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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in AID Partners Capital Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

AID PARTNERS
汇 友 资 本

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)

(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF APPROXIMATELY 81.63% ISSUED SHARE CAPITAL OF HMV M&E LIMITED IN RETURN FOR THE CONSIDERATION SHARES IN CHINA 3D; (2) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTERESTS IN CHINA 3D; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "**Definitions**" of this circular.

A notice convening the EGM to be held at hmv Flagship Store, 4/F., Pearl City, 22–36 Paterson Street, Causeway Bay, Hong Kong on 10, June 2016, at 10:30 a.m. is set out on pages 90 to 92 of this circular. A form of proxy for the EGM is enclosed. Whether or not you intend to attend and vote at the EGM or any adjourned meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Units 1&2, 29/F., The Hennessy, 256 Hennessy Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

* *For identification purpose only*

23 May 2016

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 Stock 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below.

"Acquisition"	the acquisition of 1,118,219,178 Consideration Shares as a result of the receipt of the Consideration Shares by the Vendor or its nominee(s) from China 3D pursuant to the terms of the Sale and Purchase Agreement
"associate(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"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.
"BVI"	British Virgin Islands
"China 3D"	China 3D Digital Entertainment Limited (Stock code: 8078), a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
"China 3D Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of China 3D
"Company"	AID Partners Capital Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
"Completion"	completion of the Disposal under the Sale and Purchase Agreement in accordance with the terms therein
"connected persons"	has the meaning ascribed thereto under the GEM Listing Rules
"Consideration"	consideration for the Sale Shares to be paid by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement
"Consideration Share(s)"	the 1,118,219,178 new China 3D Shares to be allotted and issued by China 3D to the Vendor as the Consideration pursuant to the Sale and Purchase Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Vendor pursuant to the Sale and Purchase Agreement
"Disposal Group"	the Target Company and its subsidiaries

"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of allowing the Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Disposal and the Acquisition
"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
"HMV Business"	the HMV IP Rights and the Target Business, the terms of which are as defined in the Oct 2015 Circular
"HMV HK"	HMV Hong Kong Limited, a company incorporated in Hong Kong with limited liability
"HMV Marketing"	HMV Marketing Limited, a company incorporated in Hong Kong with limited liability
"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
"Issue Price"	the price of HK$0.365 per Consideration Share
"Latest Practicable Date"	16 May 2016, being the latest practicable date prior to the despatch of this circular for the purpose of ascertaining certain information contained herein
"Linkenway"	Linkenway Limited, a company incorporated in the BVI with limited liability
"Mr. Chang"	Mr. Chang Tat Joel, an executive Director
"Mr. Ho"	Mr. Ho Gilbert Chi Hang, an executive Director
"Mr. Shiu"	Mr. Shiu Stephen Junior, an executive director of China 3D
"Mr. Wu"	Mr. Wu King Shiu, Kelvin, an executive Director
"Oct 2015 Circular"	the circular of the Company dated 16 October 2015
"PRC"	The People's Republic of China, which for the sole purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	Certain Best Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of China 3D

"Remaining Group"	the Group excluding the Disposal Group after Completion
"Sale and Purchase Agreement"	the sale and purchase agreement dated 14 March 2016 entered into between the Vendor, China 3D and the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares
"Sale Shares"	10,000 shares of the Target Company held by the Vendor
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of nominal value of US$0.01 each in the share capital of the Company
"Share Options"	the share options granted pursuant to the share option schemes of the Company, approved and adopted by the Company at the extraordinary general meeting of the Company on 27 March 2002 and 15 April 2014, respectively, pursuant to which a total of 393,376,815 share options are still outstanding as at the Latest Practicable Date
"Shareholder(s)"	the holder(s) of the Share(s)
"Simply Sino"	Simply Sino Limited, a company incorporated in the BVI with limited liability
"Smiley Bee"	Smiley Bee Limited, a company incorporated in the BVI with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	HMV M&E Limited, a company incorporated in the BVI with limited liability
"Vendor"	Action Key Investments Limited, a company incorporated in Samoa with limited liability
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

The English translation of Chinese names which are marked with "" in this circular are included for identification purpose only and should not be regarded as the official English translation of such Chinese names. If there is any inconsistency between the Chinese names mentioned in this circular and their English translations, the Chinese names shall prevail.*

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)

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

Independent Non-executive Directors:
Chinn Adam David
Professor Lee Chack Fan, *GBS, SBS, JP*
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Head Office and Principal Place of Business in Hong Kong:
Units 1&2, 29/F.
The Hennessy
256 Hennessy Road
Wanchai
Hong Kong

23 May 2016

Dear Sir or Madam,

(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF APPROXIMATELY 81.63% ISSUED SHARE CAPITAL OF HMV M&E LIMITED IN RETURN FOR THE CONSIDERATION SHARES IN CHINA 3D; AND (2) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTERESTS IN CHINA 3D; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 14 March 2016 in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Disposal and the Acquisition. The Company announced that on 14 March 2016 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), China 3D

* *For identification purpose only*

and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares which represent approximately 81.63% of the issued share capital of the Target Company, at an aggregate Consideration of HK$408,150,000 to be satisfied by the issue and allotment of an aggregate of 1,118,219,178 Consideration Shares at Completion.

The purpose of this circular is to provide you with, amongst other things, (i) further information on the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) financial and other information of the Group, the Disposal Group, the HMV Business and China 3D; (iii) unaudited pro forma financial information of the Remaining Group upon Completion; and (iv) notice of the EGM and other information as required under the GEM Listing Rules.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date : 14 March 2016 (after trading hours)

Parties :

(a) Action Key Investments Limited, an indirect wholly-owned subsidiary of the Company, as vendor

(b) China 3D

(c) Certain Best Limited, an indirect wholly-owned subsidiary of China 3D, as purchaser

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, save and except that as at the Latest Practicable Date, Mr. Shiu (i) is the legal and beneficial owner of 141,920 shares of China 3D (representing approximately 0.01% of the entire issued share capital of China 3D); (ii) the holder of 2,937,500 Share Options, which were granted to Mr. Shiu during his term of office as a Director, at the exercise price of HK$0.16 (subject to adjustments); and (iii) is an executive director of China 3D and resigned as a non-executive Director on 21 August 2015, each of China 3D and the Purchaser is a third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules) as of the Latest Practicable Date.

Subject Matter of the Disposal : Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares which represent approximately 81.63% of the issued share capital of the Target Company.

The Target Company is an investment holding company incorporated in the BVI with limited liability. The Target Company directly owns 100% of each of HMV Marketing, Simply Sino, Smiley Bee and Linkenway. Further details of the Disposal Group is set out in the paragraph headed "Information of the Disposal Group".

Consideration : The aggregate Consideration for the disposal of the Sale Shares is HK$408,150,000, which shall be satisfied by way of allotment and issue of an aggregate of 1,118,219,178 Consideration Shares to the Vendor or its nominee(s) at the Issue Price of HK$0.365 per Consideration Share at Completion.

Upon Completion, the Vendor or its nominee(s) will be issued and allotted with 1,118,219,178 Consideration Shares, representing approximately 29.18% of the issued share capital of China 3D as at the Latest Practicable Date and approximately 22.59% of the issued share capital of China 3D as at the Latest Practicable Date as enlarged by the Consideration Shares (assuming there is no other change to the issued share capital of China 3D).

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor, taking into account (i) the net asset value of the Disposal Group; and (ii) the track record of the Disposal Group.

Having considered the aforesaid factors, the Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable.

Consideration Shares and lock-up undertaking : The Consideration Shares will be issued under the specific mandate to be approved by the shareholders of China 3D at a special general meeting. The Consideration Shares represent approximately 29.18% of the issued share capital of China 3D as at the Latest Practicable Date and approximately 22.59% of the issued share capital of China 3D as at the Latest Practicable Date as enlarged by the Consideration Shares (assuming there is no other change to the issued share capital of China 3D).

The Consideration Shares will, upon issue and credited as fully paid, rank pari passu in all respect with all the existing China 3D Shares then in issue. Application will be made by China 3D to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Pursuant to the Sale and Purchase Agreement, the Vendor has undertaken to the Purchaser that it shall not, and shall procure that its nominee(s) shall not offer, sell, contract to sell, transfer, pledge, create any rights of pre-emption, options, liens, claims, equities, mortgages, charges, encumbrances, defects, adverse interests or third-party rights of any nature or otherwise dispose of, directly or indirectly, the Consideration Shares, enter into transaction(s) which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Consideration Shares for a period of eighteen (18) months commencing immediately after the date of Completion.

Issue Price : The Issue Price of HK$0.365 per Consideration Share represents:

(a) a discount of approximately 19.78% to the closing price of HK$0.455 per China 3D Share as quoted on the Stock Exchange on 14 March 2016, the date of the Sale and Purchase Agreement;

(b) a discount of approximately 17.23% to the average closing price of approximately HK$0.441 per China 3D Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement; and

(c) a discount of approximately 14.02% to the average closing price of approximately HK$0.4245 per China 3D Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the date of the Sale and Purchase Agreement.

The Issue Price was determined after arm's length negotiations between the Purchaser, China 3D and the Vendor, with reference to the current market price of China 3D Shares.

Conditions precedent : The Completion is conditional upon the fulfilment of the following conditions:

(a) the passing by the requisite majority of the shareholders of China 3D at a special general meeting of all resolutions required under the GEM Listing Rules (if any) to approve the transactions contemplated under the Sale and Purchase Agreement, including without limitation the grant of the specific mandate for the allotment and issue of the Consideration Shares;

(b) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Consideration Shares, which has not been revoked as at Completion;

(c) the passing by the requisite majority of the Shareholders at the EGM of all resolutions required under the GEM Listing Rules (if any) to approve the transactions contemplated under the Sale and Purchase Agreement;

(d) all the required approvals, authorisations, consents having been obtained from and all the required registrations and filing having been completed with (if applicable) the governmental authorities or regulatory bodies or any relevant third party in connection with the transactions contemplated under the Sale and Purchase Agreement;

(e) the due diligence and investigation of the Disposal Group to be carried out pursuant to the Sale and Purchase Agreement having been completed to the satisfaction of the Purchaser; and

(f) the representations, warranties and undertakings on the part of the Vendor given pursuant to the Sale and Purchase Agreement remaining true and accurate in all respects and not misleading in any respect as of the date of Completion.

If the above conditions precedent are not fulfilled or in respect of the conditions precedent (e) and (f) not waived in writing by the Purchaser at or before 4:00 p.m. on 31 July 2016 (or such later date as may be agreed between the Purchaser and the Vendor in writing), the Sale and Purchase Agreement shall terminate (save and except for provisions in respect of the representations, warranties and undertakings, Vendor's indemnity, termination of the Sale and Purchase Agreement, confidentiality and announcement obligations and restrictions, notice and governing law, which shall survive the termination of the Sale and Purchase Agreement), in which case neither the Purchaser nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise (save in respect of any prior breach of the Sale and Purchase Agreement).

Completion : Completion shall take place no later than the fifth (5th) Business Day after the fulfillment (or, where applicable, waiver) of all the conditions precedent (or such other date as the Purchaser and the Vendor may agree in writing).

Immediately after Completion, (i) each of the companies of the Disposal Group will cease to be a subsidiary of the Company and the Company will not hold any shares of them; and (ii) the Vendor or its nominee(s) will own 1,118,219,178 Consideration Shares, representing approximately 22.59% of the issued share capital of China 3D as at the Latest Practicable Date as enlarged by the Consideration Shares (assuming that there is no other change to the issued share capital of China 3D), and thus become a substantial shareholder of China 3D.

ACQUISITION OF EQUITY INTERESTS IN CHINA 3D

Since the Consideration will be satisfied by the Purchaser on Completion by the allotment and issue, credited as fully paid, of 1,118,219,178 Consideration Shares to the Vendor or its nominee(s), which will represent approximately 22.59% of the issued share capital of China 3D as at the Latest Practicable Date as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the issued share capital of China 3D), the receipt of such Consideration Shares will be deemed to be an acquisition of equity interests in China 3D by the Group.

Risk Factor

As China 3D Shares are listed on GEM which are publicly traded, the share price of China 3D Shares is subject to fluctuation due to, among other factors, market sentiments. It is uncertain whether the share price of China 3D Shares will increase or fall below the Issue Price after Completion. If the share price of China 3D Shares falls below the Issue price after Completion, there may be potential impairment on the Consideration Shares, which are subject to a lock-up period of eighteen (18) months.

INFORMATION OF THE PURCHASER AND CHINA 3D

The Purchaser is an investment holding company and is an indirect wholly-owned subsidiary of China 3D.

China 3D is a company incorporated in Bermuda with limited liability and the shares of which are listed on GEM. Based on publicly available information, China 3D is principally engaged in the entertainment business, with a focus in television program and movie production, distribution, distribution licensing, cinema operation and management in both Hong Kong and the PRC, artists management. China 3D is also engaged in money lending activities, acquisitions of corporate, preference shares as well as investment in securities.

Based on financial information published by China 3D, the unaudited total assets value and the net assets value of China 3D as at 31 December 2015 were approximately HK$627,151,000 and approximately HK$438,568,000, respectively, the audited total assets value and the net assets value of China 3D as at 30 June 2015 were approximately HK$421,002,000 and approximately HK$277,403,000, respectively, and the net loss (before and after tax) of China 3D for the two years ended 30 June 2014 and 2015 are as follows:

	Year ended 30 June 2014 *HK$'000* (audited)	**Year ended 30 June 2015** *HK$'000* (audited)
Net loss before tax	15,672	96,594
Net loss after tax	15,672	96,630

INFORMATION OF THE DISPOSAL GROUP

The Target Company is an investment holding company incorporated in the BVI with limited liability and is indirectly owned by the Company as to approximately 81.63%. As at the Latest Practicable Date, the Target Company is the sole beneficial owner of the issued share capital of each of HMV Marketing, Simply Sino, Smiley Bee and Linkenway. The Target Company has no business activity other than being an investment holding company of its subsidiaries. As at the Latest Practicable Date, the Target Company has provided shareholder's loans to its subsidiaries to finance their business operations. The Disposal 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".

On 29 February 2016, the Disposal Group has completed a restructuring of the intercompany balances between the Remaining Group and the Disposal Group. As a result of the set-off and assignment of such intercompany balances, the net payable of approximately HK$239,090,000 due from the Target Company to the Vendor was capitalised by the issuance of 9,999 shares of the Target Company to the Vendor.

HMV Marketing is a company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, HMV Marketing is the owner of the retailing business of "HMV" through physical retail stores in Hong Kong and has an exclusive, irrevocable, royalty-free and perpetual licence to use the name "HMV", the various HMV trade marks and the trade mark applications and the HMV domain names for the purpose of conducting businesses in the PRC, Hong Kong and Singapore. The lease of the retail store that was located on the 3rd and 4th Floor of Entertainment Building, 30 Queen's Road Central, Hong Kong (the "**Central Retail Store**") has expired on 30 April 2016. HMV Marketing has the intention to open a new retail store in Central, Hong Kong. As at the Latest Practical Date, HMV Marketing has not entered into any definitive agreement for a new retail store in Central, Hong Kong.

Each of Simply Sino and Smiley Bee is an investment holding company incorporated in the BVI with limited liability and does not carry on any business. On 3 February 2016, Simply Sino has advanced a loan in the amount of HK$25,000,000 to a subsidiary of China 3D. As at the Latest Practicable Date, Smiley Bee has advanced loans in the aggregate amount of

HK$8,000,000 to an Independent Third Party. As the relevant percentage ratios relating to the two (2) aforementioned loans applicable to the Company are less than 5%, the said loans did not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

Linkenway is an investment holding company incorporated in the BVI with limited liability. As at the Latest Practicable Date, Linkenway has paid a deposit of US$750,000 (equivalent to approximately HK$5,850,000) to co-finance the production and distribution of the Chinese version of a popular television drama series in the United States of America and holds certain intellectual property rights in connection therewith.

Financial information of the Disposal Group

The Target Company was incorporated on 1 December 2015 and set out below is the (i) audited revenue and net loss (before and after tax) of HMV Marketing, the principal operating company within the Disposal Group, for the period from 11 December 2013 (date of incorporation) to 31 December 2014, extracted from the audited financial statements of HMV Marketing prepared for the same period in accordance with Hong Kong Financial Reporting Standards, and (ii) the unaudited revenue and net loss (before and after tax) of HMV Marketing for the year ended 31 December 2015, extracted from the unaudited financial statements of HMV Marketing prepared for the same period in accordance with the Hong Kong Financial Reporting Standards:

	For the period from 11 December 2013 to 31 December 2014	**Year ended 31 December 2015**
	HK$'000	*HK$'000*
	(audited)	(unaudited)
Revenue	43,747	79,033
Net loss before tax	24,135	53,622
Net loss after tax	24,135	53,552

The unaudited net liabilities of HMV Marketing were approximately HK$77,687,000 as at 31 December 2015.

The revenue of HMV Marketing for the period from 11 December 2013 (date of incorporation) to 31 December 2014 were revenue arising from the Central Retail Store only. The financial operation of the information of the HMV Business as disclosed in the section headed "Information on the HMV IP Rights and the Target Business — Financial Information of the Target Business" of the Oct 2015 Circular, reflects the revenue generated from the operation of all HMV retail stores located in Hong Kong, except for the Central Retail Store since 1 January 2014, during the relevant reporting periods.

For the year ended 31 December 2015, the revenue of HMV Marketing for the period from 1 January to 30 November 2015 only includes the Central Retail Store and after the completion of acquisition of the HMV Business on 30 November 2015, the revenue of HMV Marketing includes revenue from all HMV retail stores located in Hong Kong.

