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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) PROPOSED SHARE SUBDIVISION**

**AND**

### **(2) PROPOSED BONUS ISSUE OF SHARES**

#### **PROPOSED SHARE SUBDIVISION**

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.02 into 5 Subdivided Shares of HK\$0.004 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$40,000,000 divided into 10,000,000,000 Subdivided Shares, of which 3,000,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective.

The Subdivided Shares will rank *pari passu* in all respects with each other. An application will be made to Stock Exchange for listing of, and permission to deal in, the Subdivided Shares to be issued and any new Subdivided Shares which may fall to be issued pursuant to the exercise of Share Options granted under the Company's Share Option Scheme upon the Share Subdivision becoming effective.

The Shares are currently traded on the Stock Exchange in board lot size of 20,000 existing Shares. Upon the Share Subdivision becoming effective, the board lot size will be 20,000 Subdivided Shares.

## **PROPOSED BONUS ISSUE OF SHARES**

The Board is also pleased to recommend a Bonus Issue to the Qualifying Shareholders on the basis of one Bonus Share for every five Subdivided Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The Bonus Shares will be credited as fully paid at par by capitalisation of such amount standing to the credit of the share premium account of the Company.

The register of members of the Company will be closed from Friday, 9 January 2015 to Monday, 12 January 2015 (both days inclusive) to ascertain and determine the entitlement of the Shareholders under the Bonus Issue. To qualify for the Bonus Issue, any transfer of Shares must be lodged for registration no later than 4:30 p.m. on Thursday, 8 January 2015.

## **GENERAL**

The Circular containing the information regarding, among other things, details of the Share Subdivision, the Bonus Issue, the trading arrangements in respect of the Subdivided Shares and the Bonus Shares and a notice convening the EGM will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

## **PROPOSED SHARE SUBDIVISION**

As at the date of this announcement, the authorised share capital of the Company is HK\$40,000,000 divided into 2,000,000,000 Shares of HK\$0.02 each, of which 600,000,000 Shares have been issued and are fully paid or credited as fully paid. The Company has no outstanding warrants, convertibles, options or derivatives and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.02 into 5 Subdivided Shares of HK\$0.004 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$40,000,000 divided into 10,000,000,000 Subdivided Shares, of which 3,000,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective.

The Subdivided Shares will rank *pari passu* in all respects with each other. An application will be made to the Stock Exchange for listing of, and permission to deal in, the Subdivided Shares to be issued and any new Subdivided Shares which may fall to be issued pursuant to the exercise of Share Options to be granted under the Company's Share Option Scheme.

## **Conditions of Share Subdivision**

The Share Subdivision is conditional on:

- (a) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision; and
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares and any new Subdivided Shares which may fall to be issued pursuant to the exercise of Share Options granted under the Company's Share Option Scheme.

## **Board Lot Size**

The Shares are currently traded on the Stock Exchange in board lot size of 20,000 existing Shares. Upon the Share Subdivision becoming effective, the board lot size will be 20,000 Subdivided Shares. Based on the closing price of HK\$0.78 per Share as quoted on the Stock Exchange as at the date of this announcement, (i) after effecting the Share Subdivision alone, the estimated market value per board lot of 20,000 Subdivided Shares will theoretically be lowered to approximately HK\$3,120; and (ii) after effecting both the Share Subdivision and the Bonus Issue, the estimated market value per board lot of 20,000 Subdivided Shares will theoretically be lowered to approximately HK\$2,600.

## **EXCHANGE OF SHARE CERTIFICATES**

Subject to the Share Subdivision becoming effective, Shareholders may submit their existing share certificates to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange for the new share certificates free of charge between 9:00 a.m. and 4:30 p.m. on any Business Day from Tuesday, 6 January 2015 to Wednesday, 11 February 2015 (both dates inclusive). It is expected that the new share certificates will be available for collection within 10 Business Days after the submission of the existing share certificates to the Registrar for exchange.

From Thursday, 12 February 2015 onwards, exchange of existing share certificates for new share certificates can only be made at a cost of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued, whichever number of share certificates involved is higher.

