest on interest-free loans from a shareholder	–	–	–	189
	<u>35</u>	<u>4</u>	<u>49</u>	<u>193</u>

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Continuing operations				
Staff costs (including directors' remuneration)				
– Salaries, wages and other benefits	5,163	3,219	15,016	9,382
– Contributions to defined contribution retirement plan	170	128	683	344
	<u>5,333</u>	<u>3,347</u>	<u>15,699</u>	<u>9,726</u>
Auditor's remuneration	152	75	415	256
Acquisition – related costs for business combination	–	–	–	282
Amortisation of intangible assets	1,930	673	5,788	1,442
Depreciation of property, plant and equipment	128	85	482	215
Operating lease charges:				
minimum lease payment for property rental	462	190	972	440
Write-off of property, plant and equipment	–	–	258	–

6. INCOME TAX RELATING TO CONTINUING OPERATIONS

Income tax in the condensed consolidated statement of profit or loss represents:

	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax				
– Hong Kong Profits Tax				
Provision for the period	–	–	–	–
– PRC				
PRC enterprise income tax (“EIT”) for the period	–	–	212	–
Deferred tax	<u>(335)</u>	<u>(32)</u>	<u>(1,005)</u>	<u>(82)</u>
Total income tax credit	<u>(335)</u>	<u>(32)</u>	<u>(793)</u>	<u>(82)</u>

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 period or do not have any estimated assessable profit subject to Hong Kong Profits Tax during the nine months ended 30 September 2015 and 2014.

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.

The subsidiaries established in the People’s Republic of China (the “PRC”) are subject to EIT at tax rates of 25% for the nine months ended 30 September 2015.

No provision for EIT of the PRC has been made as its subsidiary incorporated in the PRC has estimated tax losses for the period ended 30 September 2014.

7. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the nine months ended 30 September 2015 (2014: HK\$Nil).

8. LOSS PER SHARE

(a) Basic loss per share

(i) From continuing and discontinued operations

The calculation of loss per share for the nine months ended 30 September 2015 is based on the loss for the period attributable to owners of the Company of HK\$12,994,000 (2014: HK\$2,587,000), and the weighted average number of ordinary shares of 3,940,659,342 (2014: restated: 3,000,000,000) in issue during the period.

The calculation of loss per share for the three months ended 30 September 2015 is based on the loss for the period attributable to owners of the Company of HK\$2,040,000 (2014: HK\$506,000), and the weighted average number of ordinary shares of 4,200,000,000 (2014: restated: 3,000,000,000) in issue during the period.

(ii) *From continuing operations*

The calculation of loss per share for the nine months ended 30 September 2015 is based on the loss for the period attributable to owners of the Company of HK\$12,994,000 (2014: HK\$2,583,000), and the weighted average number of ordinary shares of 3,940,659,342 (2014: restated: 3,000,000,000) in issue during the period.

The calculation of loss per share for the three months ended 30 September 2015 is based on the loss for the period attributable to owners of the Company of HK\$2,040,000 (2014: HK\$506,000), and the weighted average number of ordinary shares of 4,200,000,000 (2014: restated: 3,000,000,000) in issue during the period.

(iii) *From discontinued operation*

The calculation of loss per share for the nine months ended 30 September 2015 is based on the loss for the period attributable to owners of the Company of HK\$Nil (2014: HK\$4,000), and the weighted average number of ordinary shares of 3,940,659,342 (2014: restated: 3,000,000,000) in issue during the period.

The calculation of loss per share for the three months ended 30 September 2015 is based on the loss for the period attributable to owners of the Company of HK\$Nil (2014: HK\$Nil), and the weighted average number of ordinary shares of 4,200,000,000 (2014: restated: 3,000,000,000) in issue during the period.

The weighted average number of ordinary shares for 2015 and 2014 above has been adjusted for the share subdivision and bonus issue which were completed on 6 January 2015 and 19 January 2015 respectively.

