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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Aurum Pacific (China) Group Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (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.

GROUP FINANCIAL HIGHLIGHTS

For the year ended 31 December 2011:

- The turnover from continuing operations was approximately HK$274,000 (2010: HK$560,000);
- The loss attributable to owners of the Company was approximately HK$3,102,000 (2010: profit of HK$119,000); and
- The Directors do not recommend the payment of a final dividend.

RESULTS

The board of directors of the Company (the "Board") hereby presents the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011, together with the comparative figures of 2010, as follows:

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2011

	Notes	**2011** **HK$'000**	2010 *HK$'000* (Restated)
Continuing operations			
Turnover	*5*	**274**	560
Cost of sales		**(101)**	(412)
Gross profit		**173**	148
Other revenue, gain/(loss)	*6*	**74**	310
Administrative expenses		**(3,176)**	(3,281)
Loss from operations		**(2,929)**	(2,823)
Finance costs	*8(a)*	**(629)**	(924)
Loss before income tax expense from continuing operations	*8*	**(3,558)**	(3,747)
Income tax expense	*9*	**—**	—
Loss for the year from continuing operations and attributable to owners of the Company		**(3,558)**	(3,747)
Discontinued operation			
Profit for the year from discontinued operation	*10*	**456**	3,866
(Loss)/profit and total comprehensive income for the year		**(3,102)**	119
(Loss)/profit attributable to:			
— Owners of the Company		**(3,102)**	119
— Non-controlling interests		**—**	—
		(3,102)	119

	Notes	**2011**	2010
		HK$'000	*HK$'000*
			(Restated)
Total comprehensive income attributable to:			
— Owners of the Company		**(3,102)**	119
— Non-controlling interests		**—**	—
		(3,102)	119
		HK cents	*HK cents*
(Loss)/earnings per share from continuing and discontinued operations — basic and diluted	*12*	**(1.55)**	0.06
Loss per share from continuing operations — basic and diluted	*12*	**(1.78)**	(1.87)
Earnings per share from discontinued operation — basic and diluted	*12*	**0.23**	1.93

Consolidated Statement of Financial Position
As at 31 December 2011

	Notes	**2011**	2010
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**92**	198
Total non-current assets		**92**	198
Current assets			
Inventories — finished goods for resale		**70**	101
Trade and other receivables	*13*	**495**	8,490
Cash and cash equivalents		**4,860**	3,225
Total current assets		**5,425**	11,816
Current liabilities			
Trade and other payables	*15*	**2,761**	6,625
Other borrowing — unsecured		**6,163**	5,602
Tax payable		**—**	160
Total current liabilities		**(8,924)**	(12,387)
Net current liabilities		**(3,499)**	(571)
Total assets less current liabilities		**(3,407)**	(373)
Non-current liabilities			
Loans from a shareholder		**(1,146)**	(1,078)
Net liabilities		**(4,553)**	(1,451)
Capital and reserves attributable to owners of the Company			
Share capital		**2,000**	2,000
Reserves		**(6,553)**	(3,451)
Equity attributable to owners of the Company		**(4,553)**	(1,451)
Non-controlling interests		**—**	—
Total equity		**(4,553)**	(1,451)

Consolidated Statement of Changes in Equity

For the year ended 31 December 2011

	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *HK$'000*	Capital surplus *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
Balance at 1 January 2010	**2,000**	**30,224**	**2,964**	**15,090**	**(50,453)**	**(175)**
Profit for the year	—	—	—	—	119	119
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	119	119
Capital contribution by a shareholder arising from changes in the terms of the interest-free loans	—	—	(1,395)	—	—	(1,395)
Balance at 31 December 2010	**2,000**	**30,224**	**1,569**	**15,090**	**(50,334)**	**(1,451)**
Loss for the year	—	—	—	—	(3,102)	(3,102)
Other comprehensive income	—	—	—	—	—	—
Total comprehensive income for the year	—	—	—	—	(3,102)	(3,102)
Balance at 31 December 2011	**2,000**	**30,224**	**1,569**	**15,090**	**(53,436)**	**(4,553)**

Notes:

1. ORGANISATION AND OPERATIONS

Aurum Pacific (China) Group Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands. Its shares are listed (currently suspended) on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its head office and principal place of business is located at Unit 903, 9/F., Wings Building, 110–116 Queen's Road Central, Central, Hong Kong.

