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Chiu Ngai Hung



**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)

**JOINT ANNOUNCEMENT
UNCONDITIONAL MANDATORY CASH OFFER BY
EMPEROR CAPITAL LIMITED
ON BEHALF OF THE OFFEROR TO ACQUIRE
ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED BY THE OFFEROR AND THE PARTIES
ACTING IN CONCERT WITH HIM)
AND
RESUMPTION OF TRADING**

Financial adviser to the Offeror



**英皇融資有限公司
Emperor Capital Limited**

The Company was informed by the Offeror that on 26 October 2017, the Offeror as purchaser entered into the SPAs with Mr. Boyraci, Noble Ace and Mr. Wong as vendors respectively, pursuant to which the Offeror agreed to acquire 138,510,000 Shares from Mr. Boyraci at a consideration of HK\$19,114,380, 63,700,000 Shares from Noble Ace at a consideration of HK\$8,790,600 and 54,320,000 Shares from Mr. Wong at a consideration of HK\$7,496,160. The total of the 256,530,000 Acquired Shares represent in aggregate approximately 23.56% of the entire issued share capital of the Company as at the date of this joint announcement and the aggregate consideration of HK\$35,401,140 is equivalent to HK\$0.138 per Acquired Share, which was agreed between the Offeror and the Vendors after arm's length negotiations. Completion took place on 26 October 2017 and the consideration for each of the SPAs was fully settled by way of cash.

Immediately prior to the entering into of the SPAs, the Offeror was interested in 319,012,000 Shares, representing approximately 29.30% of the entire issued share capital of the Company. Immediately after Completion, the Offeror and the parties acting in concert with him (excluding the Vendors) is interested in 575,542,000 Shares, representing approximately 52.87% of the entire issued share capital of the Company.

As a result of the Completion, the Offeror holds 52.87% of the voting rights of the Company and has therefore incurred an obligation to make an unconditional mandatory offer under the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him).

THE SHARE OFFER

As at the date of this joint announcement, the Company has 1,088,640,000 Shares in issue. Save for the 1,088,640,000 issued Shares, the Company has no outstanding securities, options, warrants, derivatives or convertible right which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

The Share Offer will be made by Emperor Capital for and on behalf of the Offeror on the terms to be set out in the offer document or, as the case may be, the composite document in compliance with the Takeovers Code on the following basis:

For each Offer ShareHK\$0.138 in cash

The Offer Price of HK\$0.138 per Offer Share under the Share Offer is the same as the purchase price per Acquired Share paid by the Offeror in the SPAs. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, claims, encumbrances, rights of preemption and any other third party rights of any nature and together with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, paid or made on or after the date of despatch of the offer document or composite document.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

The Offeror has paid the consideration under the SPAs by the Facility. The Offeror intends to fund the consideration payable under the Share Offer in full by the Facility. Emperor Capital, being the financial adviser to the Offeror in respect of the Share Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Share Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee Nim Wai, who have no direct or indirect interest in the Share Offer, has been constituted in accordance with Rule 2.8 of the Takeovers Code to advise and give recommendations to the Independent Shareholders in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer.

An independent financial adviser to the Independent Board Committee will be appointed by the Company with the approval of the Independent Board Committee. Further announcement(s) will be made by the Company as soon as possible after such appointment has been made.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree response document into a composite document which contains amongst others, details of the Share Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the composite document is required to be despatched within 21 days of the date of this joint announcement unless the Executive grants consent for extension. The composite document is expected to be despatched to the Shareholders on or before 21 November 2017.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:05 p.m. on 26 October 2017 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 November 2017.

WARNING:

The Directors make no recommendation as to the fairness or reasonableness of the Share Offer or as to the acceptance of the Share Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Share Offer unless and until they have received and read the composite document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Share Offer and the letter of advice from independent financial adviser to the Independent board Committee. The Independent Shareholders are encouraged to read the composite document carefully before deciding whether or not to accept the Share Offer.

Shareholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Share Offer and are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

This joint announcement is made by the Offeror and the Company pursuant to the Takeovers Code, and (in the case of the Company) pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the SFO.

THE SPAS

The Company was informed by the Offeror that on 26 October 2017, the Offeror as purchaser entered into the SPAs with Mr. Boyraci, Noble Ace and Mr. Wong as vendors respectively, pursuant to which the Offeror agreed to acquire 138,510,000 Shares from Mr. Boyraci at a consideration of HK\$19,114,380, 63,700,000 Shares from Noble Ace at a consideration of HK\$8,790,600 and 54,320,000 Shares from Mr. Wong at a consideration of HK\$7,496,160. The total of the 256,530,000 Acquired Shares represent in aggregate approximately 23.56% of the equity interest in the Company as at the date of this joint announcement and the aggregate consideration of HK\$35,401,140 is equivalent to HK\$0.138 per Acquired Share, which was agreed between the Offeror and each of the Vendors after arm's length negotiations. Completion took place on 26 October 2017 and the consideration for each of the SPAs was fully settled by way of cash.