(b) Diluted loss per share

The diluted loss per share for the periods ended 30 September 2015 and 2014 is the same as the basic loss per share as there were no potentially dilutive ordinary shares in issue.

9. SHARE CAPITAL

(i) Authorised and issued share capital

	Number of shares '000	Amount HK\$'000
Authorised:		
<i>Ordinary shares</i>		
At 1 January 2015 of HK\$0.02 each	2,000,000	40,000
Share subdivision (<i>note (ii)</i>)	8,000,000	—
	<u>10,000,000</u>	<u>40,000</u>
At 30 September 2015 of HK\$0.004 each	<u>10,000,000</u>	<u>40,000</u>
Issued and fully paid:		
<i>Ordinary shares</i>		
At 1 January 2015 of HK\$0.02 each	600,000	12,000
Share subdivision (<i>note (ii)</i>)	2,400,000	—
Issue of shares (<i>note (iii)</i>)	1,200,000	4,800
	<u>4,200,000</u>	<u>16,800</u>
At 30 September 2015 of HK\$0.004 each	<u>4,200,000</u>	<u>16,800</u>

(ii) Share subdivision

By an ordinary resolution passed at the extraordinary general meeting on 5 January 2015, every issued and unissued ordinary shares of HK\$0.02 each were subdivided into five new ordinary shares of HK\$0.004 each (the “Share Subdivision”). Following the Share Subdivision which became effective on 6 January 2015, the Company’s authorised share capital was HK\$40,000,000 divided into 10,000,000,000 shares of HK\$0.004 each, of which 3,000,000,000 ordinary shares were in issue and fully paid.

(iii) Issue of shares

On 19 January 2015, the Company issued 600,000,000 ordinary shares of HK\$0.004 each on the basis of one new share for every five existing shares then held (the “Bonus Issue”). These new shares were credited as fully paid by capitalisation of HK\$2,400,000 standing to the credit of share premium account. Details of the Bonus Issue are set out in the Company’s circular and announcement dated 17 December 2014 and 19 January 2015 respectively.

Pursuant to the placing made by the Company on 29 April 2015, the Company issued 600,000,000 ordinary shares of HK\$0.004 each at a subscription price of HK\$0.10 per share, resulting in net proceeds of approximately HK\$58,900,000.

10. COMPARATIVE FIGURES

As a result of the Share Subdivision and the Bonus Issue which were completed on 6 January 2015 and 19 January 2015 respectively (see notes 9(ii) and 9(iii)), the loss per share for the three months and nine months ended 30 September 2014 has been restated.

11. EVENTS AFTER THE REPORTING PERIOD

(i) Termination of Sales and Purchase Agreement

Pursuant to the sale and purchase agreement dated 7 June 2015 (the “Sale and Purchase Agreement”) in relation to the proposed acquisition of the entire equity interest in 北京艾普智城網絡科技有限公司 (Beijing iPole Smart City Network Technology Company Limited), certain conditions precedent to the Sale and Purchase Agreement have not been fulfilled and/or waived (as the case may be) as at 7 October 2015 and no extension of the long stop date (i.e. 7 October 2015) has been agreed, the Sale and Purchase Agreement has been automatically terminated. Details of the termination is set out in the announcement of the Company dated 7 October 2015.

(ii) Change of directorship

Mr. Mo Wai Ming, Lawrence has resigned as the executive Director and the chief executive officer with effect from 8 October 2015.

Dr. Lan Hong Tsung, David has resigned as the non-executive Director and the co-chairman with effect from 8 October 2015.

Mr. Chi Chi Hung, Kenneth has resigned as the independent non-executive Director and the member of the audit committee, the member of the remuneration committee and the member of the nomination committee with effect from 13 October 2015.

Mr. Zhang Weijie has been appointed as the executive Director and the chairman with effect from 16 October 2015.

Mr. Guo Keqin has been appointed as the executive Director with effect from 16 October 2015.