The Group, comprising the Company and its subsidiaries, currently engages in provision of custom-made solutions. The Group previously also engaged in trading of computer equipment and related accessories and this business was disposed of during the year.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs — effective 1 January 2011

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) — Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) — Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

The adoption of these new/revised standards and interpretations has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
	Disclosures — Offsetting Financial Assets and Financial Liabilities[4]
	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[6]
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets[2]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[3]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 27 (2011)	Separate Financial Statements[4]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[4]
HKAS 19 (2011)	Employee Benefits[4]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC) — Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine[4]

1 Effective for annual periods beginning on or after 1 July 2011
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 July 2012
4 Effective for annual periods beginning on or after 1 January 2013
5 Effective for annual periods beginning on or after 1 January 2014
6 Effective for annual periods beginning on or after 1 January 2015

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

HKFRS 7 Amendments issue new disclosure requirements in relation to the offsetting models of financial assets and financial liabilities. The amendments also improve the transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. The application of the amendments is unlikely to have any material financial impact on the Group.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKAS 32 Amendments clarify the requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria and clarify the meaning of "currently has legally enforceable right of set-off" and some gross settlement systems may be considered equivalent to net settlements. The application of these amendments is unlikely to have any material financial impact on the Group.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereafter collectively referred to as the "HKFRSs") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis.

At the end of reporting period, the Group had net current liabilities of HK$3,499,000 and net liabilities of HK$4,553,000. This situation indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The controlling shareholder has undertaken to offer continuing financial support to the Group by providing a revolving loan facility to the extent of HK$9 million, in order to maintain the Group as a going concern. At the end of reporting period, the Group had utilised only HK$1.15 million of the facility.

The directors are of the opinion that the remaining loan facility of HK$7.85 million will provide the Group with sufficient working capital for its present requirements in the absence of unforeseen circumstances.

In addition, the management is actively seeking potential investors to inject new businesses and new funds into the Group. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

(c) Functional and presentational currency

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

4. EXTRACT OF INDEPENDENT AUDITOR'S REPORT

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011 and of the Group's loss and cash flows for the year then ended in accordance with the Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 3(b) to the consolidated financial statements which indicates that at the end of reporting period, the Group had net current liabilities of HK$3,499,000 and net liabilities of HK$4,553,000. This situation indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern."

5. TURNOVER

Turnover represents the revenue from provision of custom-made solutions and technical support services (continuing operations) and sale of goods after allowances for goods returned (discontinued operation). The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Continuing Operations		
Provision of custom-made solutions	**121**	516
Service income	**153**	44
	274	560
Discontinued Operation *(note 10)*		
Trading of computer equipment and accessories	**6,745**	38,332
	7,019	38,892

6. OTHER REVENUE, GAIN/(LOSS)

	2011	2010
	HK$'000	*HK$'000*
Bank interest income	**16**	8
Exchange gain, net	**58**	—
Imputed interest income	**—**	295
Others	**—**	7
	74	310

7. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has two (2010: two) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Continuing operations

- Custom-made solutions — developing and implementing custom-made solutions which are specifically designed and developed for the specific needs and requirements of a particular customer and providing technical support services.

Discontinued operation

- Computer equipment and accessories — trading of computerised smart sockets and related accessories.

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' loss that is used by the chief operating decision-maker for assessment of segment performance.

(a) Business Segment

	Continuing operations		Discontinued operation			
	Custom-made solutions		Computer equipment and accessories		Total	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000* (Restated)	***HK$'000***	*HK$'000*
Revenue from external customers	**274**	560	**6,745**	38,332	**7,019**	38,892
Reportable segment (loss)/profit	**(617)**	(430)	**758**	4,441	**141**	4,011
Depreciation	**94**	94	**—**	—	**94**	94
Income tax expense	**—**	—	**115**	575	**115**	575
Reportable segment assets	**694**	651	**—**	9,921	**694**	10,572
Reportable segment liabilities	**(1,324)**	(1,316)	**—**	(4,522)	**(1,324)**	(5,838)

(b) *Reconciliation of reportable segment revenue, profit or loss, assets and liabilities*

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Revenue from external customers	**7,019**	38,892
Profit before income tax expense and discontinued operation		
Reportable segment profit	**141**	4,011
Segment profit from discontinued operation *(note 10)*	**(758)**	(4,441)
Unallocated corporate income and expenses	**(2,941)**	(3,317)
Consolidated loss before income tax expense from continuing operations	**(3,558)**	(3,747)
Assets		
Reportable segment assets from continuing operations	**694**	651
Segment assets of discontinued operation	**—**	9,921
Unallocated corporate assets	**4,823**	1,442
Consolidated total assets	**5,517**	12,014
Liabilities		
Reportable segment liabilities from continuing operations	**(1,324)**	(1,316)
Segment liabilities of discontinued operation	**—**	(4,522)
Unallocated corporate liabilities	**(8,746)**	(7,627)
Consolidated total liabilities	**(10,070)**	(13,465)

The unallocated corporate income and expenses mainly include salaries and legal and professional fees of head office and the unallocated corporate assets and liabilities mainly include cash and cash equivalent and other borrowing respectively.

