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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

On 6 April 2018 after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to not less than six independent Placees for up to 184,000,000 Placing Shares at a price of HK\$0.18 per Placing Share, for and on behalf of the Company.

The Placing is conditional upon the Stock Exchange granting the listing of and permission to deal in the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

The maximum number of 184,000,000 Placing Shares represents approximately 16.90% of the entire issued share capital of the Company of 1,088,640,000 Shares as at the date of this announcement and approximately 14.46% of the Company's entire issued share capital as enlarged by the Placing. The net proceeds from the Placing will be approximately HK\$32.3 million (assuming the Placing Shares are fully placed and after all relevant expenses). The Company intends to utilise the net proceeds as to (i) HK\$10 million for the business development of the Money Lending Business; (ii) HK\$5 million for the business development of the Mobile Gaming Business; (iii) HK\$8 million for identifying the potential investment in the Green Projects; and (iv) the remaining balance as general working capital purposes.

THE PLACING AGREEMENT

- Date: 6 April 2018.
- Placing Agent: Emperor Securities Limited. To the best of the Company's information and belief after having made reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.
- Placees: The Placing Shares will be placed to not less than six Placees (who will be independent individual, corporate or other investors) and their ultimate beneficial owners will be Independent Third Parties.
- Number of Placing Shares: Up to 184,000,000 Placing Shares, to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represent approximately 16.90% of the entire issued share capital of the Company of 1,088,640,000 Shares as at the date of this announcement and approximately 14.46% of the Company's entire issued share capital as enlarged by the Placing. The aggregate nominal value of the Placing Shares is HK\$7,360,000.
- Placing Price: HK\$0.18 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 10.00% to the closing price of HK\$0.20 per Share as quoted on the Stock Exchange on 6 April 2018, being the date of the Placing Agreement;
- (b) a discount of approximately 16.67% to the average closing price of approximately HK\$0.216 per Share as quoted on the Stock Exchange for the last 5 consecutive full trading days of the Shares prior to the date of the Placing Agreement

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$32.3 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.176.

- Placing Commission: The Placing Agent will receive a placing commission of 1.75% on the gross proceeds of the Placing.
- General Mandate: The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with the Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 4 May 2017 up to 217,728,000 Shares. As at the date of this announcement, no Share has been issued pursuant to the general mandate.
- Ranking of Placing Shares: The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue at the time of issue and allotment of the Placing Shares.
- Conditions to the Placing: The Placing is conditional upon (i) the passing by the Board of a resolution to approve the Placing Agreement and the transactions contemplated thereunder; and (ii) the Stock Exchange granting approval to the listing of and permission to deal in the Placing Shares with or without conditions.

If the above condition is not fulfilled on or prior to 27 April 2018 or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for costs, damages, compensation or otherwise (save in respect of any antecedent breach).

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares. No Shareholders approval is required for the Placing.

Completion of the Placing: The Placing shall complete within five Business Days after the satisfaction of all the conditions set out above or such other date as the Placing Agent and the Company may agree in writing.

Termination: The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 9:00 a.m. on the date of completion of the Placing upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement, if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to date of the completion of the Placing Agreement which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement in a material respect which would affect success of the Placing; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

EFFECT OF THE PLACING ON SHAREHOLDING

The shareholdings in the Company as at the date of this announcement and immediately upon completion of the Placing is and will be as follows:

Shareholders	As at the announcement date		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Mr. Chiu Ngai Hung	648,377,955	59.56%	648,377,955	50.95%
Placee(s)	–	0.00%	184,000,000	14.46%
Public shareholders	<u>440,262,045</u>	<u>40.44%</u>	<u>440,262,045</u>	<u>34.59%</u>
	<u>1,088,640,000</u>	<u>100.00%</u>	<u>1,272,640,000</u>	<u>100.00%</u>

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF THE PROCEEDS

The Group is principally engaged in (i) developing and marketing of the patented server based technology and the provision of communications software platform and software related services; (ii) money lending business (the “**Money Lending Business**”) and (iii) the mobile data solutions and mobile game related services (the “**Mobile Gaming Business**”).

In view of the current market conditions, the Directors consider that the Placing represents a good opportunity to broaden the capital and shareholder base of the Company and to raise capital for the Company for its business operations and development.

As discussed in the Board of Directors’ Statement contained in the Company’s annual report for the year ended 31 December 2017, the Group strives to build on its strength in developing information technology related products and digital innovations to local and untapped markets worldwide. As such, in 2018, the Group will continue to devote its resources on emerging technologies and proactively expand our digital and innovation solution services to capitalise future opportunities in the market and seek potential business opportunities that can create synergies to our existing business segments, at the same time bringing growth and additional value to the Shareholders. The Belt and Road Initiative of the PRC has drawn the attention of the Group to markets in countries along the Belt and Road Route. The Group is considering various business opportunities that will utilise the Group’s expertise and connections and combine them with environmental related opportunities (the “**Green Projects**”).

The Company will bear all costs and expenses of approximately HK\$774,000 in connection with the Placing and the net proceeds of the Placing will be approximately HK\$32.3 million. The Company intends to utilise the net proceeds as follows:

1. HK\$10 million for the business development of the Money Lending Business;
2. HK\$5 million for the business development of the Mobile Gaming Business;
3. HK\$8 million for identifying the potential investment in the Green Projects; and
4. the remaining balance as general working capital purposes.

The Directors consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not conduct any equity fund raising activities in the 12 months immediately before the date of this announcement.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM

“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the GEM 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
“Independent Third Party(ies)”	third party independent of and not connected with or acting in concert with the Company, its connected persons and their respective associates
“Placee(s)”	any individual, corporate or other investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a corporation licenced to carry on type 1 (dealing in securities) and type 4 (advising on securities regulated activities under the Securities and Future (Chapter 571 of the Laws of Hong Kong))
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 6 April 2018 in relation to the Placing
“Placing Price”	HK\$0.18 per Placing Share
“Placing Shares”	a maximum of 184,000,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
Aurum Pacific (China) Group Limited
Lee Cheung Yuet Horace
Executive Director

Hong Kong, 6 April 2018

As at the date of this announcement, the Board comprises three executive Directors Mr. Chan Wai Kit, Mr. Chan Kwun Chung and Mr. Lee Cheung Yuet Horace and three independent non-executive Directors, Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Mr. Pang Siu Yin.

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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its publication and the website of the Company at www.aurumpacific.com.hk.