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AID Partners Technology Holdings Limited

(滙友科技控股有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8088)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL
OF TIME EDGE LIMITED
AND
SUBSCRIPTION OF THE CONVERTIBLE BOND**

The Board announces that on 13 December 2016 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, the Purchaser and the Issuer entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target for a total consideration of HK\$50,000,000. The Consideration will be satisfied by the Purchaser by the issue of the Convertible Bond by the Issuer at Completion.

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%, the Disposal constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under the GEM Listing Rules.

THE DISPOSAL

The Board announces that on 13 December 2016 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, the Purchaser and the Issuer entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target for a total consideration of HK\$50,000,000. The Consideration will be satisfied by the Purchaser by the issue of the Convertible Bond by the Issuer at Completion.

* *For identification purpose only*

SALE AND PURCHASE AGREEMENT

The salient terms of the Sale and Purchase Agreement are as follows:

Date

13 December 2016

Parties

Vendor: Honour Best Holdings Limited, a wholly-owned subsidiary of the Company

Purchaser: Sunny On Corporation Limited, a wholly-owned subsidiary of the Issuer

Issuer: HMV Digital China Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the GEM under stock code 8078. The Company is interested in approximately 20.47% of the issued share capital of the Issuer as at the date of this announcement

Subject Matter

Subject to the terms of Sale and Purchase Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target for a total consideration of HK\$50,000,000.

Consideration

The Consideration of HK\$50,000,000 will be satisfied by the Purchaser by the issue of the Convertible Bond by the Issuer at Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the historical business performance and future prospects of the Target Group as well as market comparable of similar types of transactions.

Terms of the Convertible Bond

Principal terms of the Convertible Bond to be issued by the Issuer to the Vendor (or its nominee which shall be a wholly-owned subsidiary or an associate of the Vendor) are summarized as follows:

Principal Amount: HK\$50,000,000

Maturity Date: The fourth anniversary of the date of issue of the Convertible Bond

Interest: The coupon rate is 5% per annum on the principal amount of the Convertible Bond from time to time outstanding. The Issuer is entitled to pay the interest by way of issue of Shares at the Conversion Price

- Interest Period:** The interest shall be accrued and payable on the Maturity Date or the date on which all of the Convertible Bond are being converted or redeemed, whichever is earlier
- Default payment:** If the Issuer defaults in the payment of any sum due and payable under the Convertible Bond, the Issuer shall pay interest on such sum to the Bondholder from the due date to the date of actual payment in full calculated at the rate of 8% per annum.
- Redemption:** The Issuer shall redeem the Convertible Bond or the then outstanding balance thereof on the Maturity Date.
- Conversion Price:** The initial Conversion Price shall be HK\$0.653 per Share (subject to adjustment), representing a discount of approximately 20% over the average of the closing prices of HK\$0.816 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including 12 December 2016
- Conversion Period:**
- (i) Tranche 1 Conversion Period: 24 months after the issue date of the Convertible Bond up to 4:00 p.m. (Hong Kong time) on the Business Day immediately preceding the Maturity Date;
 - (ii) Tranche 2 Conversion Period: 30 months after the issue date of the Convertible Bond up to 4:00 p.m. (Hong Kong time) on the Business Day immediately preceding the Maturity Date; and
 - (iii) Tranche 3 Conversion Period: 36 months after the issue date of the Convertible Bond up to 4:00 p.m. (Hong Kong time) on the Business Day immediately preceding the Maturity Date
- Conversion:** Provided that the conversion shall not cause the percentage of issued Shares held by the public to fall below the percentage permitted under the GEM Listing Rules, the Bondholder shall have the right during the conversion period, to require the Issuer to convert the whole or any part (in authorized denominations) of the amount outstanding under the Convertible Bond into Shares at the Conversion Price (subject to adjustment) in the following manner:
- (i) In respect of Tranche 1 Conversion Period, the Bondholder shall have the right to convert the whole or any part of the outstanding principal amount of HK\$25,000,000 of the Convertible Bond;
 - (ii) In respect of Tranche 2 Conversion Period, the Bondholder shall have the right to convert the whole or any part of the outstanding principal amount of HK\$37,500,000 of the Convertible Bond;

- (iii) Tranche 3 Conversion Period: the Bondholder shall have the right to convert the remaining of the outstanding principal amount of the Convertible Bond