(c) *Geographical information and major customers*

The Group's revenue from external customers is derived solely from its operations in Hong Kong, where all its non-current assets are located.

During the year, revenue from the Group's largest customer amounted to HK$6,745,000 (2010: HK$38,332,000), being 100% (2010: 100%) of the Group's total revenue from the computer equipment and accessories segment.

For the custom-made solutions segment, revenue from the Group's largest customer amounted to HK$153,000 (2010: HK$516,000) being 56% (2010: 92%) of the Group's total revenue from this segment.

8. LOSS BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS

Loss before income tax expense from continuing operations is arrived at after charging:

(a) Finance costs:

	2011	2010
	HK$'000	*HK$'000*
Interest expense on financial liabilities not at fair value through profit or loss		
— Interest on other loan wholly repayable within five years	**561**	602
— Imputed interest on interest-free loans from a shareholder	**68**	322
	629	924

(b) Staff costs (including directors' emoluments):

	2011	2010
	HK$'000	*HK$'000*
Salaries, wages and allowances	**1,334**	1,506
Contributions to pension schemes	**12**	22
	1,346	1,528

(c) Other items:

	2011	2010
	HK$'000	*HK$'000*
Continuing operations		
Auditor's remuneration		
— Provision for the year	**400**	270
— Under provision in respect of prior year	**20**	—
Depreciation of property, plant and equipment	**106**	102
Impairment of other receivables	**78**	—
Discontinued operation		
Auditor's remuneration	**50**	150

9. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the group companies comprising continuing operations did not have any estimated assessable profit subject to Hong Kong profits tax during the years ended 31 December 2011 and 2010.

10. PROFIT FOR THE YEAR FROM DISCONTINUED OPERATION

On 31 March 2011, the Company entered into a sale agreement with an independent third party to dispose of its entire equity interest in Max Honour International Limited, a wholly owned subsidiary (the "Disposal Company"). The Disposal Company engages in trading of computer equipment and accessories. The disposal was completed on 24 June 2011, the date on which the control of the Disposal Company passed to acquirer.

The profit for the period from 1 January 2011 to the date of disposal from discontinued operation and cash flows was as follows:

	2011	2010
	HK$'000	*HK$'000*
Turnover	**6,745**	38,332
Cost of sales	**(5,666)**	(32,202)
Gross profit	**1,079**	6,130
Selling and distribution expenses	**(270)**	(1,533)
Administrative expenses	**(51)**	(156)
Profit before income tax expense	**758**	4,441
Income tax expense	**(115)**	(575)
Profit after income tax expenses	**643**	3,866
Gain on disposal of the Disposal Company *(note 14)*	**500**	—
Less: Cost of disposal	**(687)**	—
Profit for the year from discontinued operation and attributable to owners of the Company	**456**	3,866
Cash flows from discontinued operation:		
Operating activities	**(519)**	406
Investing activities	**—**	—
Financing activities	**110**	—
Net cash (outflows)/inflow	**(409)**	406

The carrying amounts of the assets and liabilities of the Disposal Company at the date of disposal are disclosed in note 14.

11. DIVIDENDS

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011.

12. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

(i) From continuing and discontinued operations

The calculation is based on the loss attributable to owners of the Company of HK$3,102,000 (2010: profit of HK$119,000) and the number of ordinary shares of 200,000,000 (2010: 200,000,000) in issue during the year.

(ii) From continuing operations

The calculation is based on loss for the year from continuing operations of HK$3,558,000 (2010: restated HK$3,747,000) and the number of ordinary shares of 200,000,000 (2010: 200,000,000) in issue during the year.

(iii) From discontinued operation

The calculation is based on profit for the year from discontinued operation of HK$456,000 (2010: restated $3,866,000) and the number of ordinary shares of 200,000,000 (2010: 200,000,000) in issue during the year.

(b) Diluted (loss)/earnings per share

There was no potential ordinary shares in issue for the years ended 31 December 2011 and 2010. Accordingly, the diluted (loss)/earnings per share is presented as the same as basic (loss)/earnings per share for both years.

13. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade debtors	**274**	8,266
Deposits and prepayments	**221**	224
	495	8,490

(a) The average credit period to the Group's trade debtors is 60 days.

(b) The Group recognised impairment loss on individual assessment.

(c) Included in trade and other receivables are trade debtors with the following ageing analysis as at the end of reporting period:

	2011	2010
	HK$'000	*HK$'000*
Within 30 days	**—**	4,818
31 to 60 days	**—**	2,274
61 to 90 days	**—**	1,174
90 days or above	**274**	—
	274	8,266

At 31 December 2011 and 2010, none of the Group's trade receivables were impaired.

(d) The ageing analysis of trade receivables which are past due but not impaired are as follows:

	2011	2010
	HK$'000	*HK$'000*
Less than 1 month past due	**—**	1,196
1 to 3 months past due	**—**	22
More than 3 months past due	**274**	—
	274	1,218

Trade receivables relate to customers that have a good track record with the Group. Based on the past experience, management believes that no impairment allowance is necessary in respect of this balance as there has not been a significant change in credit quality and the balance is still considered fully recoverable. The Group does not hold any collateral over this balance.

14. DISPOSAL OF SUBSIDIARY

As referred to note 10, on 24 June 2011, the Group disposed of the Disposal Company, which engages in trading of computer equipment and accessories. The net assets of the Disposal Company at the date of disposal were as follows:

	HK$'000
Trade receivables	5,076
Cash and cash equivalents	4
Tax payable	(275)
Net assets	4,805
Gain on disposal *(note 10)*	500
Consideration	5,305
Net cash outflow arising on disposal:	
Cash consideration	5,305
Cash and bank balances disposed of	(4)
Cash paid for costs of disposal	(687)
	4,614

15. TRADE AND OTHER PAYABLES

	2011	2010
	HK$'000	*HK$'000*
Trade creditors	**110**	4,503
Other creditors and accrued charges	**1,081**	1,150
Amount due to a shareholder	**445**	972
Amount due to related company	**1,125**	—
Financial liabilities measured at amortised cost	**2,761**	6,625

Trade and other payables are expected to be settled within one year. The ageing analysis of trade creditors as at the end of reporting period is as follows:

	2011	2010
	HK$'000	*HK$'000*
Current or less than 1 month	**70**	4,128
1 to 3 months	**—**	375
More than 3 months	**40**	—
	110	4,503

16. EVENT OCCURRED AFTER END OF REPORTING PERIOD

Subsequent to the end of reporting period, lender of unsecured other borrowing agreed to extend the repayment date to May 2013 on the same terms.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year under review, the Group is principally engaged in two business segments, trading of computer equipment and accessories and provision of custom-made solutions. Trading business covers the trading of computerised smart sockets and related accessories while the provision of custom-made solutions comprises the developing and implementing custom-made solutions which are specifically designed and developed for the specific needs and requirements of the particular customers and technical support services. On 31 March 2011, the Company entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in a subsidiary which engages in trading business (the "Disposal"). The Disposal was completed on 24 June 2011. The trading business segment was then classified as a discontinued operation for the period under review. Details of the Disposal were set out in the announcements of the Company dated 12 April 2011, 26 May 2011 and 15 June 2011. Disposal could enhance better resources distribution to focus on the business of provision of custom-made solutions.

FINANCIAL REVIEW

Overall Review

For the year ended 31 December 2011, the Group recorded a total turnover from continuing and discontinued operations of approximately HK$7,019,000, representing a decrease of 82% as compared with approximately HK$38,892,000 for the year 2010. Loss attributable to owners of the Company amounted to approximately HK$3,102,000 for the year 2011.

In view of the keen competition and poor operating environment of the Group's trading business of computer equipment and related accessories, its turnover and gross profit decreased to HK$6,745,000 and HK$1,079,000 for period from 1 January 2011 to the date of disposal respectively.

Continuing operations included the custom-made solutions business which contributed a turnover and gross profit of approximately HK$274,000 and HK$173,000 to the Group for the year 2011 respectively.

PROSPECT

The Board has submitted a new resumption proposal on 16 December 2011 involving a proposed acquisition of an IT business engaging a patented server based font technology for its real time on-line communications software platforms and a proposed fundraising has been submitted to the Stock Exchange. Going forward, the Board will explore new investment opportunities to diversify its portfolio and to provide sufficient cash flow to the Group. Meanwhile, the Group will continue the cost control initiatives in order to enhance the efficiency and effectiveness of the Group's capital as a whole.

