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PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495 and 642 (Preference Shares))

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2015

The board of directors (the “Board”) of Paladin Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 30 June 2015 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

		2015	2014
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	–	330
Cost of sales		<u>–</u>	<u>–</u>
Gross profit		–	330
Other income	3	5,876	272,938
Administrative expenses		(56,173)	(50,228)
Fair value change on investment properties		(45,640)	(4,360)
Finance costs	5	<u>(24,776)</u>	<u>(23,185)</u>
(Loss) profit before taxation		(120,713)	195,495
Taxation	6	<u>–</u>	<u>–</u>
(Loss) profit for the year		<u>(120,713)</u>	<u>195,495</u>

	<i>NOTES</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other comprehensive expense			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation		2,350	(29)
Fair value loss on available-for-sale investments		<u>(3,212)</u>	<u>(1,117)</u>
Other comprehensive expense for the year		<u>(862)</u>	<u>(1,146)</u>
Total comprehensive (expense) income for the year		<u>(121,575)</u>	<u>194,349</u>
(LOSS) EARNINGS PER SHARE			
	7		
Basic		<u>(11.77) HK cents</u>	<u>25.55 HK cents</u>
Diluted		<u>(11.77) HK cents</u>	<u>19.55 HK cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets		
Investment properties	–	243,640
Property, plant and equipment	59	1,041
Available-for-sale investments	9,688	12,900
Deposit placed for a life insurance policy	20,902	20,909
Pledged bank deposits	–	50,575
	30,649	329,065
Current assets		
Properties held for sale	–	710,408
Other receivables, deposits and prepayments	16,041	13,408
Amount due from a director	–	2,231
Bank balances and cash	52,340	19,929
	68,381	745,976
Assets classified as held for sale	975,304	–
	1,043,685	745,976
Current liabilities		
Other payables and accrued charges	99,775	114,858
Amounts due to related parties	18,176	231
Provision for litigations	–	8,000
Bank overdrafts	76	38,898
Secured bank borrowings	–	748,440
	118,027	910,427
Liabilities associated with assets classified as held for sale	798,838	–
	916,865	910,427
Net current assets (liabilities)	126,820	(164,451)
	157,469	164,614
Capital and reserves		
Share capital	10,954	9,359
Reserves	131,591	141,916
	142,545	151,275
Total equity	142,545	151,275
Non-current liabilities		
Convertible redeemable preference shares	14,924	13,339
	157,469	164,614
	157,469	164,614

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2015

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC*) – INT 21	Levies

* IFRIC represents the International Financial Reporting Standards Interpretations Committee.

The application of the above new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory deferral accounts ²
HKFRS 15	Revenue from contracts with customers ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ²
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ⁴

Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle ⁴
Amendments to HKAS 1	Disclosure initiative ⁴
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ⁴
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants ⁴
Amendments to HKAS 27	Equity method in separate financial statements ⁴

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

HKFRS 15 “Revenue from contracts with customers”

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related interpretations when it becomes effective.

The core principles of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customers. Far more prescriptive guidance has been added in HKFRS 15 to deal with special scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors is in the process of making an assessment of the potential impact of the application of HKFRS 15 and it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until a detailed review has been performed.

The directors of the Company do not anticipate that the application of the above new and revised HKFRSs will have a material impact on the Group’s consolidated financial statements.

2. TURNOVER

Turnover represents the aggregate of the amounts received and receivable for sale of properties and rental income from investment properties. An analysis of the Group’s turnover is as follows:

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Rental income from investment properties	<u>–</u>	<u>330</u>

3. OTHER INCOME

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Bank interest income	64	28
Consultancy fee income	1,166	1,302
Interest income from deposit placed for a life insurance policy	865	841
Net exchange gain	12	13
Rental income from properties held for sale	3,327	4,517
Gain on disposal of property, plant and equipment	–	265,555
Others	<u>442</u>	<u>682</u>
	<u>5,876</u>	<u>272,938</u>

4. SEGMENT INFORMATION

Information reported to the Chairman of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the property development and property investment. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Property development	Properties construction and redevelopment for sale purpose
Property investment	Completed investment properties held for capital appreciation or generating rental income purposes