Other than the Consideration under the SPAs, no other consideration, compensation or benefits in whatever form have been provided by the Offeror or its concert parties to Mr. Boyraci, Noble Ace and Mr. Wong or their respective concert parties.

There is no special deal (under Rule 25 of the Takeovers Code) between the Offeror and his concert parties on one hand and Mr. Boyraci, Noble Ace and Mr. Wong and their respective concert parties on the other hand.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to the entering into of the SPAs, the Offeror was interested in 319,012,000 Shares, representing approximately 29.30% of the entire issued share capital of the Company. Immediately after Completion, the Offeror and the parties acting in concert with him (excluding the Vendors) is interested in 575,542,000 Shares, representing approximately 52.87% of the entire issued share capital of the Company.

As a result of the Completion, the Offeror holds 52.87% of the voting rights of the Company and has therefore incurred an obligation to make an unconditional mandatory offer under the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him).

As at the date of this joint announcement, the Offeror and parties acting in concert with him own, control or have direction over the Offeror Existing Shares. Other than these securities, they do not own, control or have direction over any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

THE SHARE OFFER

As at the date of this joint announcement, the Company has 1,088,640,000 Shares in issue. Save for the 1,088,640,000 issued Shares, the Company has no outstanding securities, options, warrants, derivatives or convertible right which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

The Share Offer will be made by Emperor Capital for and on behalf of the Offeror on the terms to be set out in the offer document or, as the case may be, the composite document in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.138 in cash

The Offer Price of HK\$0.138 per Offer Share under the Share Offer is the same as the purchase price per Acquired Share paid by the Offeror in the SPAs. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all liens, claims, encumbrances, rights of preemption and any other third party rights of any nature and together with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends, distributions and any return of capital, if any, declared, paid or made or agreed to be made on or after the date on which the Share Offer is made, being the date of despatch of the offer document or composite document.

Comparison of Value

The Offer Price of HK\$0.138 per Offer Share represents:

1. a premium of approximately 1.47% over the last trading price of HK\$0.136 per Share as quoted on the Stock Exchange immediately before trading in the Shares was halted on 26 October 2017, the Last Trading Day;
2. a premium of approximately 3.76% over the average closing price of HK\$0.133 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
3. a premium of approximately 17.95% over the average closing price of HK\$0.117 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
4. a premium of approximately 35.29% over the average closing price of HK\$0.102 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
5. a discount of approximately 45.67% to the audited consolidated net assets value attributable to the Shareholders of approximately HK\$0.254 per Share as at 31 December 2016, the date to which the latest audited consolidated financial results of the Company were made up and calculated based on 1,088,640,000 Shares in issue as at the date of this joint announcement; and
6. a discount of approximately 47.53% to the unaudited consolidated net assets value attributable to the Shareholders of approximately HK\$0.263 per Share as at 30 June 2017, the date to which the latest unaudited consolidated financial results of the Company were made up and calculated based on 1,088,640,000 Shares in issue as at the date of this joint announcement.

Highest and Lowest Share Prices

During the six-month period preceding and including the Last Trading Day, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange was HK\$0.16 per Share on 6 June 2017 and HK\$0.084 per Share on 16 August 2017 respectively.

VALUE OF THE SHARE OFFER

On the basis of 1,088,640,000 Shares in issue, of which the Offeror holds 575,542,000 Shares, as at the date of this joint announcement, the number of Shares subject to the Share Offer is 513,098,000 and the total consideration for the Share Offer based on the Offer Price will be valued at approximately HK\$70,807,524.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

The Offeror has paid the consideration under the SPAs by the Facility. The Offeror intends to fund the consideration payable under the Share Offer in full by the Facility. Emperor Capital, being the financial adviser to the Offeror in respect of the Share Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for full acceptance of the Share Offer.

Pursuant to the arrangement of the Facility, amongst others, the Offeror has pledged his original shareholding of 319,012,000 Shares prior to Completion, all the Acquired Shares and the Shares to be acquired by the Offeror under the Share Offer (if any) in favour of Emperor Securities, and such arrangement will not result in a change of the voting rights of the Company before the enforcement of the relevant charge. At as the date of this joint announcement, Emperor Securities and the Offeror are not aware of any circumstances which may lead to enforcement of the relevant charge. The collateralized Shares shall be released to the Offeror immediately upon full repayment of all the outstanding amounts of the Facility and the interest thereon.

