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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)

ISSUE OF CONVERTIBLE BOND UNDER GENERAL MANDATE

On 6 July 2015 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bond in the aggregate principal amount of HK\$140,000,000. Completion is subject to the fulfillment or waiver (as the case may be) of all conditions set out in the paragraph headed "Conditions precedent" below. Detailed terms of the Convertible Bond are set out in the paragraph headed "Principal terms of the Convertible Bond" below.

As at the date of this announcement, the Company has a total of 3,450,445,613 Shares in issue. Assuming there is no further issue or repurchase of the Shares, based on the initial Conversion Price of HK\$0.325 per Conversion Share and assuming full conversion of the Convertible Bond at the initial Conversion Price, the Convertible Bond will be convertible into 430,769,230 Conversion Shares, representing approximately 12.48% of the existing issued share capital of the Company as at the date of this announcement and approximately 11.09% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming that the completion of the Placing has not taken place). The Conversion Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2015.

* For identification purpose only

The estimated net proceeds from the issue of the Convertible Bond, after deducting legal fees and other expenses payable by the Company, are estimated to be approximately HK\$139,500,000, which are intended to be applied as the investment capital for the strategic investment business of the Company as well as for the expansion of its asset management business and related financial platform and general working capital of the Group.

No listing of the Convertible Bond will be sought on the Stock Exchange or any other stock exchanges. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares and the Interest Shares that may be issued in the event that the Subscriber elects to receive the Interest in Shares on the Stock Exchange.

Completion of the Subscription Agreement is subject to fulfillment, or waiver, of certain conditions. In addition, the Subscription Agreement may be terminated upon the occurrence of certain events. Please refer to the section headed “The Subscription Agreement” below for further information. As the Subscription Agreement may or may not be completed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

On 6 July 2015 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bond in the aggregate principal amount of HK\$140,000,000. Details of the Subscription Agreement and the terms of the Convertible Bond are described below.

THE SUBSCRIPTION AGREEMENT

Date

6 July 2015 (after trading hours)

Parties

Issuer: The Company

Subscriber: The Subscriber

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are third parties independent of and are not connected persons (as defined under the GEM Listing Rules) of the Company.

Subscription

Subject to the fulfilment of the conditions precedent set out below, the Subscriber shall subscribe for, and the Company shall issue, the Convertible Bond in the aggregate principal amount of HK\$140,000,000 and the said amount shall be satisfied in cash.

Conditions precedent

Completion is conditional upon the fulfillment of, among other things, the following conditions:

- (a) to the extent not waived or consented to by or the requisite approval or ruling not obtained from the relevant regulatory or governmental authorities, compliance by each of the Company and the Subscriber of all applicable laws and regulations, including but not limited to those under the GEM Listing Rules, (if applicable) the Takeovers Code, the Companies Ordinance and the laws and regulations of each of the Company and the Subscriber's jurisdiction of incorporation;
- (b) the granting of the approval for the listing of, and permission to deal in, the Conversion Shares and the Interest Shares that may be issued in the event that the Subscriber elects to receive the Interest in Shares by the Listing Committee;
- (c) all license, permit, consent, authorisation, permission, clearance, warrant, confirmation, certificate or approval of any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or tax raising body, authority, agency, board, department, court or tribunal of any jurisdiction (including the Stock Exchange, the SFC or any relevant securities exchange) and whether supranational, national, regional or local or any other person(s) (including, but not limited to, the holders of the 5% Coupon Convertible Bonds or other creditors of the Company, if required) which are required for the Subscription and all matters contemplated thereunder having been obtained or made, if any;
- (d) all the representations and warranties contained in the Subscription Agreement in relation to the Company and the Subscriber remain true, accurate in all material respects and not misleading when made, and being true, accurate in all material respects and not misleading on and as of the date of completion of the Subscription Agreement; and
- (e) no material adverse change having occurred in respect of the business, assets, financial position, performance, operations, properties or conditions (financial or otherwise) of the Group.

