

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**AID Partners Capital Holdings Limited**  
**(滙友資本控股有限公司)\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8088)**

**DISCLOSEABLE TRANSACTION:  
DEEMED DISPOSAL OF APPROXIMATELY 18.37%  
EQUITY INTEREST IN HMV M&E LIMITED**

The Board announces that on 1 March 2016 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Company as guarantor entered into the Agreement, pursuant to which: (i) the Vendor has agreed to sell and the Purchaser has agreed to purchase 2,250 existing ordinary shares in the capital of the Target for a cash consideration of US\$9,000,000 (equivalent to approximately HK\$70,200,000); and (ii) the Vendor shall apply the consideration received from the Purchaser for the subscription of 2,250 new ordinary shares in the capital of the Target.

Upon Completion, the Target will be owned as to approximately 18.37% by the Purchaser and as to approximately 81.63% by the Group.

As one or more of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules exceed 5% but are less than 25%, each of the Deemed Disposal and the grant of the Put Option constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under the GEM Listing Rules.

**THE DEEMED DISPOSAL**

The Board announces that on 1 March 2016 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Company as guarantor entered into the Agreement, pursuant to which: (i) the Vendor has agreed to sell and the Purchaser has agreed to purchase 2,250 existing ordinary shares in the capital of the Target for a cash consideration of US\$9,000,000 (equivalent to approximately HK\$70,200,000); and (ii) the Vendor shall apply the consideration received from the Purchaser for the subscription of 2,250 new ordinary shares in the capital of the Target. Upon Completion, the Target will be owned as to approximately 18.37% by the Purchaser and as to approximately 81.63% by the Group.

\* *For identification purpose only*

## **AGREEMENT**

The salient terms of the Agreement are as follows:

### **Date**

1 March 2016

### **Parties**

- Vendor: Action Key Investments Limited, an indirect wholly-owned subsidiary of the Company
- Purchaser: WiL Fund I, L.P., a limited partnership organised in the Cayman Islands
- Guarantor: the Company, which shall guarantee the performance of the Vendor under the Agreement

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Established by World Innovation Lab (<http://www.wilab.com>), the Purchaser is active in Tokyo and Silicon Valley. The Purchaser has formed an unprecedented venture support scheme, bringing together personnel with unparalleled track records in the venture capital industry in the United States and Japan, and includes a consortium of large corporations from diverse industries in Japan as Limited Partners ("LP"). It provides global expansion support for Japanese startups, and support and business partnership opportunities for the United States startups expanding into Japan. The Purchaser also aims to promote the creation of startups by facilitating collaboration with large corporations in Japan, primarily the fund's LPs, and through carve out of large corporations. It is focused on thorough, hands-on investment in selected startups. In addition to its investment activities, it also hosts occasional seminars by active corporate executives, venture capitalists, and academics for the benefit of personnel dispatched to Silicon Valley from LPs, providing opportunities to connect with industry experts. Support for portfolio companies is not limited to simply providing introductions; the Purchaser also plans to propose business partnerships in the United States and Japan and provide support in the establishment of joint ventures.

### **Subject Matter**

Subject to the terms of the Agreement, (i) the Vendor has agreed to sell and the Purchaser has agreed to purchase 2,250 existing ordinary shares in the capital of the Target for a cash consideration of US\$9,000,000 (equivalent to approximately HK\$70,200,000); and (ii) the Vendor shall apply the consideration received from the Purchaser for the subscription of 2,250 new ordinary shares in the capital of the Target. Upon Completion, the Target will be owned as to approximately 18.37% by the Purchaser and as to approximately 81.63% by the Group.

## **Consideration**

The Consideration of US\$9,000,000 (equivalent to approximately HK\$70,200,000) shall be payable to the Vendor or its nominee in cash by the Purchaser upon Completion, and the Vendor shall apply the Consideration for subscribing new ordinary shares in the capital of the Target equivalent to the number of ordinary shares sold by it to the Purchaser upon Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the business prospect and the assets value of the Target Group.

