



AID Partners Capital Holdings Limited
(匯友資本控股有限公司)*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8088)

3RD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”)
OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “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.

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This Announcement, for which the Directors of AID Partners Capital Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to AID Partners Capital Holdings Limited. The Directors of AID Partners Capital Holdings Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this Announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this Announcement misleading.

* For identification purposes only

ABOUT AID PARTNERS CAPITAL HOLDINGS LIMITED

AID Partners Capital Holdings Limited (“AID Partners” or the “Company” and, together with its subsidiaries, the “Group”) is an independent asset management group listed on the Hong Kong Stock Exchange’s GEM board (HK GEM 8088).

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

MANAGEMENT DISCUSSION AND ANALYSIS

During the nine months under review, the Group has continued to expand in the businesses of asset management and strategic investment. Our asset management business represents fund management business under AID Partners Asset Management Limited. Our strategic investment business represents the business of, among others, HMV Ideal Limited (“HMV Ideal”) and its subsidiaries (the “HMV Ideal Group”), Complete Star Limited (“CSL”) and its subsidiary (the “CSL Group”) and Honestway Global Group Limited (“HGGL”) and its subsidiaries (the “HGGL Group”).

Business Review

HMV Ideal Group currently operates a HMV retail store in Central. Since the acquisition of HMV Ideal in February 2014, the Group has been capitalising on the “HMV” brand and continue to build an integrated online and offline business ecology in the entertainment and lifestyle sectors. Consistent with this strategy, on 28 August 2015, the Group announced the acquisition of the rights to use the name “HMV”, the various HMV trade marks and the trade mark applications and the HMV domain names for the purposes of conducting the retailing business of “HMV” in the People’s Republic of China (the “PRC”), Hong Kong and Singapore (the “HMV IP Rights”) (the “HMV Acquisition”). The HMV Acquisition has been approved in the extraordinary general meeting held on 3 November 2015 and its completion is expected to fall on a date on or around 30 November 2015.

The HMV Acquisition will further put the Group in a favourable position to continue to develop and enhance its existing businesses, realise synergies, and to facilitate the roll-out of other business initiatives that are complementary to the Group’s strategies. The HMV Acquisition will allow the Group to consolidate the market presence of “HMV” in Hong Kong, hence enhancing the brand value “HMV”, and gain immediate access to a well-established retail network in Hong Kong, a market in which the “HMV” brand has over twenty (20) years of operating history and the assignment of the HMV IP Rights will provide the Group with opportunities to open additional stores in Hong Kong, other regions within the PRC and Singapore, as well as to explore other forms of business which might be beneficial for and complementary to the Group’s “pan-entertainment” platform.

On 2 April 2015, the Group expanded its footprint into mobile-online games industry in the PRC by completing the acquisition of 70% equity interests in the HGGL Group. The HGGL Group is principally engaged in the development, distribution and operation of mobile games. The acquisition is in line with the Group’s strategy and can add value to existing investments of the Group, namely, the mobile game franchise “Star Girl” operates by the CSL Group.

On 6 July 2015, the Group and Hong Kong HNA Holding Group Co. Limited (“HK HNA Holding”) entered into a subscription agreement, pursuant to which the Group has conditionally agreed to issue, and HK HNA Holding has agreed to subscribe for, the convertible bond in the aggregate amount of HK\$140 million (the “2015 Convertible Bond”). The issue of the convertible bond was completed on 20 July 2015.

On 11 August 2015, the Group completed the placing of 4,005,392,000 new shares (the “Placing”) at the Placing price of HK\$0.22 per share and the total net proceeds from the Placing are approximately HK\$855 million.

The issue of the 2015 Convertible Bond and the Placing enhanced the capital base and strengthened the financial position of the Company, hence enabling the continuous expansion of the existing business of the Company as well as financing new strategic investments of the Company as and when they arise. Specifically, the proceeds from the 2015 Convertible Bond and the Placing are primarily used as the investment capital for the strategic investment business of the Group, which may complement with or have synergetic value to the Group’s existing investments, including, among others, (a) building the “pan-entertainment platform” and an integrated online to offline (“O2O”) ecosystem of music, video, entertainment and lifestyle; (b) the investment capital of the strategic investment opportunities to be identified; (c) the development, investment and expansion of its asset management business and related financial platform; and (d) general working capital of the Group.

Financial Review

Revenue in the first nine months of 2015 increased to HK\$82.0 million from HK\$24.8 million in the corresponding period of last year. The increase in revenue was driven by the continuous improvement in the operation of the HMV retail store in Central which generated more retail sales and food and beverage income this year. The newly acquired businesses — the CSL Group in October 2014 and the HGGL Group in April 2015 — also contributed HK\$13.4 million in the first nine months of 2015 and HK\$32.7 million since the acquisition date up to 30 September 2015, respectively.

Total operating expenses (being distribution and selling expenses, administrative expenses and other operating expenses) in the first nine months were HK\$125.3 million as compared to HK\$83.9 million in the corresponding period of last year. In line with the Group’s strategy, the increase in total operating expenses was mainly due to the continuous expansion of the existing business and operation of the Group and the expenses incurred by the newly acquired businesses, plus the amortisation expense of HK\$23.3 million relating to the acquisitions of the HMV Ideal Group, the CSL Group and the HGGL Group.

