

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

PALADIN LIMITED

*(Incorporated in Bermuda with limited liability)
(Stock code: 495 and 642 (Preference Shares))*

MAJOR TRANSACTION ACQUISITION OF PROPERTIES

MAJOR TRANSACTION – ACQUISITION OF PROPERTIES

The Board is pleased to announce that after trading hours of the Stock Exchange on 7 December 2015, the Purchasers, each an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Properties located at Cluny Park, 53 Conduit Road, Hong Kong, for an aggregate consideration of HK\$195,000,000.

In respect of the Acquisition, one or more of the applicable percentage ratios, calculated by reference to Rule 14.07 of the Listing Rules, tested at 25% or more but less than 100%. Accordingly, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to shareholders' approval pursuant to Rule 14.40 of the Listing Rules.

The Company has sought and obtained a written approval in respect of the Preliminary Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder, in accordance with Rule 14.44 of the Listing Rules, in lieu of an approval from the Shareholders at general meeting of the Company, from a closely allied group of Shareholders, namely (i) Cityguard Holdings Limited, which holds 508,848,531 Shares, representing approximately 38.05% of the issued share capital of the Company as at the date of this announcement; (ii) Gold Seal Holdings Limited, which holds 158,358,941 Shares, representing approximately 11.84% of the issued share capital of the Company as at the date of this announcement; and (iii) Mr. Oung Da Ming, which holds 75,000,000 Shares, representing approximately 5.61% of the issued share capital of the Company as at the date

of this announcement, who together hold approximately 55.5% of the issued share capital of the Company as at the date of this announcement. Gold Seal Holdings Limited is solely owned by Mr. Oung Da Ming, and he also indirectly controls Cityguard Holdings Limited. Accordingly, Cityguard Holdings Limited, Gold Seal Holdings Limited and Mr. Oung Da Ming are a closely allied group of shareholders of the Company. Therefore no general meeting will be convened for the purpose of approving the Preliminary Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, amongst others, further details of the Preliminary Sale and Purchase Agreement and the Formal Sale and Purchase Agreement, and a valuation report of the Properties will be despatched to the Shareholders on or before 15 January 2016, which is more than 15 Business Days after the publication of this announcement, as the Company requires more time to prepare the information to be included in the circular, including the financial information.

BACKGROUND

The Board is pleased to announce that after trading hours of the Stock Exchange on 7 December 2015, the Purchasers, each an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Properties located at Cluny Park, 53 Conduit Road, Hong Kong, for an aggregate consideration of HK\$195,000,000.

An aggregate deposit of HK\$9,750,000 was paid by the Purchasers to the Vendor pursuant to the Preliminary Sale and Purchase Agreement on the date of signing of the Preliminary Sale and Purchase Agreement.

THE PRELIMINARY SALE AND PURCHASE AGREEMENT AND THE FORMAL SALE AND PURCHASE AGREEMENT

The Preliminary Sale and Purchase Agreement includes, amongst others, the following major terms:

Date

7 December 2015

Parties

- (1) Purchaser: Purchaser 1, being the purchaser of Property 1; and Purchaser 2, being the purchaser of Property 2; and
- (2) Vendor: Bestone Limited.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Subject Matter

The Purchasers have agreed to purchase, and the Vendor has agreed to sell, the Properties, having a total saleable area of approximately 4,935 square feet (excluding the two car parking spaces).

Located at Hong Kong's Mid-Levels West neighbourhood, Cluny Park comprises 1 building with a total of 27 residential units, with layouts ranging from 3 bedroom flats to special units.

To the best of the Vendor's knowledge, the estimated completion date for the development, being the date on which the conditions of land grant will be complied with in respect of the development, is 31 March 2016.

Consideration

The consideration payable by:

- (a) Purchaser 1 to the Vendor for Property 1 is HK\$103,000,000; and
- (b) Purchaser 2 to the Vendor for Property 2 is HK\$92,000,000.

The payment terms are as follows:

- (i) 5% of the consideration as a preliminary deposit paid upon signing of the Preliminary Sale and Purchase Agreement;

- (ii) 5% of the consideration as a further deposit to be paid within 30 days after the date of the Preliminary Sale and Purchase Agreement;
- (iii) 5% of the consideration as part payment of the consideration to be paid within 90 days after the date of the Preliminary Sale and Purchase Agreement; and
- (iv) the remaining 85% of the consideration to be paid within 14 days after the date of the Vendor's notification to the Purchasers that the Vendor is in a position validly to assign the Properties to the Purchasers.

The consideration for each of the Properties was based on published price lists and terms of payment distributed to the public at the sales office of Cluny Park and uploaded by the Vendor to its website and the Sales of First-hand Residential Properties Electronic Platform, in accordance with the Residential Properties (First-hand Sales) Ordinance.

Formal Sale and Purchase Agreement

The Formal Sale and Purchase Agreement must be signed by each of the Purchasers within five working days after the date of the Preliminary Sale and Purchase Agreement, and must be signed by the Vendor within eight working days after the date of the Preliminary Sale and Purchase Agreement. If the Purchasers fail to execute the Formal Sale and Purchase Agreement before the aforementioned period, the Preliminary Sale and Purchase Agreement shall terminate and the preliminary deposit paid by the Purchasers would be forfeited to the Vendor.