HMV Marketing completed its acquisition of the HMV Business on 30 November 2015. The unaudited financial information of the HMV Business for each of the periods ended 26 April 2014, 25 April 2015 and 30 April 2016 respectively is set out in Appendix III to this circular. During each of the periods ended 26 April 2014, 25 April 2015 and 30 April 2016, the HMV Business, together with (i) all rights to use the name "HMV", the various trade marks and trade mark applications and the HMV domain names for the purposes of conducting the Target Business (as defined in the Oct 2015 Circular) and any other business to be conducted in the Macau Special Administrative Region of the PRC and Taiwan that is licensed to HMV HK on an exclusive, irrevocable, royalty-free and perpetual basis pursuant to the HMV Trade mark License Agreement (as defined in the Oct 2015 Circular); and (ii) the retailing business of "HMV" operating through the Central Retail Store selling music, movies and television series related contents and products have been historically carried out by HMV HK. For the period from 28 April 2013 to 26 April 2014, HMV HK was also involved in the operations of an in-store café and a kids learning centre. On 1 January 2014, HMV HK disposed of its e-commerce business division and the management and operating right of the Central Retail Store to HMV Marketing. On 30 November 2015, HMV HK disposed of the HMV Business and the assets of the Target Business (as defined in the Oct 2015 Circular) to HMV Marketing and the HMV Business was carried on by HMV Marketing thereon, and, all the revenue and expenses of the HMV Business prior to and after 30 November 2015 were recorded in HMV HK and HMV Marketing respectively. Set out below is the unaudited net (loss)/profit (before and after tax) of the HMV Business for the period from 27 April 2014 to 25 April 2015 and the period from 26 April 2015 to 30 April 2016, extracted from the unaudited financial statements of the HMV HK prepared for the same period in accordance with the Hong Kong Financial Reporting Standards:

	For the period from 27 April 2014 to 25 April 2015	**For the period from 26 April 2015 to 30 April 2016**[#]
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue	175,701	83,068
Net (loss)/profit before tax	(12,830)	65,274*
Net (loss)/profit after tax	(12,830)	65,274*

[#] Revenue and net (loss)/profit (before and after tax) for the period from 26 April 2015 to 30 April 2016 only covered the operation of the HMV Business carried out by HMV HK up to 30 November 2015.

* Included a gain of approximately HK$67,001,000 arising from the disposal of the HMV Business to HMV Marketing on 30 November 2015, which did not form part of the operations of the HMV Business.

Set out below is the unaudited revenue and net loss (before and after tax) of Linkenway for the period from 2 January 2014 (date of incorporation) to 31 December 2014 and the year ended 31 December 2015, extracted from the unaudited financial statements of Linkenway prepared for the same period in accordance with International Financial Reporting Standards:

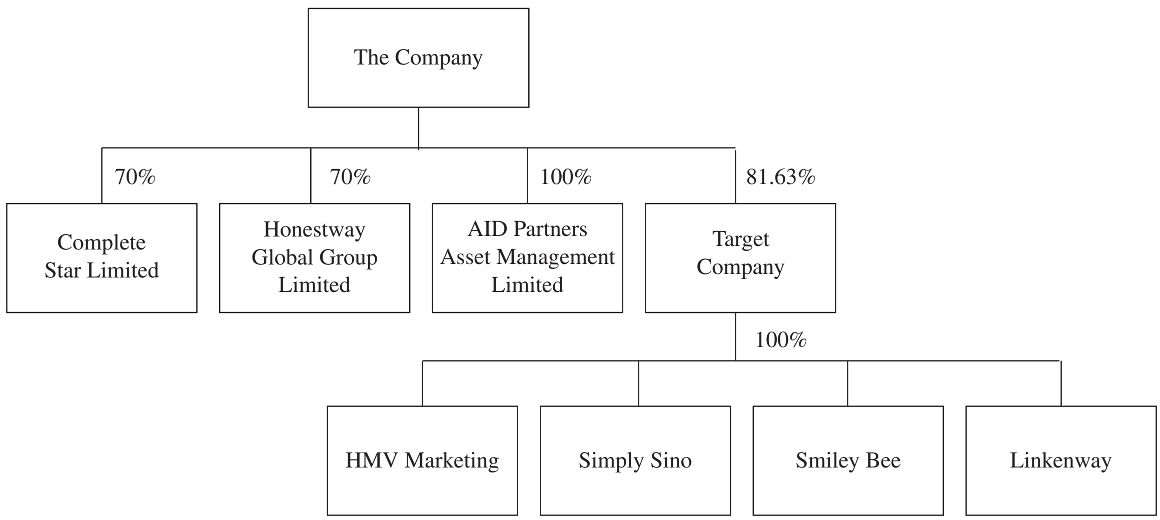
	For the period from 2 January 2014 (date of incorporation) to 31 December 2014	**Year ended 31 December 2015**
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue	—	—
Net loss before tax	120	6,044
Net loss after tax	120	6,044

The unaudited net liabilities of Linkenway were approximately HK$6,164,000 as at 31 December 2015.

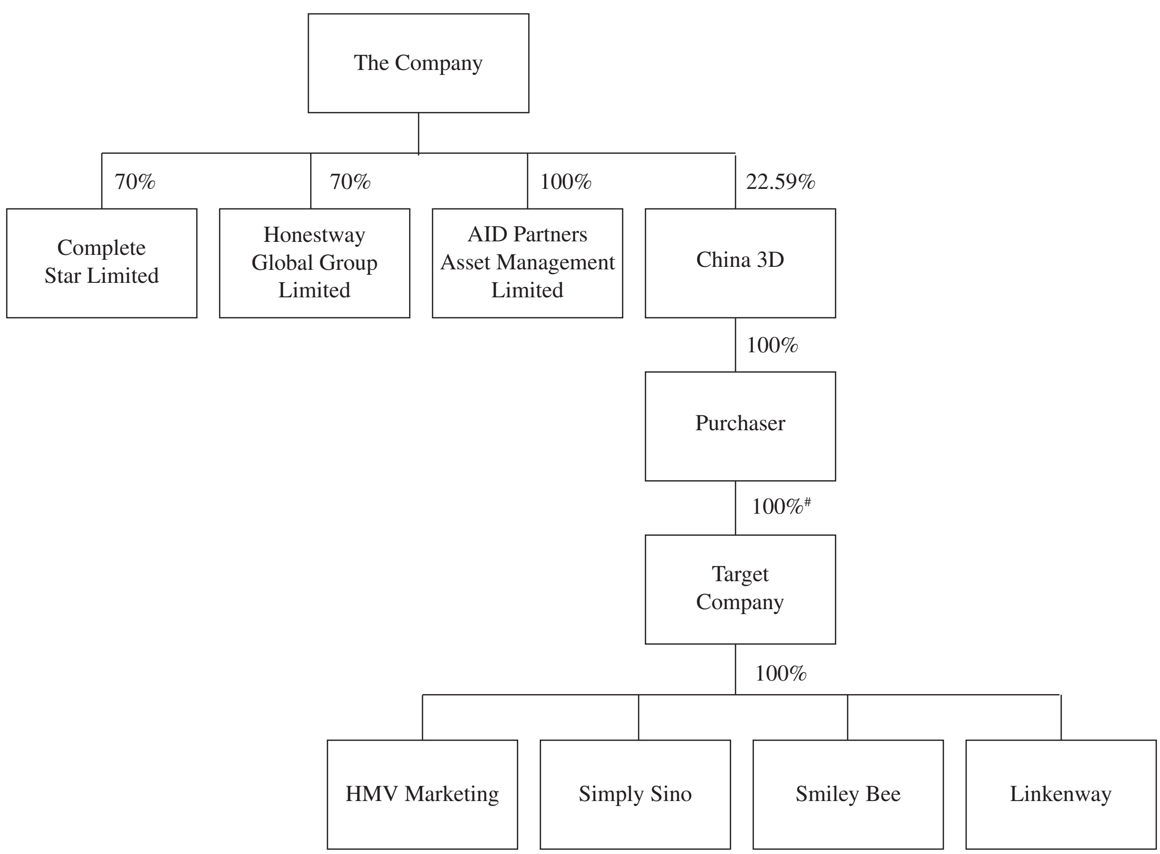
As at 31 March 2016, the unaudited net liabilities of Simply Sino and Smiley Bee were approximately HK$5,000 and approximately HK$5,000, respectively.

SIMPLIFIED SHAREHOLDING CHART OF THE GROUP AND THE REMAINING GROUP

Set out below is the simplified shareholding chart of the key entities of the Group as at the Latest Practicable Date:



Set out below is the simplified shareholding chart of the key entities of the Remaining Group immediately upon Completion:



\# As disclosed in the announcement of China 3D dated 1 April 2016 ("**China 3D April Announcement**"), the Purchaser as the purchaser, WiL Fund I, L.P. as the vendor and China 3D entered into a sale and purchase agreement date 1 April 2016, pursuant to which WiL Fund I, L.P. has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase 2,250 ordinary shares of the Target Company (representing approximately 18.37% of the issued share capital of the Target Company). It was disclosed in the China 3D April Announcement that the completion of the said acquisition is conditional upon the fulfillment or waiver of various conditions precedent, and that completion shall take place on the same date as the date of Completion.

GAIN ATTRIBUTABLE TO THE DISPOSAL

The Disposal is estimated to recognise a gain of approximately HK$323,132,000 before tax and after estimated transaction costs directly in profit or loss, which is calculated based on the fair value of Consideration Shares as at 31 December 2015 less the estimated proportionate share of unaudited net asset value of the Disposal Group as at 31 December 2015, as if the restructuring (please refer to the section headed "Information of the Disposal Group" and Note 3 to the unaudited pro forma financial information of the Remaining Group) and the Disposal had been taken place on 31 December 2015. As the actual amount of the gain on the Disposal to be recognised by the Group will be based on the actual net asset value of the Disposal Group as at Completion and the fair value of the Consideration Shares at Completion, which may vary from the share price of the China 3D Shares as at 31 December 2015, the amount to be recognised in the audited consolidated financial statements of the Company for the year ending 31 December 2016 may vary from the aforementioned amount.

The fair value of Consideration Shares as at 31 December 2015 in excess of the estimated proportionate share of unaudited net asset value of the Disposal Group as at 31 December 2015, assuming the restructuring (please refer to the section headed "Information of the Disposal Group" and Note 3 to the unaudited pro forma financial information of the Remaining Group) and the Disposal had been taken place on 31 December 2015, is approximately HK$323,132,000 before tax and after estimated transaction costs.

Based on the closing price of HK$0.88 per China 3D Share as at the Latest Practicable Date as quoted on the Stock Exchange, the Disposal is estimated to recognise a gain of approximately HK$798,375,000 before tax and after estimated transaction costs.

FINANCIAL EFFECTS OF THE DISPOSAL AND THE ACQUISITION ON THE GROUP

Immediately after Completion: (i) each of the companies of the Disposal Group will cease to be a subsidiary of the Company; and (ii) the Vendor or its nominee(s) will own 1,118,219,178 Consideration Shares, representing approximately 22.59% of the issued share capital of China 3D as at the Latest Practicable Date as enlarged by the Consideration Shares (assuming there is no other change to the issued share capital of China 3D), and thus become a substantial shareholder of China 3D. China 3D (including the Disposal Group) will be treated as an associate in the consolidated financial statements of the Remaining Group and will be accounted for using the equity method.

Appendix VI to this circular presents the unaudited pro forma financial information of the Remaining Group and describes the basis of preparation thereof.

Assets and liabilities

As set out in Appendix VI to this circular, the unaudited pro forma consolidated statement of financial position of the Remaining Group illustrates the effect of Completion on the Group, assuming that the Disposal had taken place on 31 December 2015.

If the Disposal had been completed on 31 December 2015, the total assets of the Group would have been increased from approximately HK$1,344,807,000 to approximately HK$1,623,330,000, primarily attributable to the acquisition of approximately 22.59% equity interest in China 3D pursuant to the Sale and Purchase Agreement.

If the Disposal has been completed on 31 December 2015, total liabilities of the Group would have been decreased from approximately HK$589,211,000 to approximately HK$515,822,000, primarily attributable to the disposal of trade and other payables and deferred tax liabilities of HMV Marketing. It is expected the Disposal will not have any material adverse impact on the Remaining Group's cash flow position or its business operations and the Disposal will not add immediate financial burden to the Remaining Group.

Earnings

As stated in the unaudited pro forma consolidated statement of profit or loss of the Remaining Group as set out in Appendix VI to this circular, assuming that the Disposal had taken place on 1 January 2015, the Group would have been turned from a loss of approximately HK$230,414,000 into a profit of approximately HK$52,848,000 for the year ended 31 December 2015, primarily attributable to the gain arising from the disposal of the Disposal Group.

INFORMATION OF THE GROUP AND THE REMAINING GROUP AND REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE ACQUISITION

The Vendor is an investment holding company incorporated in Samoa with limited liability and an indirect wholly-owned subsidiary of the Company. The Group is principally engaged in asset management and strategic investment businesses and the Disposal Group is one of its strategic investments. The Group has made various investments in the previous years, with a focus on entertainment and lifestyle sectors, and has been enhancing the values of its strategic investments by creating synergies and providing management expertise and business relationships.

Reference is made to the announcements of the Company dated 28 August 2015 and 30 November 2015 and Oct 2015 Circular in relation to the acquisition of the HMV Business. Since completion of the said acquisition of the HMV Business and the opening of the flagship store in late 2015, the Group has been in discussion with different companies and investors on various collaborations. The Group has been evaluating different opportunities to develop and expand the HMV Business, hence enhancing the value of the Company and return to the Shareholders. Given that (i) China 3D comprises businesses in the entertainment sector, namely: (a) artist management service and music production, (b) production, licensing and distribution of films and television programmes, and (c) operation of cinemas, which the Board considers that it will enhance the value of the HMV Business; and (ii) the Group will receive Consideration Shares from the Disposal and the Group can share the benefits from the synergies arising from the combined entertainment platform (between the HMV Business and China 3D); and (iii) the Group will record an estimated gain of approximately HK$323,132,000 (subject to audit), the Directors therefore consider that the Disposal provides an opportunity for the Group to realise part of its strategic investment in the Disposal Group, maximise the business opportunities and growth potential of the HMV Business and in turn enhance the value of the Group as a whole.

Upon Completion, China 3D (including the Disposal Group) will be treated as an associate in the consolidated financial statements of the Group through the Group's shareholding in China 3D. Based on publicly available information, as at the Latest Practicable Date, the Group will become the single largest shareholder of China 3D upon Completion. China 3D is principally engaged in entertainment businesses and it is believed that the "HMV" brand can be further enhanced through collaboration with the entertainment business platform of China 3D, and the Disposal Group will benefit from the synergistic effect with the businesses of China 3D. Leveraged on the extensive resources and operational experience China 3D has in the entertainment sector, the enhancement of the value and growth potential of the Disposal Group is also expected to benefit China 3D as a whole. The Disposal will not only realise the value of the Disposal Group for the Group with an estimated gain of approximately HK$323,132,000 (subject to audit). As the Group's investment in China 3D upon Completion will be accounted for as an associate using the equity method, the future growth and development of the Disposal Group as a result of the synergies with China 3D should enhance the value of China 3D as a whole, hence benefiting the Group through its shareholding in China 3D. The Group is of the view that, despite the fluctuation in the share price of China 3D Shares in the past eighteen (18) months, receiving the Consideration Shares will allow the Group to continue its investments in the entertainment sector and benefit from the enhancement of value of the Disposal Group. The eighteen (18) months lock-up undertaking in respect of the Consideration Shares was derived through commercial negotiations between the parties and demonstrates the Group's long-term investment objective in China 3D and confidence in the synergistic effect of the Disposal Group and China 3D, therefore is in the interests of the Company and the Shareholders as a whole.

The Remaining Group will continue its operation of its business of (i) mobile/online games and mobile game distribution and publishing platform through its subsidiaries, Complete Star Limited and Honestway Global Group Limited; and (ii) asset management business through its wholly-owned subsidiary, AID Partners Asset Management Limited (a corporation licensed to carry out business in type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO). The Group will continue to build and strengthen its team to expand its asset management business and related platform, which may be by way of, among others, investment, acquisition and/or self development. As at the Latest Practicable Date, as part of the strategic investment business of the Company, the Group has also made strategic investments in Korea in the Korean pop artist management and production business and in Japan in the online platform for private lodging in Japan business. The Group will continue to seek for potential strategic investment and development opportunities which may complement with or have synergetic value to the Group's existing investments, including, among others, (a) mobile game developers, distributors and/or publishers; and (b) SFC licensed corporations; as well as potential strategic investment opportunities in world-class technologies internationally with potential for commercial roll out in Asia such as robotic technology and applications, virtual reality (VR), artificial intelligence (AI) equipment and contents, bio-technology research and development as well as distributions. As at the Latest Practicable Date, the Company has not entered into any acquisition agreement and/or investment agreement and has no intention and has not made any arrangement to change its shareholding structure.

The Directors (including the independent non-executive Directors) consider that the Disposal and the terms and conditions of the Sale and Purchase Agreement, which were determined after arm's length negotiations between the Purchaser and the Vendor, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As disclosed in the circular of the Company dated 27 June 2015, in respect of approximately HK$120,000,000 of the proceeds from the placing of new Shares, the Company intended to and has applied approximately HK$106,000,000 for the acquisition of the HMV Business and the remaining balance of approximately HK$14,000,000 has been used as working capital for the HMV Business. With respect to the net proceeds from the issue of the convertible bond in the aggregate principal amount of HK$140,000,000, of approximately HK$139,500,000 (after deducting legal fees and other expenses payable by the Company), the Group has and will continue to apply the proceeds as the investment capital for the strategic investment business of the Group as well as for the expansion of its asset management business and related financial platform and general working capital of the Group as disclosed in the announcement of the Company dated 6 July 2015. Accordingly, the Disposal will not lead to a change in the use of proceeds referred to above.

GEM LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios relating to the Disposal applicable to the Company are 75% or more, the Disposal constitutes a very substantial disposal of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As one or more of the relevant percentage ratios relating to the Acquisition applicable to the Company are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Pursuant to the terms of the Sale and Purchase Agreement, China 3D shall appoint Mr. Ho as an executive director and Mr. Wu as a non-executive director of China 3D with effect from the date of Completion. Both Mr. Ho and Mr. Wu are executive Directors. Accordingly, Mr. Ho and Mr. Wu have abstained from voting on resolution(s) relating to the Sale and Purchase Agreement and the transactions contemplated thereunder proposed at meetings of the Board.

GENERAL

The EGM will be convened at which the Shareholders will consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder including the Disposal and the Acquisition.

As at the Latest Practicable Date, (a) Mr. Wu owned 28,488,000 Shares (representing approximately 0.30% of the issued share capital of the Company); (b) HMV Asia Limited, an associate of Mr. Wu, was interested in 165,600,000 Shares (representing approximately 1.78% of the issued share capital of the Company); (c) Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited, associates of Mr. Wu, were interested in 454,544,000 Shares, 909,090,909 Shares and 681,818,181 Shares, respectively (representing approximately 4.90%, 9.81% and 7.36% of the issued share capital of the Company, respectively); and (d) Mr. Ho owned 264,000 Shares (representing approximately 0.01% of the issued share capital of the Company). Pursuant to the terms of the Sale and Purchase Agreement, as China 3D shall appoint Mr. Ho as an executive director and Mr. Wu as a non-executive director of China 3D with effect from the date of Completion, Mr. Ho and Mr. Wu and his associates shall abstain from voting on the relevant resolution to approve the transactions contemplated under the Sale and Purchase Agreement at the EGM. To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Shiu does not hold any Shares. Mr. Shiu has confirmed to the Company that in the event that he becomes a Shareholder pursuant to his exercise of his Share Options prior to the EGM, he shall abstain from voting on the relevant resolution to approve the transactions contemplated under the Sale and Purchase Agreement. To the best of the Directors' knowledge, information and belief, except for Mr. Ho, Mr. Wu and his associates and Mr. Shiu, no other Shareholder is required to abstain from voting on the relevant resolution to approve the transactions contemplated under the Sale and Purchase Agreement at the EGM as at the Latest Practicable Date.