As a result, the Group reported a loss attributable to owners of the Company in the first nine months of 2015 of HK\$104.0 million as compared to a loss of HK\$70.8 million in the corresponding period of last year. Excluding non-operating and one-off items (being expenses incurred for, among other things, share-based payment expense, loss on financial liabilities at fair value through profit or loss, depreciation of fixed assets, amortisation of intangible assets and finance costs), loss attributable to owners of the Company was HK\$47.2 million (2014: HK\$36.1 million) as to support our acquisition and expansion strategy in the nine months ended 30 September 2015.

We will continue to monitor our businesses and will focus our resources to achieve our strategy of (a) building the “pan-entertainment platform” and an integrated online to offline ecosystem of music, video, entertainment and lifestyle; (b) investing in strategic investment opportunities; and (c) developing, investing and expanding its asset management business and related financial platform, in order to enhance the return to its shareholders.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The board of directors (the “Board”) of the Company is pleased to announce the unaudited consolidated results of the Group for the three months and nine months ended 30 September 2015, together with the comparative unaudited figures of the corresponding periods in 2014, as follows:

	Notes	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Revenue	3	34,292	9,990	81,970	24,789
Cost of sales		<u>(18,010)</u>	<u>(5,708)</u>	<u>(42,870)</u>	<u>(14,252)</u>
Gross profit		16,282	4,282	39,100	10,537
Other income	3	1,049	417	2,138	1,079
Loss on financial liabilities at fair value through profit or loss		(1,739)	(1,819)	(2,828)	(2,552)
Distribution and selling expenses		(7,384)	(12,754)	(22,229)	(24,006)
Administrative expenses		(41,016)	(15,446)	(91,869)	(56,433)
Other operating expenses		<u>(5,483)</u>	<u>(1,230)</u>	<u>(11,209)</u>	<u>(3,481)</u>
Loss from operations		(38,291)	(26,550)	(86,897)	(74,856)
Finance costs		<u>(7,817)</u>	<u>(3,019)</u>	<u>(17,282)</u>	<u>(5,766)</u>
Loss before taxation		(46,108)	(29,569)	(104,179)	(80,622)
Taxation	4	<u>242</u>	–	<u>813</u>	–
Loss for the period		<u>(45,866)</u>	<u>(29,569)</u>	<u>(103,366)</u>	<u>(80,622)</u>
Attributable to:					
Owners of the Company		(46,594)	(23,842)	(104,013)	(70,810)
Non-controlling interests		<u>728</u>	<u>(5,727)</u>	<u>647</u>	<u>(9,812)</u>
Loss for the period		<u>(45,866)</u>	<u>(29,569)</u>	<u>(103,366)</u>	<u>(80,622)</u>
Loss per share attributable to owners of the Company for the period	5	HK cents	(Restated) HK cents	HK cents	(Restated) HK cents
Basic		<u>(0.82)</u>	<u>(0.60)</u>	<u>(2.60)</u>	<u>(1.85)</u>
Diluted		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2015

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period	(45,866)	(29,569)	(103,366)	(80,622)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations of subsidiaries	(1,244)	–	(1,256)	–
Release of foreign exchanges reserves upon deregistration of a subsidiary	–	–	–	(231)
Other comprehensive income for the period, net of tax	<u>(1,244)</u>	–	<u>(1,256)</u>	<u>(231)</u>
Total comprehensive income for the period, before and net of tax	<u>(47,110)</u>	<u>(29,569)</u>	<u>(104,622)</u>	<u>(80,853)</u>
Attributable to:				
Owners of the Company	<u>(47,838)</u>	(23,842)	<u>(105,269)</u>	(71,041)
Non-controlling interests	<u>728</u>	<u>(5,727)</u>	<u>647</u>	<u>(9,812)</u>
Total comprehensive income for the period, before and net of tax	<u>(47,110)</u>	<u>(29,569)</u>	<u>(104,622)</u>	<u>(80,853)</u>

NOTES TO THE UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. BASIS OF PREPARATION

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 Units 1&2, 29/F., The Hennessy, 256 Hennessy Road, Wanchai, 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 asset management and strategic investment.

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 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 basis except for certain financial instruments classified as available-for-sale 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 2014 ("2014 Annual Report").

This consolidated financial information for the nine months ended 30 September 2015 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 2014 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 2014 Annual Report.

The Group has not early adopted the new/revised IFRSs which have been issued but 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 application of these new/revised IFRSs will have no material impact on the Group's unaudited consolidated financial information.

Changes in functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

In prior years, the Company regarded United States dollars ("US\$") as its functional currency. However, the Company and most of its major operating subsidiaries' business transactions in terms of operating, investing and financing activities have increasingly placed greater reliance on Hong Kong dollars ("HK\$"). As such, effective from 24 February 2014, the Company and certain of its subsidiaries have changed their functional currency from US\$ to HK\$. The change in functional currency of the Company was applied prospectively from date of change in accordance with IAS 21 "The Effect of Changes in Foreign Exchange Rates". On the date of the change of functional currency, all assets, liabilities, issued capital and other components of equity and profit and loss account items were translated into HK\$ at the exchange rate on that date.