Adjustments to the
Conversion Price:

The Conversion Price will be subject to adjustments upon the occurrence of the following events:

- (a) an alternation to the nominal value of the Shares by reason of any consolidation and subdivision;
- (b) issue of Shares by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve);
- (c) Capital Distribution;
- (d) rights issues of Shares or any options, warrants or other rights to subscribe for or purchase any Shares to the shareholders at less than 95% of the Market Price per Share preceding the date of announcement of the terms of such issue or grant;
- (e)
 - (i) issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share initially receivable for such securities is less than 95% of the Market Price at the date of the announcement of the terms of issue of such securities;
 - (ii) modification of the rights of conversion, exchange or subscription attaching to the securities mentioned in item (i) above are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 95% of the Market Price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription;
- (f) issue wholly for cash any Shares at a price per Share which is less than 95% of the Market Price at the date of the announcement of the terms of such issue;
- (g) issue of Shares for the acquisition of any asset at a total Effective Consideration per Share which is less than 95% of the Market Price at the date of the announcement of the terms of such issue; and

- (h) if the Issuer or the Bondholder determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances

Ranking: The Conversion Shares issued upon exercise of conversion rights and the Interest Shares shall be fully paid, free from any liens, charges, encumbrances, pre-emptive rights or other third party rights, and rank pari passu in all respects with all other existing Shares existing on the date of Conversion

Transferability: The Convertible Bond (or any part thereof) may be transferred to a connected person of the Bondholder without the prior written consent of the Issuer

Assuming the conversion rights attached to the Convertible Bond are exercised in full at the initial Conversion Price of HK\$0.653 per Conversion Share, a maximum of 76,569,678 Conversion Shares and a maximum of 15,313,935 Interest Shares will be allotted and issued, representing approximately 1.68% of the entire issued share capital of the Issuer as at the date of this announcement and approximately 1.65% of the entire issued share capital of the Issuer as enlarged by the issue of the Conversion Shares and Interest Shares.

Conditions Precedent

Completion shall be subject to and conditional upon the fulfilment (or waiver) of the following conditions:

- (1) the completion of due diligence by the Purchaser to the reasonable satisfaction of the Purchaser;
- (2) the passing of the resolution by the shareholders of the Issuer at the SGM approving the Sale and Purchase Agreement and the transactions contemplated hereunder;
- (3) the listing committee of the Stock Exchange granting the listing of, and permission to deal in, the Conversion Shares and Interest Shares;
- (4) all other requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Sale and Purchase Agreement having been obtained by the respective Parties (including but not limited to the necessary consent from the Stock Exchange, if any); and
- (5) none of the warranties made by the Vendor under and other provisions of the Sale and Purchase Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or (in respect of any of the aforesaid warranties) is misleading or untrue in any material respect.

The Purchaser may waive the conditions precedent (1) and (5) above at any time by notice in writing to the Vendor.

In the event that the above conditions precedent shall not be fulfilled or waived by the Long Stop Date, then the Vendor and the Purchaser shall not be bound to proceed with the transactions contemplated under the Sale and Purchase Agreement. The Sale and Purchase Agreement shall cease to be of any effect (save as the confidentiality and other general provisions contained therein and any claims arising out of any antecedent breach thereof).

Completion of the Disposal

Subject to fulfilment of the conditions precedent above and other terms of the Sale and Purchase Agreement, Completion shall take place at 3701-10, Jardine House, 1 Connaught Place, Central, Hong Kong on the Completion Date.

INFORMATION OF THE TARGET GROUP

The Target is an investment holding company incorporated in the British Virgin Islands in 2016. The Target Group comprises the Target and its subsidiaries, which are all wholly-owned by the Target, and is principally engaged in the provision of online music streaming service to public through mobile apps.

Set out below is the combined financial information of the Target Group prepared as if the Target had been the holding company of the Target Group as at 1 January 2014:

	For the year ended 31 December 2014 Unaudited (HK\$'000)	For the year ended 31 December 2015 Unaudited (HK\$'000)
Revenue	9,009	11,347
Net loss before taxation	16,881	8,826
Net loss after taxation	16,881	8,826

The unaudited combined net asset value of the Target Group is expected to be no less than HK\$30 million as at Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in asset management and strategic investment businesses. Among other things, through mergers and acquisitions, transactions and partnerships, the Group aims to identify business with promising growth and unlock their values. Over the years, the Group has accumulated remarkable experience in investing in and operating technology businesses. The Directors believe that it is in the interest of the Group to align and reorganize its entertainment related investments in the most efficient manner to best utilize resources.