A notice convening the EGM is set out on pages 90 to 92 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to complete the form of proxy and return it to the principal place of business of the Company at Units 1&2, 29/F., The Hennessy, 256 Hennessy Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof in person.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that (a) the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (b) the transactions contemplated under the Sale and Purchase Agreement are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 are disclosed on pages 29 to 122 of the 2013 annual report dated 21 March 2014, pages 35 to 152 of the 2014 annual report dated 27 March 2015 and pages 38 to 156 of the 2015 annual report dated 22 March 2016, respectively, which are published on both the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.aid8088.com). Please refer to the hyperlinks as stated below:

2013 annual report:

http://www.hkexnews.hk/listedco/listconews/GEM/2014/0328/GLN20140328009.pdf

2014 annual report:

http://www.hkexnews.hk/listedco/listconews/GEM/2015/0330/GLN20150330431.pdf

2015 annual report:

http://www.hkexnews.hk/listedco/listconews/GEM/2016/0330/GLN20160330275.pdf

No qualified opinion has been issued by the auditor of the Company for the consolidated financial statements of the Group for the three (3) years ended 31 December 2015. The auditor had included an emphasis of matter in respect of material uncertainty regarding the going concern assumption in the auditor's report for the year ended 31 December 2013.

2. INDEBTEDNESS

Indebtedness Statement

At the close of business on 31 March 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Group was as follows:

a. Unsecured convertible bonds payable by the Company with aggregate principal amount of HK$175,000,000 (excluding interest payable of approximately HK$28,416,000 accrued based on an effective interest rate of 10.08% per annum), which bear a compound interest rate of 5% per annum, is due on 13 June 2017 and are convertible into Shares at an original conversion price of HK$0.80 per Share. The prevailing conversion price is HK$0.11 per Share which was adjusted upon the completion of placing of 4,005,392,000 new Shares on 11 August 2015. The carrying amount of the liability component of the convertible bonds as at 31 March 2016 was approximately HK$180,299,000;

b. Unsecured convertible bond payable by the Company with principal amount of HK$140,000,000 (excluding interest payable of approximately HK$8,063,000 accrued based on an effective interest rate of 8.43% per annum), which bears a compound interest rate of 8% per annum, is due on 20 July 2020 and is convertible into Shares at an original conversion price of HK$0.325 per Share. The carrying amount of the liability component of the convertible bond as at 31 March 2016 was approximately HK$145,642,000;

c. Unsecured redeemable convertible preference shares ("**RCPS**") issued by the Company at par value of US$0.10 each (before the capital reduction with effect from 31 May 2012) at the subscription price of US$2.00 per RCPS of which US$0.10 per RCPS was paid on subscription and the remaining balance of US$1.90 per RCPS will be paid immediately prior to conversion of the RCPS into ordinary shares of the Company. The total outstanding amounts of RCPS are approximately US$702,000 (equivalent to approximately HK$5,475,000) and are convertible into Shares at an initial conversion price of HK$1.23 per Share. The prevailing conversion price is HK$0.10 per Share which was adjusted upon the completion of placing of 4,005,392,000 new Shares on 11 August 2015. The carrying amount of the liability component of the RCPS as at 31 March 2016 was approximately HK$5,462,000;

d. Other payables of approximately US$541,000 (equivalent to approximately HK$4,207,000) in respect of the fair value of consideration payable to the vendor for the acquisition of 70% equity interest in Complete Star Limited. This acquisition was completed on 9 October 2014;

e. Other payables of approximately RMB54,121,000 (equivalent to approximately HK$68,372,000) in respect of the fair value of consideration payable to the vendor for the acquisition of 70% equity interest in Honestway Global Group Limited. This acquisition was completed on 2 April 2015.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31 March 2016.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the present financial resources available to the Group, including the existing internal resources and the available financial facilities, the Group, following the Completion, has sufficient working capital for its present requirements for at least the next twelve (12) months from the date of this circular in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors have confirmed that they were not aware of any material adverse change in the financial and trading position of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up to.

5. CONTINGENT LIABILITIES

As at 31 March 2016, the Group had no material contingent liabilities.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Upon completion of the Disposal, the Group will continue its principal businesses of asset management and strategic investment. The Group will continue to operate its (a) strategic investments of (i) mobile/online games and mobile game distribution and publishing platform through its subsidiaries, Complete Star Limited (“**CSL**”) and Honestway Global Group Limited (“**HGGL**”); and (ii) pan-entertainment platform through its own investments in this sector as well as its interest in China 3D, hence HMV; and (b) asset management business through its wholly-owned subsidiary, AID Partners Asset Management Limited (a corporation licensed to carry out business in type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO). The Group will continue to expand its asset management business and related financial platform and seek for potential strategic investment and development opportunities which may complement with or have synergetic value to the Group’s existing investments.

Upon Completion, China 3D (including the Disposal Group) will be treated as an associate in the consolidated financial statements of the Group through the Group’s shareholding in China 3D. It is believed that the “HMV” brand can be further enhanced through collaboration with the entertainment business platform of China 3D, and the Disposal Group will benefit from the synergistic effect with the businesses of China 3D. The Disposal will realise the value of the Disposal Group for the Group with an estimated gain of approximately HK$323,132,000 based on the fair value of the Consideration Shares as at 31 December 2015.

The Group’s strategic investment business in the mobile/online games and mobile game distribution and publishing platform contribute to a substantial portion of the turnover of the Remaining Group. CSL, together with its subsidiary, is principally engaged in the business of the development, operation, distribution and licensing and franchising of the smartphone, tablet and personal computer applications of the game franchise named “Star Girl”, which is an award-winning and one of the most popular female centric mobile game and is being distributed in the Apple’s App Store, Google’s Play Store, Amazon’s App store and other digital platforms covering over 120 countries. As at the Latest Practicable Date, the “Star Girl” franchise has more than 4 million monthly active users and it has been in the process of collaborating with different celebrities and a leading toy company to develop new episodes based on the game franchise. HGGL, through a series of contractual arrangements, owns the entire interest in 上海威搜游科技有限公司 (Shanghai VSOYOU Technology Co., Ltd.*) (“**VSOYOU**”), and is principally engaged in the development, distribution and operation of mobile-online games business in the PRC. As at the Latest Practicable Date, over 10,000 games have been distributed by VSOYOU and the number of accumulated users exceeded 60 million. With the disposal of the Disposal Group, the Group will be able to enjoy the benefits of the synergistic effect of the Disposal Group and China 3D through its shareholding in China 3D, and focus its resources to continue to develop and expand the strategic investment business as well as its asset management business and related financial platform.

In respect of the asset management business, the Group is establishing a team of professional with an objective to expand its asset management platform and will build and strengthen its asset management business and related financial platform, which may be by way, among others, investment, acquisition and/or self development and will continue to seek for potential strategic investment and development opportunities which may complement with or have synergistic value to the Group's existing investments.

7. ACQUISITION OR PROPOSED ACQUISITION AFTER 31 DECEMBER 2015, BEING THE DATE ON WHICH THE LATEST PUBLISHED AUDITED ACCOUNTS OF THE COMPANY WERE MADE UP

Save and except for the Acquisition as stated in this circular, as at the Latest Practicable Date, the Group has no other material acquisition or proposed acquisition after 31 December 2015, being the date on which the latest published audited accounts of the Company were made up.

Set out below are the unaudited combined statements of financial position of the Disposal Group (as defined in Note 1) as at 31 December 2014 and 2015, the unaudited combined statements of profit or loss, unaudited combined statements of other comprehensive income, the unaudited combined statements of changes in equity and unaudited combined statements of cash flows of the Disposal Group for the period from 11 December 2013 (date of incorporation of HMV Marketing) to 31 December 2014 and the year ended 31 December 2015, and certain explanatory notes (the "**Unaudited Combined Financial Information**").

The Unaudited Combined Financial Information has been presented and prepared on the basis set out in Note 2 in accordance with the accounting policies adopted by the Company and paragraph 68(2)(a)(i) of Chapter 19 of the GEM Listing Rules.

The Unaudited Combined Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company's auditor, BDO Limited was engaged to review the Unaudited Combined Financial Information of the Disposal Group in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion. The auditor has included an emphasis of matter paragraph (without modification) in the review report which states that:

"Without modifying our review conclusion, we draw attention to Note 2 to the Unaudited Combined Financial Information of The Disposal Group which indicates that the Disposal Group incurred a net loss of approximately HK$59,601,000 during the year ended 31 December 2015 and, as of that date, the Disposal Group's current liabilities exceeded its current assets by approximately HK$215,128,000 and total liabilities exceeded total assets by approximately HK$83,855,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Disposal Group's ability to continue as a going concern."

UNAUDITED COMBINED STATEMENTS OF PROFIT OR LOSS

	For the period from 11 December 2013 to 31 December 2014	For the year ended 31 December 2015
	HK$	*HK$*
Revenue	43,746,521	79,032,894
Cost of sales	(26,863,275)	(50,004,829)
Gross profit	16,883,246	29,028,065
Other income	449,214	833,188
Selling and distribution expenses	(25,713,986)	(35,209,260)
Administrative expenses	(15,872,851)	(38,449,942)
Other operating expenses	—	(15,873,054)
Loss before income tax	(24,254,377)	(59,671,003)
Income tax credit	—	69,992
Loss for the period/year	(24,254,377)	(59,601,011)

UNAUDITED COMBINED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	For the period from 11 December 2013 to 31 December 2014	For the year ended 31 December 2015
	HK$	*HK$*
Loss for the period/year	(24,254,377)	(59,601,011)
Other comprehensive income for the period/year	—	—
Total comprehensive income for the period/year	(24,254,377)	(59,601,011)

UNAUDITED COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 December 2014 HK$	2015 HK$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		11,138,015	51,731,672
Intangible assets		—	77,310,525
Goodwill		443,463	10,699,463
Deposits and other receivables		—	16,810,692
		11,581,478	156,552,352
Current assets			
Inventories		6,648,627	39,903,012
Trade and other receivables		1,695,713	12,171,174
Amounts due from fellow subsidiaries		7,604,490	15,622,353
Amounts due from a related company		272,764	206,161
Pledged bank deposits		—	7,000,000
Cash and cash equivalents		6,591,315	14,433,038
		22,812,909	89,335,738
Current liabilities			
Trade and other payables		12,520,260	49,648,923
Amount due to the ultimate holding company	*3*	25,726,859	245,066,968
Amount due to the immediate holding company	*3*	9,680,992	9,680,992
Amounts due to fellow subsidiaries		—	11,805
Amounts due to a related company		20,645	54,774
Advances from a director		10,000,000	—
		57,948,756	304,463,462
Net current liabilities		(35,135,847)	(215,127,724)
Total assets less current liabilities		(23,554,369)	(58,575,372)
Non-current liabilities			
Other payables		700,000	8,552,000
Deferred tax liabilities		—	16,728,008
		700,000	25,280,008
Net liabilities		(24,254,369)	(83,855,380)
EQUITY			
Share capital		8	8
Accumulated losses		(24,254,377)	(83,855,388)
Capital deficiency		(24,254,369)	(83,855,380)

UNAUDITED COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Accumulated Losses	Total
	HK$	*HK$*	*HK$*
At 11 December 2013 (date of incorporation of HMV Marketing)	—	—	—
Issue of share*	8	—	8
Loss and total comprehensive income for the period	—	(24,254,377)	(24,254,377)
At 31 December 2014 and 1 January 2015	8	(24,254,377)	(24,254,369)
Loss and total comprehensive income for the year	—	(59,601,011)	(59,601,011)
At 31 December 2015	8	(83,855,388)	(83,855,380)

* *For the purpose of Unaudited Combined Statements of Changes in Equity, the issue of share on 1 December 2015 (date of incorporation) of the Target Company is assumed to be in the period ended 31 December 2014 for presentation purpose only.*

UNAUDITED COMBINED STATEMENTS OF CASH FLOWS

	For the period from 11 December 2013 to 31 December 2014 *HK$*	For the year ended 31 December 2015 *HK$*
Cash flows from operating activities		
Loss before income tax	(24,254,377)	(59,671,003)
Adjustments for:		
Amortisation of intangible assets	—	323,475
Bad debts written off		
— amount due from a related company	1,513,718	—
— other receivables	1,777,690	1
Depreciation of property, plant and equipment	3,243,819	17,391,750
Impairment of inventories	405,632	2,199,443
Impairment of other receivables	—	5,850,000
Interest expense	1	—
Interest income	(2)	(5)
Operating loss before working capital changes	(17,313,519)	(33,906,339)
Increase in inventories	(7,049,803)	(19,434,039)
Increase in trade and other receivables	(3,415,995)	(20,488,796)
Increase in trade and other payables	11,989,309	35,474,663
Change in amounts due from/(to) related companies	(1,765,837)	100,732
Net cash used in operating activities	(17,555,845)	(38,253,779)
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,661,209)	(41,998,227)
Acquisition of e-commerce operation, net of cash acquired	4,999	—
Acquisition of HMV Business, net of cash acquired	—	(105,557,711)
Increase in pledged bank deposits	—	(7,000,000)
Interest received	2	5
Net cash used in investing activities	(13,656,208)	(154,555,933)

	For the period from 11 December 2013 to 31 December 2014	For the year ended 31 December 2015
	HK$	*HK$*
Cash flows from financing activities		
Proceeds from issue of share*	8	—
Change in amounts due from fellow subsidiaries	(7,604,490)	(8,688,674)
Change in amount due to the ultimate holding company	25,726,859	219,340,109
Change in amount due to the immediate holding company	9,680,992	—
Advances/(repayment of advances) from a director	10,000,000	(10,000,000)
Interest paid	(1)	—
Net cash generated from financing activities	37,803,368	200,651,435
Net increase in cash and cash equivalents	6,591,315	7,841,723
Cash and cash equivalents at the beginning of the period/year	—	6,591,315
Cash and cash equivalents at the end of the period/year	6,591,315	14,433,038

* *For the purpose of Unaudited Combined Statements of Cash Flows, the issue of share on 1 December 2015 (date of incorporation) of the Target Company is assumed to be in the period ended 31 December 2014 for presentation purpose only.*

NOTES TO THE UNAUDITED COMBINED FINANCIAL INFORMATION OF THE DISPOSAL GROUP

1. GENERAL INFORMATION

The Target Company is an investment holding company incorporated in the BVI with limited liability on 1 December 2015 and is indirectly wholly-owned by the Company.

On 1 March 2016, the Vendor and a limited partnership organised in the Cayman Islands entered into a sale and purchase agreement, pursuant to which the Vendor has agreed to sell 2,250 existing ordinary shares in the capital of the Target Company for a cash consideration of US$9,000,000 (equivalent to approximately HK$70,200,000) and the Vendor shall apply the consideration received for the subscription of 2,250 new ordinary shares in the capital of the Target Company. Upon completion, the Target Company is owned as to approximately 81.63% by the Group.

As at the Latest Practicable Date, the Target Company is the sole beneficial owner of the entire issued share capital of each of HMV Marketing, Linkenway, Simply Sino and Smiley Bee (collectively referred to as the "**Disposal Group**"). The Target Company has no business activity other than being an investment holding company of its subsidiaries. As at the Latest Practicable Date, the Target Company has provided shareholder's loans to its subsidiaries to finance their business operations. During the period ended 31 December 2014 and the year ended 31 December 2015 (the "**Relevant Periods**"), the Disposal 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".

HMV Marketing is a company incorporated in Hong Kong with limited liability on 11 December 2013. As at the Latest Practicable Date, HMV Marketing is the owner of the retailing business of "HMV" through physical retail stores in Hong Kong and has an exclusive, irrevocable, royalty-free and perpetual licence to use the name "HMV", the various HMV trade marks and the trade mark applications and the HMV domain names for the purpose of conducting businesses in the PRC, Hong Kong and Singapore.

Linkenway is an investment holding company incorporated in the BVI with limited liability on 2 January 2014 and holds certain intellectual property rights.

Each of Simply Sino and Smiley Bee is an investment holding company incorporated in the BVI with limited liability on 1 January 2016 and does not carry on any business. On 3 February 2016, Simply Sino has advanced a loan in the amount of HK$25,000,000 to a subsidiary of China 3D. As at the Latest Practicable Date, Smiley Bee has advanced loans in the aggregate amount of HK$8,000,000 to an Independent Third Party.

Prior to the incorporation of the Target Company, HMV Marketing and Linkenway were also controlled by the Company.

In December 2015 and February 2016, the Target Company acquired the entire equity interests of HMV Marketing and Linkenway from their holding companies respectively, which are also controlled by the Company. The considerations were the par value of their issued share capital. Following the acquisitions, the Target Company became the holding company of these companies.

On 14 March 2016, the Vendor and the Purchaser entered into a Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares which represent approximately 81.63% of the issued share capital of the Target Company, at an aggregate Consideration of HK$408,150,000 to be satisfied by the issue and allotment of an aggregate of 1,118,219,178 Consideration Shares by China 3D on the date of Completion.

2. BASIS OF PREPARATION

The Target Company and certain of their subsidiaries within the Disposal Group had not been a separate legal group for the period or year presented.

The unaudited combined financial information is presented by aggregating the financial information of the Disposal Group, under the common control of the Company and the Company is regarded as a continuing entity. Accordingly, the unaudited combined financial information of the Disposal Group has been prepared using the principle of Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("**AG 5**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), as if the current group structure had been in existence throughout the Relevant Periods. The unaudited combined financial information has been prepared to present the combined statements of financial position of the Disposal Group as at 31 December 2014 and 2015, and the combined statements of profit or loss, combined statements of other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Disposal Group for the period ended 31 December 2014 and the year ended 31 December 2015.

The unaudited combined financial information has been prepared and measured at the carrying amounts of the Disposal Group under the consolidated financial statements of the Group for the period or year presented. For companies incorporated or consolidated into the Disposal Group during the period ended 31 December 2014 and the year ended 31 December 2015, they are included in the unaudited combined financial information from the first day of the reporting period or year. The unaudited combined financial information has not included the assets, liabilities and results of operations of Simply Sino and Smiley Bee as both companies were incorporated on 1 January 2016 and do not form part of the Disposal Group in the period or year presented.