Mr. Lam Wing Tai has been appointed as the independent non-executive Director, the member of nomination committee, the member of the audit committee and the member of the remuneration committee with effect from 16 October 2015.

Mr. Zhang Xiaozheng has resigned from his position as the executive Director with effect from 16 October 2015.

Mr. Chan Wai Kit has been redesignated from co-chairman to chairman and chairman to deputy chairman with effect from 8 October 2015 and 16 October 2015 respectively.

Details of the change in directorship were set out in the announcements of the Company dated 8 October, 13 October and 16 October 2015.

(iii) Granting of a loan

On 22 October 2015, a wholly-owned subsidiary of the Company, which is a money lender licensed in Hong Kong under the Money Lenders Ordinance, Cap 163, laws of Hong Kong (the “Lender”), entered into the loan agreement with a borrower, an independent third party (the “Borrower”), pursuant to which the Lender has agreed to grant a loan of HK\$35 million to the Borrower for a term of 12 months. Interest on the loan shall accrue at the rate of 10% per annum and payable in arrears on last day of each 6-month period. The loan is secured by a personal guarantee from the sole shareholder of the Borrower. The terms of the loan agreement were determined after arm’s length negotiations. Details of the loan were set out in the Company’s announcement dated 22 October 2015.

(iv) Placing of new share under General Mandate

On 26 October 2015, the Company entered into a placing agreement with placing agent, Kingston Securities Limited, pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 840,000,000 placing shares at the placing price of HK\$0.1 per placing share to not less than six placees who and whose ultimate beneficial owners shall be independent third parties (the “Placing”). The net proceeds from the Placing, after deducting the placing commission and other related expenses payable by the Company, are approximately HK\$81,700,000 which will be used for general working capital of the Group including but not limited to its money lending business and/or future investments of the Group. Up to the date of this announcement, the Placing has not yet completed. Details of the Placing were set out in the Company’s announcement dated 26 October 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the nine months ended 30 September 2015, the Group recorded a total turnover from continuing operations of approximately HK\$23,618,000, as compared to that of approximately HK\$12,996,000 for the same financial period in 2014. The increase in turnover was mainly due to the expansion of business after completion of acquisition of Native Hope Limited in December 2014. Loss attributable to owners of the Company amounted to approximately HK\$12,994,000 as compared with that of approximately HK\$2,587,000 in 2014. The loss was mainly attributable with that to, among other things, the increase in the administrative expenses, including the staff costs, the legal and professional fees and the amortisation of intangible assets for the nine months ended 30 September 2015.

DIVIDEND

The Directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2015.

BUSINESS REVIEW AND PROSPECT

For the nine months ended 30 September 2015, the Group engaged in (i) 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; (ii) the provision of website development, education and communications software platform which focuses on the development of syllabus and contents for Chinese Language teaching and learning in primary and secondary schools and enterprises; and (iii) the custom-made software development services including urban grid management system, internet marketing and other projects.

During the period under review, pursuant to the sales and purchase agreement dated on 7 June 2015 in relation to the proposed acquisition of the entire equity interest in 北京艾普智城網絡科技有限公司 (Beijing iPole Smart City Network Technology Company Limited), certain condition of the agreement have not been fulfilled and no extension of the Long Stop Date (i.e. 7 October 2015) has been agreed, the sales and purchase agreement has been automatically terminated. Details of the termination is set out in the announcement of the Company dated on 7 October 2015.

The Company has tried to seek for other investment opportunities in order to broaden the income sources. On 22 October 2015, the Group commenced its financing business through a wholly-owned subsidiary of the Company which is a money lender licensed in Hong Kong under the Money Lenders Ordinance, Cap 163, laws of Hong Kong. Up to the date of this announcement, the Group has granted loans of approximately HK\$50,000,000 in total to different independent third parties.