Together with the Issuer's businesses and resources in the media and entertainment industry, the Directors believe synergies could be achieved through the Disposal, hence benefiting the Company, through its shareholding in the Issuer, and its shareholders as a whole.

The Directors consider that the terms and conditions of the Disposal (including the Consideration) are fair and reasonable and on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Company will no longer hold any equity interest in the Target and the Target will cease to be a subsidiary of the Company. It is expected that the Group will record a gain of approximately HK\$16 million from the Disposal, which is calculated with reference to the difference between (i) the Consideration and (ii) the expected net asset value of the Target Group as at Completion. Subject to audit, the actual amount of gain or loss on 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.

IMPLICATIONS UNDER THE GEM 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%, the Disposal 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:

“Board”	the board of Directors
“Bondholder(s)”	the registered holder(s) of the Convertible Bond
“Business Day”	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Capital Distribution”	any cash dividend or a distribution in specie and any dividend charged or provided for in the accounts for any financial period after 30 June 2016 shall (whenever paid and however described) be deemed to be a Capital Distribution provided that any such dividend shall not be so deemed if the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial period in question, does not exceed the lesser of (i) the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial period and (ii) an amount (rounded up to the nearest one tenth of a cent)

“Company”	AID Partners Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM under stock code 8088
“Completion”	completion of the Disposal
“Completion Date”	the fifth (5th) Business Day after satisfaction or waiver (as the case may be) of the Conditions (or such later date as the parties to the Sale and Purchase Agreement may agree in writing prior to Completion)
“Consideration”	HK\$50,000,000, being the total consideration for the Disposal
“Conversion Price”	HK\$0.653 per Conversion Share, being the initial conversion price at which the Conversion Shares will be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bond, subject to adjustment pursuant to the terms and conditions of the Convertible Bond
“Conversion Share(s)”	the Shares to be issued by the Issuer upon exercise by the Bondholder of the conversion rights, and “Conversion Share” shall be construed accordingly
“Convertible Bond”	the 5% coupon convertible bond in the principal amount of HK\$50,000,000 to be issued by the Issuer to the Vendor (or its nominee(s)) pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Group of the entire issued share capital of the Target pursuant to the Sale and Purchase Agreement
“Effective Consideration”	the aggregate consideration credited as being paid for such Shares by the Issuer on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the 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 People’s Republic of China
“Interest Shares”	The Shares to be issued by the Issuer for the payment of interest of the Convertible Bond
“Issuer”	HMV Digital China Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the GEM under stock code 8078
“Long Stop Day”	28 February 2017 (or such other date as the Parties may agree in writing)
“Market Price(s)”	the average of the closing prices of a Share on the Stock Exchange for each of the last ten (10) days on which dealings in the Shares on the Stock Exchange took place ending on the last such dealing day immediately preceding the day on or as of which the Market Price is to be determined
“Maturity Date”	the fourth anniversary of the date of issue of the Convertible Bond
“Party(ies)”	the party(ies) to the Sale and Purchase Agreement
“Purchaser”	Sunny On Corporation Limited, a company incorporated in Hong Kong with limited liability, being the purchaser under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 December 2016 and entered into among the Vendor, the Purchaser and the Issuer
“SGM”	the special general meeting of the Issuer to be convened to consider and, if thought fit, approve the relevant matters mentioned in this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Issuer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Time Edge Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target and its subsidiaries
“Total Effective Consideration per Share”	the Total Effective Consideration divided by the number of Shares issued as aforesaid

“Vendor”

Honour Best Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being the vendor under the Sale and Purchase Agreement

%

per cent.

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

Hong Kong, 13 December 2016

As at the date of hereof, the Board comprises:

Executive Directors:

Mr. Wu King Shiu, Kelvin
Mr. Ho Gilbert Chi Hang

Non-Executive Directors:

Mr. Chang Tat Joel
Mr. Xu Haohao
Mr. Guo Qifei
Ms. Fong Janie

*Independent non-executive
Directors:*

Mr. Chinn Adam David
Professor Lee Chack Fan, GBS, SBS, JP
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 on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the website of the Company at www.aid8088.com.