The unaudited combined financial information of the Disposal Group has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 19 of the GEM Listing Rules, and solely for the purpose of inclusion in this circular.

The unaudited combined financial information of the Disposal Group has been prepared in accordance with the accounting policies adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries for the Relevant Periods which conform with International Financial Reporting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IAS**") and Interpretations) issued by the International Accounting Standards Board (the "**IASB**") as set out in the annual report of the Company for the year ended 31 December 2015.

The unaudited combined financial information does not contain sufficient information to constitute a complete set of financial statements as described in International Accounting Standard 1 "*Presentation of Financial Statements*" nor an interim financial report as defined in International Accounting Standard 34 "*Interim Financial Reporting*" issued by the IASB and should be read in connection with the annual report of the Company for the year ended 31 December 2015.

The following summarises the accounting principles applied in preparing the unaudited combined financial information:

- Transactions and balances between entities included within the Disposal Group have been eliminated. All intra-group balances, transactions, income and expenses and profits and losses, including unrealised profits arising from intra-group transactions, have been eliminated on combination.

The unaudited combined financial information is presented in Hong Kong dollars.

Going concern

For the year ended 31 December 2015, the Disposal Group incurred a net loss of approximately HK$59,601,000 (period ended 31 December 2014: HK$24,254,000). As at 31 December 2015, the Disposal Group's current liabilities exceeded its current assets by approximately HK$215,128,000 (2014: HK$35,136,000) and total liabilities exceeded total assets by approximately HK$83,855,000 (2014: HK$24,254,000). The above conditions indicated the existence of uncertainties which may cast significant doubt on the Disposal Group's ability to continue as a going concern and therefore, the Disposal Group may not be able to realise its assets and discharge its liabilities in the ordinary course of business. Notwithstanding this, the going concern basis has been adopted for the preparation of the unaudited combined financial information on the basis that the net payable balances due from the Target Company to the Vendor, the immediate holding company of the Target Company prior to the Disposal, of approximately HK$239,132,000 as at 31 December 2015 have been capitalised subsequent to the end of the latest reporting period, which was part of the restructuring in February 2016 and details of which are set out in Note 3 to Appendix VI "Unaudited Pro Forma Financial Information of the Remaining Group". Accordingly, the Directors consider that it is appropriate to prepare the unaudited combined financial information on a going concern basis.

3. As at 31 December 2015, the Target Company's ultimate holding company and immediate holding company are the Company and the Vendor, respectively.

The payable balances due from the Target Company to the ultimate holding company of HK$245,066,968 and the immediate holding company of HK$9,680,992 as at 31 December 2015 are part of the balances which have been capitalized in the restructuring in February 2016 and details of which are set out in Note 3 to Appendix VI "Unaudited Pro Forma Financial Information of the Remaining Group".

Set out below is the financial information of the retailing business of "HMV" operating through the retail stores located in Hong Kong and carried out by HMV HK (the "**HMV Business**") which comprises the unaudited statements of financial position of the HMV Business as at 26 April 2014, 25 April 2015 and 30 April 2016, the unaudited statements of profit or loss, unaudited statements of other comprehensive income, unaudited statements of changes in equity and unaudited statements of cash flows of the HMV Business for each of the periods ended 26 April 2014, 25 April 2015 and 30 April 2016 and certain explanatory notes (the "**Unaudited Financial Information**").

The Unaudited Financial Information has been presented and prepared on the basis set out in Note 2 in accordance with the accounting policies adopted by the Company and paragraph 68(2)(a)(i) of Chapter 19 of the GEM Listing Rules.

The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company's auditor, BDO Limited, was engaged to review the Unaudited Financial Information of the HMV Business in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion. The auditor has issued an unmodified review report.

UNAUDITED STATEMENTS OF PROFIT OR LOSS

	Period from 28 April 2013 to 26 April 2014	Period from 27 April 2014 to 25 April 2015	Period from 26 April 2015 to 30 April 2016
	HK$	*HK$*	*HK$*
Revenue	193,082,611	175,700,695	83,068,087
Cost of sales	(122,704,646)	(114,717,690)	(50,757,579)
Gross profit	70,377,965	60,983,005	32,310,508
Other income and gains	10,844,421	3,698,785	3,450,110
Gain on disposal of HMV Business	—	—	67,000,506
Selling and distribution costs	(61,127,161)	(52,596,326)	(25,519,591)
Administrative expenses	(21,539,899)	(22,718,485)	(10,320,524)
Other expenses	(8,484,065)	(1,699,213)	(622,416)
Finance costs	(137,285)	(497,767)	(1,024,764)
(Loss)/Profit before income tax	(10,066,024)	(12,830,001)	65,273,829
Income tax expense	(838,119)	—	—
(Loss)/Profit for the period	(10,904,143)	(12,830,001)	65,273,829

UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Period from 28 April 2013 to 26 April 2014	Period from 27 April 2014 to 25 April 2015	Period from 26 April 2015 to 30 April 2016
	HK$	*HK$*	*HK$*
(Loss)/Profit for the period	(10,904,143)	(12,830,001)	65,273,829
Other comprehensive income for the period	—	—	—
Total comprehensive income for the period	(10,904,143)	(12,830,001)	65,273,829

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	As at 26 April 2014 *HK$*	As at 25 April 2015 *HK$*	As at 30 April 2016 *HK$*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	4,068,957	7,281,824	—
Deposits	14,879,068	7,886,175	—
	18,948,025	15,167,999	—
Current assets			
Inventories	14,845,389	19,932,239	—
Accounts receivable	454,829	556,104	—
Prepayments, deposits and other receivables	6,908,875	9,141,438	339,398
Amounts due from fellow subsidiaries	7,734,312	—	—
Amounts due from related companies	3,430,356	4,359,411	103,714
Pledged deposits	10,100,583	10,138,765	781,106
Cash and bank balances	734,741	788,515	4,403,074
	44,209,085	44,916,472	5,627,292
Current liabilities			
Accounts payable	17,259,647	21,507,722	801,307
Other payables and accruals	10,331,491	8,569,268	2,012,046
Provision for store reinstatement costs	269,345	1,926,162	203,000
Amount due to the then ultimate holding company	8,000,000	—	—
Amount due to immediate holding company	—	7,635,719	—
Amounts due to the then immediate holding company	4,356,422	—	—
Amount due to a related company	—	266,058	6,086
Loans from immediate holding company	—	11,670,000	—
Bank overdrafts	7,950,570	7,636,725	—
	48,167,475	59,211,654	3,022,439

	As at 26 April 2014	As at 25 April 2015	As at 30 April 2016
	HK$	*HK$*	*HK$*
Net current (liabilities)/assets	(3,958,390)	(14,295,182)	2,604,853
Total assets less current liabilities	14,989,635	872,817	2,604,853
Non-current liability			
Provision for store reinstatement costs	1,920,104	633,287	—
Net assets	13,069,531	239,530	2,604,853
EQUITY			
Share capital	64,622,000	6,000	6,000
Reserves	(51,552,469)	233,530	2,598,853
Total equity	13,069,531	239,530	2,604,853

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$*	Share premium* *HK$*	Capital reduction reserve* *HK$*	Capital contribution reserve* *HK$*	Accumulated losses* *HK$*	Total equity *HK$*
As at 28 April 2013	6,000	64,616,000	—	657,185	(41,305,511)	23,973,674
Transfer upon abolition of nominal value of shares on 3 March 2014	64,616,000	(64,616,000)	—	—	—	—
Loss and total comprehensive income for the period	—	—	—	—	(10,904,143)	(10,904,143)
As at 26 April 2014 and 27 April 2014	64,622,000	—	—	657,185	(52,209,654)	13,069,531
Capital reduction	(64,616,000)	—	5,017,778	—	59,598,222	—
Loss and total comprehensive income for the period	—	—	—	—	(12,830,001)	(12,830,001)
As at 25 April 2015 and 26 April 2015	6,000	—	5,017,778	657,185	(5,441,433)	239,530
Profit and total comprehensive income for the period	—	—	—	—	65,273,829	65,273,829
Dividends paid	—	—	—	—	(62,908,506)	(62,908,506)
As at 30 April 2016	6,000	—	5,017,778	657,185	(3,076,110)	2,604,853

* Total of these reserves amounts to a surplus of HK$2,598,853 (25 April 2015: surplus of HK$233,530; 26 April 2014: deficit of HK$51,552,469) in the unaudited statements of financial position.

UNAUDITED STATEMENTS OF CASH FLOWS

	Period from 28 April 2013 to 26 April 2014 *HK$*	Period from 27 April 2014 to 25 April 2015 *HK$*	Period from 26 April 2015 to 30 April 2016 *HK$*
Cash flows from operating activities			
(Loss)/Profit before income tax	(10,066,024)	(12,830,001)	65,273,829
Adjustments for:			
Interest income	(34,299)	(38,182)	(30,988)
Gain on disposal of HMV Business	—	—	(67,000,506)
Gain on disposal of a business division	(443,463)	—	—
Depreciation	3,904,883	2,391,977	1,783,655
Finance costs	137,285	497,767	1,024,764
Impairment losses on property, plant and equipment	1,375,157	551,290	93,000
Write-down of inventories	1,019,161	2,744,262	151,277
Write-off of property, plant and equipment	5,926,741	—	—
Written back of other payables	—	—	(203,856)
Written back of provision for store reinstatement costs	—	—	(1,981,960)
Operating profit/(loss) before working capital changes	1,819,441	(6,682,887)	(890,785)
Decrease/(Increase) in inventories	4,734,457	(7,831,112)	3,761,173
Decrease/(Increase) in accounts receivable	286,004	(101,275)	556,104
(Increase)/Decrease in prepayments, deposits and other receivables	(5,465,593)	4,760,330	4,040,857
(Decrease)/Increase in accounts payable	(16,301,360)	4,248,075	(20,706,415)
Decrease in other payables and accruals	(1,522,460)	(1,762,223)	(6,353,366)
(Increase)/Decrease in amounts due from fellow subsidiaries	(7,614,546)	7,734,312	—
(Increase)/Decrease in amounts due from related companies	(3,430,356)	(929,055)	4,255,697
Increase/(Decrease) in amount due to a related company	—	266,058	(259,972)
Provision for store reinstatement costs utilised	(516,970)	—	(467,489)
Cash used in operation	(28,011,383)	(297,777)	(16,064,196)
Hong Kong profits tax refunded	1,036,909	—	—
Net cash used in operating activities	(26,974,474)	(297,777)	(16,064,196)

	Period from 28 April 2013 to 26 April 2014 *HK$*	Period from 27 April 2014 to 25 April 2015 *HK$*	Period from 26 April 2015 to 30 April 2016 *HK$*
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,210,265)	(5,786,134)	(300,395)
Proceeds from disposal of property, plant and equipment	10,271	—	—
Proceeds from disposal of HMV Business, net of cash disposed	—	—	105,557,711
Acquisition of Singapore IP rights	—	—	(4,091,494)
Disposal of a business division, net of cash disposed	(4,999)	—	—
Interest received	34,299	38,182	30,988
Net cash (used in)/generated from investing activities	(2,170,694)	(5,747,952)	101,196,810
Cash flows from financing activities			
Loan from the ultimate holding company	—	1,600,000	—
Repayment of loan from the ultimate holding company	—	(1,600,000)	—
Loans from the immediate holding company	—	11,670,000	5,000,000
Repayment of loans from the immediate holding company	—	—	(16,670,000)
Repayment to the then immediate holding company	(4,000,000)	—	—
Loan from the then ultimate holding company	8,000,000	—	—
Change in amount due from the then immediate holding company	(643,578)	—	—
Change in amount due to the then immediate holding company	—	(4,894,634)	—
Change in amount due to the immediate holding company	—	—	(7,461,788)
Interest paid	(137,285)	(323,836)	(1,198,695)
Dividends paid	—	—	(62,908,506)
Net cash generated from/(used in) financing activities	3,219,137	6,451,530	(83,238,989)
Net (decrease)/increase in cash and cash equivalents	(25,926,031)	405,801	1,893,625
Cash and cash equivalents at beginning of the period	28,810,785	2,884,754	3,290,555
Cash and cash equivalents at end of the period	2,884,754	3,290,555	5,184,180

	Period from 28 April 2013 to 26 April 2014 *HK$*	Period from 27 April 2014 to 25 April 2015 *HK$*	Period from 26 April 2015 to 30 April 2016 *HK$*
Analysis of balances in cash and cash equivalents			
Cash and bank balances	734,741	788,515	4,403,074
Bank deposit with original maturity of less than three months when acquired, pledged as security for banking facilities	10,100,583	10,138,765	781,106
Bank overdrafts	(7,950,570)	(7,636,725)	—
	2,884,754	3,290,555	5,184,180

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. INFORMATION ABOUT THE HMV BUSINESS

During each of the periods ended 26 April 2014, 25 April 2015 and 30 April 2016, the HMV Business, together with (i) all rights to use the name "HMV", the various trade marks and trade mark applications and the HMV domain names for the purposes of conducting the Target Business (as defined in the Oct 2015 Circular) and any other business to be conducted in the Macau Special Administrative Region of the PRC and Taiwan that is licensed to HMV HK on an exclusive, irrevocable, royalty-free and perpetual basis pursuant to the HMV Trade mark License Agreement (as defined in the Oct 2015 Circular); and (ii) the retailing business of "HMV" operating through the Central Retail Store selling music, movies and television series related contents and products have been historically carried out by HMV HK. For the period from 28 April 2013 to 26 April 2014, HMV HK also involved in the operations of an in-store café and a kids learning centre. On 1 January 2014, HMV HK disposed of its e-commerce business division and the management and operating right of the Central Retail Store to HMV Marketing. On 30 November 2015, HMV HK disposed of the HMV Business and the assets of the Target Business (as defined in the Oct 2015 Circular) to HMV Marketing and the HMV Business was carried on by HMV Marketing thereon, and, all the revenue and expenses of the HMV Business prior to and after 30 November 2015 were recorded in HMV HK and HMV Marketing respectively.

The registered office of HMV HK is located at 25th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.

In prior periods, the immediate and ultimate holding company of HMV HK had been HMV Group plc, a public limited company incorporated and domiciled in England and Wales. On 27 February 2013, Billion Express Consultants Limited, a company with limited liability incorporated in the BVI and a business partner of a private equity firm, AID Partners Capital Limited, acquired 100% equity interests in HMV HK and HMV HK's fellow subsidiary, HMV Singapore Pte Ltd, together with the rights to the "HMV" brand in Hong Kong, the PRC, Singapore, Taiwan and the Macau Special Administrative Region of the PRC collectively. Since then, the immediate holding company of HMV HK was Billion Express Consultants Limited up to 17 September 2014. HMV Asia Limited, a company with limited liability incorporated in the BVI, was considered by the directors of HMV HK as the ultimate holding company of HMV HK up to 17 September 2014.

On 18 September 2014, Billion Express Consultants Limited transferred its entire equity interest in HMV HK to Mighty Merit Group Limited, an indirect wholly-owned subsidiary of AID Partners Capital II, L.P. and a related company of HMV HK. Accordingly, HMV HK's immediate holding company and ultimate holding company are Mighty Merit Group Limited and AID Partners Capital II, L.P., respectively, since 18 September 2014.

2. BASIS OF PREPARATION

The HMV Business was not a separate entity during the Relevant Periods. For the purpose of this report, the unaudited financial information is presented solely for the purpose of reflecting the results of operations and financial position of the HMV Business.

The unaudited financial information of the HMV Business has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 19 of the GEM Listing Rules, and solely for the purpose of inclusion in this circular.

The unaudited financial information of the HMV Business has been prepared in accordance with the accounting policies adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries for the Relevant Periods which conform with International Financial Reporting Standards (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) issued by the International Accounting Standards Board (the "**IASB**") as set out in the annual report of the Company for the year ended 31 December 2015.

The unaudited financial information does not contain sufficient information to constitute a complete set of financial statements as described in International Accounting Standard 1 "Presentation of Financial Statements" nor an interim financial report as defined in International Accounting Standard 34 "Interim Financial Reporting" issued by the IASB and should be read in connection with the annual report of the Company for the year ended 31 December 2015.

The unaudited financial information of the HMV Business is made up to the Saturday on or immediately preceding 30 April each year, which is the financial year end date of HMV HK. Consequently, the unaudited financial information of HMV Business for the current period cover the 53 weeks ended 30 April 2016 whilst the comparative periods covered the 52 weeks ended 25 April 2015 and the 52 weeks ended 26 April 2014.

The unaudited financial information is presented in Hong Kong dollars.

FINANCIAL INFORMATION OF CHINA 3D

Financial information of China 3D for the years ended 30 June 2013, 30 June 2014 and 30 June 2015, and the six month period ended 31 December 2015 are disclosed on pages 27 to 102 of the 2012–2013 annual report dated 26 September 2013, pages 26 to 81 of the 2013–2014 annual report dated 29 September 2014, pages 27 to 91 of the 2014–2015 annual report dated 30 September 2015, and pages 5 to 23 of the 2015–2016 interim report dated 5 February 2016, respectively, which are published on both the website of the Stock Exchange (http://www.hkex.com.hk) and the website of China 3D (http://www.china3d8078.com).

Please refer to the hyperlinks as stated below:

2012–2013 annual report:

http://www.hkexnews.hk/listedco/listconews/GEM/2013/0927/GLN20130927015.pdf

2013–2014 annual report:

http://www.hkexnews.hk/listedco/listconews/GEM/2014/0930/GLN20140930113.pdf

2014–2015 annual report:

http://www.hkexnews.hk/listedco/listconews/GEM/2015/0930/GLN20150930139.pdf

2015–2016 interim report:

http://www.hkexnews.hk/listedco/listconews/GEM/2016/0216/GLN20160216019.pdf

Set out below is the management discussion an analysis on the Remaining Group for each of the years ended 31 December 2013, 2014 and 2015 (the "**Reporting Periods**"). The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the respective annual reports of the Company for the Reporting Periods.

1. MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2015

During the year ended 31 December 2015, the Remaining Group is engaged in the businesses of asset management and strategic investment. Our asset management business represents fund management business under AID Partners Asset Management Limited ("**AIDAML**"). Our strategic investment business represents the business of, among others, Complete Star Limited ("**CSL**") and its subsidiary (the "**CSL Group**") and Honestway Global Group Limited ("**HGGL**") and its subsidiaries (the "**HGGL Group**").

