

ABOUT AID PARTNERS TECHNOLOGY HOLDINGS LIMITED

AID Partners Technology Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) is a strategic investment group listed on GEM (stock code: 8088).

The Group is principally engaged in the businesses of strategic investment and asset management.

MANAGEMENT DISCUSSION AND ANALYSIS

During the three months under review, the Group continued to operate its strategic investment and asset management businesses. As part of the strategic investment business, the Group continued to monitor and strive to maximise the value of its strategic investments including, among others, (i) in Korea in the Korean pop artist management and production business; (ii) in Japan in the online platform for private lodging in Japan business and the e-commerce service provider specialising in building and managing third party online shopping websites; (iii) in the United States of America for the businesses of robotics, pioneering autonomous mobility-as-a-service and a consumer focused website built around user-generated content about popular culture; (iv) in the entertainment business through its shareholding in an associate of the Group, HMV Digital China Group Limited (Stock code: 8078) (“HMV Digit China”); and (v) the development and operations of mobile/online games and mobile game distribution and publishing platform through its subsidiaries, Complete Star Limited and its subsidiary and Honestway Global Group Limited and its subsidiaries. The Group also continued to operate its asset management business through its direct wholly-owned subsidiary, AID Partners Asset Management Limited (a corporation licensed to carry out business in type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

On 15 February 2017, HMV Digit China, the Group’s associate, completed bonus issue (one bonus share for every share), and on 21 March 2017, completed the placing of 490.2 million new shares at a placing price of HK\$0.25 per share with a gross proceed of approximately HK\$123 million. The completion of placing will strengthen its financial position and provide working capital to meet its future development and obligations. Together with the issuance of shares for the conversion of its convertible bonds and acquisition of a subsidiary, the shareholding of the Group in HMV Digit China was diluted to 19.36% (31 December 2016: 20.47%) and a gain on deemed disposal of equity interest in the associate amounting to HK\$8.6 million was recognised in the other net income in profit or loss for the three months under review.



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On 13 December 2016, the Group entered into a sale and purchase agreement with a wholly-owned subsidiary of HMV Digit China (the "Purchaser") and HMV Digit China, pursuant to which the Group has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of Time Edge Limited ("Time Edge"), a wholly-owned subsidiary of the Company which owns the entire issued share capital of Mystery Apex Limited ("Mystery Apex"), for a total consideration of HK\$50 million, which will be satisfied by the Purchaser by the issue of the convertible bond by HMV Digit China at completion (the "Disposal of Time Edge"). Mystery Apex is principally engaged in the provision of online music streaming service to the public through mobile apps and personal computer. The Disposal of Time Edge was completed on 26 April 2017 and accordingly, the convertible bond has been issued by HMV Digit China. The Disposal of Time Edge is estimated to recognise a gain of approximately HK\$19 million before tax and after estimated transaction costs directly in profit or loss, which is calculated based on the consideration less the unaudited net asset value of Time Edge and its subsidiaries ("Time Edge Group") as at 31 March 2017. As the actual amount of the gain on the Disposal of Time Edge to be recognised by the Group will be based on the actual net asset value of Time Edge Group as at the date of completion, the amount to be recognised in the audited consolidated financial statements of the Company for the year ending 31 December 2017 may vary from the aforementioned amount.

FINANCIAL REVIEW

As a result of the disposal of HMV M&E Limited and its subsidiaries on 3 August 2016, revenue in the first quarter of 2017 decreased to HK\$6.7 million from HK\$89.0 million in the first quarter of last year, while total operating expenses (being selling and distribution expenses, administrative expenses and other operating expenses) in the first quarter of 2017 decreased to HK\$29.5 million from HK\$70.7 million in the first quarter of last year.

Other net income in the first quarter of 2017 decreased to HK\$12.7 million from HK\$25.2 million in the first quarter of last year, which was mainly due to a gain on re-measurement of contingent consideration payables of HK\$23.4 million was recognised in the first quarter of last year, while no such gain in the first quarter of 2017.

Finance costs in the first quarter of 2017 decreased to HK\$3.1 million from HK\$7.1 million in the first quarter of last year, mainly due to the conversion of the convertible bond with a principal amount of HK\$175 million in April 2016.