EFFECTS OF ACCEPTING THE SHARE OFFER

By accepting the Share Offer, the Independent Shareholders will sell their Shares to the Offeror free from all liens, claims, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive all dividends, distributions and any return of capital, if any, declared, paid or made or agreed to be made on or after the date on which the Share Offer is made, being the date of despatch of the offer document or composite document. The making of the Share Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. Independent Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provision of the Takeovers Code.

SETTLEMENT

Settlement of the consideration for the Offer Shares will be made in cash as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed acceptances of the Share Offer and the relevant documents of title in respect of such acceptances are received by or on behalf of the Offeror to render each such acceptance complete and valid.

HONG KONG STAMP DUTY

Seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Share Offer is calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable by the Offeror to the Independent Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Share Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer.

TAXATION ADVICE

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, parties acting in concert with him, the Company, Emperor Capital, Emperor Securities and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

None of the Offeror nor parties acting in concert with him had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to the date of this joint announcement, save for the Acquired Shares and the following transactions:

Relevant party	Date	Purchase/sale	Number of Shares	Price per Share
Mr. Chiu	24 October 2017	Purchase	10,000,000	HK\$0.1350
Mr. Chiu	24 October 2017	Purchase	16,400,000	HK\$0.1300
Mr. Chiu	23 October 2017	Purchase	12,040,000	HK\$0.1340
		Purchase	11,480,000	HK\$0.1320
		Purchase	6,240,000	HK\$0.1310
		Purchase	45,640,000	HK\$0.1300
		Purchase	10,000,000	HK\$0.1290
Mr. Chiu	23 October 2017	Sale	8,260,000	HK\$0.1311
		Sale	6,000,000	HK\$0.1301
		Sale	6,000,000	HK\$0.1280
Mr. Chiu	20 October 2017	Purchase	9,000,000	HK\$0.1270
Mr. Chiu	29 September 2017	Sale	9,680,000	HK\$0.0960
Mr. Chiu	30 August 2017	Purchase	80,000	HK\$0.0940
		Purchase	100,000	HK\$0.0950
		Purchase	20,000	HK\$0.1000
		Purchase	780,000	HK\$0.1020
		Purchase	120,000	HK\$0.1040
		Purchase	1,040,000	HK\$0.1050
Mr. Chiu	21 August 2017	Sale	49,000,000	HK\$0.0900
Mr. Chiu	17 August 2017	Sale	300,000	HK\$0.0920
Mr. Chiu	24 July 2017	Purchase	21,120,000	HK\$0.1000
		Purchase	340,000	HK\$0.0990
Mr. Chiu	21 July 2017	Purchase	12,000,000	HK\$0.1000
		Purchase	40,000	HK\$0.0990
Mr. Chiu	20 July 2017	Purchase	27,880,000	HK\$0.1000
		Purchase	40,000	HK\$0.0990
Mr. Chiu	29 June 2017	Purchase	4,580,000	HK\$0.1270
		Purchase	1,000,000	HK\$0.1292
Mr. Chiu	28 June 2017	Purchase	1,300,000	HK\$0.0998
Mr. Chiu	26 June 2017	Purchase	25,620,000	HK\$0.1380
Mr. Chiu	20 June 2017	Purchase	16,000,000	HK\$0.1300
Mr. Chiu	20 June 2017	Sale	40,000	HK\$0.1360
Mr. Chiu	25 April 2017	Purchase	3,180,000	HK\$0.1246

As at the date of this joint announcement, save for the Offeror Existing Shares held by Offeror, none of the Offeror and/or parties acting in concert with him (i) owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company; or (ii) has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company.

The Offeror confirms that, as at the date of this joint announcement:

1. save for the Offeror Existing Shares held by the Offeror, none of the Offeror and/or parties acting in concert with him owns or has control or direction over any voting rights or rights over the Shares;
2. none of the Offeror and/or parties acting in concert with him has received any irrevocable commitments to accept or reject the Share Offer;
3. none of the Offeror and/or parties acting in concert with him holds any convertible securities, options, warrants or derivatives of the Company;
4. there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and/or any person acting in concert with him;
5. there are no conditions to which the Share Offer is subject;
6. save for the Facility, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which may be material to the Share Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
7. there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer; and
8. there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any person acting in concert with him has borrowed or lent.