In April 2015, the Remaining Group completed the acquisition of 70% equity interest in HGGL. The HGGL Group is principally engaged in the development, distribution and operation of mobile games.

The revenue of the Remaining Group for the year ended 31 December 2015 was approximately HK$81.6 million, compared to that of HK$19.8 million for the year ended 31 December 2014. The increase was mainly attributable to contribution from the HGGL Group amounting to HK$65.2 million.

Total operating expenses of the Remaining Group (being selling and distribution expenses, administrative expenses plus other operating expenses) for the year ended 31 December 2015 were HK$148.3 million as compared to HK$85.2 million for the year ended 31 December 2014. The increase was mainly attributable to (i) expenses arose from the HGGL Group, (ii) impairment loss provided for the goodwill arising from previous acquisition, (iii) increase in professional fees incurred, in particular, for the establishment of financial platforms to expand the asset management business, and (iv) increase in amortization expense relating to the intangible assets from the acquisitions of CSL and HGGL.

As a result, the Remaining Group reported a loss attributable to owners of the Company for the year ended 31 December 2015 of HK$173.5 million, as compared to a loss of HK$65.4 million for the year ended 31 December 2014.

The Remaining Group continued its principal businesses of asset management and strategic investment and continued to operate its (a) strategic investments business which include the mobile/online games distribution and publishing platform through its subsidiaries, namely CSL and HGGL; and (b) asset management business through its wholly-owned subsidiary, AIDAML (a corporation licensed to carry out business in type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO). The Remaining Group continued to seek for potential strategic investment and development opportunities which may complement with or have synergetic value to the Remaining Group's existing investments.

The Remaining Group's strategic investment business in the mobile/online games and mobile game distribution and publishing platform contribute to a substantial portion of the turnover of the Remaining Group. CSL, together with its subsidiary, is principally engaged in the business of the development, operation, distribution and licensing and franchising of the smartphone, tablet and personal computer applications of the game franchise named "Star Girl", which is an award-winning and one of the most popular female centric mobile game and is being distributed in the Apple's App Store, Google's Play Store, Amazon's App store and other digital platforms covering over 120 countries. The "Star Girl" franchise has more than 4 million monthly active users and it has been in the process of collaborating with different celebrities and a leading toy company to develop new episodes based on the game franchise. HGGL, through a series of contractual arrangements, owns the entire interest in 上海威搜游科技有限公司 (Shanghai VSOYOU Technology Co., Ltd.*) ("VSOYOU"), and is principally engaged in the development, distribution and operation of mobile-online games business in the PRC. Over 10,000 games have been distributed by VSOYOU and the number of accumulated users exceeded 60 million.

Liquidity

As at 31 December 2015, the Remaining Group had cash and bank balances of HK$803.4 million and net current assets of HK$991.6 million.

Non-controlling interests

As at 31 December 2015, the non-controlling interests in the unaudited pro forma consolidated statement of financial position of the Remaining Group represented the 30% non-controlling shareholders' interest in each of CSL Group and HGGL Group.

Significant Capital Assets and Investments

In February 2015, the Remaining Group disposed its entire interest in Crosby Capital (Holdings) Limited ("**CCHL**") at a consideration of HK$37,000,000. CCHL's principal asset is the entire issued share capital of Crosby Capital (Hong Kong) Limited which in turn owns the office premises located at AXA Centre in Wanchai, Hong Kong (31 December 2014: HK$69.5 million).

In April 2015, the Remaining Group completed the acquisition of 70% equity interest in HGGL at a consideration of RMB84,000,000 (equivalent to approximately HK$106,117,200). Intangible assets of approximately HK$110,765,000 were acquired.

Gearing

(a) Convertible Bonds

Tranche 1 and Tranche 2 Convertible Bonds (collectively "**2010 Convertible Bonds**")

In June 2010, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent agreed to place new 5-year Zero Coupon Convertible Bonds with an aggregate principal amount of up to HK$250 million, comprising Tranche 1 of principal amount up to HK$160 million ("**Tranche 1 Convertible Bonds**") and Tranche 2 of principal amount up to HK$90 million ("**Tranche 2 Convertible Bonds**"), subject to certain conditions. In October 2010, with the fulfilment of all conditions required for Tranche 1 Convertible Bonds, the Company issued the Tranche 1 Convertible Bonds, HK$156 million of which was used to finance the repurchase of the convertible bonds previously issued in March 2006 as detailed in the Company's 2010 Annual Report. On 30 March 2011, with the fulfillment of all conditions required for Tranche 2 Convertible Bonds, the Company further issued the Tranche 2 Convertible Bonds, the proceeds of which was used to finance the purchase of the office premises in AXA Centre in Wanchai, Hong Kong together with the mortgage bank loan.

The terms and conditions of the Tranche 2 Convertible Bonds are the same as those of the Tranche 1 Convertible Bonds. In accordance with the terms and conditions thereof, the conversion price was reset on 4 April 2011, 4 October 2011, 4 April 2013 and 24 February 2014, the prevailing conversion price is HK$0.12 per Share which was adjusted upon completion of bonus issue on 27 January 2015.

During the year ended 31 December 2015, principal amount of HK$21,000,000 of the Tranche 1 Convertible Bonds was converted into 175,000,000 Shares at the conversion price of HK$0.12 per Share.

During the year ended 31 December 2014, principal amounts of HK$9,000,000 and HK$4,000,000 of the Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds respectively were converted into 17,105,262 Shares at the conversion price of HK$0.76 per Share.

(b) Bank loans

Bank property instalment loans totalling HK$30,000,000 and HK$10,000,000 were raised in 2011 and 2014, respectively. The loans are secured by the office premises located at AXA Centre, Wanchai, Hong Kong and corporate guarantee by the Company of unlimited amount. The loans were disposed upon the disposal of the entire interest in CCHL on 17 February 2015 and the corporate guarantee of unlimited amount given by the Company was released on 15 June 2015.

(c) Loans from a director

During the year ended 31 December 2014, Mr. Wu provided loans in an aggregate amount of HK$11,600,000 to certain subsidiaries of the Company. The loans are in the principal amounts of HK$1,600,000, HK$2,500,000 and HK$7,500,000, and are unsecured, non-interest bearing. In January 2015, total amounts of HK$11,600,000 were fully repaid.

(d) Other payables

The balance mainly represented the aggregate contingent consideration payable by the Remaining Group of HK$95,908,000 (31 December 2014: HK$64,198,000) for (i) the acquisition of 70% equity interest in CSL of HK$4,184,000 payable during the year ending 31 December 2016 (31 December 2014: HK$40,809,000 payable during the year ended 31 December 2015 and HK$23,389,000 payable during the year ending 31 December 2016) and (ii) the acquisition of 70% equity interest in HGGL to be paid in three (3) instalments comprising HK$55,462,000 payable during the year ending 31 December 2016 and HK$36,262,000 payable during the year ending 31 December 2017 (31 December 2014: Nil).

As at 31 December 2015, the Remaining Group had no other significant debt and had a gearing ratio of 47% (31 December 2014: 3,598%), which is calculated by dividing the total debts by total equity.

Charges

As at 31 December 2015, there were no significant charges on the Remaining Group's investments and assets (31 December 2014: Charges on the office premises located at AXA Centre, Wanchai, Hong Kong).

Commitments and contingent liabilities

As at 31 December 2015, the Remaining Group had no significant commitments, other than those under operating leases for the rental of its office premises and no significant contingent liabilities, including pension obligations.

Employee Information

As at 31 December 2015, the Remaining Group had 133 full-time employees (31 December 2014: 21). Total employee benefit expense (including Directors' remuneration) of the Remaining Group amounted to HK$35.0 million (2014: HK$35.3 million). The remuneration packages of the Remaining Group's directors and employees are kept at a competitive level to attract, retain and motivate directors and employees of the quality required to run the Remaining Group successfully. In general, remuneration consists of a combination of a fixed salary paid in cash and a performance linked bonus paid in cash and options. A portion of the bonus may be deferred subject to the achievement of certain pre-determined targets and conditions. The Remaining Group's remuneration policies and practices are reviewed regularly.

Foreign Currency Exposure

The Remaining Group conducts its businesses in HK$, US$ and Renminbi ("**RMB**"), which include income and expenses, assets and liabilities. During the year ended 31 December 2015, the exchange rate of US$ and RMB to HK$ basically remained stable. The management believes that the fluctuation of US$ and RMB will not have a significant impact on the Remaining Group's operations. The Remaining Group has not issued any financial instruments for hedging purposes.

2. MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2014

In October 2014, the Remaining Group has completed the acquisition of 70% equity interest in CSL. The CSL Group owns the smartphone, tablet and personal computer applications of the game franchise named "Star Girl". Star Girl is an award-winning and one of the most popular female centric mobile game. It is being distributed in the Apple's App Store, Google's Play Store, Amazon's App Store and other digital platforms covering over 120 countries.

The revenue of the Remaining Group for the year ended 31 December 2014 was approximately HK$19.8 million, compared to that of HK$13.9 million for the year ended 31 December 2013. The increase was mainly attributable to contribution from the newly acquired CSL business amounting to HK$16.1 million, offset by decrease in fund management fee income by HK$10.1 million due to end of provision of certain asset management service in 2014.

Total operating expenses of the Remaining Group (being selling and distribution expenses, administrative expenses plus other operating expenses) for the year ended 31 December 2014 were HK$85.2 million as compared to HK$38.1 million for the year ended 31 December 2013. The increase was mainly attributable to (i) expenses arose from the newly acquired CSL business, (ii) share-based compensation expenses of HK$19.5 million, and (iii) amortization of intangible assets of HK$19.3 million incurred for the year ended 31 December 2014.

As a result, the Remaining Group reported a loss attributable to owners of the Company for the year ended 31 December 2014 of HK$65.4 million, as compared to a loss of HK$84.5 million for the year ended 31 December 2013.

Liquidity

As at 31 December 2014, the Remaining Group had cash and bank balances of HK$95.5 million.

Significant Capital Assets and Investments

The Remaining Group's office premises in AXA Centre in Wanchai, Hong Kong, which were purchased in March 2011, represented the major capital asset. The net carrying amount of this leasehold land and building as at 31 December 2014 was HK$69.5 million (2013: HK$71.6 million). On 17 February 2015, the Company sold the entire issued share capital of Crosby Capital (Holdings) Limited, holding the office premises in AXA Centre, at a consideration of HK$37,000,000.

As at 31 December 2014, the Remaining Group had investments, mainly available-for-sale investments of HK$0.8 million (2013: HK$10.0 million) and the acquisition of 70% equity interest in HGGL; other than these the Remaining Group had no existing commitments to acquire any further significant capital assets and/or investments as at 31 December 2014.

Gearing

As allowed under the terms of the convertible bonds previously issued in March 2006, the Company entered into a Deed of Settlement with the holders of these convertible bonds previously issued in March 2006 to repurchase the outstanding balance of US$20 million, for a consideration of US$20 million in cash financed by the issue of the 2010 Convertible Bonds as detailed above on page 49 and an aggregate of 60,000,000 warrants issued by the Company. All these outstanding convertible bonds were then cancelled in October 2010.

During the year ended 31 December 2014, in accordance with the terms and conditions thereof, the conversion price was reset on 4 April 2011, 4 October 2011, 4 April 2013, 24 February 2014 and the prevailing conversion price is HK$0.12 per Share as reset upon the completion of bonus issue on 27 January 2015.

As at 31 December 2014, the Remaining Group had no other significant debt and had a gearing ratio of 3,598% (31 December 2013: 1,333%) which is calculated by dividing total debts by total equity.

Equity Structure

As at 31 December 2014, the total issued share capital of the Company was 473,173,057 Shares, increased from 384,561,967 Shares as at 31 December 2013 due to (i) issue of consideration shares upon the acquisition of subsidiaries during the year under review, (ii) conversion of convertible bonds, (iii) conversion of the redeemable convertible preference shares ("**RCPS**") issued by the Company, (iv) exercise of warrants and (v) exercise of share options, and 9,799,790 RCPS, decreased from 10,019,790 RCPS as at 31 December 2013 due to conversion of 220,000 RCPS into Shares during the year under review.

Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the year ended 31 December 2014.

Charges

As at 31 December 2014, there were no significant charges on the Remaining Group's investments and assets other than those on the office premises in AXA Centre.

Commitments and contingent liabilities

In December 2014, a wholly-owned subsidiary of the Company, the Company, Mr. Zhuang Xiao Jie ("**Mr. Zhuang**"), Mr. Zhang Yong Feng and Ms. Chen Xiao Ping entered into a sale and purchase agreement, pursuant to which the wholly-owned subsidiary of the Company has agreed to purchase seventy (70) shares of US$1.00 each in the share capital of HGGL, representing 70% of the issued share capital of HGGL at an aggregate amount of RMB84,000,000 (the "**Consideration**") subject to adjustments. The Consideration is to be settled in several instalments by cash and issuance of new Shares to Mr. Zhuang.

As at 31 December 2014, the Remaining Group also had insignificant operating lease commitments in respect of land and buildings, motor vehicles and others. Other than the above, the Remaining Group had no material commitments as at 31 December 2014 (2013: the Remaining Group had no material capital commitments).

The Company provided corporate guarantee of unlimited amount (2013: the Company and AIDAML, its wholly-owned subsidiary, provided corporate guarantees of unlimited amount and an amount up to HK$30,000,000 respectively) to secure bank loans granted to another wholly-owned subsidiary of the Company, HK$32,950,000 (2013: HK$25,147,000) of which the maximum amount required to pay if the guarantees were called on. The Company had not recognised any provision in the financial statements as at 31 December 2014 (2013: Nil) in respect of the corporate guarantee as the Directors considered that the probability for the holder of the corporate guarantee to call upon the Company as a result of default in repayment is remote.

Save as disclosed above, the Remaining Group had no other material commitments and contingent liabilities as at 31 December 2014.

Employee Information

As at 31 December 2014, the Remaining Group had 21 full-time employees (31 December 2013: 21). Total employee benefit expense (including Directors' remuneration) of the Remaining Group amounted to HK$35.3 million (2013: HK$29.5 million). The remuneration packages of the Remaining Group's directors and employees are kept at a competitive level to attract, retain and motivate directors and employees of the quality required to run the

Remaining Group successfully. In general, remuneration consists of a combination of a fixed salary paid in cash and a performance linked bonus paid in cash and options. A portion of the bonus may be deferred subject to the achievement of certain pre-determined targets and conditions. Options are either struck at or out-of the money. The Remaining Group's remuneration policies and practices are reviewed regularly.

Foreign Currency Exposure

The Remaining Group conducts its businesses in HK$ and US$, which include income and expenses, assets and liabilities. During the year ended 31 December 2014, the exchange rate of US$ to HK$ basically remained stable. The management believes that the fluctuation of US$ will not have a significant impact on the Remaining Group's operations. The Remaining Group has not issued any financial instruments for hedging purposes.

3. MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2013

During the year ended 31 December 2013, the Remaining Group's principal business is asset management which comprises mainly fund management businesses under AIDAML. At the same time, the management has been actively identifying opportunities in diversifying its portfolio into suitable investment.

The revenue of the Remaining Group for the year ended 31 December 2013 was approximately HK$13.9 million, compared to that of HK$19.1 million for the year ended 31 December 2012. Total operating expenses of the Remaining Group (being selling and distribution expenses, administrative expenses plus other operating expenses) for the year ended 31 December 2013 were HK$38.1 million as compared to HK$49.5 million for the year ended 31 December 2012.

Loss on financial liabilities at fair value through profit or loss of HK$7.0 million for the year ended 31 December 2013, as compared to a gain of HK$19.4 million for the year ended 31 December 2012, arose from the recognition of the embedded derivatives in the 2010 Convertible Bonds placed, the warrants issued on the repurchase of the convertible bonds previously issued in March 2006 as described above as well as the RCPS issued with the rights issue.

As a result, the Remaining Group reported a loss attributable to owners of the Company for the year ended 31 December 2013 of HK$84.5 million, as compared to a loss of HK$38.2 million for the year ended 31 December 2012, HK$80.4 million and HK$35.1 million of which are the losses from continuing operations for the years ended 31 December 2013 and 2012, respectively. Excluding the impairment of goodwill and intangible assets and the gain or loss on financial liabilities at fair value through profit or loss, the loss attributable to owners of the Remaining Group for the year ended 31 December 2013 was reduced to HK$50.7 million as compared to that of HK$57.7 million for the year ended 31 December 2012.

Finance Costs

The finance costs of the Remaining Group were HK$24.0 million for the year ended 31 December 2013 compared to HK$20.0 million for the year ended 31 December 2012. This represented mainly the notional effective interest expenses on Tranche 1 Convertible Bonds and Tranche 2 Convertible Bonds issued in October 2010 and March 2011 respectively. The increase in the finance costs was mainly due to the recognition of the notional effective interest expenses arising from the issuance of promissory notes as incentive fee payable to bondholders who exercised their rights to convert the 2010 Convertible Bonds into Shares on or before 30 November 2013.

Significant Capital Assets and Investments

The Remaining Group's office premises located at AXA Centre in Wanchai, Hong Kong, which were purchased in March 2011, represented the major capital asset. The net carrying amount of this leasehold land and building as at 31 December 2013 was HK$71.6 million (2012: HK$75.9 million).

As at 31 December 2013, the Remaining Group had investments, mainly available-for-sale investments of HK$10.0 million (2012: HK$5.5 million).

Liquidity

As at 31 December 2013, the Remaining Group had cash and cash equivalents of HK$18.7 million.

Gearing

As allowed under the terms of the convertible bonds previously issued in March 2006, the Company entered into a Deed of Settlement with the holders of these convertible bonds previously issued in March 2006 to repurchase the outstanding balance of US$20 million, for a consideration of US$20 million in cash financed by the issue of the 2010 Convertible Bonds as detailed above on page 49 and an aggregate of 60,000,000 warrants issued by the Company. All these outstanding convertible bonds previously issued in March 2006 were then cancelled in October 2010.

In accordance with the terms and conditions thereof, the conversion price was reset on 4 April 2011, 4 October 2011 and 4 April 2013, and the prevailing conversion price is HK$0.76 per Share which was adjusted upon completion of the acquisition of HMV Ideal Group on 24 February 2014.

The embedded derivatives in the 2010 Convertible Bonds and the warrants issued on the repurchase of the convertible bonds previously issued in March 2006 were disclosed as financial liabilities at fair value through profit or loss.

In March 2011, a mortgage bank loan of principal amount of HK$30 million (approximately US$3,846,000) was drawn to finance the purchase of office premises as mentioned above. It was secured by the office premise located at AXA Centre, Wanchai, Hong Kong, corporate guarantees of unlimited amount and HK$30 million (approximately US$3,846,000) by the Company and AIDAML, its wholly-owned subsidiary, respectively. As at 31 December 2013, the outstanding amount was HK$25 million (i.e. approximately US$3.2 million).