Change in presentation currency

HK\$ have also been adopted as the presentation currency of the Group's quarterly report. The change in presentation currency of the Group has been applied retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", and the comparative figures for the nine months ended 30 September 2014 have also been presented in HK\$ accordingly.

The changes in presentation currency have no significant impact on the results of the Group for the nine months ended 30 September 2014 and 2015.

3. REVENUE AND OTHER INCOME

Revenue represents the (i) net invoiced value of goods and food and beverages sold, net of discounts, (ii) net receipts from sales of in-app purchases items, (iii) game publishing service income and (iv) advertising income earned.

Other income mainly comprises interest income, rental income and marketing income.

4. TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the three months and nine months ended 30 September 2015. The Group's subsidiaries operating in the PRC are subject to PRC Enterprise income tax at the tax rate of 25%.

No Hong Kong profits tax has been provided for the three months and nine months ended 30 September 2014 as the Group did not make any assessable profit for the period.

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. 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 period.

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2015	2014 <i>(Restated)</i>	2015	2014 <i>(Restated)</i>
<i>(HK\$'000)</i>				
Consolidated loss attributable to owners of the Company	<u>(46,594)</u>	<u>(23,842)</u>	<u>(104,013)</u>	<u>(70,810)</u>
<i>(Number)</i>				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>5,667,421,442</u>	<u>3,959,985,060</u>	<u>4,002,898,530</u>	<u>3,818,883,882</u>
<i>(HK cents)</i>				
Basic loss per share	<u>(0.82)</u>	<u>(0.60)</u>	<u>(2.60)</u>	<u>(1.85)</u>

On 27 January 2015, the Company completed the issue of bonus shares to the qualifying shareholders of the Company on the basis of five (5) bonus shares for every one (1) existing share of the Company held on the record date, i.e. 16 January 2015 (the "Bonus Issue") and a total of 2,366,865,285 new shares of the Company were allotted and issued under the Bonus Issue.

Details of the Bonus Issue were set out in the Company's announcements dated 10 December 2014 and 27 January 2015 and circular dated 19 December 2014.

On 11 August 2015, the Group completed the placing of 4,005,392,000 new shares (the "Placing") at the Placing price of HK\$0.22 per share and the total net proceeds from the Placing are approximately HK\$855 million.

Details of the Placing were set out in the Company's announcements dated 7 June 2015 and 11 August 2015.

The comparative figures for the basic loss per share for the three months and nine months ended 30 September 2014 are restated to take into effect the Company's Bonus Issue and the Placing completed in the first nine months of 2015 under review retrospectively as if they had taken place since the beginning of the respective comparative periods.

(b) Diluted loss per share

For the three months and nine months ended 30 September 2015 and 2014, the diluted loss per share would reduce if the outstanding share options, convertible bonds, warrants and redeemable convertible preference shares were taken into account, as those financial instruments had an anti-dilutive effect and were hence ignored in the calculation of diluted loss per share.

6. MOVEMENTS IN RESERVES

	Share premium HK\$'000	Convertible bonds equity reserve HK\$'000	Capital reserve HK\$'000	Capital redemption reserve HK\$'000	Employee share-based compensation reserve HK\$'000	Foreign exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2015 (Audited)	<u>280,266</u>	<u>8,061</u>	<u>2,112</u>	<u>601</u>	<u>52,331</u>	<u>-</u>	<u>(380,092)</u>	<u>(36,721)</u>
Share-based compensation	-	-	-	-	945	-	-	945
Issue of convertible bond	-	1,938	-	-	-	-	-	1,938
Issue of share upon exercise of share options	7,071	-	-	-	(3,623)	-	-	3,448
Issue of bonus shares	(184,615)	-	-	-	-	-	-	(184,615)
Issue of share upon conversion of redeemable convertible preference shares	18,369	-	-	-	-	-	-	18,369
Issue of share upon conversion of convertible bonds	13,191	-	-	-	-	-	-	13,191
Issue of consideration shares for acquisition of subsidiaries	21,653	-	-	-	-	-	-	21,653
Placing of new shares	542,330	-	-	-	-	-	-	542,330
Lapse of share options	-	-	-	-	(283)	-	283	-
Transactions with owners	<u>417,999</u>	<u>1,938</u>	<u>-</u>	<u>-</u>	<u>(2,961)</u>	<u>-</u>	<u>283</u>	<u>417,259</u>
Loss for the period	-	-	-	-	-	-	(104,013)	(104,013)
Other comprehensive income:								
Exchange differences on translating foreign operations of subsidiaries	-	-	-	-	-	(1,256)	-	(1,256)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,256)</u>	<u>(104,013)</u>	<u>(105,269)</u>
At 30 September 2015 (Unaudited)	<u>698,265</u>	<u>9,999</u>	<u>2,112</u>	<u>601</u>	<u>49,370</u>	<u>(1,256)</u>	<u>(483,822)</u>	<u>275,269</u>