The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to Monday, 9 February 2015 and thereafter will not be accepted for delivery, trading and settlement purposes. However, all existing share certificates will continue to be good evidence of legal title to such equivalent number of Subdivided Shares.

The new share certificates will be issued in green colour in order to distinguish them from the existing share certificates which are in yellow colour.

## **PROPOSED BONUS ISSUE OF SHARES**

### **Basis of Bonus Issue**

Subject to the conditions as set out under the heading “Conditions of Bonus Issue” below, the Bonus Issue is proposed to be made on the basis of one Bonus Share for every five Subdivided Shares held on the Record Date by the Qualifying Shareholders. As at the date of this announcement, the Company has no outstanding warrants, convertibles, options or derivatives and conversion rights or other similar rights which are convertible or exchangeable into Shares. The Bonus Shares will be issued and credited as fully paid at par, by capitalisation of such amount standing to the credit of the share premium account of the Company. On the basis of 3,000,000,000 Subdivided Shares in issue after the Share Subdivision becoming effective, and assuming no further Shares will be issued or repurchased before the Record Date, approximately 600,000,000 Bonus Shares will be issued under the Bonus Issue (representing approximately 16.67% of the issued share capital of the Company after the Share Subdivision becoming effective and as enlarged by the Bonus Issue), and HK\$2,400,000 standing to the credit of the share premium account of the Company will be capitalised for paying up in full at par approximately 600,000,000 Bonus Shares.

### **Record Date and Closure of Register of Members**

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Prohibited Shareholders are further elaborated below under the heading “Prohibited Shareholders”.

The register of members of the Company will be closed from Friday, 9 January 2015 to Monday, 12 January 2015 in order to determine the entitlements of the Shareholders under the Bonus Issue. In order to qualify for the Bonus Issue, all transfers accompanied by the relevant share certificates must be lodged with the Registrar no later than 4:30 p.m. on Thursday, 8 January 2015.

## **Prohibited Shareholders**

The issue of Bonus Shares to Overseas Shareholders under the Bonus Issue may be affected by the laws of their relevant jurisdictions.

All Shareholders residing outside Hong Kong should consult their bankers and/or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Bonus Shares.

Should there be any Overseas Shareholders whose addresses as shown in the register of members of the Company on the Record Date are in jurisdictions outside Hong Kong, enquiry will be made by the Board pursuant to Rule 17.41(1) of the GEM Listing Rules. Based on the results of such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient, the Bonus Shares will not be granted to the Prohibited Shareholders. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Prohibited Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Prohibited Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount to be distributed to any such persons is less than HK\$100, in which case it will be retained for the benefits of the Company.

The Bonus Shares are to be issued by the Company with the preference and intention that the Shareholders do not on-sell the Bonus Shares but remain medium to long-term holders of such Bonus Shares. It is the responsibility of the Shareholders (including Overseas Shareholders) to observe the local legal requirements applicable to the Shareholders for taking up and on-sale (if applicable) of the Bonus Shares under the Bonus Issue.

## **Status of Bonus Shares**

The Bonus Shares, upon issued, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of the relevant Bonus Shares.

## **Fraction of Bonus Shares**

The total number of Bonus Shares to be issued to any Shareholders will be rounded down to a whole number, if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the Shareholders, but will be cancelled by the Company.

## **Conditions of Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the Share Subdivision becoming effective;
- (ii) the approval of the Bonus Issue by the Shareholders at the EGM;
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares and any new Bonus Shares which may fall to be issued pursuant to the exercise of Share Options granted under the Share Option Scheme; and
- (iv) compliance with the relevant legal procedures and requirement (if any) under the applicable laws of the Cayman Islands and the Articles to effect the Bonus Issue.

Application will be made to the Stock Exchange in respect of such listing of, and permission to deal in, the Bonus Shares and any new Bonus Shares which may fall to be issued pursuant to the exercise of Share Options granted under the Company's Share Option Scheme. The Bonus Shares to be issued pursuant to the Bonus Issue are subject to the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. No securities of the Company are listed or dealt in on any other stock exchanges. No new class of securities is to be listed pursuant to the Bonus Issue and that all necessary arrangements will be made to enable the Bonus Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.