In October and November 2013, promissory notes of the total principal amount of HK$6,840,000 (approximately US$877,000) were issued as incentive fee payable to bondholders who exercised their rights to convert the 2010 Convertible Bonds into Shares on or before 30 November 2013. The principal amount of the promissory note was arrived at based on 4% of the principal value of the Convertible Bonds. The promissory notes are due in 12 months period from the dates of issuance.

As at 31 December 2013, the Remaining Group had no other significant debt and had a gearing ratio of 1,333% (31 December 2012: negative of 214%) which is calculated by dividing total debts by total equity.

Equity Structure

In November 2013, the Great Roc Capital Securities Limited (the "**Placing Agent**") and the Company entered into a placing agreement pursuant to which the Placing Agent had conditionally agreed to place, on a best effort basis, up to 27,552,000 placing shares at HK$0.68 per placing share to not less than six (6) placees who were independent third parties. All the placing shares were issued and allotted on 5 December 2013.

As at 31 December 2013, the total issued share capital of the Company was 384,561,967 Shares, increased from 137,779,206 ordinary shares as at 31 December 2012 due to conversion of the 2010 Convertible Bonds and placing of Shares during the year, and 10,019,790 RCPS, same as those as at 31 December 2012.

Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the year ended 31 December 2013.

Charges

As at 31 December 2013, there are no significant charges on the Remaining Group's investments and assets other than those on the office premises located at AXA Centre as detailed above.

Commitments and Contingent Liabilities

As at 31 December 2013, the Remaining Group had insignificant operating lease commitments in respect of land and buildings, motor vehicles and others. Other than this, the Remaining Group had no material commitments as at 31 December 2013 (2012: the Remaining Group had no material capital commitments).

The Company and AIDAML, its wholly-owned subsidiary, provided corporate guarantees of unlimited amount and an amount up to HK$30,000,000 (approximately US$3,846,000) respectively to secure the bank loan granted to another wholly-owned subsidiary of the Company, HK$25,147,000 (approximately US$3,223,000) of which the maximum amount required to pay if the guarantees were called on. The Company had not recognised any provision in the financial statements as at 31 December 2013 (2012: Nil) in respect of the corporate guarantee as the Directors considered that the probability for the holder of the corporate guarantees to call upon the Company as a result of default in repayment is remote.

Save as disclosed above, the Remaining Group had no material contingent liabilities, including pension obligations, as at 31 December 2013.

Employee Information

As at 31 December 2013, the Remaining Group had 21 full-time employees (2012: 33). Total employee benefit expense (including Directors' remuneration) amounted to HK$29.5 million (2012: HK$38.3 million). The remuneration packages of the Remaining Group's Directors and employees are kept at a competitive level to attract, retain and motivate Directors and employees of the quality required to run the Remaining Group successfully. In general, remuneration consists of a combination of a fixed salary paid in cash and a performance linked bonus paid in cash and options. A portion of the bonus may be deferred subject to the achievement of certain pre-determined targets and conditions. Options are either struck at or out-of the money. The Remaining Group's remuneration policies and practices are reviewed regularly.

Material Acquisitions and Disposals

During the year ended 31 December 2013, other than the disposals of entire interests in Crosby Securities Limited, Steeple Capital Limited, Crosby Asset Management Limited and its subsidiaries (including JAIC-CROSBY Investment Limited, a joint venture of the Company), techpacific.com (BVI) Investments Limited, techpacific.com Investments Limited and its subsidiary, Crosby Asset Management (Holdings) Limited and Crosby Investment (BVI) Limited and its subsidiaries, the Remaining Group made no significant acquisition or disposal of subsidiaries or affiliated companies.

(i) BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The accompanying unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") of the Remaining Group (as defined in this circular), comprising the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2015, the unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2015, has been prepared by the Directors in accordance with Rule 7.31 of The GEM Listing Rules for the purpose of illustrating the effect of the proposed disposal of the Target Company and its subsidiaries (the "**Disposal Group**") to the Group.

The preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group is based on (a) the audited consolidated statement of financial position of the Group as at 31 December 2015 which has been extracted from the published annual report for the year ended 31 December 2015 dated 22 March 2016; and (b) the unaudited combined statement of financial position of the Disposal Group as at 31 December 2015 which has been extracted from unaudited combined financial information of Disposal Group in Appendix II to this circular, and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 31 December 2015.

The preparation of the unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of other comprehensive income and unaudited pro forma statement of cash flows of the Remaining Group is based on: (a) the audited consolidated statement of profit or loss, audited consolidated statement of other comprehensive income and audited consolidated statement of cash flows of the Group for the year ended 31 December 2015 which have been extracted from the published annual report of the Company for the year ended 31 December 2015 dated 22 March 2016; and (b) the unaudited combined statement of profit or loss, unaudited combined statement of other comprehensive income and unaudited combined statement of cash flows of the Disposal Group for the year ended 31 December 2015 which have been extracted from unaudited financial information of Disposal Group in Appendix II to this circular, and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 1 January 2015.

A narrative description of the pro forma adjustments of the Disposal that are directly attributable to the transactions and factually supportable is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared based on a number of assumptions, estimate, uncertainties, currently available information and are prepared for illustrative purpose only. Because of its hypothetical nature, it may not give a true picture of the results of operations, financial positions or cash flows of the Remaining Group had the Disposal been completed as at the respective dates to which it is made up to or at any future date. Furthermore, the Unaudited Pro Forma Financial Information of the Remaining Group does not purport to predict the Remaining Group's future results of operations, financial positions or cash flows. The Unaudited Pro Forma Financial Information of the Remaining Group should be read in conjunction with the financial information of the Group as set out in Appendix I, the unaudited combined financial information of Disposal Group as set out in Appendix II, the Company's announcement dated 14 March 2016 and other financial information included elsewhere in this circular. The Unaudited Pro Forma Financial Information of the Remaining Group does not take into account any trading or other transactions subsequent to the dates of the respective financial statements of the companies comprising the Remaining Group.

(ii) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

	The Group as at 31 December 2015	Unaudited pro forma adjustments			Unaudited pro forma of the Remaining Group as at 31 December 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Notes 2 & 3)*	*(Note 4(i))*	*(Note 4(ii)(a))*	
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	53,416	(51,732)			1,684
Available-for-sale investments	30,000				30,000
Intangible assets	262,002	(88,010)			173,992
Interests in associates	3,603			508,790	512,393
Investment in convertible bond	11,622				11,622
Financial asset at fair value through profit or loss	11,008				11,008
Deposits and other receivables	30,376	(16,811)			13,565
	402,027				754,264
Current assets					
Inventories	39,903	(39,903)			—
Trade and other receivables	78,010	(12,378)			65,632
Pledged bank deposits	7,000	(7,000)			—
Cash and cash equivalents	817,867	(14,433)	57,304	(57,304)	803,434
	942,780				869,066
Current liabilities					
Trade and other payables	153,245	(49,703)		1,600	105,142
Borrowings	5,455	—			5,455
Financial liabilities at fair value through profit or loss	2,738	—			2,738
Amounts due to the Remaining Group	—	(6)			(6)
Current tax liabilities	4,847	—			4,847
	166,285				118,176
Net current assets	776,495				750,890
Total assets less current liabilities	1,178,522				1,505,154

	The Group as at 31 December 2015	Unaudited pro forma adjustments			Unaudited pro forma of the Remaining Group as at 31 December 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Notes 2 & 3)*	*(Note 4(i))*	*(Note 4(ii)(a))*	
Non-current liabilities					
Other payables	44,812	(8,552)			36,260
Convertible bonds	318,909	—			318,909
Financial liabilities at fair value through profit or loss	27,835	—			27,835
Deferred tax liabilities	31,370	(16,728)			14,642
	422,926				397,646
Net assets	755,596				1,107,508
EQUITY					
Share capital	582,016				582,016
Reserves	145,375	(155,278)	57,304	449,886	497,287
Equity attributable to owners of the Company	727,391				1,079,303
Non-controlling interests	28,205				28,205
Total equity	755,596				1,107,508

(iii) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE REMAINING GROUP

	The Group for the year ended 31 December 2015	Unaudited pro forma adjustments				Unaudited pro forma of the Remaining Group for the year ended 31 December 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 4(i)(b))*	*(Note 4(ii)(b))*	*(Note 5)*	
Revenue	160,660	(79,033)				81,627
Cost of sales	(87,725)	50,005				(37,720)
Gross profit	72,935					43,907
Gain on financial asset at fair value through profit or loss	260					260
Loss on financial liabilities at fair value through profit or loss	(6,786)					(6,786)
Other net loss	(1,410)	(833)				(2,243)
Selling and distribution expenses	(38,481)	35,209				(3,272)
Administrative expenses						
Depreciation of property, plant and equipment	(18,490)	17,392				(1,098)
Amortisation of intangible assets	(47,573)	323				(47,250)
Other administrative expenses	(111,606)	20,735				(90,871)
	(177,669)					(139,219)
Gain on disposal of subsidiaries	—		56,652	217,752		274,404
Impairment of available-for-sale investments	(818)					(818)
Impairment of goodwill	(41,305)					(41,305)
Other operating expenses	(21,632)	15,873				(5,759)
(Loss)/Profit from operations	(214,906)					119,169
Finance costs	(22,890)					(22,890)
Share of losses of associates	(596)				(50,743)	(51,339)
(Loss)/Profit before taxation	(238,392)					44,940
Taxation credit	7,978	(70)				7,908
(Loss)/Profit for the year	(230,414)					52,848
Attributable to:						
Owners of the Company	(233,146)	59,601	56,652	217,752	(50,743)	50,116
Non-controlling interests	2,732					2,732
(Loss)/Profit for the year	(230,414)					52,848

(iv) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP

	The Group for the year ended 31 December 2015	Unaudited pro forma adjustments				Unaudited pro forma of the Remaining Group for the year ended 31 December 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 4(i)(b))*	*(Note 4(ii)(b))*	*(Note 5)*	
(Loss)/Profit for the year	(230,414)	59,601	56,652	217,752	(50,743)	52,848
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Change in fair value of available-for-sale investments	(818)					(818)
Reclassification adjustment on impairment of available-for-sale investments	818					818
Exchange differences on translating foreign operations of subsidiaries	(1,693)					(1,693)
Other comprehensive income for the year, net of tax	(1,693)					(1,693)
Total comprehensive income for the year	(232,107)					51,155
Attributable to:						
Owners of the Company	(234,839)	59,601	56,652	217,752	(50,743)	48,423
Non-controlling interests	2,732					2,732
Total comprehensive income for the year	(232,107)					51,155

(v) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

	The Group for the year ended 31 December 2015	Unaudited pro forma adjustments				Unaudited pro forma of the Remaining Group for the year ended 31 December 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 4(i)(b))*	*(Note 4(ii)(b))*	*(Note 5)*	
Cash flows from operating activities						
(Loss)/Profit before taxation	(238,392)	59,671	56,652	217,752	(50,743)	44,940
Adjustments for:						
Amortisation of intangible assets	47,573	(323)				47,250
Depreciation of property, plant and equipment	18,490	(17,392)				1,098
Finance costs	22,890					22,890
Share-based compensation expense	638					638
Gain on financial asset at fair value through profit or loss	(260)					(260)
Loss on financial liabilities at fair value through profit or loss	6,786					6,786
Loss on remeasurement of contingent consideration payables, net	4,735					4,735
Interest income	(1,217)					(1,217)
Impairment of inventories	2,199	(2,199)				—
Gain on disposal of property, plant and equipment	(2)					(2)
Loss/(gain) on disposal of subsidiaries	512		(56,652)	(217,752)		(273,892)
Foreign exchange gains, net	(354)					(354)
Share of losses of associates	596				50,743	51,339
Impairment of goodwill	41,305					41,305
Impairment of available-for-sale investments	818					818
Impairment of deposit paid	5,850	(5,850)				—
Operating loss before working capital changes	(87,833)					(53,926)
Increase in inventories	(19,434)	19,434				—
Increase in trade and other receivables	(51,156)	20,422				(30,734)
Increase/(Decrease) in trade and other payables	30,668	(35,509)				(4,841)
Increase in amounts due from the Remaining Group, net	—	(210,651)				(210,651)
Cash outflow from operations	(127,755)					(300,152)
Tax paid	(141)					(141)
Net cash outflow from operating activities	(127,896)					(300,293)

	The Group for the year ended 31 December 2015	Unaudited pro forma adjustments				Unaudited pro forma of the Remaining Group for the year ended 31 December 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 4(i)(b))*	*(Note 4(ii)(b))*	*(Note 5)*	
Cash flows from investing activities						
Acquisition of HMV Business	(105,558)	105,558				—
Bank interest income received	1,005					1,005
Investment in available-for-sale investments	(30,000)					(30,000)
Purchase of property, plant and equipment	(41,952)	41,998				46
Proceeds from disposal of property, plant and equipment	3					3
Disposal of subsidiaries, net of cash disposed	36,668		57,304	(57,304)		36,668
Acquisition of subsidiaries, net of cash acquired	(12,366)					(12,366)
Acquisition of an associate	(4,199)					(4,199)
Investment in convertible bond	(22,158)					(22,158)
Increase in pledged bank deposits	(7,000)	7,000				—
Net cash outflow from investing activities	(185,557)					(31,001)
Cash flows from financing activities						
Issue of shares upon exercise of share options	5,820					5,820
Issue of shares upon conversion of redeemable convertible preference shares, net of expenses	41,200					41,200
Proceeds from issue of convertible bonds, net of expenses	139,500					139,500
Proceeds from placing of shares	854,751					854,751
Proceeds from disposal of shares	—	(1)				(1)
Interest paid on bank loan	(80)					(80)
Repayment of bank loan	(360)					(360)
Repayment of other loan	(11,600)	10,000				(1,600)
Net cash inflow from financing activities	1,029,231					1,039,230
Net increase in cash and cash equivalents	715,778	(7,842)	57,304	(57,304)		707,936
Cash and cash equivalents as at 1 January	102,067	(6,591)				95,476
Effect of exchange rate changes on cash and cash equivalents	22					22
Cash and cash equivalents as at 31 December	817,867					803,434

(v) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

1. The amounts are extracted without adjustment from the audited consolidated statement of financial position of the Group as at 31 December 2015, the audited consolidated statement of profit or loss, audited consolidated statement of other comprehensive income and audited consolidated statement of cash flows of the Group as at 31 December 2015 as published in the annual report of the Company for the year ended 31 December 2015.

2. For the Unaudited Pro Forma Consolidated Statement of Financial Position of the Remaining Group as at 31 December 2015, the pro forma adjustments represent the exclusion of assets and liabilities of the Disposal Group as at 31 December 2015, assuming the Disposal had taken place on 31 December 2015, as a result of the disposal of the entire equity interest in the Disposal Group which consists of both the Deemed Disposal (as defined and described in note 4(i) below) and the Disposal as stated above, which the amounts of assets and liabilities of the Disposal Group as at 31 December 2015 are extracted from the Unaudited Combined Financial Information of the Disposal Group as set out in Appendix II in this circular and after taking into account the restructuring prior to the Deemed Disposal and the Disposal, as set out in note 3 below.

   For the Unaudited Pro Forma Consolidated Statement of Profit or Loss, Unaudited Pro Forma Consolidated Statement of Other Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flows of the Remaining Group for the year ended 31 December 2015, the pro forma adjustments represent the exclusion of the results and reserves of the Disposal Group for the year ended 31 December 2015, which are extracted from the Unaudited Combined Financial Information of the Disposal Group for the year ended 31 December 2015 as set out in Appendix II of this circular assuming the Disposal had taken place on 1 January 2015.

3. Set out below is the Unaudited Combined Statement of Financial Position as at 31 December 2015, after taking into account the restructuring completed on 29 February 2016 as if it has been taken place on 31 December 2015, to arrive at the Unaudited Pro Forma Consolidated Statement of Financial Position immediately prior to the Deemed Disposal and the Disposal.

	Disposal Group as at 31 December 2015	Impact of restructuring prior to the Disposal		Adjusted Disposal Group immediately before Disposal
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Note i)	*(Note ii)*	*(Note iii)*	
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	51,732			51,732
Intangible assets	88,010			88,010
Deposits and other receivables	16,811			16,811
	156,553			156,553
Current assets				
Inventories	39,903			39,903
Trade and other receivables	12,172			12,172
Amounts due from the Remaining Group	15,622	42	(15,664)	—
Amounts due from related companies	206			206
Pledged bank deposits	7,000			7,000
Cash and cash equivalents	14,433			14,433
	89,336	42	(15,664)	73,714
Current liabilities				
Trade and other payables	49,648			49,648
Amounts due to the Remaining Group	254,760		(254,754)	6
Amounts due to related companies	55			55
	304,463		(254,754)	49,709
Net current (liabilities)/assets	(215,127)	42	239,090	24,005
Total assets less current liabilities	(58,574)	42	239,090	180,558
Non-current liabilities				
Other payables	8,552			8,552
Deferred tax liabilities	16,728			16,728
	25,280			25,280
Net (liabilities)/assets	(83,854)	42	239,090	155,278

Notes:

(i) The numbers are extracted from the Unaudited Combined Statement of Financial Position of the Disposal Group as at 31 December 2015, as set out in Appendix II of this circular.

(ii) The balance of HK$42,000 represents the movement of certain inter-group balances between 1 January 2015 and 29 February 2016 (the date of restructuring as explained in note (iii) below).

(iii) On 29 February 2016, the Disposal Group has completed a restructuring of the intercompany balances between the Remaining Group and the Disposal Group. As a result of the set-off and assignment of such intercompany balances, the net payable of HK$239,090,000 due from the Target Company to Action Key Investments Limited, the immediate holding company of the Target Company prior to the Disposal, has been capitalised and satisfied by issuance of 9,999 shares prior to the Deemed Disposal and the Disposal.