With the favourable result of HMV Digit China for the first quarter of 2017, share of profit of an associate increased to HK\$5.4 million from share of losses of associates of HK\$1.6 million in the first quarter of last year.

As a result, the Group reported a loss attributable to owners of the Company in the first quarter of 2017 of HK\$10.1 million as compared to HK\$14.3 million in the first quarter of last year.

The Group will continue to focus our resources to monitor and maximise the value of our investments and will continue to seek for potential strategic investment and divestment opportunities with the objective to enhance the return to its shareholders.

¹ EBITDA represents Earnings Before Interest, Tax, Depreciation and Amortisation

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce the unaudited consolidated results of the Group for the three months ended 31 March 2017, together with the comparative unaudited figures of the corresponding period in 2016, as follows:

| | Notes | Unaudited Three months ended 31 March | |
|--|-------|---|------------------|
| | | 2017 HK\$'000 | 2016 HK\$'000 |
| Revenue | 3 | 6,674 | 88,966 |
| Cost of sales | | (3,810) | (49,090) |
| Gross profit | | 2,864 | 39,876 |
| Other net income | 3 | 12,705 | 25,165 |
| Selling and distribution expenses | | (1,175) | (27,902) |
| Administrative expenses | | (28,332) | (42,803) |
| Other operating expenses | | - | (10) |
| Loss from operations | | (13,938) | (5,674) |
| Finance costs | | (3,086) | (7,063) |
| Share of results of associates, net of tax | | 5,384 | (1,551) |
| Loss before taxation | | (11,640) | (14,288) |
| Taxation credit | 4 | 1,083 | 1,296 |
| Loss for the period | | (10,557) | (12,992) |
| Attributable to: | | | |
| Owners of the Company | | (10,076) | (14,288) |
| Non-controlling interests | | (481) | 1,296 |
| Loss for the period | | (10,557) | (12,992) |
| Loss per share attributable to owners of the Company for the period | 6 | HK cents | HK cents |
| Basic | | (0.11) | (0.17) |
| Diluted | | N/A | N/A |

UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| | Unaudited Three months ended 31 March | |
|---|---|------------------|
| | 2017 HK\$'000 | 2016 HK\$'000 |
| Loss for the period | (10,557) | (12,992) |
| Other comprehensive income: | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of foreign operations | 972 | 151 |
| Share of other comprehensive income of an associate | 253 | – |
| Other comprehensive income for the period, net of tax | 1,225 | 151 |
| Total comprehensive income for the period, before and net of tax | (9,332) | (12,841) |
| Attributable to: | | |
| Owners of the Company | (8,859) | (14,137) |
| Non-controlling interests | (473) | 1,296 |
| Total comprehensive income for the period, before and net of tax | (9,332) | (12,841) |

NOTES TO THE UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 February 2000 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and, its principal place of business is 22/F., New World Tower II, 18 Queen's Road Central, Central, Hong Kong. The Company's shares have been listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 April 2000. The Company and its subsidiaries are together referred to as the "Group" hereinafter.

The Company acts as the holding company of the Group. The Group is principally engaged in the businesses of strategic investment and asset management.

The unaudited consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the International Accounting Standards Board (the "IASB") and all applicable individual International Accounting Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by the IASB. The unaudited consolidated financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The unaudited consolidated financial information has been prepared under historical cost convention except for certain financial instruments classified as available-for-sale investments and at fair value through profit or loss, which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited consolidated financial information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited consolidated financial information, are consistent with those set out in the Company's annual audited consolidated financial statements for the year ended 31 December 2016 ("2016 Annual Report").

This consolidated financial information for the three months ended 31 March 2017 is unaudited but has been reviewed by the audit committee of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

This unaudited consolidated financial information should be read in conjunction with the Company's 2016 Annual Report, which has been prepared in accordance with IFRSs. The principal accounting policies adopted to prepare this unaudited consolidated financial information are consistent with those adopted to prepare to the Company's 2016 Annual Report.

The IASB has issued a number of amendments to IFRSs which are first effective for accounting period beginning on 1 January 2017, the adoption of these amendments has no material impact on how the Group's financial performance and financial position for the current and prior periods have been prepared and presented.

The Group has not early adopted the new/revised IFRSs which have been issued but are not yet effective. The Group is in the process of making an assessment of the potential impact of these new/revised IFRSs and the Directors so far anticipated that the application of these new/revised IFRSs will have no material impact on the Group's unaudited consolidated financial information.