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable operating segment:

For the year ended 30 June 2015

	Property development HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
Turnover			
External	<u> -</u>	<u> -</u>	<u> -</u>
Segment result	<u> (29,725)</u>	<u> (48,230)</u>	<u> (77,955)</u>
Other income			5,876
Unallocated corporate expenses			(23,858)
Finance costs			<u> (24,776)</u>
Loss before taxation			<u> (120,713)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the result incurred by each segment without allocation of corporate income and expenses and finance costs. This is the measure reported to chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the year ended 30 June 2014

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover			
External	–	330	330
	<u> </u>	<u> </u>	<u> </u>
Segment result	(31,989)	252,977	220,988
	<u> </u>	<u> </u>	
Other income			10,541
Unallocated corporate expenses			(12,849)
Finance costs			<u>(23,185)</u>
Profit before taxation			<u>195,495</u>

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

	2015	2014
	HK\$'000	HK\$'000
Segment assets		
Property development	–	710,784
Property investment	–	243,640
	<hr/>	<hr/>
Total segment assets	–	954,424
Available-for-sale investments	9,688	12,900
Deposit placed for a life insurance policy	20,902	20,909
Pledged bank deposits	–	50,575
Amount due from a director	–	2,231
Assets classified as held for sale	975,304	–
Bank balances and cash	52,340	19,929
Unallocated	16,100	14,073
	<hr/>	<hr/>
Consolidated assets	1,074,334	1,075,041
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities		
Property development	–	31,457
Property investment	–	1,922
	<hr/>	<hr/>
Total segment liabilities	–	33,379
Amounts due to related parties	18,176	231
Bank overdrafts	76	38,898
Secured bank borrowings	–	748,440
Liabilities associated with assets classified as held for sale	798,838	–
Convertible redeemable preference shares	14,924	13,339
Unallocated	99,775	89,479
	<hr/>	<hr/>
Consolidated liabilities	931,789	923,766
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than available-for-sale investments, deposit placed for a life insurance policy, pledged bank deposits, amount due from a director, bank balances and cash, assets classified as held for sale and assets used jointly by operating and reportable segments; and
- all liabilities are allocated to operating segments other than amounts due to related parties, bank overdrafts, secured bank borrowings, liabilities associated with assets held for sale, convertible redeemable preference shares and certain unallocated corporate liabilities.

Other segment information

For the year ended 30 June 2015

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amounts included in the measure of segment asset or segment result:				
Capital additions	–	–	42	42
Depreciation	303	–	92	395
Fair value loss on investment properties	–	45,640	–	45,640
	<u>–</u>	<u>45,640</u>	<u>–</u>	<u>45,640</u>

For the year ended 30 June 2014

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amounts included in the measure of segment asset or segment result:				
Capital additions	–	–	17	17
Depreciation	2,129	9	400	2,538
Fair value loss on investment properties	–	4,360	–	4,360
	<u>–</u>	<u>4,360</u>	<u>–</u>	<u>4,360</u>

Other entity-wide information

The Group's operations are located in Hong Kong.

The Group's revenue from external customers based on the location of operations and information about its non-current assets by geographical location of the assets are detailed below:

	2015	
	Revenue from external customers <i>HK\$'000</i>	Non-current assets <i>HK\$'000</i>
Hong Kong (Place of domicile)	<u>–</u>	<u>–</u>
	2014	
	Revenue from external customers <i>HK\$'000</i>	Non-current assets <i>HK\$'000</i>
Hong Kong (Place of domicile)	<u>330</u>	<u>244,681</u>

Note: Non-current assets excluded financial instruments and deposit placed for a life insurance policy.

Information about major customer

Revenue from customer of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A ¹	<u>–</u>	<u>330</u>

¹ Revenue from property investment segment.

5. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on bank borrowings:		
– wholly repayable within five years	3,653	4,405
– not wholly repayable within five years	10,284	10,879
Interest on bank overdrafts	2,846	557
Interest on other payables	6,361	5,890
Finance costs on convertible redeemable preference shares	<u>1,632</u>	<u>1,454</u>
	<u><u>24,776</u></u>	<u><u>23,185</u></u>

6. TAXATION

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No tax was payable on the (loss) profit for the year arising in Hong Kong since there was no assessable profit for both years.