Financial Resource and Liquidity

At 31 December 2011, the Group had cash and bank balances of approximately HK$4,860,000 (2010: HK$3,225,000), and loans from the controlling shareholder with a carrying amount of HK$1,146,000 (2010: HK$1,078,000), which are unsecured, interest free and not repayable before 31 August 2013. In addition, the Group had a loan with principal amount of HK$5,000,000 (2010: HK$5,000,000) as at 31 December 2011. The loan is unsecured, bearing interest rate at 3% over the Hong Kong prime rate per annum plus an arrangement fee. The average effective interest rate for the year is approximately 6.8%. The loan was originally repayable within one year. The lender has recently agreed to extend the repayment date to May 2013 on the same terms. All the cash and bank balances and the borrowings are denominated in Hong Kong dollars.

Gearing Ratio

As at 31 December 2011, total assets of the Group were approximately HK$5,517,000, (2010: HK$12,014,000) whereas the total liabilities were approximately HK$10,070,000 (2010: HK$13,465,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was 182.5% (2010: 112.1%) and the current ratio, calculated as current assets over current liabilities, was 0.6 (2010: 1.0). The Directors will continue to take measures to improve the liquidity and gearing position of the Group.

Foreign Exchange Exposure

The Directors consider that the Group had no material foreign exchange exposure.

Material Acquisition, Disposal and Significant Investment of the Group

Save as disclosed above, the Group did not have any material acquisition, disposal and significant investment.

Pledge of Assets and Contingent Liabilities

As at 31 December 2011, the Group did not have any substantial pledge of assets and contingent liabilities.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2011.

EMPLOYEE INFORMATION AND REMUNERATION POLICY

As at 31 December 2011, the Group employed 8 staff (2010: 8). The staff costs (including directors' remuneration) was approximately HK$1,346,000 for the year under review (2010: HK$1,528,000). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee.

The Group provides benefits in accordance with the relevant laws and regulations including the Mandatory Provident Fund Scheme of Hong Kong.

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2011, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long positions in the shares of the Company

Name of Directors	Nature of Interest	Number of Shares	Approximate percentage of shareholding
Mr. Cheung Yu Ping	Interest of a controlled corporation *(Note 1)*	142,651,965	71.33%

(ii) Long positions in the shares of associated

Name of Directors	Name of associated Corporation	Nature of Interest	Number of Shares	Approximate percentage of shareholding
Mr. Cheung Yu Ping	Hong Sheng Group Limited ("Hong Sheng")	Interest of a controlled corporation *(Note 1)*	510	51%

Note:

1. The interest in the Shares of Mr. Cheung Yu Ping is held through Hong Sheng, the entire issued share capital of which is beneficially and ultimately owned as to 51% by Mr. Cheung Yu Ping and as to 49% by Ms. Cai Dongmei. By virtue of the SFO, Mr. Cheung Yu Ping is deemed to be interested in the shares held by Hong Sheng.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTEREST

Substantial Shareholders

To the best knowledge of the Directors, as at 31 December 2011, the following persons, other than the Directors or chief executive of the Company, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were expected to be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity	Number of Shares *(Note 1)*	Approximate percentage of shareholding
Hong Sheng	Beneficial owner *(Note 2)*	142,651,965 (L)	71.33%
Ms. Cai Dongmei	Interest of a controlled corporation *(Note 2)*	142,651,965 (L)	71.33%
Simplex Technology Investment (Hong Kong) Co. Limited ("Simplex")	Beneficial owner *(Note 3)*	16,896,363 (L)	8.45%
Shanghai Jiaoda Industrial Investment Management (Group) Limited ("Jiaoda Industrial Group")	Interest of a controlled corporation *(Note 3)*	16,896,363 (L)	8.45%
Shanghai Jiao Tong University	Interest of a controlled corporation *(Note 3)*	16,896,363 (L)	8.45%
Kingston Finance Limited ("Kingston")	Person having a security interest *(Note 4, 5 & 6)*	142,651,965 (L)	71.33%
Ample Cheer Limited ("Ample Cheer")	Interest of a controlled corporation *(Note 6)*	142,651,965 (L)	71.33%
Best Forth Limited ("Best Forth")	Interest of a controlled corporation *(Note 6)*	142,651,965 (L)	71.33%
Mrs. Chu Yuet Wah	Interest of a controlled corporation *(Note 6)*	142,651,965 (L)	71.33%

Notes:

1. The letter "L" denotes the entity's interests in the Shares.

2. The interest in the Shares of Ms. Cai Dongmei is held through Hong Sheng, the entire issued share capital of which is beneficially and ultimately owned as to 51% by Mr. Cheung Yu Ping and as to 49% by Ms. Cai Dongmei. By virtue of the SFO, Ms. Cai Dongmei is deemed to be interested in Shares held by Hong Sheng.