3. REVENUE AND OTHER NET INCOME

Revenue represents the (i) net invoiced value of goods and food and beverage sold, net of discounts and returns, (ii) net receipts from sales of in-app purchases items, (iii) advertising income, (iv) game publishing service income, (v) concession stores income and (vi) subscription fee income.

Other net income mainly comprises interest income, gain from re-measurement of contingent consideration payables, gain on deemed disposal of equity interest in an associate and fair value changes on financial instruments at fair value through profit or loss.

4. TAXATION CREDIT

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits arising in Hong Kong for the three months ended 31 March 2017 and 2016.

The Group's subsidiaries operating in the People's Republic of China (the "PRC") are subject to PRC Enterprise Income Tax at the tax rate of 25%. One of the Group's major operating subsidiary, 上海威搜游科技有限公司 (Shanghai VSOYOU Technology Co., Ltd.*), was established in the PRC and carries on business in the PRC as a software enterprise. This subsidiary has, pursuant to the relevant laws and regulations in the PRC, obtained exemption from PRC Enterprise Income Tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years (the "Tax Exemption"). This subsidiary which is currently entitled to the Tax Exemption from 1 January 2015 would continue to enjoy such treatments until the Tax Exemption period expires, but not beyond 31 December 2019.

Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions for the three months ended 31 March 2017 and 2016.

Deferred tax credit relating to the amortisation of intangible assets was recognised in profit or loss for the three months ended 31 March 2017 and 2016; while no recognition of potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential tax assets is uncertain.

5. MOVEMENTS IN RESERVES

| | Share premium HK\$'000 | Convertible bonds equity reserve HK\$'000 | Capital reserve HK\$'000 | Capital redemption reserve HK\$'000 | Share-based compensation reserve HK\$'000 | Investment revaluation reserve HK\$'000 | Foreign exchange reserve HK\$'000 | *Other reserve HK\$'000 | Statutory surplus reserve HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 |
|---|---------------------------|---|--------------------------------|--|--|--|--|-------------------------------|---|-----------------------------------|-------------------|
| At 1 January 2017 (Audited) | 802,660 | 1,921 | 2,112 | 601 | 49,355 | (962) | (4,902) | (21,619) | 4,931 | (88,554) | 745,543 |
| Loss for the period | - | - | - | - | - | - | - | - | - | (10,076) | (10,076) |
| Other comprehensive income: | | | | | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | - | - | - | 964 | - | - | - | 964 |
| Share of other comprehensive income of an associate | - | - | - | - | - | (388) | 641 | - | - | - | 253 |
| Total comprehensive income for the period | - | - | - | - | - | (388) | 1,605 | - | - | (10,076) | (8,859) |
| Share-based compensation | - | - | - | - | 2,807 | - | - | - | - | - | 2,807 |
| Lapse of share options | - | - | - | - | (1,705) | - | - | - | - | 1,705 | - |
| At 31 March 2017 (Unaudited) | 802,660 | 1,921 | 2,112 | 601 | 50,457 | (1,350) | (3,297) | (21,619) | 4,931 | (96,925) | 739,491 |
| At 1 January 2016 (Audited) | 698,265 | 9,982 | 2,112 | 601 | 49,063 | - | (1,693) | - | 3,331 | (616,286) | 145,375 |
| Loss for the period | - | - | - | - | - | - | - | - | - | (14,288) | (14,288) |
| Other comprehensive income: | | | | | | | | | | | |
| Exchange differences on translation of foreign operations | - | - | - | - | - | - | 151 | - | - | - | 151 |
| Total comprehensive income for the period | - | - | - | - | - | - | 151 | - | - | (14,288) | (14,137) |
| Lapse of share options | - | - | - | - | (6,654) | - | - | - | - | 6,654 | - |
| Disposal of partial interest in a subsidiary without loss of control (note 7) | - | - | - | - | - | - | - | 30,355 | - | - | 30,355 |
| At 31 March 2016 (Unaudited) | 698,265 | 9,982 | 2,112 | 601 | 42,409 | - | (1,542) | 30,355 | 3,331 | (623,920) | 161,593 |

* Other reserve represented the difference between the consideration received and the carrying amount of net assets attributable to the reduction of equity interest in a subsidiary which disposed of non-controlling shareholders; and difference between the consideration paid and carrying amount of net assets attributable to the acquisition of a subsidiary.