Taxation for the year can be reconciled to (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss) profit before taxation	<u><u>(120,713)</u></u>	<u><u>195,495</u></u>
Tax (credit) charge at Hong Kong Profits Tax rate of 16.5%	(19,918)	32,257
Tax effect of income not taxable for tax purpose	(552)	(44,132)
Tax effect of expenses not deductible for tax purpose	13,034	6,615
Tax effect of tax losses not recognised	<u>7,436</u>	<u>5,260</u>
Taxation for the year	<u><u>–</u></u>	<u><u>–</u></u>

7. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the year ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
(Loss) earnings		
(Loss) profit for the year attributable to owners of the Company for the purposes of basic earnings per share	(120,713)	195,495
Effect of dilutive potential shares:		
Interest on convertible redeemable preference shares (net of income tax)	—	1,454
(Loss) earnings for the purposes of diluted earnings per share	<u>(120,713)</u>	<u>196,949</u>
	2015	2014
Number of shares		
Weighted average number of shares for the purposes of calculating basic earnings per share	1,025,749,062	765,024,262
Effect of dilutive potential shares:		
Convertible redeemable preference shares	—	242,243,756
Weighted average number of shares for the purpose of calculating diluted earnings per share	<u>1,025,749,062</u>	<u>1,007,268,018</u>

The computation of diluted loss per share for the year ended 30 June 2015 has not assumed the conversion of the Company's outstanding convertible redeemable preference shares and convertible notes which would reduce the loss per share.

8. DEPRECIATION

Depreciation of property, plant and equipment for the year amounted to HK\$395,000 (2014: HK\$2,538,000).

DIVIDEND

The Directors of the Company do not recommend the payment of a final dividend (2014: nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 5 December 2015 to 7 December 2015, both days inclusive, during which period no transfer of shares will be effected in order to identify those Shareholders who will be entitled to attend the Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activities of the Group are re-development of a property project at Nos. 8, 10 and 12 Peak Road (the “Peak Road Property”) and, investment holding.

BUSINESS REVIEW AND PROSPECT

Peak Road Property and AXA Properties

On 17 June 2015, the Group entered into a sale and purchase agreement to sell certain subsidiaries of the Group of which are the registered and beneficial owners of the Peak Road Property for a consideration of HK\$1,825,000,000. The Group expected to recognise a net gain of approximately HK\$833,000,000. The transaction is expected to be completed on or before 31 October 2015.

On 10 July 2015, the Company entered into a provisional sale and purchase agreement to purchase 2 companies which have the rights to acquire 20th, 21st Floors and 7 car parking spaces of AXA Centre, 151 Gloucester Road, Hong Kong (the “AXA Properties”). The aggregate consideration for acquisition of companies and the AXA Properties was approximately HK\$499,000,000. The transaction is expected to be completed on or before 31 October 2015.

The Group has, for some time, been seeking to realise value in respect of the Peak Road Property located, as it is, in a prime position on the Peak, Hong Kong. In particular, the Group considered and rejected notions of refurbishing or renovating the Peak Road Property, given the Group’s assessment of the substantial additional costs required for either such project, the uncertainty of raising additional finance to pursue the same, and the risks of a property market in a weaker state at the time of completing such a project.

The Peak Road Property requires material capital expenditure in the absence of which the Peak Road Property and its value may deteriorate. Since the Group does not have readily available resources to undertake its share of funding such capital expenditure, the Group decided to dispose of its interests in the Peak Road Property and rework its property portfolio to properties more manageable and better suited to its current financial position. The board of directors (the “Board”) is of the view that the AXA Properties will continue to generate stable rental income for the Group and accordingly, fit with the Group’s financial position and goals.

Research and development

Sensors Integration Technology Limited, a wholly-owned subsidiary of the Group has planned to conduct research and development of digital camera, camcorder, surveillance, video capturing and processing technology. The subsidiary generated a revenue of approximately HK\$1 million for the current year.