Having considered the above and the factors described under the section headed "Reasons for and benefits of the Deemed Disposal" below, the Directors consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **Conditions precedent**

Completion is conditional, among others, upon the fulfilment or waiver, if applicable, of the following conditions:

- (a) all the required governmental approvals having been obtained from and all the required registrations and filing having been completed with the relevant governmental authorities, regulatory bodies or third parties in connection with the transactions contemplated under the Agreement;
- (b) that parties to the Agreement being satisfied that, as at Completion, (i) the other party is not in breach or inconsistent with any of the warranties given by it under the Agreement; and (ii) nothing has occurred that has any Material Adverse Effect since the date of the Agreement;
- (c) that parties to the Agreement being satisfied that as at Completion the other party is not in breach of any of its obligations which is required to be performed or fulfilled prior to Completion;
- (d) no litigation or claim having arisen in respect of any Target Group Company which has or is likely to have a Material Adverse Effect; and
- (e) the entering into of the shareholders' agreement among the parties to the Agreement with the Target.

If any conditions precedent above is not fulfilled and Completion does not take place at or before 4:00 p.m. on 30 April 2016 due to reasons attributable to any party, the other party may by written notice terminate the Agreement but no termination shall relieve any party from liability that has accrued before termination.

## **Completion of the Deemed Disposal**

Completion shall take place within five (5) business days after satisfaction (or waiver, as the case may be) of all the conditions precedent set out above.

## SHAREHOLDERS' AGREEMENT

Upon Completion, a shareholders' agreement will be entered into among the parties to the Agreement with the Target to set out the basis on which the business and affairs of the Target Group would be managed and controlled and to provide for their respective rights and duties.

It is provided in the shareholders' agreement that: (i) the Vendor shall grant to the Purchaser the Put Option, exercisable by the Purchaser within six (6) months after the third anniversary from the date of the shareholders' agreement, to require the Vendor to purchase any or all the securities held by the Purchaser in the Target at the price per share equal to the Consideration paid by the Purchaser per share in the Target under the Agreement plus an internal rate of return of 10% per annum; (ii) the Purchaser shall have the tag-along right, up to a pro rata portion, in the event of a proposed transfer by the Group which will result in the Group ceasing to own more than 50% of the issued share capital of the Target or otherwise ceasing to control the Target upon completion of such transfer; and (iii) the Vendor shall have the right of first refusal if the Purchaser proposes to sell or dispose of any shares in the Target.

## INFORMATION OF THE TARGET GROUP

The Target is an investment company incorporated in the British Virgin Islands on 1 December 2015. The Target Group comprises the Target and its subsidiaries, which are all wholly-owned by the Target, namely: (i) HMV Marketing Limited; (ii) Simply Sino Limited (a company newly incorporated on 1 January 2016); (iii) Smiley Bee Limited (a company newly incorporated on 1 January 2016); and (iv) Linkenway Limited. The Target Group is principally engaged in the entertainment and media business and other ancillary businesses including, but not limited to, the operation of the retail stores under the brand "HMV".

The Target has no business activity other than being an investment holding company of its subsidiaries and injection of shareholder's loans to the Target Group for its business.

HMV Marketing Limited is the principal operating company within the Target Group. Set out below is the audited financial information of HMV Marketing Limited for the period from 11 December 2013 (date of incorporation) to 31 December 2014, extracted from the audited financial statements of HMV Marketing Limited prepared for the same period in accordance with Hong Kong Financial Reporting Standards:

**For the period from  
11 December 2013  
(date of incorporation) to  
31 December 2014  
Audited  
(HK'000)**

Revenue	43,747
Net loss before taxation	24,135
Net loss after taxation	24,135

The unaudited net liabilities of HMV Marketing Limited were approximately HK\$39,512,000 as at 30 June 2015.

Linkenway Limited is the holder of certain rights of an intellectual property. Set out below is the unaudited financial information of Linkenway Limited for the period from 2 January 2014 (date of incorporation) to 31 December 2014, extracted from the unaudited financial statements of Linkenway Limited prepared for the same period in accordance with International Financial Reporting Standards:

**For the period from  
2 January 2014  
(date of incorporation) to  
31 December 2014  
Unaudited  
(HK'000)**

Revenue	—
Net loss before taxation	120
Net loss after taxation	120

The unaudited net liabilities of Linkenway Limited were approximately HK\$220,000 as at 30 June 2015.