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) *Basic loss per share*

Basic loss per share is calculated by dividing consolidated loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the three months ended 31 March 2017 and 2016.

| | Unaudited Three months ended 31 March | |
|--|---|---------------|
| | 2017 | 2016 |
| (HK\$'000) | | |
| Consolidated loss attributable to owners of the Company | (10,076) | (14,288) |
| (Number) | | |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share | 9,257,611,734 | 8,189,993,975 |
| (HK cents) | | |
| Basic loss per share | (0.11) | (0.17) |

(b) *Diluted loss per share*

No diluted loss per share for the three months ended 31 March 2017 and 2016 are shown, as the outstanding share options, convertible bonds and redeemable convertible preference shares are anti-dilutive or have no dilutive effect.

7. DEEMED DISPOSAL OF APPROXIMATELY 18.37% EQUITY INTEREST IN HMV M&E LIMITED

On 1 March 2016, the Group entered into a sale and purchase agreement with an independent third party pursuant to which (i) the Group has agreed to sell 2,250 existing ordinary shares, representing approximately 18.37% equity interest, in HMV M&E Limited, an indirect wholly-owned subsidiary of the Group, for a cash consideration of US\$9,000,000 (equivalent to approximately HK\$70,200,000); and (ii) the Group shall apply the consideration received for the subscription of 2,250 new ordinary shares in the capital of HMV M&E (the "Deemed Disposal"). The Deemed Disposal was completed on 4 March 2016 and resulted in an amount of approximately HK\$30.4 million, being the difference between the cash consideration received and the net assets attributable to the approximately 18.37% equity interest in HMV M&E disposed of at the date of disposal, recognised in other reserve (note 5).

8. EVENTS AFTER THE REPORTING PERIOD

- (i) On 13 December 2016, the Group entered into a sale and purchase agreement with a wholly-owned subsidiary of HMV Digit China (the "Purchaser") and HMV Digit China, pursuant to which the Group has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of Time Edge Limited, a wholly-owned subsidiary of the Company which owns the entire issued share capital of Mystery Apex Limited, for a total consideration of HK\$50,000,000, which will be satisfied by the Purchaser by the issue of the convertible bond by HMV Digit China at completion (the "Disposal of Time Edge"). The Disposal of Time Edge was completed on 26 April 2017 and accordingly, the convertible bond has been issued by HMV Digit China.
- (ii) On 5 May 2017, the Group entered into a subscription and sale and purchase agreement with independent third parties in relation to the acquisition of up to approximately 73.7% equity interest in GeneSort Ltd. for a consideration of up to US\$13,956,422 (equivalent to approximately HK\$108,162,000) to be satisfied by the allotment and issue of an aggregate of 1,352,028,381 new shares of the Company at an issue price of HK\$0.08 per share. GeneSort Ltd. is a company incorporated in Israel principally engaged in advanced personalised molecular diagnostic services for cancer evaluation and cure. Further details were set out in the Company's announcement dated 5 May 2017.
- (iii) On 5 May 2017, the Group entered into a consulting service agreement with an independent third party (the "Consultant"), pursuant to which, the Group engage the Consultant to provide consultancy services (the "Consultancy Services") for 5 years commencing from 5 May 2017. The Consultant shall (i) introduce business partners, in particular in the fields of healthtech, biotech and medical related technology (the "Fields"), to the Group who may have synergy to the Group's business or may bring in contributions to the business and strategic development of the Group; (ii) introduce business opportunities in the Fields to the Group and collate relevant information for the Group's evaluation; (iii) assist and participate in the development of the Group's businesses in the Fields; (iv) evaluate and assess investment opportunities in the Fields; (v) assist and participate in all investors presentation as the Group directs; and (vi) identify and appoint competent personnels to operate and manage business which the Group designates and the Consultant shall assume the salaries and all compensation of such personnel. As consideration for the Consultancy Services, the Group will pay the Consultant a total sum of HK\$39,000,000 by way of the issue and allotment (or procure the issue and allotment of) 487,500,000 new shares of the Company at an issue price of HK\$0.08 per share in five tranches. Further details were set out in the Company's announcement dated 5 May 2017.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2017 (three months ended 31 March 2016: Nil).