Stamp Duty

Ad valorem stamp duty and buyer's stamp duty payable on the Preliminary Sale and Purchase Agreement (and/or the subsequent Formal Sale and Purchase Agreement) will be borne by the Purchaser. The aggregate stamp duty payable is approximately HK\$45,825,000.

Completion

The Company expects that completion of the Acquisition will take place on or around 31 March 2016.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As referred to in the Company's announcement dated 17 July 2015, after disposal of the Company's property interests in Nos. 8, 10 and 12 Peak Road, The Peak, Hong Kong, the Company intended to pursue other property investment and/or property development projects. The Directors are of the view that the Properties, being part of a luxurious development in Mid-Levels, represent a good investment opportunity. The Group intends to hold the Properties for investment purposes and will, depending on the then market circumstances, either lease out the Properties after completion of the Acquisition for rental income, or re-sell the Properties. The Directors believe that the Acquisition will broaden the property portfolio and income base of the Group.

The Directors, including the independent non-executive Directors, are of the view that the terms of the sale of each of the Properties are on normal commercial terms and are fair and reasonable, and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PURCHASERS AND THE GROUP

Each of the Purchasers is incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. The principal activity of the Purchasers are investment holding. The principal activities of the Group are re-development of properties and property investment.

INFORMATION ON THE VENDOR

The Vendor is a property development company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Sino Land Company Limited, a company listed on the Stock Exchange with stock code 083. Sino Land Company Limited is an investment holding company and the principal businesses of Sino Land Company Limited and its subsidiaries include property development and investment, investment in securities, financing, hotel and building management and services.

LISTING RULES IMPLICATIONS

In respect of the Acquisition, one or more of the applicable percentage ratios, calculated by reference to Rule 14.07 of the Listing Rules, tested at 25% or more but less than 100%. Accordingly, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to shareholders' approval pursuant to Rule 14.40 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and no Shareholder would be required to abstain from voting on a resolution to approve the Preliminary Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder at a general meeting of the Company.

The Company has sought and obtained a written approval in respect of the Preliminary Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder, in accordance with Rule 14.44 of the Listing Rules, in lieu of an approval from the Shareholders at general meeting of the Company, from a closely allied group of Shareholders, namely (i) Cityguard Holdings Limited, which holds 508,848,531 Shares, representing approximately 38.05% of the issued share capital of the Company as at the date of this announcement; (ii) Gold Seal Holdings Limited, which holds 158,358,941 Shares, representing approximately 11.84% of the issued share capital of the Company as at the date of this announcement; and (iii) Mr. Oung Da Ming, which holds 75,000,000 Shares, representing approximately 5.61% of the issued share capital of the Company as at the date of this announcement, who together hold approximately 55.5% of the issued share capital of the Company as at the date of this announcement. Gold Seal Holdings Limited is solely owned by Mr. Oung Da Ming, and he also indirectly controls Cityguard Holdings Limited. Accordingly, Cityguard Holdings Limited, Gold Seal Holdings Limited and Mr. Oung Da Ming are a closely allied group of shareholders of the Company. Therefore no general meeting will be convened for the purpose of approving the Preliminary Sale and Purchase Agreement, the Formal Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, amongst others, further details of the Preliminary Sale and Purchase Agreement and the Formal Sale and Purchase Agreement, and a valuation report of the Properties will be despatched to the Shareholders on or before 15 January 2016, which is more than 15 Business Days after the publication of this announcement, as the Company requires more time to prepare the information to be included in the circular, including the financial information.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following words and expressions have the following meanings:

“Acquisition”	the acquisition of the Properties by the Purchasers from the Vendor pursuant to the Preliminary Sale and Purchase Agreement and the Formal Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks in Hong Kong are open for business
“Company”	Paladin Limited, a company incorporated in Bermuda with limited liability, the Ordinary Shares and Preference Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	directors of the Company
“Formal Sale and Purchase Agreement”	the formal agreements for the sale and purchase of Property 1 and Property 2 respectively
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	a third party independent of the Company and its associates and connected persons (as those terms are defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Preference Share(s)”	the convertible redeemable preference share(s) of HK\$0.01 each in the issued share capital of the Company
“Preliminary Sale and Purchase Agreement”	the preliminary agreements for the sale and purchase of Property 1 and Property 2 respectively, entered into between each of the Purchasers and the Vendor on 7 December 2015
“Properties”	Property 1 and Property 2
“Property 1”	Floor 3, Residential Unit A and Residential Parking Space number 12 of Cluny Park at 53 Conduit Road, Hong Kong
“Property 2”	Floor 3, Residential Unit B and Residential Parking Space number 16 of Cluny Park at 53 Conduit Road, Hong Kong
“Purchaser 1”	Upwill Limited, an indirect wholly-owned subsidiary of the Company
“Purchaser 2”	East Top (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company
“Purchasers”	Purchaser 1 and Purchaser 2, each a “Purchaser”
“Share(s)” or “Ordinary Share(s)”	the ordinary share(s) of par value HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Ordinary Shares or the Preference Shares, as the case may be

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“Vendor”

Bestone Limited, a property development company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Sino Land Company Limited, a company listed on the Stock Exchange with stock code 083.

By order of the board of directors of

Paladin Limited

Oung Shih Hua, James

Chairman

Hong Kong, 7 December 2015

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