Certificates for the Bonus Shares will be posted as soon as practicable after all the conditions of the Bonus Issue have been fulfilled at the risk of the Shareholders entitled thereto by ordinary mail to their respective addresses shown on the register of members of the Company on the Record Date.

## **REASONS FOR SHARE SUBDIVISION AND BONUS ISSUE**

Based on the closing price of HK\$0.78 per existing Share as quoted on the Stock Exchange as at 5 December 2014, the market value per board lot of 20,000 existing Shares is HK\$15,600. The Company is of the view that such relatively high market value per board lot will affect the trading liquidity of the shares in the market and considers that it will be in the interest of the Company to improve the trading liquidity and thereby attract more investors and broaden its Shareholders' base. With reference to the market, the Company is of the view that the appropriate market value per board lot should be around HK\$2,500 to HK\$4,000.

The proposed Share Subdivision will decrease the nominal value and trading price of each Share and increase the total number of Shares in issue. The proposed Bonus Issue by way of capitalisation of a portion of the share premium account will increase both the issued share capital and the number of the Shares.

The Board is of the view that the increase in the number of Shares of the Company as a result of the Share Subdivision and the Bonus Issue will improve the liquidity in trading of the Shares, thereby enabling the Company to attract more investors and broaden the Shareholders' base eventually. As such, the Board considers that the implementation of the Share Subdivision is in the interests of the Company and its Shareholders as a whole.

Given that the par value of HK\$0.02 per Share, a simple share subdivision of 1 existing Share into six subdivided shares will cause fractional par value. Moreover, since the Shareholders are entitled to vote the Share Subdivision and the Bonus Issue separately at the EGM, the current proposed corporate action will allow Shareholders to have further flexibility to consider whether to approve the Share Subdivision alone or to approve both the Share Subdivision and the Bonus Issue.

Other than the expenses to be incurred (including printing charges and professional fees) by the Company in relation to the Share Subdivision and the Bonus Issue, save for the increase in issued share capital of the Company by way of capitalisation of a portion of the share premium account as a result of the Bonus Issue, the implementation thereof will not affect the underlying assets, business operations, management or financial position of the Group.

## **EXPECTED TIMETABLE**

The expected timetable for the implementation of the Share Subdivision and the Bonus Issue is set out below:

### **2014**

Despatch of the circular regarding, among other matters,  
the Share Subdivision, the Bonus Issue and  
the form of proxy for the EGM ..... 17 December

Despatch and publication of the notice of EGM ..... 17 December

### **2015**

Latest Time for lodging the form of proxy for the EGM ..... 3 January

Expected date and time of the EGM ..... 11:30 a.m., 5 January

Publication of announcement of the poll results of the EGM .....	5 January
Effective date of the Share Subdivision .....	6 January
First day of free exchange of existing share certificates for new share certificates for the Subdivided Shares .....	6 January
Dealing in Subdivided Shares commences .....	9:00 a.m., 6 January
Original counter for trading in existing Shares in board lots of 20,000 Shares temporarily closes .....	9:00 a.m., 6 January
Temporary counter for trading in Subdivided Shares in board lots of 100,000 Subdivided Shares (in the form of existing share certificates) opens .....	9:00 a.m., 6 January
Last day of dealing in Subdivided Shares on a cum-entitlement basis in respect of the Bonus Issue .....	6 January
First day of dealing in Subdivided Shares on an ex-entitlement basis in respect of the Bonus Issue .....	7 January
Latest time for lodging transfers form of Subdivided Shares for determining entitlement to the Bonus Issue .....	4:30 p.m., 8 January
Closure of register of members of the Company for determining entitlement to the Bonus Issue .....	9 January – 12 January (both days inclusive)
Record Date for determining entitlement to the Bonus Issue .....	12 January
Register of members of the Company re-opens .....	13 January
Certificates for Bonus Shares to be despatched .....	19 January
Dealing in Bonus Shares commences .....	9:00 a.m., 20 January
Original counter for trading in Subdivided Shares in board lots of 20,000 Subdivided Shares (in the form of new share certificates) re-opens .....	9:00 a.m., 20 January