	Share premium <i>HK\$'000</i>	Convertible bonds equity reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Employee share-based compensation reserve <i>HK\$'000</i>	Foreign exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2014 (Audited)	212,885	-	2,112	601	36,109	231	(274,731)	(22,793)
Share-based compensation	-	-	-	-	21,750	-	-	21,750
Issue of convertible bonds	-	6,907	-	-	-	-	-	6,907
Issue of shares upon conversion of convertible bonds	15,308	-	-	-	-	-	-	15,308
Issue of consideration shares	38,520	-	-	-	-	-	-	38,520
Share issue expense	(506)	-	-	-	-	-	-	(506)
Issue of shares upon conversion of redeemable convertible preference shares	3,149	-	-	-	-	-	-	3,149
Issue of shares upon exercise of warrant	2,924	-	-	-	-	-	-	2,924
Issue of shares upon exercise of share option	2,167	-	-	-	(1,026)	-	-	1,141
Lapse of share options	-	-	-	-	(578)	-	578	-
Transactions with owners	61,562	6,907	-	-	20,146	-	578	89,193
Loss for the period	-	-	-	-	-	-	(70,810)	(70,810)
Other comprehensive income: Release of foreign exchange reserve upon deregistration of a subsidiary	-	-	-	-	-	(231)	-	(231)
Total comprehensive income for the period	-	-	-	-	-	(231)	(70,810)	(71,041)
At 30 September 2014 (Unaudited)	274,447	6,907	2,112	601	56,255	-	(344,963)	(4,641)

7. DISPOSAL OF SUBSIDIARIES

On 17 February 2015, the Group disposed of its entire interests in Crosby Capital (Holdings) Limited and its subsidiaries to an individual third party at a consideration of HK\$37,000,000. The net assets of Crosby Capital (Holdings) Limited and its subsidiaries at the date of disposal were as follows:

	Unaudited 2015 HK\$'000
Net assets of subsidiaries disposal of:	
Property, plant and equipment	69,141
Other receivables	734
Cash and cash equivalents	332
Accruals and other payables	(105)
Bank borrowings	(32,590)
	<hr/>
	37,512
Total consideration	37,000
	<hr/>
Loss on disposal of subsidiaries included in other operating expenses in the unaudited consolidated statement of profit or loss for the period	 512
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Satisfied by:	
Cash	37,000
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration	37,000
Cash and bank balances disposed of	(332)
	<hr/>
	36,668
	<hr/> <hr/>

8. ACQUISITION OF SUBSIDIARIES

On 2 April 2015, the Group completed the acquisition of 70% issued share capital of HGGL at a consideration of RMB84,000,000 (equivalent to approximately HK\$106,117,200), in which RMB14,000,000 (equivalent to approximately HK\$17,686,200) was paid at completion and the remaining consideration of RMB70,000,000 (equivalent to approximately HK\$88,431,000) is to be paid by instalments, subject to adjustment.

The provisional fair value of identifiable assets and liabilities of the HGGL Group as at the date of acquisition were:

	Unaudited
	2015
<i>Notes</i>	HK\$'000
Net assets acquired:	
Property, plant and equipment	437
Trade and other receivables, deposits and prepayments	27,864
Cash and cash equivalents	5,320
Intangible assets	22,627
Trade and other payables	(18,662)
Provision for taxation	(3,019)
Deferred tax liabilities recognised upon fair value adjustments	(5,657)
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The provisional fair value of net assets acquired	28,910
Less: Non-controlling interests	(8,673)
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	20,237
Total consideration	99,914
	<hr/>
Goodwill arising on acquisition	(ii) 79,677
	<hr/> <hr/>
Consideration satisfied by:	
Cash	17,686
Contingent consideration payable, at fair value	(iii) 82,228
	<hr/>
	99,914
	<hr/> <hr/>
Net cash outflow arising on acquisition:	
Cash consideration	(17,686)
Cash and bank balances acquired	5,320
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	(12,366)
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As at 30 September 2015, the Group has not finalised the fair value assessments for intangible assets acquired from the acquisition. The relevant fair value of net assets acquired stated above are on a provisional basis.

Notes:

- (i) The fair value of trade and other receivables amounted to HK\$25,945,000. The gross amount of these receivables is HK\$25,945,000. None of these receivables have been impaired and it is expected that the full contractual amount can be collected.
- (ii) Goodwill of HK\$79,677,000 arose on this acquisition, which is not deductible for tax purposes, comprises the acquired workforce and the expected synergies arising from the combination of the existing operations of the Group.
- (iii) The contingent consideration represents the second, third and fourth instalments of the consideration and includes a performance-based adjustment, which principally based on the shortfall between the audited consolidated net profit of 深圳八零八八科技有限公司 (Shenzhen 8088 Technology Co. Ltd.) or “SZ8088” and 上海威搜游科技有限公司 (Shanghai VSOYOU Technology Co. Ltd.) or “VSOYOU” for the period ended 30 June 2015, years ending 31 December 2015 and 31 December 2016, and the performance target of RMB8,800,000 (equivalent to approximately HK\$11,117,040), RMB22,000,000 (equivalent to approximately HK\$27,792,600) and RMB29,000,000 (equivalent to approximately HK\$36,635,700) respectively, if any. In the event of the above target profits are met, the second, third and fourth considerations will be settled as follows:

Second instalment

- (i) as to RMB6,000,000 (equivalent to approximately HK\$7,579,800) to be settled by cash; and (ii) as to RMB1,000,000 (equivalent to approximately HK\$1,263,300) by the issue and allotment of consideration shares payable and to be settled within 15 business days from the date of issue of the interim report for the period ended 30 June 2015.