The conditions precedent set out in paragraphs (d) above (in respect of the Company) and (e) above may be waived by the Subscriber (in whole or in part) and the condition precedent in paragraph (d) above (in respect of the Subscriber) may be waived by the Company (in whole or in part). No other conditions precedent may be unilaterally waived by any party to the Subscription Agreement.

If any of the above conditions precedent are not fulfilled (or waived) on or before 17 July 2015 or such other date as the Company and the Subscriber may agree, the Subscription Agreement will cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Subscription Agreement, save in respect of any antecedent breach of any obligation thereof.

With respect to condition precedent set out in (c) above, reference is made to the lock-up undertaking given by the Company under the Placing Agreement, which has been disclosed in the paragraph headed "Lock-up undertaking from the Company" in the section headed

“Letter from the Board” in the circular of the Company dated 27 June 2015. As at the date of this announcement, the Company has obtained consent from UOB Kay Hian (Hong Kong) Limited (the placing agent pursuant to the Placing Agreement) to enter into the Subscription Agreement and the Instrument, the issue of the Convertible Bond, allot and issue the Conversion Shares and the Interest Shares that may be issued in the event that the Subscriber elects to receive the Interest in Shares and undertake all obligations and responsibilities contemplated under the Subscription Agreement and the Instrument.

Completion

Subject to the fulfillment (or waiver) (as the case may be) of the above conditions precedent, completion of the Subscription Agreement shall take place on the fifth (5th) Business Day following the date on which all of the conditions precedent are fulfilled or waived (as the case may be) (or such later date as the Company and the Subscriber may agree).

Completion of the Subscription Agreement is subject to fulfillment, or waiver, of certain conditions. In addition, the Subscription Agreement may be terminated upon the occurrence of certain events. Please refer to the section headed “The Subscription Agreement” below for further information. As the Subscription Agreement may or may not be completed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

PRINCIPAL TERMS OF THE CONVERTIBLE BOND

The principal terms of the Convertible Bond were arrived at after arm’s length negotiations between the Company and the Subscriber and are summarised as follows:

Principal amount:	HK\$140,000,000
Issue price:	100% of the principal amount of the Convertible Bond
Denomination:	The Convertible Bond(s) will be issued in registered form and in the denomination of HK\$1,000,000 each and integral multiples thereof
Interest rate:	A compound interest rate of 8% per annum from and including the Issue Date to the Maturity Date and payable on the Maturity Date. If any part of the Convertible Bond is converted on a date falling prior to the Maturity Date, Interest in respect of the part of the Convertible Bond converted shall accrue on a daily basis in respect of the period from the Issue Date to the date of conversion and be payable on a pro rata basis on the date of conversion.

The Subscriber shall have the option to elect to receive the said Interest in cash or in Shares. In the event that the Subscriber elects to receive such interest in Shares, such Interest shall be converted into Shares in the manner set out in the paragraphs headed “Conversion” and “Conversion price” below.

Maturity date and redemption:	Unless previously redeemed and cancelled or purchased or otherwise acquired and cancelled, any outstanding Convertible Bond shall be redeemed on the Maturity Date.
Conversion:	<p>No Bondholder and parties Acting in Concert with it shall exercise any conversion rights under the Convertible Bonds in the event that the issuance of the Conversion Shares pursuant to the exercise of any conversion rights under the Convertible Bonds by the Bondholder will result in:</p> <ul style="list-style-type: none"> (a) any mandatory offer obligation under Rule 26.1 of the Takeovers Code being triggered by the Bondholder and/or parties Acting in Concert with such Bondholder; or (b) the Company being in breach of any provision of the GEM Listing Rules, including the requirement to maintain any prescribed minimum percentage of the issued share capital of the Company held by the public.
Conversion price:	<p>The initial Conversion Price is HK\$0.325 per Conversion Share or Interest Share (as the case may be), subject to customary adjustment for, among other matters, subdivision or consolidation of Shares, capitalisation of profits or reserves, capital distributions and rights issue.</p> <p>The initial Conversion Price represents:</p> <ul style="list-style-type: none"> (i) a premium of approximately 12.06% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; (ii) a discount of approximately 14.24% to the average closing price of HK\$0.379 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately preceding the date of the Subscription Agreement; and (iii) a discount of approximately 16.23% to the average closing price of HK\$0.388 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately preceding the date of the Subscription Agreement. <p>The Conversion Price of the Conversion Shares and the Interest Shares was determined after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices and performance of the Shares, the current market conditions and the historical financial performance and the business prospects of the Group.</p>

