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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
PROPOSED ACQUISITION OF NATIVE HOPE LIMITED**

On 11 December 2014, the Purchaser entered into the Acquisition Agreement with the Vendor and the Guarantor to acquire the Sale Shares for a total consideration of HK\$90,000,000.

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is interested in 51% of Shenzhen Zhoufu and the Target Group is principally engaged in software development and sales, network constructions, Internet sales, Internet marketing and domestic trading.

As the applicable percentage ratios as calculated under Rule 19.06 of the GEM Listing Rules in respect of the Acquisition and the transactions contemplated thereunder are more than 5% but less than 25%, the transactions contemplated under the Acquisition Agreement constitute a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

PROPOSED ACQUISITION OF NATIVE HOPE LIMITED

Reference is made to the announcement of the Company dated 13 October 2014 in relation to, among others, the entering into of the MOU regarding the possible acquisition of 51% interest of Shenzhen Zhoufu.

The Board is pleased to announce that on 11 December 2014 (after trading hours), the Company as purchaser entered into the Acquisition Agreement with the Vendor and the Guarantor to acquire the Sale Shares, representing the entire equity interest of the Target Company, for a total consideration of HK\$90,000,000. The principal terms of the Acquisition Agreement are set out below.

THE ACQUISITION AGREEMENT

Date: 11 December 2014 (after trading hours)

Parties: (1) The Vendor

(2) The Purchaser

(3) The Guarantor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and the Guarantor is an Independent Third Party.

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Guarantor is a PRC citizen and is the ultimate beneficial owner of the Vendor.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares subject to and upon the terms of the Acquisition Agreement.

The Sale Shares

The Sale Shares comprise 50,000 shares of US\$1.00 each in the share capital of the Target Company, representing the entire issued share capital of the Target Company. As at the date of this announcement, the Sale Shares are beneficially owned by the Vendor.

Consideration

The consideration for the Acquisition is HK\$90,000,000 which shall be satisfied by the Purchaser in the following manner (or such other manner as the parties to the Acquisition Agreement may agree):

- (a) HK\$23,000,000, being the deposit and the part payment towards the consideration for the Acquisition, has been paid by the Company to the Guarantor in accordance with the terms of the MOU and the parties to the Acquisition Agreement agree that deposit shall be part of the consideration;
- (b) HK\$37,000,000 shall be payable by the Purchaser to the Vendor by way of cheque within seven working days of the date of the Acquisition Agreement;
- (c) HK\$10,000,000 shall be payable by the Purchaser to the Vendor by way of cheque within seven working days of the issue of the audited accounts of the Target Group for the year ending 31 December 2015;
- (d) HK\$10,000,000 shall be payable by the Purchaser to the Vendor by way of cheque within seven working days of the issue of the audited accounts of the Target Group for the year ending 31 December 2016; and
- (e) HK\$10,000,000 shall be payable by the Purchaser to the Vendor by way of cheque within seven working days of the issue of the audited accounts of the Target Group for the year ending 31 December 2017;

The consideration was determined based upon the preliminary valuation of the fair market value of the Target Company of approximately HK\$95 million and the profit guarantee given by the Vendor under the Acquisition Agreement.

Taken into consideration of the profit guarantee given by the Vendor as mentioned in the section headed “Profit Guarantee” below and the preliminary valuation report on the Target Group, the Board considers that the consideration for the Acquisition is fair and reasonable.

Profit Guarantee

The Vendor and the Guarantor have irrevocably guaranteed and warranted to the Purchaser that (i) the audited profits of the Target Group after taxation but before extraordinary or exceptional items attributable to the Purchaser for the year ending 31 December 2015 shall be not less than HK\$10,000,000 (the “**2015 Guaranteed Profit**”); (ii) the audited profits of the Target Group after taxation but before extraordinary or exceptional items attributable to the Purchaser for the year ending 31 December 2016 shall be not less than HK\$13,000,000 (the “**2016 Guaranteed Profit**”); and (iii) the audited profits of the Target Group after taxation but before extraordinary or exceptional items attributable to the Purchaser for the year ending 31 December 2017 shall be not less than HK\$15,000,000 (the “**2017 Guaranteed Profit**”).

If the actual audited net profit of the Target Group attributable to the Purchaser as shown in the audited accounts of the Target Group for the year ending 31 December 2015 (the “**2015 Actual Profit**”) is less than the 2015 Guaranteed Profit, the Vendor shall pay to the Purchaser in cash an amount calculated as follows:

$$A = (2015 \text{ Guaranteed Profit} - 2015 \text{ Actual Profit})$$

where A is the amount payable to the Purchaser.

If the actual audited net profit of the Target Group attributable to the Purchaser as shown in the audited accounts of the Target Group for the year ending 31 December 2016 (the “**2016 Actual Profit**”) is less than the 2016 Guaranteed Profit, the Vendor shall pay to the Purchaser in cash an amount calculated as follows:

$$A = (2016 \text{ Guaranteed Profit} - 2016 \text{ Actual Profit})$$

where A is the amount payable to the Purchaser.

If the actual audited net profit of the Target Group attributable to the Purchaser as shown in the audited accounts of the Target Group for the year ending 31 December 2017 (the “**2017 Actual Profit**”) is less than the 2017 Guaranteed Profit, the Vendor shall pay to the Purchaser in cash an amount calculated as follows:

$$A = (2017 \text{ Guaranteed Profit} - 2017 \text{ Actual Profit})$$

where A is the amount payable to the Purchaser.