Third instalment

- Assuming the second instalment is not payable, (i) as to RMB6,000,000 (equivalent to approximately HK\$7,579,800) to be settled by cash, and (ii) as to RMB29,000,000 (equivalent to approximately HK\$36,635,700) by the issue and allotment of consideration shares and to be settled within 15 business days from the date of issue of the annual report for the year ending 31 December 2015; and
- Assuming the second instalment is payable, an amount equivalent to the second instalment shall be deducted from the third instalment and RMB28,000,000 (equivalent to approximately HK\$35,372,400) to be settled by the issue and allotment of consideration shares and to be settled within 15 business days from the date of issue of the annual report for the year ending 31 December 2015.

Fourth instalment

- as to RMB35,000,000 (equivalent to approximately HK\$44,215,500) by the issue and allotment of consideration shares and to be settled within 15 business days from the date of issue of the annual report for the year ending 31 December 2016.

In the event that the 2015 audited net profit is less than RMB22,000,000 (equivalent to approximately HK\$27,792,600) or the 2016 audited net profit is less than RMB29,000,000 (equivalent to approximately HK\$36,635,700), the third or fourth instalment will be adjusted by deducting the amount equal to 3.85 times of the shortfall for the relevant years, and the amount of adjustment shall be no more than RMB35,000,000 (equivalent to approximately HK\$44,215,500). There will not be any upward adjustment to the third and the fourth Instalment. The adjustment will be settled after the release of the audited consolidated financial statements of SZ8088 and VSOYOU for the period ended 30 June 2015, years ending 31 December 2015 and 31 December 2016.

The potential undiscounted amount of the contingent consideration adjustment that the Group could be required to make such arrangement is between RMBNil to RMB70,000,000 (equivalent to HK\$88,431,000). At the acquisition date, the fair value of the contingent consideration payable of HK\$82,228,000 was estimated by applying the discounted cash flow approach at a discount rate of 5.25%. As at 30 September 2015, the fair value of the contingent consideration payable has increased by approximately HK\$1,886,000 as a result of the effective interest for the period since the date of acquisition up to 30 September 2015.

- (iv) The acquired business contributed revenue of approximately HK\$32,687,000 and profit after income tax of approximately HK\$7,662,000 for the period from 2 April 2015 to 30 September 2015.

Had the acquisition occurred on 1 January 2015, the HGGL Group's revenue and profit after income tax would have been approximately HK\$53,016,000 and approximately HK\$14,011,000 respectively for the nine months ended 30 September 2015.

This proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future results.

9. EVENTS AFTER THE REPORTING PERIOD

On 3 November 2015, an extraordinary general meeting was held and approved the acquisition of the rights to use the name "HVM", the various HVM trade marks and trade mark applications and the HVM domain names for the purposes of conducting the retailing business of "HVM". The date of completion is expected to fall on a date on or before 30 November 2015.

Details of the acquisition were set out in the Company's announcement dated 28 August 2015 and circular dated 16 October 2015.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2015 (nine months ended 30 September 2014: Nil).

DISCLOSURE OF INTERESTS

(A) Director's Interests

As at 30 September 2015, the interests of the Directors or any chief executive of the Company in the ordinary shares of the Company (the "Shares") and underlying Shares and any of its associated corporations as recorded in the register were:

(i) *Interests in the Shares*

Name of Directors	Personal 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)	468,944,000	165,600,000	634,544,000	8.50
Mr. Ho Gilbert Chi Hang ("Mr. Ho") (Note 1)	454,808,000	–	454,808,000	6.09
Mr. Chang Tat Joel ("Mr. Chang") (Note 1)	454,544,000	–	454,544,000	6.09
Mr. Yuen Kwok On	1,980,000	–	1,980,000	0.02

Notes:

1. Mr. Wu, Mr. Ho and Mr. Chang own 14,400,000, 264,000 and nil Shares, respectively. Hero Sign Limited owns 454,544,000 Shares. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 454,544,000 Shares of which Hero Sign Limited was 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 Partners Capital II, L.P. 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.
2. 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 options*

Name of Directors	Date of grant (dd/mm/yyyy)	Exercise price HK\$ (Note 1)	Exercise period (dd/mm/yyyy)	Balance as at 1 January 2015	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Adjusted upon the bonus issue (Note 2)	Balance as at 30 September 2015
Mr. Wu	20/06/2014	0.16	20/06/2014 to 19/06/2024	4,576,000	-	-	-	22,308,000	26,884,000
Mr. Ho	15/05/2014	0.16	15/05/2014 to 14/05/2024	4,464,000	-	-	-	22,878,000	27,342,000
Mr. Chang	15/05/2014	0.16	15/05/2014 to 14/05/2024	4,464,000	-	-	-	22,878,000	27,342,000

Notes:

1. The exercise price was adjusted for the bonus issue of Shares made by the Company on 27 January 2015.
2. The aggregate number of Shares that can be subscribed for was adjusted for the bonus issue of Shares made by the Company on 27 January 2015.