Commencement of parallel trading in the existing Shares and  
Subdivided Shares (in the form of existing share  
certificates and new share certificates) ..... 9:00 a.m., 20 January

Designated broker starts to stand in the market to  
provide matching services for the sale and purchase  
of odd lots of Subdivided Shares ..... 9:00 a.m., 20 January

Designated broker ceases to stand in the market to  
provide matching services for the sale and purchase  
of odd lots of Subdivided Shares ..... 4:00 p.m., 9 February

Temporary counter for trading in Subdivided Shares  
in board lots of 100,000 Subdivided Shares  
(in the form of existing share certificates) closes ..... 4:00 p.m., 9 February

End of parallel trading in existing Shares and  
Subdivided Shares (in the form of existing share  
certificates and new share certificates) ..... 4:00 p.m., 9 February

Last day for free exchange of existing share certificates  
for new share certificates for the Subdivided Shares ..... 11 February

*Note:* All times and dates refer to Hong Kong local times and dates

## **GENERAL**

The EGM will be convened and held to consider and, if thought fit, approve the Share Subdivision, the Bonus Issue and the matters contemplated thereunder. As no Shareholder has a material interest in the Share Subdivision and the Bonus Issue which is different from other Shareholders, no Shareholder is required to abstain from voting at the EGM.

The Circular containing the information regarding, among other things, details of the Share Subdivision, the Bonus Issue, the trading arrangements in respect of the Subdivided Shares and the Bonus Shares and a notice convening the EGM will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

## **DEFINED TERMS IN THIS ANNOUNCEMENT**

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Bonus Issue”	the proposed allotment and issue of Bonus Shares on the basis of one Bonus Share for every five Subdivided Shares held on the Record Date by the Qualifying Shareholders
“Bonus Share(s)”	the new Subdivided Share(s) to be allotted, issued and credited as fully paid-up Subdivided Shares under the Bonus Issue
“Business Day”	a day (other than a Saturday, Sunday or a public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM
“Circular”	the circular containing, among others, further details of the Share Subdivision and the Bonus Issue and a notice convening the EGM, to be despatched to the Shareholders as soon as practicable
“Directors”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if appropriate, approve the Share Subdivision, the Bonus Issue and the matters contemplated thereunder
“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”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Overseas Shareholders”	holders of the issued Shares whose addresses as shown in the register of members of the Company on the Record Date are in jurisdictions outside Hong Kong (if any)
“Prohibited Shareholders”	those Overseas Shareholders, whose the Board, after making enquiries pursuant to Rule 17.41(1) of the GEM Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to extend the Bonus Issue to them (if any)
“Qualifying Shareholders”	holders of the issued Shares whose names are shown on the register of members of the Company on the Record Date (and not being Prohibited Shareholders), who are entitled to participate in the Bonus Issue
“Record Date”	Monday, 12 January 2015, being the record date for determination of entitlements to the Bonus Issue
“Registrar”	Tricor Tengis Limited, the Company’s Hong Kong branch share registrar and transfer office
“Share(s)”	existing ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Share Option(s)”	share option(s) granted or to be granted under the Share Option Scheme entitling the holders thereof to subscribe for Share(s)
“Share Option Scheme”	the share option scheme of the Company adopted by way of Shareholders’ resolution passing on 8 May 2013
“Shareholders”	holders of Share(s) or Subdivided Share(s) (as the case may be)

“Share Subdivision”	the subdivision of every existing share (both issued and unissued) of par value of HK\$0.02 into 5 Subdivided Shares of par value of HK\$0.004 each as referred to in the paragraph headed “Proposed Share Subdivision”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	new ordinary share(s) of HK\$0.004 each in the share capital of the Company following the Share Subdivision
“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, 5 December 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](http://www.aurumpacific.com.hk).*