OVERSEAS SHAREHOLDERS

The availability of the Share Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the sole responsibilities of the Overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and the Shares are listed on GEM since 9 January 2004. The Company and its subsidiaries are principally engaged in (i) developing and marketing of the patented server based technology and the provision of communications software platform, software related services and the custom-made software development services; (ii) money lending business; and (iii) the mobile data solutions and mobile game related services.

Set out below is a summary of certain audited financial information of the Group for the three financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 extracted from the Company's annual reports:

	Year ended 31 December 2016 HK\$'000 (audited)	Year ended 31 December 2015 HK\$'000 (audited)	Year ended 31 December 2014 HK\$'000 (audited)
Revenue from continuing operations	33,938	18,596	21,412
Loss before income taxation	(32,486)	(28,349)	(1,260)
Loss for the year	(40,295)	(25,965)	(2,155)
Net assets	298,444	235,567	127,968

Further financial information of the Group will be set out in the composite document to be despatched to the Shareholders.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the date of this joint announcement:

	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with him	319,012,000	29.30	575,542,000	52.87
The Vendors and parties acting in concert with them				
<i>Mr. Boyraci</i>	138,510,175	12.72	175	0.00
<i>Noble Ace (Note)</i>	63,700,000	5.85	–	–
<i>Mr. Lau Yu (Note)</i>	11,680,000	1.07	11,680,000	1.07
<i>Mr. Wong</i>	54,320,000	4.99	–	–
Sub-total	268,210,175	24.64	11,680,175	1.07
Public Shareholders	501,417,825	46.06	501,417,825	46.06
Total	<u>1,088,640,000</u>	<u>100.00</u>	<u>1,088,640,000</u>	<u>100.00</u>

Note: Noble Ace is wholly and beneficially owned by Mr. Lau Yu.

INFORMATION OF THE OFFEROR

Mr. Chiu, aged 49, has experience in properties investment in Hong Kong and the overseas. He is also experienced in making investments in companies, including listed companies in Hong Kong primarily engages in properties development and investment, trading business, provision of mobile applications and solutions service, and money lending business.

PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Share Offer.

If the public float of the Company falls below 25% following the close of the Share Offer, the Offeror and the Directors to be appointed to the Board (if any) will undertake to the Stock Exchange to take appropriate steps following the close of the Share Offer to ensure that a sufficient public float exists for the Shares, such as the engagement of a placing agent to place such number of Shares to other independent third parties not connected with the Company or any of its connected persons and not parties acting in concert with the Offeror. The Company and the Offeror will issue a separate announcement as and when necessary regarding the decision of any of such steps if the circumstances warrant.

If, upon closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange may consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

INTENTION OF THE OFFEROR

The Offeror considers that the SPAs and the Share Offer provide an opportunity for him to increase his stake and to consolidate control in the Company. It is the intention of the Offeror that the Company's existing principal activities will be maintained after the close of the Share Offer. The Offeror will, following the closing of the Share Offer, conduct a review of the operations, business activities and financial position of the Group in order to formulate a long-term strategy for the Group and explore other business or investment opportunities for enhancing its future development and strengthening its revenue bases.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The Offeror also intends to continue the employment of the existing management and employees including the board composition of the Group. However, if the Offeror deems necessary or appropriate to the Group's businesses and operation to increase the value of the Group, there is a possibility that the Offeror may change its intention or plan in the future, subject to full compliance with the relevant rules and regulations. As at the date of this joint announcement, there is no understanding, discussion, arrangement or agreement in regard of the intention or plan of the Offeror in the future.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the Board comprises Mr. Chan Wai Kit and Mr. Chan Kwun Chung as the executive Directors and Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee Nim Wai as the independent non-executive Directors.

The Offeror at the present time does not have any intention to nominate new Directors to the Board but may do so in the future. If the Offeror in the future wishes to nominate new Directors to the Board it shall be with effect from the earliest time permitted under the Takeovers Code. Further announcement(s) will be made by the Company in compliance with the requirements of the GEM Listing Rules as and when there are changes in the composition of the Board.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) of the Offeror and the Company (including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee Nim Wai, who have no direct or indirect interest in the Share Offer, has been constituted in accordance with Rule 2.8 of the Takeovers Code to advise and give recommendations to the Independent Shareholders in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer. The Board considers that the members of the Independent Board Committee are independent and able to consider the terms of the Share Offer and make recommendation to the Independent Shareholders.

An independent financial adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee. Further announcement(s) of such appointment will be made by the Company in due course.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree response document into a composite document which contains amongst others, details of the Share Offer, accompanied by the relevant form of acceptance and transfer, and incorporating the recommendation from the Independent Board Committee and the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the composite document is required to be despatched within 21 days of the date of this joint announcement unless the Executive grants consent for extension. The composite document is expected to be despatched to the Shareholders on or before 21 November 2017.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:05 p.m. on 26 October 2017 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 November 2017.