(b) *Outstanding 5% coupon convertible bonds*

Name of Directors	Conversion price HK\$ (Note 2)	Aggregate long position in underlying Shares	Approximate percentage of the issued share capital of the Company %
Mr. Wu (Note 1)	0.11	1,590,909,090	21.32
Mr. Ho (Note 1)	0.11	1,590,909,090	21.32
Mr. Chang (Note 1)	0.11	1,590,909,090	21.32

Notes:

1. Abundant Star Ventures Limited (“Abundant Star”) and Vantage Edge Limited (“Vantage Edge”) own 909,090,909 and 681,818,181 underlying Shares, which will be allotted and issued upon full conversion of the outstanding 5% Coupon Convertible Bonds for a principal sum of HK\$100,000,000 and HK\$75,000,000, respectively, at the conversion price of HK\$0.11 per Share (subject to adjustments). Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 1,590,909,090 underlying Shares of which Abundant Star and Vantage Edge 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 in AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P.. AID Partners Capital II, L.P. is interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Abundant Star and Vantage Edge.

2. The conversion price was adjusted for the bonus issue of Shares made by the Company on 27 January 2015 and the Placing on 11 August 2015.

(c) Other underlying Shares

Mr. Wu also owns 88,200,000 underlying Shares by virtue of an agreement entered between Mr. Wu and an independent third party.

(iii) 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 30 September 2015, 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 Directors.

(B) Substantial Shareholders and Other Persons

As at 30 September 2015, 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 %
Mr. Wu (<i>Notes 1, 5 and 6</i>)	634,544,000	1,705,993,090	31.36%
Li Mau (<i>Notes 1, 5 and 6</i>)	634,544,000	1,705,993,090	31.36%
Mr. Ho (<i>Notes 2, 5 and 6</i>)	454,808,000	1,618,251,090	27.78%
Mr. Chang (<i>Notes 3, 5 and 6</i>)	454,544,000	1,618,251,090	27.77%
AID Partners Capital II, L.P. (<i>Notes 5 and 6</i>)	454,544,000	1,590,909,090	27.41%
AID Partners GP 2, Ltd. (<i>Notes 5 and 6</i>)	454,544,000	1,590,909,090	27.41%
HK HNA Holding (<i>Note 4</i>)	1,636,360,000	430,769,230	27.70%
David Tin	909,088,000	–	12.18%
Billion Power Management Limited (<i>Notes 5 and 6</i>)	454,544,000	1,590,909,090	27.41%
Elite Honour Investments Limited (<i>Notes 5 and 6</i>)	454,544,000	1,590,909,090	27.41%
Genius Link Assets Management Limited (<i>Note 5 and 6</i>)	454,544,000	1,590,909,090	27.41%
Leader Fortune International Limited (<i>Notes 5 and 6</i>)	454,544,000	1,590,909,090	27.41%
Abundant Star (<i>Note 5</i>)	–	909,090,909	12.18%
Vantage Edge (<i>Note 5</i>)	–	681,818,181	9.13%
Hero Sign Limited (<i>Note 6</i>)	454,544,000	–	6.09%
Able Supreme Management Limited (<i>Note 7</i>)	–	1,081,095,600	14.48%
Billion Pine International Limited (<i>Note 7</i>)	–	1,081,095,600	14.48%
Hu Yin (<i>Note 7</i>)	–	1,081,095,600	14.48%
Sunfield Holdings Group Limited (<i>Note 8</i>)	454,544,000	–	6.09%
Huang Shiyang (<i>Note 8</i>)	454,544,000	–	6.09%
Huang Tao (<i>Note 8</i>)	454,544,000	–	6.09%

Notes:

1. Mr. Wu, the Chief Executive Officer and Executive Director of the Company, owns 14,400,000 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 options at an exercise price of HK\$0.16 per Share to subscribe for Shares. Mr. Wu is deemed to have interest in 1,590,909,090 underlying Shares and 454,544,000 Shares as mentioned in note 5 and note 6 below, respectively. Mr. Wu is also interested in 88,200,000 underlying Shares. 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.
2. Mr. Ho, the Chief Investment Officer and Executive Director of the Company, owns 264,000 Shares and is interested in 27,342,000 options at an exercise price of HK\$0.16 per Share to subscribe for Shares. Mr. Ho is also deemed to have interest in 1,590,909,090 underlying Shares and 454,544,000 Shares as mentioned in note 5 and note 6 below, respectively.
3. Mr. Chang, an Executive Director, is interested in 27,342,000 options at an exercise price of HK\$0.16 per Share to subscribe for Shares. Mr. Chang is also deemed to have interest in 1,590,909,090 underlying Shares and 454,544,000 Shares as mentioned in note 5 and note 6 below, respectively.
4. HK HNA Holding is wholly-owned by HISEA INTERNATIONAL CO., LTD. (“HISEA”). HISEA is wholly-owned by HNA Holding Group Co., Ltd. (“HNA Holding”). HNA Holding is owned as to approximately 72% by HNA Group Co., Ltd. (“HNA Group”). HNA Group is approximately 70% owned by Hainan Traffic Administration Holding Co., Ltd (“Hainan Traffic”). Hainan Traffic is approximately 50% owned by Tang Dynasty Development (Yangpu) Co., Ltd (“Tang Dynasty”). Tang Dynasty is approximately 65% owned by Hainan Province Cihang Foundation and 35% owned by Tang Dynasty Development Co., Ltd.. Tang Dynasty Development Co., Ltd. is approximately 98% owned by Pan-American Aviation Holding Company which is in turn 100% beneficially owned by Bharat Sharatchandra BHISE.
5. Abundant Star and Vantage Edge own 909,090,909 and 681,818,181 underlying Shares, which will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$100,000,000 and HK\$75,000,000, respectively.

Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 1,590,909,090 underlying Shares of which Abundant Star and Vantage Edge 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 in AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P.. AID Partners Capital II, L.P. is a private equity fund interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Abundant Star and Vantage Edge.

6. Hero Sign Limited owns 454,544,000 Shares. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 454,544,000 Shares of which Hero Sign Limited is 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 Partners Capital II, L.P. is a private equity fund 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.

7. Able Supreme Management Limited (“Able Supreme”) owns 1,081,095,600 underlying Shares which will be allotted and issued upon full conversion of 6,930,100 RCPS at conversion price of HK\$0.10 per Share (reset on 11 August 2015). The entire issued share capital of Able Supreme is held by Billion Pine International Limited, which in turn is beneficially wholly-owned by Mr. Hu Yin (“Mr. Hu”). Accordingly, Mr. Hu is interested in these underlying Shares through his 100% indirect interests in Able Supreme.
8. Sunfield Holdings Group Limited (“Sunfield”) owns 454,544,000 Shares. Mr. Huang Tao and Mr. Huang Shiyong own 60% and 40% equity interest in Sunfield, respectively. According, Mr. Huang Tao and Mr. Huang Shiyong are interested in these Shares through their interests in Sunfield.

(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 30 September 2015, 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 30 September 2015, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

(C) Potential Competition from HMV Hong Kong Limited

HMV Hong Kong Limited (“HMV HK”) is indirect wholly-owned by AID Partners Capital II, L.P.. AID Partners Capital II, L.P. is controlled by AID Partners GP2, Ltd., which is ultimately controlled by Mr. Wu and in which Mr. Ho and Mr. Chang are directors. HMV HK has been granted an exclusive license by HMV (IP) Limited, a third party independent of the Group, to use the well-known brand name “HMV” within the territory of the PRC, Hong Kong, Macau Special Administrative Region, Taiwan and Singapore. HMV HK also operates retail stores in Hong Kong selling music, movie and television series related contents and products.

The Directors do not consider that there is a material overlap of the Group’s business of managing the HMV retail store in Central in Hong Kong and the business of HMV HK as set out above, except that the Group and/or HMV HK may benefit from any increase in popularity of the brand name “HMV”, which may be contributed by the Group or HMV HK.

The Directors are of the view that any potential conflict of interest would be effectively mitigated given that the operations of the Group and HMV HK are operated separately and independently by the respective board of directors, performing their fiduciary duties and providing their oversight to safeguard the interests of their respective shareholders. In the event of any conflict of interests, Mr. Wu, Mr. Ho and Mr. Chang would be required to abstain from voting on the relevant resolution(s) at meetings of the Board and/or general meetings of the Company (as the case may be), in accordance with the articles of association of the Company, which complies with the GEM Listing Rules.

On 28 August 2015, HMV Marketing Limited (the “HMV Marketing”), an indirect wholly-owned subsidiary of the Company, and HMV HK entered into the sale and purchase agreement, pursuant to which HMV Marketing conditionally agreed to acquire, and HMV HK has conditionally agreed to sell, all rights to use the name “HMV”, the various HMV trade marks and trade mark applications and the HMV domain names for the purposes of conducting the retailing business of “HMV” operating through the 4 retail stores selling music, movies and television series related contents and products located in Hong Kong and carried on by HMV HK (the “Target Business”) and any other business to be conducted in the PRC, Hong Kong and Singapore (the “Territory”) that is licensed to HMV HK on an exclusive, irrevocable, royalty-free and perpetual basis pursuant to the HMV trade mark licence agreement dated 27 February 2013 (the “HMV IP Rights”) (the “HMV Acquisition”).

Upon completion of the HMV Acquisition (the “Completion”), the HMV IP Rights shall have been assigned by HMV HK to the HMV Marketing and HMV HK will only have the rights to use the name “HMV”, the various HMV trademarks and trade mark applications and the HMV domain names for the purposes of conducting businesses in the Macau Special Administrative Region of the PRC and Taiwan. Consequently, upon Completion, as (a) the HMV Marketing will have the rights to operate the Target Business and any other business to be conducted within the Territory; and (b) HMV HK will only have the rights to conduct business within the Macau Special Administrative Region of the PRC and Taiwan, there is no overlapping of regions in which the HMV Marketing and HMV HK will operate their respective businesses. For the foregoing reasons, upon Completion, HMV HK does not have any competing business with those operated by the Group (including the Target Business).

The date of Completion is expected to fall on a date on or around 30 November 2015.

