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AURUM PACIFIC (CHINA) GROUP LIMITED

奧栢中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8148)

**DISCLOSEABLE TRANSACTION
PROVISION OF LOAN**

THIRD SUPPLEMENTAL AGREEMENT TO THE LOAN AGREEMENT

The Board announces that on 17 March 2020, the Lender, an indirect wholly owned subsidiary of the Company, entered into the Third Supplemental Agreement with the Borrower, pursuant to which the Lender has agreed to extend the repayment date of the Loan in the amount of HK\$24,872,766 to 19 January 2021.

THE GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Loan under Rule 19.07 of the GEM Listing Rules exceed 5% but are less than 25%, the Third Supplemental Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

BACKGROUND

Reference is made to the announcements of Company dated 22 October 2015, 21 October 2016, 29 December 2017 and 4 January 2019 in relation to the entering of the Loan Agreement, Loan Extension Agreement, Supplemental Agreement and the Second Supplemental Agreement with the Borrower.

On 22 October 2015, the Lender, being a wholly-owned subsidiary of the Company, and the Borrower entered into the Loan Agreement pursuant to which the Lender advanced a loan in the amount of HK\$35,000,000 to the Borrower for a term of 12 months at an interest rate of 10% per annum. The maturity date of the loan was 21 October 2016.

On 21 October 2016, the Lender and the Borrower entered into the Loan Extension Agreement, pursuant to which the Lender extended the term of the loan in the amount of HK\$35,000,000 for 12 months with the maturity date of 20 October 2017.

On 29 December 2017, the Lender and the Borrower entered into the Supplemental Agreement, pursuant to which the Lender extended the repayment date of the outstanding loan in the amount of HK\$27,000,000 to 19 October 2018.

On 4 January 2019, the Lender and the Borrower entered into the Second Supplemental Agreement pursuant to which the Lender extended the repayment date of the outstanding loan in the amount of HK\$25,650,000 to 19 October 2019.

THIRD SUPPLEMENTAL AGREEMENT

On 17 March 2020, the Lender, an indirect wholly owned subsidiary of the Company, entered into the Third Supplemental Agreement with the Borrower, pursuant to which the Lender has agreed to extend the repayment date of the Loan in the amount of HK\$24,872,766 to 19 January 2021.

Lender

The Lender, an indirect wholly-owned subsidiary of the Company

Borrower

The Borrower, a customer of the Group and a company incorporated in the British Virgin Islands with its principal business as investment holding. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower and its ultimate beneficial owner are Independent Third Parties not connected with the Company and its connected persons and other borrowers of the Group.

Principal loan amount

HK\$24,872,766

Interest rate

At 10% per annum and to be settled by the Borrower on a semi-annual basis

Repayment date

19 January 2021

Repayment on demand

The Lender shall have the overriding right to demand repayment of the Loan together with interest accrued thereon from time to time.

Early repayment

The Borrower may prepay to the Lender the whole or any part of the Loan at any time before the Repayment Date without penalty.

Security

The personal guarantee given by the Personal Guarantor in favour of the Lender will remain as the continuing security for the due performance of the obligation of the Borrower under the Loan Agreement and the Loan Extension Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement).

The terms of the Third Supplemental Agreement were arrived at after arm's length negotiations between the Lender and the Borrower having taken into account of the repayment record of the Borrower, the prevailing market interest rates and practices. The Directors consider that the transaction contemplated by the Third Supplemental Agreement is on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account of the current market norm in relation to similar transactions.

Following the expiry of the previous loan, the Borrower had expressed to the Group that it was willing to extend the loan. The Lender and the Borrower had been negotiating and coordinating the execution of the Third Supplemental Agreement until lately when the Third Supplemental Agreement was finally approved by the Lender. Given the Borrower had continued making interest payment under the previous loan after the expiry of the term under the Second Supplemental Agreement and the Borrower had maintained sound and long-term relationship with the Group with good interest repayment record, the Directors considered that the process of extending the previous loan and the execution of the Third Supplemental Agreement are in the interest of the Company and the Shareholders.

The Loan in the amount of HK\$24,872,766 is an extension of existing loan and was funded by internal resources of the Group.

REASONS FOR THE LOAN

The Group is principally engaged in (i) developing and marketing of 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) game publishing, development of mobile game and related intellectual property and platform, mobile application and data solutions and provision of IT related solutions.

The Lender, an indirect wholly-owned subsidiary of the Company, is a registered money lender holding a valid money lenders licence in Hong Kong under the Money Lenders Ordinance, Cap 163, laws of Hong Kong and is principally engaged in the business of money lending services. The loan extension under the Third Supplemental Agreement is a transaction of a revenue nature and carried out as part of the ordinary and usual course of business activities of the Lender and will provide interest income to the Lender.

THE GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Loan under Rule 19.07 of the GEM Listing Rules exceed 5% but are less than 25%, the Third Supplemental Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the following meanings:

“Board”	the board of Directors of the Company
“Borrower”	HONGHU CAPITAL CO. LTD, a company incorporated in the British Virgin Islands
“Company”	Aurum Pacific (China) Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on 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 Third Party(ies)”	third party(ies) independent of the Company and its connected person(s) (as defined in the GEM Listing Rules)
“Lender”	Aurum Pacific Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Loan”	the loan extended by the Lender to the Borrower under the Third Supplemental Agreement
“Loan Agreement”	the loan agreement dated 22 October 2015 made between the Lender and the Borrower in respect of a loan facility of HK\$35,000,000
“Loan Extension Agreement”	the loan extension agreement dated 21 October 2016 entered into between the Lender and the Borrower to extend the repayment date to 20 October 2017, details of which are set out in the announcement of the Company dated 21 October 2016
“Personal Guarantor”	Mr. Deng Junjie, who is also the beneficial owner of the Borrower
“Repayment Date”	subject to the Lender’s customary overriding right of repayment on demand, the date on which repayment of the Loan should be made by the Borrower to the Lender
“Second Supplemental Agreement”	the second supplemental agreement dated 4 January 2019 entered into between the Lender and the Borrower to supplement the Loan Extension Agreement (as amended by the Supplemental Agreement), details of which are set out in the announcement of the Company dated 4 January 2019
“Shareholders”	holders of the Shares
“Shares”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Supplemental Agreement” the supplemental agreement dated 29 December 2017 entered into between the Lender and the Borrower to supplement the Loan Extension Agreement, details of which are set out in the announcement of the Company dated 29 December 2017

“Third Supplemental Agreement” the third supplemental agreement dated 17 March 2020 entered into between the Lender and the Borrower to supplement the Loan Extension Agreement (as amended by the Supplemental Agreement and the Second Supplemental Agreement)

By order of the Board
Aurum Pacific (China) Group Limited
Chan Kwun Chung
Executive Director

Hong Kong, 17 March 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chan Kwun Chung, Mr. Ng Kin Man and Ms. Sin Pui Ying, one non-executive Director, namely Mr. Zheng Yongqiang and three independent non-executive Directors, namely Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee G. Lam.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.aurumpacific.com.hk.