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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)

**DISCLOSEABLE TRANSACTION AND
CONNECTED TRANSACTION
DISPOSAL OF KANHAN EDUCATIONAL SERVICES LIMITED**

On 25 November 2016 after trading hours, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement pursuant to which the Vendor has agreed to sell to the Purchaser the entire issued share capital in the Target at the consideration of HK\$5 million in cash.

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

The Purchaser is wholly owned by Mr. Mo. Mr. Mo is a director of the Vendor and the Target. Therefore the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction of the Company. As the relevant percentage ratios under the GEM Listing Rules does not exceed 25% and the total consideration is less than HK\$10,000,000, the Disposal is exempt from the circular and Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

THE AGREEMENT

Date: 25 November 2016

Parties:

1. Kanhan Technologies Limited as Vendor; and
2. Idea Guru Limited as Purchaser.

The principal activity of the Purchaser is investment holding. The Purchaser is wholly owned by Mr. Mo. Mr. Mo is a director of the Vendor and the Target. Therefore the Purchaser is a connected person of the Company.

Assets to be disposed

Under the Agreement, the Vendor has agreed to sell 5,010,000 ordinary shares in the Target which represents the entire issued share capital of the Target.

Consideration

The Consideration is HK\$5 million to be paid by the Purchaser in cash at Completion.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the unaudited net assets of the Target as at 30 September 2016 of approximately HK\$4,560,000.

Completion

Completion shall take place on 16 December 2016 or such other date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Target will cease to be a subsidiary of the Company.

INFORMATION ON THE TARGET

The Target is a limited company incorporated in Hong Kong whose principal activity is provision of education software platform.

Set out below is the financial information of the Target extracted from its audited accounts for the year ended 31 December 2014 and 31 December 2015:

	For the year ended 31 December 2014	For the year ended 31 December 2015
	<i>HK\$</i>	<i>HK\$</i>
Profit before taxation	1,070,188	1,035,814
Profit after taxation	1,076,508	865,224

As at 30 September 2016, the unaudited net assets value of the Target was approximately HK\$4,560,000.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the businesses of (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; (iii) money lending business; and (iv) the mobile data solutions and mobile game related services.

Due to the weak demand and tough competition in the market, the financial performance of the Target has deteriorated and recorded a loss according to the unaudited result for the nine months ended 30 September 2016. The Disposal will enable the Group to focus its resources on other businesses with more promising prospects. Subsequent to the Disposal, the Group will continue in the provision of software platform for other segments.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Disposal are fair and reasonable, the Disposal is on normal commercial terms or better and in the ordinary and usual course of business of the Company and is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The proceeds from the Disposal will be used for the Group's general working capital.

FINANCIAL EFFECTS OF THE DISPOSAL

After Completion, the Company will no longer hold any interest in the Target which will cease to be a subsidiary of the Company.

Based on the unaudited net assets of the Target as at 30 September 2016 of approximately HK\$4,560,000, the Group is expected to recognise a gain of approximately HK\$440,000 from the Disposal being the difference between the Consideration and the unaudited net assets of the Target. However, Shareholders should note that the actual financial effects of the Disposal will be determined based on the net assets of the Target immediately upon Completion.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios under the GEM Listing Rules exceeds 5% but under 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the GEM Listing Rules.

The Purchaser is wholly owned by Mr. Mo. Mr. Mo is a director of the Vendor and the Target. Therefore the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction of the Company. As the relevant percentage ratios under the GEM Listing Rules does not exceed 25% and the total consideration is less than HK\$10,000,000, the Disposal is exempt from the circular and Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 25 November 2016 made between the Vendor and the Purchaser relating to the sale and purchase of the Sale Shares
“Board”	the board of directors of the Company
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	the completion of the Disposal
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration payable by the Purchaser to the Vendor pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the Agreement
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Mr. Mo”	Mr. Mo Wai Ming, Lawrence
“Purchaser”	Idea Guru Limited
“Sale Shares”	5,010,000 ordinary shares in the capital of the Target
“Share(s)”	ordinary share(s) of HK\$0.04 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	KanHan Educational Services Limited, a company incorporated in Hong Kong and is wholly-owned by the Vendor
“Vendor”	Kanhan Technologies Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company

By Order of the Board of
Aurum Pacific (China) Group Limited
Chan Wai Kit
Executive Director

Hong Kong, 25 November 2016

As at the date of this announcement, the Board comprises four executive Directors Mr. Chan Wai Kit, Ms. Wong Chi Yan, Mr. Mui Yuk Wah and Mr. Hung Tat Chi Alan and three independent non-executive Directors, Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee Nim Wai.

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.