DISCLOSURE OF INTERESTS

(A) DIRECTORS' INTERESTS

As at 31 March 2017, the interests of the Directors or any chief executive of the Company in the ordinary shares of the Company (the "Shares") and underlying Shares or any of its associated corporations as recorded in the register were:

(i) *Interests in the Shares*

| Name of Directors | Personal interest | Corporate interest | Family interest | Aggregate long position in Shares | Approximate percentage of the issued share capital of the Company % |
|--|-------------------|--------------------|-----------------|-----------------------------------|---|
| Mr. Wu King Shiu, Kelvin ("Mr. Wu") (Notes 1 and 2) | 28,488,000 | 2,098,797,090 | 165,600,000 | 2,292,885,090 | 24.76 |
| Mr. Ho Gilbert Chi Hang ("Mr. Ho") (Note 1) | 264,000 | 2,098,797,090 | - | 2,099,061,090 | 22.67 |
| Mr. Chang Tat Joel ("Mr. Chang") (Note 1) | - | 2,098,797,090 | - | 2,098,797,090 | 22.67 |
| Mr. Yuen Kwok On ("Mr. Yuen") | 1,980,000 | - | - | 1,980,000 | 0.02 |

Notes:

- Mr. Wu, Mr. Ho and Mr. Chang owns 28,488,000, 264,000 and nil Shares, respectively. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 507,888,000, 909,090,909 and 681,818,181 Shares, respectively. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interests in 507,888,000, 909,090,909 and 681,818,181 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited were deemed to be interested by virtue of the SFO since they indirectly own 56% through Billion Power Management Limited, 23% through Elite Honour Investments Limited and 21% through Genius Link Assets Management Limited, respectively, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P. ("AID Cap II"). AID Cap II is interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited.
- HMV Asia Limited owns 165,600,000 Shares. 62.50% of the issued share capital of HMV Asia Limited are held by Ms. Li Mau, the spouse of Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the Shares held by HMV Asia Limited.

(ii) **Interests in the underlying Shares**(a) *Outstanding share options*

| Name of Director | Date of grant (dd/mm/yyyy) | Exercise price HK\$ | Exercise period (Notes) | Balance as at 1 January 2017 | Granted during the period | Exercised during the period | Cancelled/lapsed during the period | Balance as at 31 March 2017 |
|--|-------------------------------|------------------------|----------------------------|------------------------------|---------------------------|-----------------------------|------------------------------------|-----------------------------|
| Mr. Wu | 20/06/2014 | 0.16 | (2) | 26,884,000 | - | - | - | 26,884,000 |
| | 01/04/2016 | 0.247 | (3) | 70,000,000 | - | - | - | 70,000,000 |
| | | | | <u>96,884,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>96,884,000</u> |
| Mr. Ho | 15/05/2014 | 0.16 | (1) | 27,342,000 | - | - | - | 27,342,000 |
| | 01/04/2016 | 0.247 | (3) | 70,000,000 | - | - | - | 70,000,000 |
| | | | | <u>97,342,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>97,342,000</u> |
| Mr. Chang | 15/05/2014 | 0.16 | (1) | 27,342,000 | - | - | - | 27,342,000 |
| | 01/04/2016 | 0.247 | (3) | 5,000,000 | - | - | - | 5,000,000 |
| | | | | <u>32,342,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,342,000</u> |
| Mr. Chinn Adam David | 01/04/2016 | 0.247 | (3) | 3,000,000 | - | - | - | 3,000,000 |
| Professor Lee Chack Fan, GBS,SBS,P | 01/04/2016 | 0.247 | (3) | 3,000,000 | - | - | - | 3,000,000 |
| Mr. Yuen | 01/04/2016 | 0.247 | (3) | 3,000,000 | - | - | - | 3,000,000 |
| Ms. Fong Janie | 01/04/2016 | 0.247 | (3) | 3,000,000 | - | - | - | 3,000,000 |

Notes:

- (1) Exercisable from 15 May 2014 to 14 May 2024.
- (2) Exercisable from 20 June 2014 to 19 June 2024.
- (3) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.