4.(i)(a) On 1 March 2016, the Group has agreed to sell 2,250 existing ordinary shares, representing approximately 18.37%, of the Target Company for a cash consideration of US$9,000,000 (equivalent to approximately HK$70,200,000) (the "**Deemed Disposal**"). The Deemed Disposal was completed on 4 March 2016. Details of the Deemed Disposal are set out in the Company's announcement dated 1 March 2016. Set out below is the estimated pro forma gain on disposal as if the restructuring and the Deemed Disposal of approximately 18.37% of the Target Company had been completed on 31 December 2015:

	HK$'000
Cash Consideration	70,200
Less: Fair value of approximately 18.37% of cash consideration (approximately HK$70,200,000) of the Deemed Disposal injected into the Disposal Group	(12,896)
Cash consideration, net of cash disposed	57,304
Less: Carrying amount of approximately 18.37% of net assets of the Disposal Group as at 31 December 2015	(28,524)
Estimated pro forma gain on disposal of approximately 18.37% equity interest in the Disposal Group	28,780

(b) For the purpose of illustration in the Unaudited Pro Forma Consolidated Statement of Profit or Loss and in the Unaudited Pro Forma Consolidated Statement of Cash Flows, set out below is the estimated pro forma gain on disposal as if the restructuring and the Deemed Disposal of approximately 18.37% of the Target Company had been completed on 1 January 2015:

	HK$'000
Cash Consideration	70,200
Less: Fair value of approximately 18.37% of cash consideration (approximately HK$70,200,000) of the Deemed Disposal injected into the Disposal Group	(12,896)
Cash consideration, net of cash disposed	57,304
Less: Carrying amount of approximately 18.37% of net assets of the Disposal Group as at 1 January 2015	(652)
Estimated pro forma gain on disposal of approximately 18.37% equity interest in the Disposal Group	56,652

The adjustment is not expected to have a continuing effect on the Remaining Group.

4.(ii)(a) On 14 March 2016, the Group has agreed to sell 10,000 existing ordinary shares of the Target Company, representing approximately 81.63%, of the Target Company for a consideration of HK$408,150,000 to be satisfied by the issuance and allotment of an aggregate of 1,118,219,178 Consideration Shares of China 3D.

Upon completion, the consideration shares will represent approximately 22.59% of the issued share capital of China 3D as enlarged by the allotment and issuance of the consideration shares. The receipt of such consideration shares will be deemed as an acquisition of equity interests in China 3D by the Group and China 3D will be treated as an associate in the consolidated financial statements of the Group through the Group's shareholding in China 3D. Details of the Disposal are set out in the Company's announcement dated 14 March 2016 and in this circular. Set out below is the estimated pro forma gain on disposal as if the restructuring and the Disposal of approximately 81.63% of the Target Company had been completed on 31 December 2015:

	HK$'000
Consideration Shares, at fair value	508,790
Less: Carrying amount of approximately 81.63% of net assets of the Disposal Group as at 31 December 2015	(126,754)
Less: Fair value of approximately 81.63% of cash consideration (approximately HK$70,200,000) of the Deemed Disposal injected into the Disposal Group	(57,304)
Less: Estimated legal and professional fees and related expenses in relation to the Disposal	(1,600)
Estimated pro forma gain on disposal of approximately 81.63% equity interest of the Disposal Group	323,132

The fair value of the Consideration Shares was determined by the closing share price of HK$0.455 per share of China 3D on 31 December 2015 and applying to the total number of 1,118,219,178 Consideration Shares. The adjustment is not expected to have a continuing effect on the Remaining Group.

(b) For the purpose of illustration in the Unaudited Pro Forma Consolidated Statement of Profit or Loss and in the Unaudited Pro Forma Consolidated Statement of Cash Flows, set out below is the estimated pro forma gain on disposal as if the restructuring and the Disposal of approximately 81.63% of the Target Company had been completed on 1 January 2015:

	HK$'000
Consideration Shares, at fair value	279,555
Less: Carrying amount of approximately 81.63% of net assets of the Disposal Group as at 1 January 2015	(2,899)
Less: Fair value of approximately 81.63% of cash consideration (approximately HK$70,200,000) of the Deemed Disposal injected into the Disposal Group	(57,304)
Less: Estimated legal and professional fees and related expenses in relation to the Disposal	(1,600)
Estimated pro forma gain on disposal of approximately 81.63% equity interest in the Disposal Group	217,752

The fair value of the Consideration Shares was determined by the closing share price of HK$0.250 per share of China 3D on 1 January 2015 and applying to the total number of 1,118,219,178 Consideration Shares. The adjustment is not expected to have a continuing effect on the Remaining Group.

For the purpose of the preparation of the Unaudited Pro Forma Financial Information of the Remaining Group, the direct expenses of accountancy, legal and other professional services related to the Disposal are estimated at approximately HK$1,600,000, according to respective quotations from the professional parties. The adjustment is not expected to have a continuing effect on the Remaining Group.

As a result of the Deemed Disposal and the Disposal, it is estimated a total gain of approximately HK$351,912,000 before tax will be recognised in profit or loss, which is calculated based on the fair value of Consideration Shares less the unaudited net asset value of the Disposal Group as at 31 December 2015, after taking into account the completion of restructuring of the Disposal Group on 29 February 2016. The final gain on the Disposal may be different from the pro forma amount described above as the carrying amounts of assets and liabilities of the Disposal Group on the actual date of disposal will differ from the assumed amounts used in the preparation of the Unaudited Pro Forma Financial Information.

5. The pro forma adjustment represents the share of loss of approximately HK$50,743,000 of China 3D (deemed as an associate of the Remaining Group), being approximately 22.59% share of the loss of China 3D of approximately HK$224,626,000 based on the unaudited management accounts of China 3D for the twelve months ended 31 December 2015. The adjustment is not expected to have a continuing effect on the Remaining Group.

6. For the purpose of preparation of the Unaudited Pro Forma Financial Information of the Remaining Group, the Directors have considered the quoted market price of China 3D Shares as the recoverable amount which is available in an active market, also the Directors consider there is no objective evidence or any indicators that interests in associates may be impaired and therefore no impairment is considered necessary.

   Upon completion of the Disposal, the Group will determine at each reporting date whether there is any objective evidence that the interests in associates are impaired in accordance with IAS 28(2011) "Investments in Associates and Joint Ventures" and IAS 36 "Impairment of Assets".

   The Directors of the Company, after concurrence with its auditor, confirm that consistent accounting policies and principal assumptions will be applied to assess impairment of interests in associates in subsequent reporting periods in accordance with the requirements under IAS 28(2011) and IAS 36.

The following is the text of a report from BDO Limited, Certified Public Accountants, Hong Kong, the independent reporting accountants, in respect of the unaudited pro forma financial information of the Remaining Group as set out in this Appendix and prepared for the sole purpose of inclusion in this circular.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

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23 May 2016

The Board of Directors
AID Partners Capital Holdings Limited
Units 1&2, 29/F., The Hennessy
256 Hennessy Road, Wanchai
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of AID Partners Capital Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") excluding HMV M&E Limited and its subsidiaries (the "Disposal Group") (collectively the "Remaining Group") prepared by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2015, the unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2015, and related notes as set out in Appendix VI to the circular dated 23 May 2016 (the "Circular") issued by the Company ("the Unaudited Pro Forma Financial Information") in connection with the proposed disposal of approximately 81.63% issued share capital of HMV M&E Limited by the Company in return for the consideration shares in China 3D Digital Entertainment Limited ("China 3D") and major transaction in relation to the deemed acquisition of approximately 22.59% equity interests in China 3D as enlarged by the issue of the consideration shares (the "Transactions"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix VI to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transactions on the Group's financial position as at 31 December 2015 and the Group's financial performance and cash flows for the year ended 31 December

2015 as if the Transactions had taken place as at 31 December 2015 and 1 January 2015, respectively. As part of this process, information about the Group's financial position as at 31 December 2015 and its financial performance and cash flows for the year ended 31 December 2015 has been extracted by the Directors from the consolidated financial statements of the Group for the year ended 31 December 2015, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements", and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Transactions on unadjusted financial information of the Group as if the Transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transactions would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Transactions, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the Transactions in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the Listing Rules.

Yours faithfully
BDO Limited
Certified Public Accountants
Hong Kong
Chiu Wing Cheung Ringo
Practising Certificate no. P04434

1. RESPONSIBILITY STATEMENT

This circular, 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as 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 were taken or deemed to have under such provisions of the SFO); or as recorded in the register of the Company required to be kept pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, were as follows:

(i) Interests in Shares

Name of Director	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
Mr. Wu	Personal interest	28,488,000	0.30%
	Family interest *(Note 2)*	165,600,000	1.78%
	Corporate interest *(Note 1)*	2,045,453,090	22.09%
Mr. Ho	Personal interest	264,000	0.01%
	Corporate interest *(Note 1)*	2,045,453,090	22.09%
Mr. Chang	Corporate interest *(Note 1)*	2,045,453,090	22.09%
Mr. Yuen Kwok On	Personal interest	1,980,000	0.02%

Notes:

1. Mr. Wu, Mr. Ho and Mr. Chang owns 28,488,000, 264,000 and nil Shares, respectively. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 454,544,000, 909,090,909 and 681,818,181 Shares, respectively. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interests in 454,544,000, 909,090,909 and 681,818,181 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited were deemed to be interested by virtue of the SFO since they indirectly own 56% through Billion Power Management Limited, 23% through Elite Honour Investments Limited and 21% through Genius Link Assets Management Limited, respectively, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II, L.P. ("**AID Cap II**"). AID Cap II is interested in the entired issue share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited.

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

Outstanding share options

Name of Director	Date of grant *(dd/mm/yyyy)*	Exercise price *(HK$)*	Exercise period *(dd/mm/yyyy)*	Number of underlying Shares held	Approximate percentage of the issued share capital of the Company
Mr. Wu	20/06/2014	0.16	20/06/2014 to 19/06/2024	26,884,000	0.29%
	01/04/2016	0.247	01/10/2016 to 31/03/2026	35,000,000	0.37%
	01/04/2016	0.247	01/04/2017 to 31/03/2026	35,000,000	0.37%
Mr. Ho	15/05/2014	0.16	15/05/2014 to 14/05/2024	27,342,000	0.29%
	01/04/2016	0.247	01/10/2016 to 31/03/2026	35,000,000	0.37%
	01/04/2016	0.247	01/04/2017 to 31/03/2026	35,000,000	0.37%
Mr. Chang	15/05/2014	0.16	15/05/2014 to 14/05/2024	27,342,000	0.29%
	01/04/2016	0.247	01/10/2016 to 31/03/2026	2,500,000	0.02%
	01/04/2016	0.247	01/04/2017 to 31/03/2026	2,500,000	0.02%

Name of Director	Date of grant *(dd/mm/yyyy)*	Exercise price *(HK$)*	Exercise period *(dd/mm/yyyy)*	Number of underlying Shares held	Approximate percentage of the issued share capital of the Company
Mr. Chinn Adam David	01/04/2016	0.247	01/10/2016 to 31/03/2026	1,500,000	0.01%
	01/04/2016	0.247	01/04/2017 to 31/03/2026	1,500,000	0.01%
Professor Lee Chack Fan	01/04/2016	0.247	01/10/2016 to 31/03/2026	1,500,000	0.01%
	01/04/2016	0.247	01/04/2017 to 31/03/2026	1,500,000	0.01%
Mr. Yuen Kwok On	01/04/2016	0.247	01/10/2016 to 31/03/2026	1,500,000	0.01%
	01/04/2016	0.247	01/04/2017 to 31/03/2026	1,500,000	0.01%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations that (i) 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 were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than Directors or chief executive of the Company) had interests or short positions in the Shares, underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO, or, who was, directly or indirectly, 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 the Company or any other member of the Group.

Interests of substantial Shareholders 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 *(Notes 1 and 5)*	2,239,541,090	96,884,000	25.23%
Li Mau *(Notes 1 and 5)*	2,239,541,090	96,884,000	25.23%
Mr. Ho *(Notes 2 and 5)*	2,045,717,090	97,342,000	23.14%
Mr. Chang *(Notes 3 and 5)*	2,045,453,090	32,342,000	22.44%
AID Cap II *(Note 5)*	2,045,453,090	—	22.09%
AID Partners GP2, Ltd. *(Note 5)*	2,045,453,090	—	22.09%
Hong Kong HNA Holding Group Co. Limited *(Note 4)*	1,636,360,000	430,769,230	22.32%
David Tin	909,088,000	—	9.81%
Billion Power Management Limited *(Note 5)*	2,045,453,090	—	22.09%
Elite Honour Investments Limited *(Note 5)*	2,045,453,090	—	22.09%

Name	Aggregate long position in Shares	Aggregate long position in underlying Shares	Approximate percentage of the issued share capital of the Company
Genius Link Assets Management Limited *(Note 5)*	2,045,453,090	—	22.09%
Leader Fortune International Limited *(Note 5)*	2,045,453,090	—	22.09%
Abundant Star Ventures Limited *(Note 5)*	909,090,909	—	9.81%
Vantage Edge Limited *(Note 5)*	681,818,181	—	7.36%
Hero Sign Limited *(Note 5)*	454,544,000	—	4.90%
Able Supreme Management Limited *(Note 6)*	—	1,081,095,600	11.67%
Billion Pine International Limited *(Note 6)*	—	1,081,095,600	11.67%
Hu Yin *(Note 6)*	—	1,081,095,600	11.67%

Notes:

1. Mr. Wu, the Chief Investment Officer and executive Director of the Company, owns 28,488,000 Shares and HMV Asia Limited owns 165,600,000 Shares. 62.50% of the shares of HMV Asia Limited are held by Ms. Li Mau, the spouse of Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the Shares held by HMV Asia Limited. Mr. Wu is interested in 26,884,000 Share Options and 70,000,000 Share Options at an exercise price of HK$0.16 per Share and HK$0.247 per Share, respectively, to subscribe for Shares. Mr. Wu is deemed to have interest in 454,544,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively. Ms. Li Mau, as the spouse of Mr. Wu, is deemed to be interested in these Shares and underlying Shares for the purpose of the SFO.

2. Mr. Ho, the Chief Executive Officer and executive Director of the Company, owns 264,000 Shares and is interested in 27,342,000 Share Options and 70,000,000 Share Options at an exercise price of HK$0.16 per Share and HK$0.247 per Share, respectively, to subscribe for Shares. Mr. Ho is also deemed to have interest in 454,544,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively.

3. Mr. Chang, an executive Director, is interested in 27,342,000 Share Options and 5,000,000 Share Options at an exercise price of HK$0.16 per Share and HK$0.247 per Share, respectively, to subscribe for Shares. Mr. Chang is also deemed to have interest in 454,544,000 Shares, 909,090,909 Shares and 681,818,181 Shares as mentioned in note 5 below, respectively.

4. Hong Kong HNA Holding Group Co. Limited is wholly-owned by HNA Financial Holdings International Co., Ltd. ("**HNA Financial**"). HNA Financial is wholly-owned by Beijing HNA Financial Holdings Co., Ltd. ("**Beijing HNA**"). Beijing HNA is wholly-owned by HNA Investment Holding Co., Ltd. ("**HNA Investment**"). HNA Investment is wholly-owned by HNA Group Holdings Co., Ltd. ("**HNA Holdings**"). HNA Holdings is wholly-owned by HNA Group Company Limited ("**HNA Group**"). HNA Group is owned as to approximately 70% by Hainan Traffic Administration Holdings Company Limited ("**Hainan Traffic**"). Hainan Traffic is owned as to approximately 50% by Sheng Tang Development (Yangpu) Company Limited ("**Sheng Tang**"). Sheng Tang is owned as to 65% by Hainan Province Cihang Foundation and 35% by Tang Dynasty Development Company Limited ("**Tang Dynasty**"). Tang Dynasty is owned as to approximately 98% by Pan-American Aviation Holding Company Limited, which is in turn 100% beneficially owned by Jun Guan.

5. Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited own 454,544,000, 909,090,909 and 681,818,181 Shares. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 454,544,000, 909,090,909 and 681,818,181 Shares of which Hero Sign Limited, Abundant Star Ventures Limited and Vantage Edge Limited are deemed to have interests by virtue of the SFO since they indirectly own 56% through Billion Power Management Limited, 23% through Elite Honour Investments Limited and 21% through Genius Link Assets Management Limited, respectively, of the issued share capital of AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Cap II. AID Cap II interested in the entire issued share capital of Leader Fortune International Limited, which is interested in the entire issued share capital of Hero Sign Limited.

6. 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. Accordingly, Mr. Hu Yin is interested in these underlying Shares through his 100% indirect interest in Able Supreme.

Save as disclosed above, the Directors or the chief executive of the Company were not aware, as at the Latest Practicable Date, of any person (not being a Director or chief executive of the Company) who had interests or short positions in the Shares, underlying Shares or debenture of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO, or were 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 the Company or any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group which is not determinable by the Company within one (1) year without payment of compensation (other than statutory compensation).

5. EXPERT AND CONSENT

The following is the qualification of the expert whose advice is contained in this circular:

Name	Qualification
BDO Limited	Certified Public Accountants

BDO Limited has given and has not withdrawn its written consents to the issue of its circular with the inclusion of their letters and/or references to its names included herein in the form and context in which they appears.

As at the Latest Practicable Date, BDO Limited was not interested in any shareholding in any member of the Remaining Group or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and had no direct or indirect interest in any assets which have been or proposed to be acquired or disposed of by or leased to any member of the Remaining Group since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up.

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which since 31 December 2015, being the date to which the latest published audited accounts of the Group were made up, have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group. Save as disclosed above, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the businesses of the Group.

7. MATERIAL ADVERSE CHANGE

Save as disclosed, the Directors were not aware of any material adverse change, actual or potential, in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited consolidated accounts of the Group were made up to, up to and including the Latest Practicable Date.

8. COMPETING INTEREST

Potential competing interests from HMV HK prior to Completion

HMV HK is indirectly 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 Palm Green Capital Limited (Record Shop 3 Limited (formerly named HMV (IP) Limited) was the former licensor), a third party independent of the Group, to use the well-known brand name "HMV" within the territory of the PRC, Hong Kong, the Macau Special Administrative Region of the PRC, Taiwan and Singapore ("**HMV IP Rights**").

Pursuant to the sale and purchase agreement dated 28 August 2015 in relation to the sale and purchase of the HMV Business, at completion on 30 November 2015 (i) the HMV IP Rights in respect of the PRC, Hong Kong and Singapore were assigned by HMV HK to HMV Marketing; and (ii) the assets in respect of the retailing business of "HMV" operating through the four (4) physical retail stores located in Hong Kong and operated by HMV HK prior to the completion of the said acquisition were transferred by HMV HK to HMV Marketing (the "**HMV Acquisition**"). After completion of the HMV Acquisition and as at the Latest Practical Date, HMV Marketing has the licence to use the HMV IP Rights within the PRC, Hong Kong and Singapore and HMV HK has the licence to use the HMV IP Rights within the Macau Special Administrative Region of the PRC and Taiwan.