The Directors (including the independent non-executive Directors) are of the opinion that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conversion period:

The Bondholder(s) shall have the right to convert such Convertible Bond into Conversion Shares on any Business Day during the period commencing from the date falling on the first (1st) anniversary of the Issue Date up to and including the date falling seven (7) days prior to the Maturity Date.

Early Redemption and Purchase:

Redemption:

Unless previously redeemed and cancelled or purchased or otherwise acquired and (at the election of the Company) cancelled as, in each case, herein provided, each Convertible Bond may be redeemed by the Company at any time prior to the Maturity Date at a premium of 10% above the outstanding principal amount of the Convertible Bond(s) to be redeemed, subject to the Bondholder agreeing with such redemption.

The Company may, having given not less than thirty (30) days' notice (which notices shall be irrevocable) to the Bondholders, redeem the Convertible Bond(s) then outstanding in integral multiples of HK\$1,000,000 on the date specified in the said notice at the outstanding principal amount of the Convertible Bond(s) to be redeemed at any time prior to the Maturity Date.

Purchases:

The Company or any of its Subsidiaries may at any time and from time to time purchase or otherwise acquire Convertible Bond(s) from any of the Bondholders. Convertible Bond(s) purchased or acquired by the Company or any of its Subsidiaries as aforesaid need not be (but may at the election of the Company be) cancelled and may be held by the Company or any of its Subsidiaries and/or reissued or resold.

Transfer:

With five (5) Business Days' prior notification to the Company, the Convertible Bond may be transferable in integral multiples of HK\$1,000,000. No transfer of the Convertible Bond to the Prohibited Transferee(s) will be permissible, save and except that the Subscriber is permitted to transfer the Convertible Bond to its associate(s), and in the case of any transfer to a connected person of the Company, such transfer will be permitted if the prior written consent of the Company is to be obtained.

Events of default:

If any of the following events occurs and is continuing, if so requested in writing by a Bondholder or a group of Bondholders in aggregate holding not less than 66% of the outstanding principal amount of the Convertible Bond(s), any Bondholder shall, give notice to the Company that the Convertible Bond is, and they shall accordingly thereby forthwith become, immediately due and payable if:

- (a) *Non-payment*: the Company fails to pay the principal or premium (if any) on any of the Convertible Bond when due and such failure continues for a period of fourteen (14) days; or
- (b) *Breach of Other Obligations*: the Company fails to perform or comply with any of its other obligations under the Convertible Bond or the Instrument which default is not remedied within thirty (30) days after notice requiring the same to be remedied is served by the Bondholder at the request of any Bondholder or group of Bondholders holding not less than 66% of the outstanding principal amounts of the Convertible Bonds or a Bondholder or a group of Bondholders holding not less than 66% of the outstanding principal amount of the Convertible Bond (as the case may be) on the Company; or