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

The Group's business operations and investments are in Hong Kong and Mainland China. At 30 September 2015, the Group had cash and bank balances of approximately HK\$71,658,000 (31 December 2014: HK\$21,139,000). Most of the cash and bank balances and the borrowings are denominated in Hong Kong dollars. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

On 26 October 2015, the Company entered into a placing agreement with placing agent, Kingston Securities Limited, pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 840,000,000 placing shares at the placing price of HK\$0.1 per placing share to not less than six placees who and whose ultimate beneficial owners shall be independent third parties (the "Placing"). The net proceeds from the Placing, after deducting the placing commission and other related expenses payable by the Company, are approximately HK\$81,700,000 which will be used for general working capital of the Group including but not limited to its money lending business and/or future investments of the Group. Up to the date of this announcement, the Placing has not yet completed. Details of the Placing were set out in the Company's announcement dated 26 October 2015.

Gearing Ratio

At 30 September 2015, total assets of the Group were approximately HK\$212,574,000 (31 December 2014: HK\$168,323,000) whereas total liabilities were approximately HK\$39,213,000 (31 December 2014: HK\$40,355,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was 18.4% (31 December 2014: 24.0%) and the current ratio, calculated as current assets over current liabilities, was 5.5 (31 December 2014: 5.4). 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 2015, the Group did not have any substantial pledge of assets and contingent liabilities.

Material Acquisition, Disposal and Significant Investment

On 29 September, 2015, the Group has entered into a memorandum of understanding (the “MOU”) with an independent third party in relation to proposed acquisition of 51% of the issued share capital in the target company. The target company is principally engaged in the trading of electronic products in Hong Kong. Details of the MOU are set out in the announcement of the Company dated on 29 September 2015. The proposed acquisition has not yet entered as at the date of this announcement.

Save as disclosed in note 11 (i) and above the Group did not have any other material acquisition, disposal and significant investment during the nine months ended 30 September 2015.

Events after end of reporting period

Details of events after the reporting period are set out in note 11 to this announcement.

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

As at 30 September 2015, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance “SFO”, Chapter 571 under the Laws of Hong Kong), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

As at the date of this announcement, Mr. Zhang Weijie has been appointed as an executive Director and chairman of the Company with effective from 16 October 2015. Mr. Zhang Weijie held 336,000,000 shares, representing 8% and 6.67% of the issued shares (that is 4,200,000,000 and 5,040,000,000 shares) of the Company before and after completion of the Placing (assuming all placing shares are fully placed) respectively. Up to the date of this announcement, the placing has not yet completed.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive, their respective spouses or children under the age 18 to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

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

Substantial Shareholders

To the best knowledge of Directors, as at 30 September 2015, 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
Mr. Wen Jialong	Beneficial owner (Note 2)	578,000,000(L)	13.78%

Notes:

1. The letter "L" denotes the entity's interests in the Shares.
2. Mr. Wen Jialong was an executive Director and co-chairman and resigned on 7 May 2015. As at the date of this announcement, Mr. Wen Jialong did not hold any shares of the Company.

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 2015.

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.

As at the period ended 30 September 2015, the Company had no outstanding options under the Share Option Scheme, and a total of 420,000,000 shares (representing 10% of the issued share capital as at the date of the annual general meeting held on 7 May 2015) at par value of HK\$0.004 each, can be issued under the Share Option Scheme.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective close associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

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 2015.

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. Chui Chi Yun, Robert, Mr. Lam Wing Tai and Mr. Chui Kwong Kau. Mr. Chui Chi Yun, Robert 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 2015.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 30 September 2015, 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 2015.

By order of the Board
Aurum Pacific (China) Group Limited
Zhang Weijie
Chairman

Hong Kong, 10 November 2015

As at the date of this announcement, the Board comprises four executive Directors, Mr. Zhang Weijie, Mr. Chan Wai Kit, Mr. Guo Kegin and Ms. Wong Chi Yan, and three independent non-executive Directors, Mr. Chui Chi Yun, Robert, Mr. Lam Wing Tai 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.