3. The interest in the Shares is held through Simplex, the entire issued share capital of which is beneficially owned by Jiaoda Industrial Group. The registered capital of Jiaoda Industrial Group is owned as to 96.735% by Shanghai Jiao Tong University and 3.265% by Shanghai Jiaoda Enterprise Management Centre (上海交大企業管理中心), an entity wholly owned by Shanghai Jiao Tong University.

4. The entire Shares held by Hong Sheng is charged with Kingston.

5. Kingston has a security interest in the entire Shares held by Hong Sheng as mentioned in Note 4 above.

6. The interest in the Shares is held through Kingston, the entire issued share capital of which is owned by Ample Cheer. The registered capital of Ample Cheer is owned as to 80% by Best Forth, an entity which is beneficially and wholly owned by Mrs. Chu Yuet Wah. Accordingly, Mrs. Chu Yuet Wah is deemed to be interested in the Shares in which Kingston is deemed to be interested as mentioned in Note 5 above.

Save as disclosed above, the Company has not been notified of other interests or short positions of any other person (other than the Directors and chief executives and the substantial shareholders of the Company) in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 31 December 2011.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") which was adopted on 25 November 2003 whereby the Directors of the Company may at their discretion invite any employees, directors, suppliers, customers, advisers, consultants, joint venture partners, and any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any member of the Group or any invested entities, to take up options to subscribe for shares. The Scheme became effective upon the listing of the Company's shares on the GEM of the Stock Exchange on 9 January 2004. Pursuant to the Scheme, the Company had granted options at the exercise price of HK$0.45 per share and HK$0.14 per share on 17 January 2005 and 10 October 2005 respectively, all the options granted had been lapsed in the past years. As at 31 December 2011, the Company had no outstanding options.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, any of its subsidiaries or fellow subsidiaries was a party, in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPETING INTERESTS

None of the Directors and management and shareholders of the Company (within the meaning of the GEM Listing Rules) has an interest in any business which competes or may compete with the business in which the Group is engaged.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the code provisions, and where applicable, the recommended best practices of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules throughout the year ended 31 December 2011 except for the deviations from code provisions A.2.1, A.4.1 and E.1.2 which are explained below.

Code provision A.2.1

Mr. Cheung Yu Ping is the Chairman and the Chief Executive Officer of the Company. Pursuant to A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board considers that vesting the roles of both chairman and chief executive officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

Code provision A.4.1

Under code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The existing independent non-executive directors were not appointed for a specific term as required under code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Company's Article of association. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

Code Provision E.1.2

Pursuant to E.1.2 of the Code, the Chairman should attend the annual general meeting. However, in the annual general meeting held on 5 May 2011, Chairman was unable to attend the meeting as he had to attend to an urgent matter. He appointed the executive Director, Mr. Lee Ah Sang, to chair the meeting on his behalf.

AUDIT COMMITTEE

The Company has established audit committee with written terms of reference. The primary duties of the audit committee are to review, in draft form, the Company's annual report and accounts, half-year report, quarterly report and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Chi Chi Hung, Kenneth, Mr. Chan Wai Fat and Mr. Chui Kwong Kau. Mr. Chi Chi Hung, Kenneth is the chairman of the audit committee.

The audit committee has reviewed the accounting principles and practices adopted by the Company and discussed with the Board the internal controls and financial reporting matters, including a review of the annual report for the year ended 31 December 2011.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of its independent non-executive Directors a written confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Board considers all of the independent non-executive Directors are independent.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, the Company has complied with the public float requirement under Rule 11.23 of the GEM Listing Rules.

On behalf of the Board
Aurum Pacific (China) Group Limited
Cheung Yu Ping
Chairman

Hong Kong, 22 March 2012

As at the date of this announcement, the Board comprises two executive directors, who are Mr. Cheung Yu Ping and Mr. Lee Ah Sang, and three independent non-executive directors, who are Mr. Chan Wai Fat, Mr. Chi Chi Hung, Kenneth and Mr. Chui Kwong Kau.

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.