Voluntary unconditional cash offers

On 12 June 2014, Gold Seal Holdings Limited (the “Offeror”) announced in the Announcement that the Offeror would make the offers for all the issued shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it, at the offer price of HK\$0.25 per ordinary offer share and HK\$0.29 per preference offer share.

On 17 July 2014, the Company issued a response document in relation to the offers to the shareholders.

Requisition from shareholders and litigation on the composition of the board of directors

The Company received requisition notice dated 2 May 2014 from the requisitioning shareholders pursuant to which the Requisitioning Shareholders requisitioned for a special general meeting to be convened pursuant to section 74 of the Bermuda Companies Act to consider, and if thought fit, pass resolutions (i) to remove Mr. Law Fong, Mr. Chen Te Kuang, Mike and any other person or persons who may have been appointed as directors of the Company by the Board since the date of the last annual general meeting of the Company and (ii) to appoint Mr. Yuen Chi Wah and Mr. Chan Chi Ho as the directors.

In addition, the company had a dispute on the composition for the board of the directors for the period from 19 May 2014 to 26 August 2014. The current board is of the opinion that Mr. Wong Chong Wei Runrun, Ms. Lam Chi Wai Tammy, Ms. Ng Hei Pak and Ms. Song Fang Zhou were invalidly appointed as directors on 19 May 2014 and were never being the directors of the Company.

In the special general meeting held on 1 August 2014, former directors, namely, Mr. Law Fong, Mr. Chen Te Kuang Mike, Ms. Song Fang Zhou, Mr. Wong Chong Wei Runrun, Ms. Ng Hei Pak and Ms. Lam Chi Wai Tammy (collectively the “Former Directors”) were removed. In addition, Mr. Yuen Chi Wah and Mr. Chan Chi Ho (collectively the “New Directors”) were appointed as the directors of the Company.

On 26 August 2014, the Bermuda Court issued an order declaring that a lawfully convened special general meeting of the Company was held in Hong Kong on 1 August 2014, and that the resolutions to remove the Former Directors and to appoint the New Directors were duly passed.

Open offer

On 26 September 2014, the Company announced to raise up to HK\$125.9 million, before expenses, by way of an open offer to holders of ordinary shares of convertible notes in denominations of HK\$0.25 principal amount each, to be issued at face value, with a share alternative of new ordinary shares at a subscription price of HK\$0.25 per ordinary share. Each convertible note may be converted into one ordinary share. The convertible notes and new ordinary shares will be offered to the shareholders on the basis of assured allotments of one convertible note or one new ordinary Share for every two existing Ordinary Shares.

The net proceeds of the Open Offer were approximately HK\$113 million. The net proceeds from the Open Offer is used by Paladin for general working capital purposes.

Administration Agreement

On 14 November 2014, the Group entered into an Administration Agreement (the “Administration Agreement”) with The Anglo Chinese Investment Company, Limited, Anglo Chinese Project Management, Limited and Anglo Chinese Corporate Finance, Limited, (collectively “Anglo Chinese”) for Anglo Chinese to manage the property portfolio of the Group.

Pursuant to the Administration Agreement, the Group agrees amongst other things to appoint Anglo Chinese as agent of the Group for the day-to-day management of the Properties, including oversight of building management, the employment of any other firm of building managers and any other contractors required to maintain the fabric and grounds of the Properties; being the primary contact in respect of the Properties between the Group and its tenants and prospective tenants, creditors and bank lenders and the Group and any professional firms. Anglo Chinese as agent of the Group will also negotiate tenancy agreements and deal with all enquiries and maintenance requests by tenants; exercise day to day control of all bank accounts which relate to the Properties or companies owning units in it; and exercise the votes attaching to any shares attaching to the ownership of units in the Properties. The Group will fund the costs incurred by Anglo Chinese in carrying out its work under the Administration Agreement. Anglo Chinese will on behalf of the Group retain one or more property agents to conduct a tender of the units in the Properties. Anglo Chinese will also develop proposals for a complete redevelopment of Peak Road Project. In addition, Anglo Chinese will prepare a proposal for a refurbishment of Peak Road Project including basic proposed alterations and rebuilding and the cost and time to complete it.