(iii) Interests in the ordinary shares of an associated corporation

| Name of Directors | Name of associated corporation | Nature of Interest | Beneficial interest in shares | Approximate % of interest |
|--------------------------|---|--------------------|-------------------------------|---------------------------|
| Mr. Wu King Shiu, Kelvin | HMV Digital China Group Limited (Stock Code: 8078) | Corporate interest | 518,213,964 | 4.48 |
| Mr. Chang Tat Joel | HMV Digital China Group Limited (Stock Code: 8078) | Corporate interest | 518,213,964 | 4.48 |

Note: These shares are beneficially owned by a company in which Mr. Wu King Shiu, Kelvin and Mr. Chang Tat Joel owns 60% and 40% of its issued share capital respectively.

(iv) Short positions

None of the Directors held short positions in the Shares and underlying Shares or any associated corporation.

Save as disclosed above, as at 31 March 2017, none of the Directors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), 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 are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by the Directors.

(B) SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 March 2017, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(i) *Interests in the Shares and underlying Shares*

| Name | Aggregate long position in Shares | Aggregate long position in underlying Shares | Approximate percentage of the issued share capital of the Company % |
|--|-----------------------------------|--|---|
| Substantial Shareholders | | | |
| Mr. Wu (Notes 1 and 5) | 2,292,885,090 | 96,884,000 | 25.81% |
| Ms. Li Mau (Notes 1 and 5) | 2,292,885,090 | 96,884,000 | 25.81% |
| Mr. Ho (Notes 2 and 5) | 2,099,061,090 | 97,342,000 | 23.72% |
| Mr. Chang (Notes 3 and 5) | 2,098,797,090 | 32,342,000 | 23.02% |
| AID Cap II (Note 5) | 2,098,797,090 | – | 22.67% |
| AID Partners GP2, Ltd. (Note 5) | 2,098,797,090 | – | 22.67% |
| Hong Kong HNA Holding Group Co. Limited (Note 4) | 1,636,360,000 | 430,769,230 | 22.32% |
| Mr. David Tin | 909,088,000 | – | 9.81% |
| Billion Power Management Limited (Note 5) | 2,098,797,090 | – | 22.67% |
| Elite Honour Investments Limited (Note 5) | 2,098,797,090 | – | 22.67% |
| Genius Link Assets Management Limited (Note 5) | 2,098,797,090 | – | 22.67% |
| Leader Fortune International Limited (Note 5) | 2,098,797,090 | – | 22.67% |
| Abundant Star Ventures Limited (Note 5) | 909,090,909 | – | 9.81% |
| Vantage Edge Limited (Note 5) | 681,818,181 | – | 7.36% |
| Hero Sign Limited (Note 5) | 507,888,000 | – | 5.48% |

Notes:

- Mr. Wu, the Chairman, the Chief Investment Officer and Executive Director of the Company, owns 28,488,000 Shares and HMV Asia Limited owns 165,600,000 Shares. 62.50% of the shares of HMV Asia Limited are held by Ms. Li Mau, the spouse of Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the Shares held by HMV Asia Limited. Mr. Wu is interested in 26,884,000 share options and 70,000,000 share options at an exercise price of HK\$0.16 per Share and HK\$0.247 per Share, respectively, to subscribe for Shares. Mr. Wu is deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively. Ms. Li Mau, as the spouse of Mr. Wu, is deemed to be interested in these Shares and underlying Shares for the purpose of the SFO.
- Mr. Ho, the Chief Executive Officer and Executive Director of the Company, owns 264,000 Shares and is interested in 27,342,000 share options and 70,000,000 share options at an exercise price of HK\$0.16 per Share and HK\$0.247 per Share, respectively, to subscribe for Shares. Mr. Ho is also deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively.