HMV Marketing and HMV HK each have the rights to use the HMV IP Rights in different territories as set out above. Given that there is no overlap of territories in the use of the HMV IP Rights by HMV Marketing and HMV HK, the Directors do not consider that there is any material competition between the business of Group and that of HMV HK.

As at the Latest Practicable Date, 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.

9. MATERIAL CONTRACTS

The particulars of all material contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the Group within the two (2) years immediately preceding the issue of this circular are set out as follows:

(a) the sale and purchase agreement dated 10 September 2014 entered into between Bonus Boost Enterprises Limited, a wholly-owned subsidiary of the Company, as the purchaser, Outblaze Ventures Holdings Limited as the vendor and the Company in relation to the sale and purchase of 70% of the issued share capital of Complete Star Limited for an aggregate consideration of US$9,660,000 (equivalent to approximately HK$75,106,500), subject to adjustment. As at the Latest Practicable Date, (a) the First Instalment (as defined in the announcement of the Company dated 11 September 2014 (the "**Complete Star Announcement**")), being an aggregate of US$3,220,000 (equivalent to approximately HK$25,035,500), was paid to Outblaze Ventures Holdings Limited: (i) as to US$2,898,000 (equivalent to approximately HK$22,531,950) in cash, and (ii) as to US$322,000 (equivalent to approximately HK$2,503,550) by way of allotment and issue of 1,627,795 new Shares at an issue price of HK$1.538 per Share; and (b) the Second Instalment (as defined in the Complete Star Announcement) and the 2014 Profit Bonus (as defined in the Complete Star Announcement) have been settled: (i) in respect of the Second Instalment: (1) as to US$1,242,000 (equivalent to approximately HK$9,656,550) by cash, and (2) as to the remaining portion of US$1,978,000 (equivalent to approximately HK$15,378,950) by the allotment and issue of 41,564,729 new Shares at the issue price of HK$0.37 per Share; and (ii) in respect of the 2014 Profit Bonus (as defined in the Complete Star Announcement): as to US$608,580 (equivalent to approximately HK$4,731,709.50) by cash, and (2) as to the remaining portion of US$1,420,020 (equivalent to approximately HK$11,040,655.50) by the allotment and issue of 29,839,609 new Shares at the issue price of HK$0.37 per Share;

(b) the sale and purchase agreement dated 26 October 2014 entered into between the Vendor, as the purchaser, the Company and HMV Asia Limited, Ms. Wong Nga Fan, Ms. Butt, Emily Oy-Fong and Mr. Wu as the vendors in relation to the sale and purchase of an aggregate of approximately 35.46% of the issued share capital of HMV Ideal Limited. The consideration for the said acquisition is the aggregate of the 980 ordinary shares of VS Media Co Limited and the aggregate of all amounts owed by VS Media Co Limited to each of HMV Ideal Limited, HMV Marketing, Vissible Co & Limited and Viss Me Co & Limited outstanding as at the close of business on the date of completion, which amounted to approximately HK$5,924,000;

(c) the sale and purchase agreement dated 1 December 2014 (the "**1 Dec 2014 SPA**") entered into between Valliant Investments Limited, an indirect wholly-owned subsidiary of the Company, as the purchaser, the Company, 莊小潔先生 (Mr. Zhuang Xiao Jie*) as the vendor and 張永鋒先生 (Mr. Zhang Yong Feng*) and 陳曉萍女士 (Ms. Chen Xiao Ping*) as the vendor's guarantors, pursuant to which the vendor agreed to sell, and the purchaser agreed to purchase, 70% of the issued share capital of Honestway Global Group Limited at the consideration of RMB84,000,000 (equivalent to approximately HK$106,117,200), subject to adjustments in accordance with the sale and purchase agreement. As at the Latest Practicable Date, (a) the first instalment of the consideration in the amount of RMB14,000,000 (equivalent to approximately HK$17,686,200) has been paid in cash to 莊小潔先生 (Mr. Zhuang Xiao Jie*); (b) the second instalment of the consideration in the amount of RMB7,000,000 (equivalent to approximately HK$8,843,100) has been settled: (i) as to RMB6,000,000 (equivalent to approximately HK$7,579,800) by cash; and (ii) as to RMB1,000,000 (equivalent to approximately HK$1,263,300) by the issue and allotment of 5,903,271 new Shares at the issue price of HK$0.214 per Share; and (c) the third instalment of the consideration in the amount of RMB28,000,000 (equivalent to approximately HK$35,372,400) has been settled by the issue and allotment of 165,291,588 new Shares at the issue price of HK$0.214 per Share and the 2015 Profit Bonus (as defined in the circular of the Company dated 2 March 2015) in the amount of RMB6,534,760 (equivalent to approximately HK$8,255,362) has been settled by the issue and allotment of 39,670,172 new Shares at the issue price of HK$0.2081 per Share;

(d) the non-legally binding term sheet dated 21 January 2015 entered into between Prestige Creation Limited, an indirect wholly-owned subsidiary of the Company, and CEA Asia Holdings, LLC, a subsidiary of the multinational company, CEA Capital Group, LLC, for the purpose of setting forth the principal terms of the possible establishment of a joint venture for the provision of business development, strategic services and solutions to content providers in media and entertainment industry. As at the Latest Practicable Date, no formal agreement has been entered into between the said parties;

(e) the sale and purchase agreement dated 17 February 2015 entered into between the Company as the vendor and Ms. Tam Yuk Ching, Jenny as the purchaser, pursuant to which the Company agreed to sell and Ms. Tam Yuk Ching, Jenny agreed to purchase the entire issued share capital of Crosby Capital (Holdings) Limited, a wholly-owned subsidiary of the Company, for a consideration of HK$37,000,000, which has been settled by cash;

(f) the supplemental agreement dated 17 February 2015, supplementing the 1 Dec 2014 SPA, entered into between Valliant Investments Limited, as the purchaser, the Company, 莊小潔先生 (Mr. Zhuang Xiao Jie*) as the vendor and 張永鋒先生 (Mr. Zhang Yong Feng*) and 陳曉萍女士 (Ms. Chen Xiao Ping*) as the vendor's guarantors, pursuant to which, the parties agreed to adjust the issue price of the Shares to be issued as partial settlement of the consideration in accordance with the 1 Dec 2014 SPA;

(g) the placing agreement dated 5 June 2015 entered into between the Company and UOB Kay Hian (Hong Kong) Limited, as the placing agent, pursuant to which the placing agent has conditionally agreed to place up to 4,090,896,000 new Shares (comprising up to 2,272,720,000 new Shares and up to 1,818,176,000 additional

Shares pursuant to the exercise of the option granted by the Company to issue and allot additional Shares for the purpose of covering over-allocation) on a best effort basis to the placees at the placing price of HK$0.22 per Share;

(h) the memorandum of understanding dated 24 April 2015 entered into between HMV Ideal Limited, an indirect wholly-owned subsidiary of the Company and Mighty Merit Group Limited, the direct holding company of HMV HK, for the purpose of setting forth the principal terms of the possible acquisition of businesses relating to the HMV IP Rights (as defined in the Oct 2015 Circular) in Hong Kong and the PRC;

(i) the revised memorandum of understanding dated 8 June 2015 entered into between HMV Ideal Limited and Billion Express Consultants Limited for the purpose of setting forth the principal terms of the possible acquisition of businesses relating to the HMV IP Rights (as defined in the Oct 2015 Circular) in Singapore;

(j) the subscription agreement dated 6 July 2015 entered into between the Company and Hong Kong HNA Holding Group Co. Limited 香港海航實業集團有限公司, as the subscriber, pursuant to which the Company has conditionally agreed to issue, and the subscriber has conditionally agreed to subscribe for, the convertible bonds in the aggregate principal amount of HK$140,000,000 bearing a compound interest rate of eight per cent. (8%) per annum;

(k) the non-binding indicative term sheet dated 28 July 2015 entered into between a third party independent of and not a connected person of the Company as the vendor and Supreme Sharp Limited, a wholly-owned subsidiary of the Company in relation to the acquisition of the entire interest in the business of providing e-payment technology with an emphasis in offering uncomplicated, secure and prompt payment processing network to domestic and global businesses, for a consideration of HK$550,000,000, subject to the adjustment;

(l) the sale and purchase agreement dated 28 August 2015 entered into between the HMV Marketing as the purchaser and HMV HK as the vendor, pursuant to which HMV Marketing agreed to acquire and HMV HK agreed to sell the HMV IP Rights (as defined in the Oct 2015 Circular) and the Target Business (as defined in the Oct 2015 Circular) at the consideration of HK$114,324,709), subject to adjustments in accordance with the sale and purchase agreement. Details of the sale and purchase agreement are set out in the Oct 2015 Circular;

(m) the sale and purchase agreement dated 1 March 2016 entered into between the Vendor, as the vendor, WiL Fund I, L.P., as the purchaser (the "**WiL**") and the Company, as the guarantor, pursuant to which the Vendor agreed to sell and WiL agreed to purchase 2,250 ordinary shares in the share capital of the Target Company for a cash consideration of US$9,000,000 (equivalent to approximately HK$70,200,000); and

(n) the Sale and Purchase Agreement.

10. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and so far as the Directors are aware, there was no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Units 1&2, 29/F., The Hennessy, 256 Hennessy Road, Wanchai, Hong Kong, during normal business hours on any weekday (except Saturdays, Sundays and public holidays) for a period of fourteen (14) days from the date of this circular:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the years ended 31 December 2013, 2014 and 31 December 2015;

(c) the annual reports of China 3D for the years ended 30 June 2013, 2014 and 2015 and the interim report of China 3D for the six month period ended 31 December 2015;

(d) the unaudited pro forma financial information of the Remaining Group, the text of which are set out in Appendix VI to this circular;

(e) the written consent referred to in the paragraph headed "Expert and Consent" in this Appendix;

(f) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix;

(g) the circular of the Company dated 31 March 2016; and

(h) this circular.

12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee comprises three members, Mr. Yuen Kwok On, Mr. Chinn Adam David and Professor Lee Chack Fan, *GBS, SBS, JP*, being all independent non-executive Directors. The primary duties of the audit committee are to review and supervise the financial reporting process, audit plan and relationship with external auditors, the internal control systems of the Group and to provide advices and recommendations to the Board for review and follow-up.

Mr. Yuen Kwok On, aged 50, joined the Company as an independent non-executive Director on 2 July 2013 and was appointed as the chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Company with effect from 19 September 2013. Mr. Yuen has extensive experience in financial analysis, risk control and mergers and acquisitions. Prior to joining the Company, Mr. Yuen is the chief financial officer and company secretary of Orange Sky Golden Harvest Entertainment (Holdings) Limited ("**OSGH**"), he joined OSGH in October 1996 and has in-depth knowledge of operations of OSGH and its subsidiaries. OSGH's shares are listed on the Main Board of the Stock Exchange (1132.HK). He is an independent non-executive director of Mason Financial Holdings Limited (Stock code: 273), which is listed on the Main Board of the Stock Exchange.

Mr. Yuen is a member of the CPA Australia and the Hong Kong Institute of Certified Public Accountants. He obtained a master's degree of business administration from Hong Kong Baptist University.

Except as otherwise disclosed in this circular, Mr. Yuen has not held any other directorship in the last three (3) years in any other public companies, the securities of which are listed on any securities market in Hong Kong and overseas, nor does he hold any other positions with the Company and other members of the Group.

Mr. Chinn Adam David, aged 54, joined the Company as an independent non-executive Director on 30 June 2015 and was appointed as a member of the audit committee of the Company with effect from the same date. Mr. Chinn is the executive vice president of World Transaction Services of Sotheby's. He was a partner and Chief Operating Officer of Art Agency Partners LLC ("**Art Agency**"), an art advisory firm in New York advising collectors and foundations on all aspects of their art, from acquisitions and sales to museum involvement and long-term strategy. Art Agency was acquired by Sotheby's in January 2016. Prior to joining Art Agency, Mr. Chinn was a co-founder of Centerview Partners LLC ("**Centerview**"), a leading independent investment banking and advisory firm in the United States with offices in New York, London, San Francisco and Los Angeles, and was also a partner at the law firm of Wachtell, Lipton, Rosen & Katz in New York before his departure to Centerview in 2007.

Mr. Chinn currently serves as the Chairman of the Board of the Young People's Chorus of New York City and as a member of the Board of the On Course Foundation in the United States. Mr. Chinn is a graduate of New York University School of Law and Oxford University.

Except as otherwise disclosed in this circular, Mr. Chinn has not held any other directorship in the last three (3) years in any other public companies, the securities of which are listed on any securities market in Hong Kong and overseas, nor does he hold any other positions with the Company and other members of the Group.

Professor Lee Chack Fan, *GBS, SBS, JP*, aged 71, joined the Company as an independent non-executive Director on 30 June 2015 and was appointed as the chairman of the nomination committee and a member of the remuneration committee with effect from the same date; and a member of the audit committee of the Company with effect from 28 December 2015. Prior to joining the Company, Professor Lee served at the University of Hong Kong for more than two decades, successively as chair professor of geotechnical engineering, pro-vice-chancellor (vice-president) and director of the School of Professional and Continuing Education. He is also an academician of Chinese Academy of Engineering. Professor Lee graduated from The University of Hong Kong in 1968 and subsequently received his master's degree from the University of Hong Kong in 1970 and a Ph.D. from the University of Western Ontario, Canada in 1972. Professor Lee is an internationally renowned expert in geotechnical engineering. He has served as a specialist consultant or an advisor to many international bodies such as the United Nations Development Plan, World Bank, Asian Development Bank, etc. on numerous energy and infrastructure projects in many parts of the world. Professor Lee's eminent achievement in civil engineering has been highly recognised; he was awarded the KY Lo Medal in 2000 by the Engineering Institute of Canada and was elected the academician of the Chinese Academy of Engineering in 2003 in recognition of his contributions to the engineering profession. He has been appointed as Justice of the Peace by the Hong Kong in July 2003, and he has been awarded the Silver Bauhinia Star and Gold Bauhinia Star in Hong Kong in July 2005 and July 2013, respectively.

Professor Lee is currently the Chairman of the Hong Kong Institute for Promotion of Chinese Culture, Chairman of the Jao Tsung-I Academy, Director of the Jao Tsung-I Petite Ecole, University of Hong Kong, President of the Fu Hui Charity Foundation, and a member of the Commission on Strategic Development. He previously served as a member of the board of the West Kowloon Cultural District Authority, and the Cultural and Heritage Commission. He is also an independent non-executive director of Louis XIII Holdings Limited ("**Louis XIII**", Stock Code: 577) and Hui Xian Asset Management Limited, which is the manager of Hui Xian Real Estate Investment Trust ("**Hui Xian**", Stock Code: 87001), both Louis XIII and Hui Xian are listed on the Main Board of the Stock Exchange.

Except as otherwise disclosed in this circular, Professor Lee has not held any other directorship in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong and overseas, nor does he hold any other positions with the Company and other members of the Group.

13. CORPORATE INFORMATION

Company Secretary

Ms. Chan Suet Ngan holds a bachelor's degree in commerce, major in accounting and finance. She is a member of CPA Australia and is also a member of the Hong Kong Institute of Certified Public Accountants. She has extensive experience in auditing, accounting, finance and taxation.

Compliance Officer

Mr. Ho, an executive Director, compliance officer and chief executive officer of the Company. Mr. Ho holds a Bachelor of Commerce degree and a Bachelor of Laws degree from the University of Sydney, Australia and is a solicitor admitted in New South Wales, Australia and England and Wales and a solicitor and barrister admitted in the High Court of Australia.

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Head Office and Principal place of business in Hong Kong

Units 1&2, 29/F.
The Hennessy
256 Hennessy Road
Wanchai
Hong Kong

Share registrar and transfer office in Hong Kong

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
No. 183 Queen's Road East
Wanchai
Hong Kong

Auditors

BDO Limited

14. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

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)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of AID Partners Capital Holdings Limited (the "**Company**") will be held at hmv Flagship Store, 4/F., Pearl City, 22–36 Paterson Street, Causeway Bay, Hong Kong on 10 June 2016 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT**:

(a) the sale and purchase agreement dated 14 March 2016 (the "**Sale and Purchase Agreement**", details of which were disclosed in the circular of the Company dated 23 May 2016 (the "**Circular**") and a copy of Sale and Purchase Agreement has been produced at the meeting marked "A" and signed by the chairman of the meeting for identification purpose) entered into amongst: (i) Action Key Investments Limited (the "**Vendor**"), an indirect wholly-owned subsidiary the Company; (ii) China 3D Digital Entertainment Limited ("**China 3D**"); (iii) Certain Best Limited (the "**Purchaser**"), in relation to the disposal of approximately 81.63% of the issued share capital of HMV M&E Limited (the "**Disposal**") for a consideration of HK$408,150,000, which shall be satisfied by way of allotment and issue of 1,118,219,178 ordinary shares of HK$0.01 each in the share capital of China 3D at the issue price of HK$0.365 (the "**Consideration Shares**"), and all transactions contemplated thereby including the Disposal and the Acquisition (as defined in the Circular) be and are hereby approved, confirmed and ratified;

* *For identification purpose only*

(b) any one of the directors of the Company be and is hereby authorised to do all such acts and things and execute all such documents or instrument under hand (or where required, under the common seal of the Company together with such other director of the Company or person authorised by the board of directors of the Company) as he or she may consider necessary, appropriate, expedient or desirable in connection with, or to give effect to, the Sale and Purchase Agreement and to implement the transactions contemplated thereunder, and to agree to such variations, amendments or waivers of a non-material nature to any terms of the Sale and Purchase Agreement as he or she may in his or her discretion consider to be desirable and in the interests of the Company and its shareholders as a whole."

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

Hong Kong, 23 May 2016

Notes:

1. A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead at the meeting in accordance with the Articles of Association of the Company. A proxy need not be a shareholder of the Company but must be present in person to represent the shareholder.

2. To be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be deposited with principal place of business of the Company at Units 1&2, 29/F., The Hennessy, 256 Hennessy Road, Wanchai, Hong Kong at least 48 hours before the time appointed for holding the meeting or any adjournment thereof as the case may be and in default thereof the form of proxy and such power or authority shall not be treated as valid.

3. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

4. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled to vote, but if more than one of such joint holders are present at the EGM, the most senior holder shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand first on the register of members of the Company in respect of the joint holding.

As at the date of this notice, the directors of the Company are:

Executive Directors:	*Wu King Shiu, Kelvin, Ho Gilbert Chi Hang and Chang Tat Joel*
Independent Non-Executive Directors:	*Chinn Adam David, Professor Lee Chack Fan, GBS, SBS, JP and Yuen Kwok On*

*This notice, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited 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 the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.*

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