The Purchaser may also elect to deduct the amount payable by the Vendor from the consideration in the event that the profit guarantee cannot be met.

If the 2015 Guaranteed Profit, the 2016 Guaranteed Profit and the 2017 Guaranteed Profit can be met, the parties to the Acquisition Agreement agree that subject to the actual operational requirement of the Target Group and relevant applicable laws and regulations, 35% of the net profits of the Target Group exceeding the guaranteed profits may be awarded to the management of the Target Group as bonus.

Conditions

The Acquisition Agreement is conditional upon:

- (a) the Target Company having obtained all necessary consents and approval regarding the Acquisition and the transactions contemplated thereunder;
- (b) the Company having obtained all necessary consents and approval regarding the Acquisition and the transactions contemplated thereunder;
- (c) the warranties given by the Vendor in favour of the Purchaser under the Acquisition Agreement remaining true and accurate in all material respects;
- (d) if necessary, the passing by the Shareholders at an extraordinary general meeting of the Company to be convened and held of the necessary resolutions to approve the Acquisition Agreement and the transactions contemplated thereunder; and
- (e) the due diligence results on the Target Group are to the satisfaction of the Purchaser.

If any of the above conditions has not been satisfied (or as the case may be, waived by the Purchaser) on or before on 31 March 2015 or such later date as the parties to the Agreement may agree, the Acquisition Agreement shall cease and determine and no party shall have any obligations and liabilities under the Acquisition Agreement save for any antecedent breaches of the terms thereof.

Completion

Completion will take place on the third Business Day after the fulfilment of all the conditions of the Acquisition Agreement (or such other date as the parties thereto may agree).

After Completion, the Target Company will become a directly and wholly owned subsidiary of the Company and Shenzhen Zhoufu will become a 51% owned subsidiary of the Company.

INFORMATION ON TARGET GROUP AND SHENZHEN ZHOUFU

The Target Company is a company incorporated in the British Virgin Islands with limited liability in 2014. Through a wholly owned subsidiary incorporated in Hong Kong and a wholly owned subsidiary incorporated in the PRC, the Target Company holds 51% equity interests of Shenzhen Zhoufu.

As represented by the Vendor, the Target Company and the intermediary subsidiaries (other than Shenzhen Zhoufu) have not carried out substantive business activities yet.

As represented by the Vendor, Shenzhen Zhoufu is principally engaged in custom-made software development services including urban grid management system, internet marketing and other projects.

The unaudited financial information of Shenzhen Zhoufu for the period from 18 April 2013 (the date of establishment of Shenzhen Zhoufu) to 31 December 2013 and for the period from 1 January 2014 to 31 October 2014 are as follows:

	2013	2014
	<i>HK\$</i>	<i>HK\$</i>
Turnover	84,056	602,789
Loss after taxation	3,187,128	3,476,170

As at 31 October 2014, based on the unaudited management accounts of the Target Group, the net asset value of the Target Group is approximately HK\$194,770.

REASONS FOR THE 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 Acquisition will further assist the Group in expanding the software business in the PRC and represent a good opportunity for the Group to tap into the PRC market. As at the date of this announcement, the Group mainly carries out its business in Hong Kong. The Acquisition represents an opportunity for the Group to diversify and expand its businesses into the mainland China. Given the potential growth of the PRC market with the profit guarantee given by the Vendor and the Guarantor, the Company considers that the business prospect of the Target Group is warranted. Furthermore, it is contemplated that with the experience and expertise of the Group, the Acquisition will form synergic effect with the existing businesses of the Group by integrating information management systems into school and other business administration systems in Hong Kong. Moreover, the Acquisition will enrich the product portfolio of the Group, from educational services and information administration systems to urban grid management system and internet marketing. This helps to diversify operational risks, expand the customer bases and create new income sources of the Group.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Acquisition Agreement, which were arrived at after arm's length negotiations between the parties thereto, are fair and reasonable and on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

GENERAL

As the applicable percentage ratios as calculated under Rule 19.06 of the GEM Listing Rules in respect of the Acquisition and the transactions contemplated thereunder are more than 5% but less than 25%, the transactions contemplated under the Acquisition Agreement constitute a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning when used herein:

“Acquisition”	the acquisition of the Sale Shares under the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 11 December 2014 and entered into between the Purchaser, the Vendor and the Guarantor in relation to the Acquisition
“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than Saturdays and Sundays) on which banks in Hong Kong are generally open for business
“Company” or “Purchaser”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“Directors”	directors (including the independent non-executive directors) of the Company from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Lai Huamin, a PRC citizen and the guarantor of the Vendor under the Acquisition Agreement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons (as defined under the GEM Listing Rules) of the Company and are not connected persons (as defined under GEM the Listing Rules) of the Company
“MOU”	the memorandum of understanding dated 13 October 2014 between the Company and the Guarantor relating to the Acquisition, details of which having disclosed in the announcement of the Company dated 13 October 2014
“PRC”	the People’s Republic of China
“Sale Shares”	50,000 ordinary shares of US\$1.00 each in the issued share capital of the Target Company and representing the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the Share(s) in the share capital of the Company
“Share(s)”	share(s) of HK\$0.02 each in the capital of the Company
“Shenzhen Zhoufu”	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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Native Hope Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries (including Shenzhen Zhoufu)

“Vendor”	Mix Billion Holdings Limited, a company incorporated in the British Virgin Islands with limited liabilities and the vendor of the Sale Shares
“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, 11 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.