3. Mr. Chang, a Non-Executive Director of the Company, is interested in 27,342,000 share options and 5,000,000 share options at an exercise price of HK\$0.16 per Share and HK\$0.247 per Share, respectively, to subscribe for Shares. Mr. Chang is also deemed to have interest in 507,888,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively.
4. Hong Kong HNA Holding Group Co. Limited is wholly-owned by HNA Financial Holdings International Co., Ltd. ("HNA Financial"). HNA Financial is wholly-owned by Beijing HNA Financial Holdings Co., Ltd. ("Beijing HNA"). Beijing HNA is wholly-owned by HNA Investment Holding Co., Ltd. ("HNA Investment"). HNA Investment is wholly-owned by HNA Group Holdings Co., Ltd. ("HNA Holdings"). HNA Holdings is wholly-owned by HNA Group Company Limited ("HNA Group"). HNA Group is owned as to approximately 70% by Hainan Traffic Administration Holdings Company Limited ("Hainan Traffic"). Hainan Traffic is owned as to approximately 50% by Sheng Tang Development (Yangpu) Company Limited ("Sheng Tang"). Sheng Tang is owned as to 65% by Hainan Province Cihang Foundation and 35% by Tang Dynasty Development Company Limited ("Tang Dynasty"). Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company Limited, which is in turn 100% beneficially owned by Jun Guan.
5. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 507,888,000, 909,090,909 and 681,818,181 Shares. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 507,888,000, 909,090,909 and 681,818,181 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited are deemed to have interests by virtue of the SFO since they indirectly own 56% through Billion Power Management Limited, 23% through Elite Honour Investments Limited and 21% through Genius Link Assets Management Limited, respectively, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Cap II. AID Cap II interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited.

(ii) Short positions

No person held short positions in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 31 March 2017, the Directors of the Company were not aware of any other person who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 31 March 2017, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

(C) COMPETING INTERESTS

So far as the Directors were aware, none of the other Directors or their respective associates were interested in any business which competes or is likely to compete, whether directly or indirectly, with the business of the Group.

(D) SHARE OPTION SCHEMES

The Company's share option scheme which was adopted on 27 March 2002 (the "2002 Share Option Scheme") was expired and a new share option scheme (the "2014 Share Option Scheme") was adopted by an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company on 15 April 2014 (the "Adoption Date"). The 2014 Share Option Scheme constitutes a share option scheme governed by Chapter 23 of the GEM Listing Rules and will remain in force for 10 years from the Adoption Date.

Upon the expiry of the 2002 Share Option Scheme, no further option can be offered thereunder but any options granted prior to such expiry but not yet exercised shall continue to be valid and exercisable.

The Company operates both the 2002 Share Option Scheme and the 2014 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation. Pursuant to the 2014 Share Option Scheme, the Directors of the Company may grant options to eligible participants persons (as defined in the 2014 Share Option Scheme) to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

2002 Share Option Scheme

The remaining share options granted under the 2002 Share Option Scheme are for other eligible participants and are exercisable as follows:

- (a) the first 30% of the options between the first and tenth anniversary of the date of grant;
- (b) the next 30% of the options between the second and tenth anniversary of the date of grant; and
- (c) the remaining options between the third and tenth anniversary of the date of grant.

The following table sets out information relating to the 2002 Share Option Scheme:

| Date of grant (dd/mm/yyyy) | Grantees | Exercise period (dd/mm/yyyy) | Exercise price per share HK\$ | Number of share options | | | | |
|-------------------------------|---------------------------------------|---------------------------------|----------------------------------|------------------------------|---------------------------|-----------------------------|------------------------------------|-----------------------------|
| | | | | Balance as at 1 January 2017 | Granted during the period | Exercised during the period | Cancelled/lapsed during the period | Balance as at 31 March 2017 |
| 29/01/2007 | Former directors and former employees | 29/01/2008 to 28/01/2017 | 4.51 | 809,287 | - | - | (809,287) | - |
| 11/02/2008 | Former directors and former employees | 11/02/2009 to 10/02/2018 | 2.22 | 4,256,683 | - | - | - | 4,256,683 |
| 29/12/2008 | Former directors and former employees | 29/12/2009 to 28/12/2018 | 0.22 | 818,336 | - | - | - | 818,336 |
| 07/10/2010 | Former directors and former employees | 07/10/2011 to 06/10/2020 | 0.20 | 2,370,561 | - | - | - | 2,370,561 |
| 16/03/2012 | Former directors and former employees | 16/03/2013 to 15/03/2022 | 0.20 | 5,342,580 | - | - | - | 5,342,580 |
| 14/05/2012 | Former directors and former employees | 14/05/2013 to 13/05/2022 | 0.19 | 5,859,368 | - | - | - | 5,859,368 |
| | | | Total | 19,456,815 | - | - | (809,287) | 18,647,528 |

No option was granted or exercised under the 2002 Share Option Scheme during the three months ended 31 March 2017.