- (c) *Cross-Default*: (i) any other present or future indebtedness of the Company or any Subsidiary for or in respect of moneys borrowed or raised is declared or becomes due and payable prior to its stated maturity by reason of an event of default (however called or described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company or any Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that any single amount or the aggregate amount of the indebtedness becoming due and payable under (i) above, and/or any single amount or aggregate amount of the indebtedness not paid when due, or as the case may be, within any applicable grace period under (ii) above and/or any single amount or the aggregate amount not paid when due under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised under (iii) above, equals or exceeds HK\$5,000,000 and HK\$10,000,000 respectively; or
- (d) *Enforcement Proceedings*: a distress, attachment, execution or other legal process (the “**Actions**”) is levied, enforced or sued out on or against the whole or any part of the property, assets or revenues of the Company or any Subsidiary which, in the reasonable opinion of the Bondholder(s), has or would have a material adverse effect on the Company or such Subsidiary and is not discharged or stayed within 45 days (or such longer period as the Bondholders may consider to be reasonably appropriate) unless, but only so long as, the Bondholders are satisfied that the Actions are being contested in good faith, diligently and with a reasonable prospect of success. For the avoidance of doubt, the reference to the opinion or decision of the Bondholders above refers to the opinion or decision of the Bondholders duly resolved at the meeting of the Bondholder(s) convened in the manner set out in Schedule C; or
- (e) *Insolvency*: the Company or any Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or insolvent or unable to pay its debts as and when they fall due; stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts; makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will or might otherwise be unable to pay when due); or

- (f) *Winding-up*: an order of a court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution or administration (or equivalent procedure) of the Company or any Subsidiary, or the directors of the Company or any Subsidiary request any person to appoint an administrator (or equivalent person), or the Company ceases or threatens to cease to carry on all or a material part of its business or operations; except in any case, however, for the purpose of or in connection with a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms previously approved by a resolution passed at a meeting of the Bondholder(s) by a majority of not less than three-fourths of the votes cast on poll, or (ii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred or distributed to or otherwise vested in the Company or another one or more of its Subsidiaries, or by way of a voluntary winding up or dissolution where there are surplus assets in such Subsidiary and such surplus assets which are attributable to the Company and/or any other Subsidiaries are distributed to the Company and/or such other Subsidiaries; or
- (g) *Appointment of Receiver*: an administrative or other receiver or any manager (or equivalent person) is duly appointed of the Company or any Subsidiary or the directors of the Company or any Subsidiary request any person to appoint such an administrative or other receiver or manager (or equivalent person) over either of them or any of their respective assets or properties, unless it is in the opinion of the Bondholders (which shall be duly resolved at the meeting of the Bondholders that, in the case only of such action having been commenced by a creditor of the Company or any Subsidiary, as the case may be, it is discharged within thirty (30) days of the commencement of such proceedings or the appointment as aforesaid;
- (h) *Suspended Trading*: the listing of the Company on the Stock Exchange is at any time terminated, or its Shares suspended for trading for a period of more than twenty (20) consecutive trading days and the Company is unable to provide a reason therefor.

Status of the Convertible Bond:

The Convertible Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company and at all times ranks pari passu and rateably without preference (with the exception of obligations in respect of taxes and certain other statutory exceptions) equally with all other unsecured and unsubordinated obligations of the Company.

Conversion Shares and Interest Shares:

Based on the initial Conversion Price of HK\$0.325 per Conversion Share, a maximum number of 430,769,230 Conversion Shares may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bond in full, which represent:

- (i) approximately 12.48% of the existing issued share capital of the Company as at the date hereof;
- (ii) approximately 11.09% of the issued share capital as enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full (assuming that (a) the Subscriber did not elect to receive any Interest in Shares, (b) there is no other change in the existing shareholding of the Company and no conversion of the RCPS, 5% Coupon Convertible Bonds and Share Options and (c) the completion of the Placing Agreement has not yet taken place);
- (iii) approximately 5.40% of the issued share capital as enlarged by the allotment and issue of (a) the Subscriber did not elect to receive any Interest in Shares, (b) the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full and (c) the maximum of 4,090,896,000 Shares that may be issued pursuant to the Placing Agreement (assuming that there is no other change in the existing shareholding of the Company and no conversion of the RCPS, 5% Coupon Convertible Bonds and Share Options).