As at 30 September 2015, save as disclosed above and 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)	Exercise price (Note 1) HK\$	Exercise period (dd/mm/yyyy)	Number of share options				Adjusted upon the bonus issue (Note 2)	Balance as at 30 September 2015
			Balance as at 1 January 2015	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period		
24/03/2006	9.51	24/03/2007 to 23/03/2016	269,916	-	-	-	1,349,409	1,619,325
26/04/2006	9.51	26/04/2007 to 25/04/2016	809,756	-	-	-	4,048,269	4,858,025
29/01/2007	4.51	29/01/2008 to 28/01/2017	134,956	-	-	-	674,331	809,287
11/02/2008	2.22	11/02/2009 to 10/02/2018	708,543	-	-	-	3,548,140	4,256,683
29/12/2008	0.22	29/12/2009 to 28/12/2018	269,916	-	(818,336)	-	1,366,756	818,336
07/10/2010	0.20	07/10/2011 to 06/10/2020	985,203	-	(3,397,802)	-	4,783,160	2,370,561
16/03/2012	0.20	16/03/2013 to 15/03/2022	3,400,000	-	(15,159,420)	-	17,102,000	5,342,580
14/05/2012	0.19	14/05/2013 to 13/05/2022	980,000	-	-	-	4,879,368	5,859,368
			<u>7,558,290</u>	<u>-</u>	<u>(19,375,558)</u>	<u>-</u>	<u>37,751,433</u>	<u>25,934,165</u>

Notes:

- (1) The exercise prices of the share options were adjusted for the bonus issue of shares made by the Company on 27 January 2015.
- (2) The aggregate number of shares that can be subscribed for was adjusted for the bonus issue of shares made by the Company on 27 January 2015.

No option was granted under the 2002 Share Option Scheme during the nine months ended 30 September 2015.

No option was lapsed under the 2002 Share Option Scheme during the nine months ended 30 September 2015.

The weighted average closing price of the shares immediately before the dates on which share options under the 2002 Share Option Scheme were exercised was HK\$0.37.

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 periods (Notes)	Balance as at 1 January 2015	Number of share options			Adjusted upon the bonus issue (Note 5)	Balance as at 30 September 2015	Exercise price per share (Note 6) HK\$
				Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period			
15/05/2014	Directors	(1)	8,928,000	-	-	-	45,756,000	54,684,000	0.16
20/06/2014	Director and former directors	(2)	5,976,000	-	(2,643,750)	-	29,133,000	32,465,250	0.16
			<u>14,904,000</u>	<u>-</u>	<u>(2,643,750)</u>	<u>-</u>	<u>74,889,000</u>	<u>87,149,250</u>	
15/05/2014	Other eligible participants	(3)	1,404,000	-	(4,512,000)	(3,062,500)	6,170,500	-	0.16
20/06/2014	Other eligible participants	(4)	6,736,000	-	(3,871,625)	(299,625)	32,838,000	35,402,750	0.16
			<u>8,140,000</u>	<u>-</u>	<u>(8,383,625)</u>	<u>(3,362,125)</u>	<u>39,008,500</u>	<u>35,402,750</u>	
	Total		<u>23,044,000</u>	<u>-</u>	<u>(11,027,375)</u>	<u>(3,362,125)</u>	<u>113,897,500</u>	<u>122,552,000</u>	

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 15 May 2014 and 15 May 2015, respectively to 14 May 2024.

- (4) Divided into two tranches exercisable from 20 June 2014 and 20 June 2015, respectively to 19 June 2024.
- (5) The aggregate number of shares that can be subscribed for was adjusted for the bonus issue of shares made by the Company on 27 January 2015.
- (6) The exercise prices of the share options were adjusted for the bonus issue of shares made by the Company on 27 January 2015.

No option was granted under the 2014 Share Option Scheme during the nine months ended 30 September 2015.

During the nine months ended 30 September 2015, 3,362,125 options were lapsed under the 2014 Share Option Scheme.

The weighted average closing price of the shares immediately before the date on which share options under the 2014 Share Option Scheme were exercised was HK\$0.4.

The weighted average remaining contractual life of the options outstanding as at 30 September 2015 was approximately 7.86 years.

Share-based compensation expense of HK\$945,000 was recognised in the unaudited consolidated statement of profit or loss for the nine months ended 30 September 2015.

AUDIT COMMITTEE

The Company established an audit committee on 31 March 2000 with the written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises three Independent Non-Executive Directors, Messrs. Yuen Kwok On, Balme Didier Raymond Marie and Chinn Adam David. The primary duties of the audit committee are to review and supervise the Company's financial reporting process 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 9 November 2015. The unaudited consolidated financial information of the Company for the nine months ended 30 September 2015 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 nine months ended 30 September 2015 and 30 September 2014. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the nine months ended 30 September 2015 and 30 September 2014.

By Order of the Board
AID Partners Capital Holdings Limited
Wu King Shiu, Kelvin
Executive Director

Hong Kong, 9 November 2015

As at the date of this announcement, the Directors of the Company are:

Executive Directors: *Wu King Shiu, Kelvin, Ho Gilbert Chi Hang and Chang Tat Joel*

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

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.aid8088.com.