WARNING:

The Directors make no recommendation as to the fairness or reasonableness of the Share Offer or as to the acceptance of the Share Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Share Offer unless and until they have received and read the composite document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Share Offer and the letter of advice from independent financial adviser to the Independent board Committee. The Independent Shareholders are encouraged to read the composite document carefully before deciding whether or not to accept the Share Offer.

Shareholders and potential investors are reminded to monitor the announcements to be made by the Company or jointly by the Offeror and the Company in respect of the progress of the Share Offer and are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement (unless the context otherwise requires) capitalised terms used shall have the following meanings:

“Acquired Shares”	the 256,530,000 Shares acquired by the Offeror pursuant to the SPAs;
“acting in concert”	has the meaning ascribed to it in the Takeovers Code;
“associate”	has the meaning ascribed to it in the Takeovers Code;
“Board”	the board of Directors;
“Business Day(s)”	a day on which the Stock Exchange is open for transaction of business as defined under the Takeovers Code;

“Closing Date”	the date to be stated in the composite document as the closing date or any subsequent closing date as and may be announced by the Offeror and approved by the Executive;
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the GEM (stock code: 8148);
“Completion”	completion of the SPAs;
“Director(s)”	director(s) of the Company;
“Emperor Capital”	Emperor Capital Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and the financial adviser to the Offeror in respect of the Share Offer;
“Emperor Securities”	Emperor Securities Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Facility”	a loan facility of up to HK\$135 million granted by Emperor Securities to the Offeror;
“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;
“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;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive directors, namely Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee Nim Wai, who have no direct or indirect interest in the Share Offer, established for the purpose of advising and giving a recommendation to the Independent Shareholders in respect of the Share Offer and in particular as to whether the terms of the Share Offer are fair and reasonable and as to acceptance of the Share Offer;
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with him;
“Last Trading Day”	26 October 2017, being the last trading day of the Shares before the publication of this joint announcement;
“Mr. Boyraci”	Mr. Osman Boyraci, being one of the Vendors;
“Mr. Chiu” or “Offeror”	Mr. Chiu Ngai Hung (趙毅雄);
“Mr. Wong”	Mr. Wong Tai Kuen, being one of the Vendors;
“Noble Ace”	Noble Ace Investments Limited, a company incorporated in the British Virgin Islands with limited liability, being one of the Vendors, which is wholly and beneficially owned by Mr. Lau Yu;
“Offer Price”	the price of HK\$0.138 per Offer Share payable by the Offeror to the Independent Shareholders for each Offer Share accepted under the Share Offer;
“Offer Share(s)”	all the Shares in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him;

“Offeror Existing Shares”	means the 575,542,000 Shares, representing approximately 52.87% of the total number of Shares in issue, held by the Offeror as at the date of this joint announcement;
“Overseas Shareholders”	Independent Shareholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Offer”	the unconditional mandatory cash offer to be made by Emperor Capital on behalf of the Offeror for the Offer Shares in accordance with the Takeovers Code;
“Shareholders”	holders of the Shares;
“Shares”	the ordinary shares of HK\$0.04 each in the capital of the Company;
“SPAs”	SPA 1, SPA 2 and SPA 3, collectively;
“SPA 1”	the sale and purchase agreement dated 26 October 2017 entered into between Mr. Boyraci as vendor and the Offeror as purchaser in relation to the sale and purchase of 138,510,000 Shares;
“SPA 2”	the sale and purchase agreement dated 26 October 2017 entered into between Noble Ace as vendor and the Offeror as purchaser in relation to the sale and purchase of 63,700,000 Shares;
“SPA 3”	the sale and purchase agreement dated 26 October 2017 entered into between Mr. Wong as vendor and the Offeror as purchaser in relation to the sale and purchase of 54,320,000 Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Takeovers Code” the Hong Kong Code on Takeovers and Mergers; and
“Vendors” Mr. Boyraci, Noble Ace and Mr. Wong.

Chiu Ngai Hung
Aurum Pacific (China) Group Limited
Chan Wai Kit
Executive Director

Hong Kong, 31 October 2017

As at the date of this joint announcement, the Board comprises two executive Directors, Mr. Chan Wai Kit and Mr. Chan Kwun Chung and three independent non-executive Directors, Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee Nim Wai.

All Directors jointly and severally accept full responsibility for the accuracy of the information (other than those relating to the Offeror and parties acting in concert with him) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than those relating to the Company, the Vendors and their respective associates and parties acting in concert with them) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint 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.