Based on the initial Conversion Price of HK\$0.325 per Interest Share, a maximum number of 202,172,095 Interest Shares may fall to be allotted and issued in the event that the Subscriber elects to receive all Interest in Shares, which represent:

- (i) approximately 5.85% of the existing issued share capital of the Company as at the date hereof;

- (ii) approximately 4.95% of the issued share capital as enlarged by the allotment and issue of the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full and the Interest Shares (assuming that (a) the Subscriber had elected to receive all Interest in Shares, (b) there is no other change in the existing shareholding of the Company and no conversion of the RCPS, 5% Coupon Convertible Bonds and Share Options and (c) the completion of the Placing Agreement has not yet taken place);
- (iii) approximately 2.47% of the issued share capital as enlarged by the allotment and issue of (a) the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds in full, (b) the Interest Shares and (b) the maximum of 4,090,896,000 Shares that may be issued pursuant to the Placing Agreement (assuming that (a) the Subscriber had elected to receive all Interest in Shares and (b) there is no other change in the existing shareholding of the Company and no conversion of the RCPS, 5% Coupon Convertible Bonds and Share Options).

Ranking of the Conversion Shares and the Interest Shares:

The Conversion Shares and/or the Interest Shares (as the case may be), when allotted and issued, will be fully paid and will rank pari passu in all respects with, and within the same class as, the Shares in issue as at the date of allotment and issue of the Conversion Shares and/or the Interest Shares (as the case may be).

Voting:

The Bondholder(s) will not be entitled to attend or vote at any meeting of the Company by reason only of it being the holder of the Convertible Bond.

Listing:

No application will be made for the listing of, or permission to deal in, the Convertible Bond on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the Interest Shares that may be issued in the event that the Subscriber elects to receive the Interest in Shares.

GENERAL MANDATE TO ISSUE THE CONVERSION SHARES

The Conversion Shares and the Interest Shares will be issued pursuant to the General Mandate. Immediately prior to entering into the Subscription Agreement, the General Mandate had not been utilised, and thus the maximum number of new Shares which could be issued under the General Mandate was 649,588,775 Shares (being 20% of the aggregate nominal amount of the total issued share capital of the Company of 3,247,943,876 Shares as at the date of the annual general meeting held on 5 May 2015). Accordingly, the Subscription Agreement and the allotment and issue of Conversion Shares and the Interest Shares are not subject to any Shareholders' approval.

REASONS FOR THE ISSUE OF THE CONVERTIBLE BOND AND USE OF PROCEEDS

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

The net proceeds from the issue of the Convertible Bond, after deducting legal fees and other expenses payable by the Company, are estimated to be approximately HK\$139,500,000, which are intended to be applied as the investment capital for the strategic investment business of the Company as well as for the expansion of its asset management business and related financial platform and general working capital of the Group. The Directors are of the view that the issue of the Convertible Bond represents a good opportunity for the Company to raise funds to strengthen its financial position as well as to provide further funding to the Group for its development and investment with an objective to provide attractive returns for the Shareholders since the issue of the Convertible Bond will provide the Company with immediate funding without resulting in immediate dilution effect on the shareholding of the existing Shareholders and the Convertible Bond bears a relatively low interest rate in comparison with the prevailing market interest rate for external borrowings in light of the financial situation of the Company. Furthermore, as disclosed in the paragraph headed "Information on the Subscriber" below, the Subscriber is a member of the HNA Group which is a conglomerate with businesses in the area of aviation, industrial, financial, tourism and logistics internationally. The Directors are of the view that the Subscriber could provide strategic value to the Group in many of the areas in which the Group operates and invests in, in particular in the entertainment, lifestyle and the financial sectors. The Group could utilize and leverage on HNA Group's network and tourism/leisure facilities to develop and expand its "pan-entertainment" platform more effectively, especially in the PRC. The relationship with HNA Group would also provide opportunities for the Group to strengthen and develop its asset management business and its related financial platform by leveraging on HNA Group's operations in the financial sector. By forming these strategic relationships with HNA Group and with the additional funding provided by the Subscriber, the Directors are therefore of the view that it provides opportunities for the Group to achieve its 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 to be identified; and (c) developing, investing and expanding its asset management business and related financial platform, more effectively and efficiently, hence enhancing the return to its Shareholders.