809,287 options were lapsed under the 2002 Share Option Scheme during the three months ended 31 March 2017.

The weighted average remaining contractual life of the options outstanding under the 2002 Share Option Scheme as at 31 March 2017 was approximately 3.75 years.

No share-based compensation expense was recognised under 2002 Share Option Scheme during the three months ended 31 March 2017 and 2016.

2014 Share Option Scheme

The following table sets out information relating to the 2014 Share Option Scheme:

| Date of grant (dd/mm/yyyy) | Grantees | Exercise period (Notes) | Exercise price per share HK\$ | Number of share options | | | | Balance as at 31 March 2017 |
|-------------------------------|----------------------------------|-------------------------------|--|---------------------------------------|---------------------------------|-----------------------------------|--|--------------------------------------|
| | | | | Balance as at 1 January 2017 | Granted during the period | Exercised during the period | Cancelled/ Lapsed during the period | |
| 15/05/2014 | Directors | (1) | 0.16 | 54,684,000 | - | - | - | 54,684,000 |
| 20/06/2014 | Director and former directors | (2) | 0.16 | 32,465,250 | - | - | - | 32,465,250 |
| 01/04/2016 | Directors | (3) | 0.247 | 157,000,000 | - | - | - | 157,000,000 |
| | | | | 244,149,250 | - | - | - | 244,149,250 |
| 20/06/2014 | Other eligible participants | (4) | 0.16 | 35,402,750 | - | - | - | 35,402,750 |
| 01/04/2016 | Other eligible participants | (3) | 0.247 | 60,320,000 | - | - | (6,904,000) | 53,416,000 |
| | | | | 95,722,750 | - | - | (6,904,000) | 88,818,750 |
| | | | Total | 339,872,000 | - | - | (6,904,000) | 332,968,000 |

Notes:

- (1) Exercisable from 15 May 2014 to 14 May 2024.
- (2) Exercisable from 20 June 2014 to 19 June 2024.
- (3) Divided into two tranches exercisable from 1 October 2016 and 1 April 2017, respectively to 31 March 2026.
- (4) Divided into two tranches exercisable from 20 June 2014 and 20 June 2015, respectively to 19 June 2024.

No option was granted or exercised under the 2014 Share Option Scheme during the three months ended 31 March 2017.

During the three months ended 31 March 2017, 6,904,000 option were lapsed upon resignation of other eligible participants.

The weighted average remaining contractual life of the options outstanding under the 2014 Share Option Scheme as at 31 March 2017 was approximately 8.33 years.

Share-based compensation expense of HK\$2,807,000 was recognised under the 2014 Share Option Scheme in the consolidated statement of profit or loss for the three months ended 31 March 2017 (three months ended 31 March 2016: Nil).

AUDIT COMMITTEE

The Company established an audit committee on 31 March 2000 with the written terms of reference. The terms of reference are available on the Company's website (www.aid8088.com). The Audit Committee comprises three Independent Non-Executive Directors, Messrs. Yuen Kwok On (Chairman), Chinn Adam David and Professor Lee Chack Fan, GBS, SBS, JP. The duties of the Audit Committee include: managing the relationship with the Group's external auditor, reviewing the financial information of the Company, and overseeing the Company's financial reporting process, risk management and internal control systems. The Audit Committee reports its work, findings and recommendations to the Board after each meeting.

The Audit Committee meets at least quarterly with the most recent meeting held on 11 May 2017. The unaudited consolidated financial information of the Company for the three months ended 31 March 2017 has been reviewed by the Audit Committee.

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

The Company has not redeemed any of its shares during the three months ended 31 March 2017 and 2016. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the three months ended 31 March 2017 and 2016.

By Order of the Board
AID Partners Technology Holdings Limited
Wu King Shiu, Kelvin
Chairman

Hong Kong, 11 May 2017

As at the date of this report, the Directors are:

Executive Directors: Wu King Shiu, Kelvin and Ho Gilbert Chi Hang

Non-Executive Directors: Chang Tat Joel, Xu Haohao, Guo Qifei and Fong Janie

Independent Non-Executive Directors: Chinn Adam David, Professor Lee Chack Fan, GBS, SBS, JP and Yuen Kwok On

The English text for this report shall prevail over the Chinese text for the purpose of interpretation.

* For identification purpose only