The term of the Administration Agreement is 6 months commencing from 1 December 2014 but it may be extended by agreement.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2015, net current assets of the Group were approximately HK\$127 million. The current ratio was 1.14. The bank balances and cash were approximately HK\$52 million.

As at 30 June 2015, the Group has outstanding liabilities of approximately HK\$932 million comprising (i) amount due to related parties approximately HK\$18 million, (ii) other payables of approximately HK\$100 million, (iii) convertible redeemable preference shares of approximately HK\$15 million and (iv) liabilities associated with assets classified as held for sale of approximately HK\$799 million. The bank borrowings are on floating interest rates basis.

The majority of the Group's assets and borrowings are denominated either in Hong Kong dollars or US dollars thereby avoiding exposure to undesirable exchange rate fluctuations. In view of the stability of the exchange rate of HK dollars and US dollars, the directors consider that the Group has no significant exposure to exchange fluctuation and does not pledge against foreign exchange risk.

The Group's bank loans were secured by investment properties, leasehold properties, deposit placed for a life insurance policy, bank deposits and properties held for sales of approximately HK\$964 million.

The Group's gearing ratio, total debts divided by total assets, was approximately 87%.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

For the year ended 30 June 2015, the Group has entered into a sale and purchase agreement to sell certain subsidiaries of the Group of which are the registered and beneficial owners of the Peak Road Property and has entered into a provisional sale and purchase agreement to purchase 2 companies which have the rights to acquire the AXA Properties. Both transactions is expected to be completed on or before 31 October 2015.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group employed total of 20 employees. They were remunerated according to market conditions.

CONTINGENT LIABILITIES

As at 30 June 2015, there were contingent liabilities in respect of certain legal proceedings against certain subsidiaries of the Company. The aggregate amount of claims was approximately HK\$9 million, a provision of HK\$9 million has been made in the consolidated financial statements.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

REVIEW OF FINAL RESULTS

The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2015.

CORPORATE GOVERNANCE

The board of directors of the Company (the “Board”) believes that corporate governance is essential to the success of the Company. During the year ended 30 June 2015, the Company has complied with all the code provisions in the Corporate Governance Code (the “Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save and except as disclosed below:

- the non-executive director and three independent non-executive directors are not appointed for a specific term in accordance with code provision A.4.1 of the Code, but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the bye-laws of the Company.
- under code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors should attend general meetings of the Company. Certain independent non-executive directors of the Company were unable to attend the annual general meeting and the special general meeting of the Company held on 1 December 2014 and 1 August 2014 respectively as they had other business commitment.
- Under the Code provision A.2.1, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. Dr. Oung Shih Hua, James is the Chairman of the Company and the Company currently does not appoint any new Chief Executive Officer after the removal of Mr. Chen Te Kuang Mike on 1 August 2014. In the opinion of the Board, Dr. Oung temporarily acts as the role of the Chief Executive Officer after the change in composition of the Board. The Board considers that the present structure provides the Group with strong and consistent leadership and allows for efficient and effective business planning and execution.
- Code provision A.5.6 requires that the nomination committee should have a policy concerning diversity of board members. The Company does not consider it necessary to have a policy concerning diversity of board members. Board appointments are based on merit, in the context of the skills, experience and expertise that the selected candidates will bring to the Board. While the Company is committed to equality of opportunity in all aspects of its business and endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives, the Company does not consider a formal board diversity policy will provide measurable benefits to enhance the effectiveness of the Board.

The Company will review the current bye-laws as and when it becomes appropriate in the future.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is available for viewing on the website of the Stock Exchange and on the website of the Company at <http://www.aplushk.com/clients/00495paladin/>. The annual report of the Company will be despatched to the shareholders of the Company in due course.

By Order of the Board
Oung Shih Hua, James
Chairman

Hong Kong, 30 September 2015

As at the date of this announcement, the Chairman and executive director of the Company is Dr. Oung Shih Hua, James; the non-executive directors of the Company are Mr. Yuen Chi Wah and Mr. Chan Chi Ho; and the independent non-executive directors of the Company are Dr. Au Chik Lam Alexander, Mr. Liu Man Kin Dickson and Professor Huang Weizong Martin.