Based on the above, the Directors consider that the terms of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

As disclosed in the announcement and circular of the Company dated 7 June 2015 and 27 June 2015, respectively, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which UOB Kay Hian (Hong Kong) Limited has conditionally agreed to place up to 4,090,896,000 Offered Shares (comprising up to 2,272,720,000 Placing Shares and up to 1,818,176,000 Optional Shares) on a best effort basis to the Placees at the Placing Price of HK\$0.22 per Offered Share. The issuance of the Convertible Bond to the Subscriber will not have an immediate dilution effect on the shareholding of the existing Shareholders. The exercise of the conversion rights attaching to the Convertible Bond during the conversion period will have a dilutive effect on the shareholding of the Shareholders (including the Placees) at such time of conversion. Please refer to the shareholding structure of the Company as set out in the paragraph headed "Effect on shareholding structure of the Company" for illustration of the dilutive effect of the issuance of Conversion Shares.

INFORMATION ON THE SUBSCRIBER

The Subscriber is an indirect wholly-owned subsidiary of HNA Holding Group Co., Ltd ("HNA Holding"), which is one of the core industry sectors of HNA Group.

HNA Holding has, among others, two (2) major investments, namely (i) HNA Infrastructure Company Limited ("HNA Infrastructure") and (ii) HNA Investment Group Co. Ltd ("HNA Investment"). HNA Infrastructure specialises in businesses such as the operation and management of airports, engineering design and management, duty free businesses as well as the development and management of landmark buildings, scenic spots, airport industry, navigation industry and urban complexes spreading over 40 cities around the world. HNA Investment creates domestic investment platform for HNA Group according to the latest characteristics within both domestic and foreign capital areas and build a diversified industrial investing and financing platform by making use of banks, securities, insurance, fund and asset management tools.

By the end of 2014, the total assets of HNA Holding reached RMB187 billion with annual revenue of RMB37 billion. HNA Holding holds stake in four (4) listed companies, namely Hainan Island Construction (600515.SH), HNA Infrastructure (357.HK), Xi'an Minsheng Group Co., Ltd. (000564.SZ) and HNA Investment (000616.SZ).

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes, the tables below set out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the full conversion of the Convertible Bond at the initial Conversion Price of HK\$0.325; and (iii) immediately after the completion of the Placing Agreement.

Notes:

1. Assuming no exercise of Share Options, or conversion of RCPS or 5% Coupon Convertible Bonds.
2. Assuming all Share Options are fully exercised and all RCPS and 5% Coupon Convertible Bonds are converted in full.
3. Mr. Wu, the chief executive officer of the Company and executive Director, owns 14,400,000 Shares. Mr. Wu is also deemed to be interested in 165,600,000 Shares held by HMV Asia Limited through his deemed interest in 62.5% of the issued share capital in HMV Asia Limited due to family holdings. Mr. Wu is interested in 26,884,000 Share Options at an exercise price of HK\$0.16 per Share (subject to adjustments) to subscribe for Shares. Mr. Wu is deemed to have interest in 1,346,153,846 underlying Shares as mentioned in note 9 below. Mr. Wu is also interested in 88,200,000 underlying Shares.
4. Mr. Ho, the chief investment officer of the Company and executive Director, owns 264,000 Shares and is interested in 27,342,000 Share Options at an exercise price of HK\$0.16 per Share (subject to adjustments) to subscribe for Shares. Mr. Ho is also deemed to have interest in 1,346,153,846 underlying Shares as mentioned in note 9 below.
5. Mr. Chang, an executive Director, is interested in 27,342,000 Share Options at an exercise price of HK\$0.16 per Share (subject to adjustments) to subscribe for Shares. Mr. Chang is also deemed to have interest in 1,346,153,846 underlying Shares as mentioned in note 9 below.
6. Mr. Shiu, a non-executive Director, is interested in 2,937,500 Share Options at an exercise price of HK\$0.16 per Share (subject to adjustments) to subscribe for Shares.
7. Mr. Shi, an independent non-executive Director, is interested in 2,643,750 Share Options at an exercise price of HK\$0.16 per Share (subject to adjustments) to subscribe for Shares.
8. Mr. Yuen, an independent non-executive Director, owns 1,980,000 Shares.
9. Abundant Star and Vantage Edge own 769,230,769 and 576,923,077 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\$0.13 per Share (subject to adjustments). Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 1,346,153,846 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 Cap II. AID Cap II is interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Abundant Star and Vantage Edge.
10. Able Supreme Management Limited (“Able Supreme”) owns 831,612,000 underlying Shares which will be allotted and issued upon full conversion of 6,930,100 RCPS at conversion price of HK\$0.13 (reset on 27 January 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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months immediately prior to the date of this announcement.