Each of Simply Sino Limited and Smiley Bee Limited has no business activity save and except that each of them has advanced a loan to an Independent Third Party on arm's length basis in February 2016 in the sum of HK\$25,000,000 and HK\$3,000,000, respectively.

#### **REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL**

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

The Deemed Disposal is in substance an issue of 2,250 new ordinary shares in the capital of the Target to the Purchaser. The Deemed Disposal will introduce the Purchaser as a strategic investor to the Target Group while raising a net proceeds of approximately HK\$70,000,000 for the general working capital of the Target Group. The Board considers that given the background of the Purchaser as a fund specialised in investment in, among others, technology and media sectors, the introduction of the Purchaser as a partner to the Group will facilitate the strategic development and promotion of the businesses of the Target Group by bringing in international network and business experience.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Deemed Disposal including the grant of the Put Option are fair and reasonable and on normal commercial terms and are in the interests of the Company and Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DEEMED DISPOSAL**

Upon Completion, the Target will remain as a subsidiary of the Company, owned as to approximately 18.37% by the Purchaser and as to approximately 81.63% by the Group. As such, the results, assets and liabilities of the Target Group will still be consolidated into the books of the Company after Completion. The Purchaser will nominate a director to be appointed to the Target upon Completion.

## **GAIN ATTRIBUTABLE TO THE DEEMED DISPOSAL**

The Deemed Disposal is estimated to recognize a gain of approximately HK\$41,500,000 before tax and transaction costs directly in other reserve, which is calculated based on the Consideration less the estimated proportionate share of unaudited net assets value of the Target Group as at Completion. Subject to audit, the actual amount of the gain on the Deemed Disposal to be recognized by the Group will be based on the actual net asset value of the Target Group as at Completion and therefore may vary from the amount mentioned above.

## **USE OF PROCEEDS**

The net proceeds from the Deemed Disposal will be approximately HK\$70,000,000 which will be used by the Target for the general working capital of the Target Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios set out in Rule 19.07 of the GEM Listing Rules exceed 5% but are less than 25%, each of the Deemed Disposal and the grant of the Put Option constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“Agreement”	the sale and purchase agreement dated 1 March 2016 and entered into among the Vendor, the Purchaser and the Company in relation to the Deemed Disposal
“Board”	the board of Directors
“Company”	AID Partners Capital Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM under stock code: 8088
“Completion”	completion of the Deemed Disposal
“Consideration”	US\$9,000,000 (equivalent to approximately HK\$70,200,000), being the consideration for the Deemed Disposal

“Deemed Disposal”	(i) the sale of 2,250 existing ordinary shares in the capital of the Target; and (ii) the subscription of 2,250 new ordinary shares in the capital of the Target by the Vendor pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s), is/are persons independent of the Company and its connected persons (within the meaning of the GEM Listing Rules)
“Material Adverse Effect”	the effect, consequence or result of any event, act, omission, change, occurrence, fact or other circumstance that is, or in the aggregate with any other events, acts, omissions, changes, occurrences, facts or other circumstances are, materially adverse to, or could reasonably be expected to have a material adverse effect on the present or future business, operations, assets, liabilities, properties, results of operations or condition (financial or otherwise) of the Target Group
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	WiL Fund I, L.P., a limited partnership organized in the Cayman Islands, being the purchaser under the Agreement
“Put Option”	the grant of the option by the Vendor upon Completion to the Purchaser to require the Vendor to purchase any or all of the securities held by the Purchaser in the Target
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“Target”	HMV M&E Limited, a company established in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company immediately before Completion
“Target Group”	the Target and its subsidiaries
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Action Key Investments Limited, a company established in Samoa with limited liability, and an indirect wholly-owned subsidiary of the Company, being the vendor under the Agreement
%	per cent.

By order of the Board  
**AID Partners Capital Holdings Limited**  
**Mr. Wu King Shiu, Kelvin**  
*Executive Director and Chief Executive Officer*

Hong Kong, 1 March 2016

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wu King Shiu, Kelvin, Mr. Ho Gilbert Chi Hang and Mr. Chang Tat Joel; and three independent non-executive Directors, namely Mr. Chinn Adam David, Professor Lee Chack Fan, GBS, SBS, JP and Mr. Yuen Kwok On.*

*This announcement, for which the Directors 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 the Company. The Directors, 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.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://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](http://www.aid8088.com).*