As disclosed in the announcement and circular of the Company dated 7 June 2015 and 27 June 2015, respectively, the Company entered into the Placing Agreement with UOB Kay Hian (Hong Kong) Limited, pursuant to which UOB Kay Hian (Hong Kong) Limited has conditionally agreed to place up to 4,090,896,000 Offered Shares (comprising up to 2,272,720,000 Placing Shares and up to 1,818,176,000 Optional Shares) on a best effort basis to the Placees at the placing price of HK\$0.22 per Offered Share. The maximum gross proceeds from the placing of the Placing Shares and the full exercise of the Option, will be approximately HK\$499,998,000 and HK\$399,999,000, respectively. The net proceeds from the placing of the Placing Shares and the full exercise of the Option will amount to approximately HK\$483,700,000 and HK\$388,000,000, respectively. The net price raised per Offered Share will be approximately HK\$0.213 per Offered Share.

The Company intends to use the net proceeds from the Placing (assuming full exercise of the Option thereof) for (a) building the “pan-entertainment platform” and an integrated online to offline ecosystem of music, video, entertainment and lifestyle; (b) the investment capital of the strategic investment opportunities to be identified; and (c) the development, investment and expansion of its asset management business and related financial platform. Please refer to the section headed “Reasons for the placing and use of proceeds” of the circular of the Company dated 27 June 2015 for further details on the use of the net proceeds from the Placing.

As at the date of this announcement, completion of the Placing Agreement has not yet taken place.

PUBLIC FLOAT

The Company will monitor closely and will ensure that it maintains the minimum public float percentage as prescribed under the GEM Listing Rules from time to time. The Company’s public float will not fall below the minimum prescribed percentage under the GEM Listing Rules upon the conversion of the Convertible Bond.

GENERAL

No application will be made by the Company to the Listing Committee for listing of the Convertible Bonds. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares and the Interest Shares on the Stock Exchange.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

“Abundant Star”	Abundant Star Ventures Limited, a limited liability company incorporated in Samoa
“Acting in Concert”	has the meaning ascribed thereto in the Takeovers Code
“AID Cap II”	AID Partners Capital II, L.P., a private equity fund, which is indirectly controlled by Mr. Wu
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Bondholders”	holders of the Convertible Bond from time to time
“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.
“Company”	AID Partners Capital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
“connected persons”	has the meaning ascribed thereto under the GEM Listing Rules
“Conversion Price”	the price per Share at which the Convertible Bond may be converted into Shares and/or at which the Interest Shares may be allotted and issued (as the case may be), which is initially set at HK\$0.325 per Conversion Share or Interest Share (as the case may be) (subject to adjustment)
“Conversion Share(s)”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bond”	the convertible bond in the aggregate principal amount of HK\$140,000,000 bearing a compound interest rate of eight per cent. (8%) per annum to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2015 to allot, issue and otherwise deal in up to 649,588,775 Shares
“Group”	the Company and its subsidiaries
“HNA Group”	HNA Group Co., Ltd. and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Instrument”	the Instrument constituting the Convertible Bond
“Interest”	a compound interest rate of eight per cent. (8%) per annum on the principal sum of the Convertible Bond for the time being outstanding in accordance with the Instrument
“Interest Share(s)”	the Shares which may fall to be allotted and issued by the Company to the Subscriber in the event that the Subscriber elects to receive the Interest in Shares
“Issue Date”	the date of issue of the Convertible Bond
“Maturity Date”	the date falling on the fifth (5th) anniversary of the Issue Date
“Mr. Chang”	Mr. Chang Tat Joel, an executive Director
“Mr. Ho”	Mr. Ho Gilbert Chi Hang, an executive Director
“Mr. Shi”	Mr. Shi Jinsheng, an independent non-executive Director
“Mr. Shiu”	Mr. Stephen Shiu Junior, a non-executive Director
“Mr. Wu”	Mr. Wu King Shiu, Kelvin, the Chief Executive Officer and an executive Director
“Mr. Yuen”	Mr. Yuen Kwok On, an independent non-executive Director
“Offered Shares”	the Placing Shares and the Optional Shares
“Option”	the option granted by the Company under the Placing Agreement to UOB Kay Hian (Hong Kong) Limited, as the placing agent, to require the Company to issue and allot the Optional Shares for the sole purpose of covering over-allocation in the subscription of the Placing Shares
“Optional Shares”	up to an aggregate of 1,818,176,000 additional Shares which the Company may be required to issue and allot at the placing price of HK\$0.22 per Share pursuant to the Option

“Placee(s)”	institutional, professional and/or individual investor(s) procured by UOB Kay Hian (Hong Kong) Limited, as the placing agent, to subscribe for any of the new Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 4,090,896,000 new Shares (comprising up to 2,272,720,000 Placing Shares and up to 1,818,176,000 Optional Shares) on a best effort basis to the Placees at the placing price of HK\$0.22 per new Share on the terms and subject to the conditions set out in the Placing Agreement. Please refer to the circular of the Company dated 27 June 2015 for further details
“Placing Agreement”	the placing agreement dated 5 June 2015 entered into between the Company and UOB Kay Hian (Hong Kong) Limited in relation to the Placing
“Placing Share(s)”	up to an aggregate of 2,272,720,000 new Shares to be issued and allotted and to be placed by UOB Kay Hian (Hong Kong) Limited, as the placing agent, pursuant to the terms of the Placing Agreement but excluding any Optional Shares
“PRC”	The People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Prohibited Transferee(s)”	any person who (i) is not independent of the Company (and its Subsidiaries) or its connected person(s), or (ii) is a party Acting in Concert with any person(s) or shareholder(s) of the Company to the effect that any transfer of the Convertible Bond(s) to such transferee(s) and/or the exercise by such transferee(s) of any conversion right attaching to the Convertible Bond(s) subject to such transfer will trigger the mandatory offer obligation under the Takeovers Code
“RCPS”	the redeemable convertible preference shares with the outstanding principal amount of approximately US\$701,979 entitling the holders thereof to convert for a total of 842,374,800 at the conversion price of HK\$0.13 per Share (subject to adjustments)
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Share Options”	the share options granted pursuant to the share option schemes of the Company, approved and adopted by the Company at the annual general meeting of the Company on 27 March 2002 and 15 April 2014, respectively, pursuant to which a total of 148,486,165 share options are still outstanding as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Hong Kong HNA Holding Group Co. Limited 香港海航實業集團有限公司, a company incorporated in Hong Kong and wholly-owned by HISEA International Co., Ltd. 海實國際有限公司
“Subscription”	the subscription for the Convertible Bond by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 6 July 2015 and entered into between the Company and the Subscriber in relation to the Subscription
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vantage Edge”	Vantage Edge Limited, a limited liability company incorporated in Samoa
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“5% Coupon Convertible Bonds”	the five per cent. (5%) coupon convertible bonds with the outstanding principal amount of HK\$175,000,000 entitling the holders thereof to convert for a total of 1,346,153,846 at the conversion price of HK\$0.13 per Share (reset on 27 January 2015)
“%”	per cent.

By order of the Board
AID PARTNERS CAPITAL HOLDINGS LIMITED
Wu King Shiu, Kelvin
Executive Director

Hong Kong, 6 July 2015

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

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

Non-Executive Director: Stephen Shiu Junior

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particular 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 7 days from the date of its posting and on the website of the Company at www.aid8088.com.