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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 adviser.

**If you have sold or transferred** all your shares in **Paladin Limited**, you should at once hand this circular to the purchaser(s) or the transferee(s), or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**PALADIN LIMITED**

*(Incorporated in Bermuda with limited liability)*

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

**MAJOR TRANSACTION  
ACQUISITION OF PROPERTIES**

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A letter from the Board is set out on pages 3 to 8 of this circular.

25 January 2016

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## DEFINITIONS

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*In this circular, unless the context otherwise specifies, the following expressions shall have the following meanings set below:*

“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
“Announcement”	the announcement of the Company dated 7 December 2015 in relation to the Acquisition
“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” or “Paladin”	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)
“Latest Practicable Date”	19 January 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“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

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## DEFINITIONS

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“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.

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## LETTER FROM THE BOARD

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# PALADIN LIMITED

*(Incorporated in Bermuda with limited liability)*

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

*Directors:*

Dr. Oung Shih Hua, James (*Chairman*)

Mr. Chan Chi Ho<sup>#</sup>

Mr. Yuen Chi Wah<sup>#</sup>

Dr. Au Chik Lam Alexander\*

Mr. Liu Man Kin Dickson\*

Prof. Huang Weizong Martin\*

<sup>#</sup> *Non-Executive Director*

\* *Independent Non-Executive Director*

*Registered office:*

Canon's Court

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Hamilton HM12

Bermuda

*Head office and principal place  
of business:*

Suite 2304, 23rd Floor

Sun Life Tower

The Gateway

Harbour City

Tsim Sha Tsui

Kowloon

Hong Kong

25 January 2016

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION ACQUISITION OF PROPERTIES

This circular is despatched to the Shareholders for information purposes only. No general meeting will be convened for approving the Acquisition. 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 Cityguard Holdings Limited, Gold Seal Holdings Limited and Mr. Oung Da Ming, who together hold approximately 55.5% of the issued share capital of the Company as at the date of the Announcement. No Shareholder is required to abstain from voting if Paladin were to convene a general meeting for the approval of the Acquisition.

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## LETTER FROM THE BOARD

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### INTRODUCTION

Reference is made to the Announcement in relation to the Acquisition. In the Announcement, the Board announced that 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.

The purpose of this circular is to give you further details of the Acquisition, including the financial and general information of the Group, the unaudited pro forma financial information of the Group and the property valuation report of the Properties.

### 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.

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## LETTER FROM THE BOARD

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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.

As the Properties has not yet been completed, the Properties has not yet generated any income as at the Latest Practicable Date.

### **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,
- and will be funded by the Company's internal resources.

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 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.

According to the valuation conducted by Roma Appraisals Limited engaged by the Company in respect of the Acquisition, the value of the Properties is HK\$195,000,000 as at 30 November 2015. The valuation report prepared by Roma Appraisals Limited is set out in Appendix III of this circular.

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## LETTER FROM THE BOARD

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### **Formal Sale and Purchase Agreement**

The Formal Sale and Purchase Agreement was signed by each of the Purchasers and the Vendor on 14 December 2015.

### **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 lease out the Properties after the completion of the Acquisition for rental income and will hold it for capital appreciation purposes. The Group will consider to sell the Properties for capital gains depending on future market circumstances. 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 each of the Purchasers is investment holding. The principal activities of the Group are re-development of properties and property investment.



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## LETTER FROM THE BOARD

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### 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.

### FINANCIAL EFFECT OF THE ACQUISITION

The financial impact of the Acquisition on the Company (including their effect on the earnings, assets and liabilities of the Company) is illustrated by way of the unaudited pro forma financial statement set out in Appendix II to this circular. Stamp duty paid of HK\$45,825,000 is recognised in the statement of profit or loss.

### 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 the 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 the 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 the Announcement, who together hold approximately 55.5% of the issued share capital of the Company as at the date of the 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

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## LETTER FROM THE BOARD

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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.

### FURTHER INFORMATION

Your attention is also drawn to the financial information of the Group, the unaudited pro forma financial information, the valuation report and the additional information set out in the appendices to this circular.

Yours faithfully

By order of the board of directors of

**Paladin Limited**

**Oung Shih Hua, James**

*Chairman*

**FINANCIAL INFORMATION OF THE GROUP**

The published audited consolidated financial statements of the Group for the years ended 30 June 2013, 2014 and 2015 are disclosed in the annual reports of the Company for the three years ended 30 June 2013 (pages 22 to 93), 2014 (pages 23 to 93) and 2015 (pages 26 to 103). The aforesaid financial information can be accessed on the website of the Company (<http://www.aplushk.com/clients/00495paladin/>) and the website of the Stock Exchange (<http://www.hkexnews.hk>).

The said financial statements are hereby incorporated by reference in, and form an integral part of, this circular.

**1. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

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. The Directors believes the Acquisition represents a good investment as the Group will earn a stream of rental income from the Properties and will benefit from long-term capital gains in the event the Properties appreciate in value in the future. The Directors believe that the Acquisition will broaden the property portfolio and income base of the Group.

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 30 November 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group does not have any bank loans and overdrafts and mortgages and charges. As at 30 November 2015, the Group had (i) amount due to a director of a subsidiary of approximately HK\$98,000, which is unsecured and unguaranteed; (ii) amount due to a related party of approximately HK\$14,953,000, which is unsecured and unguaranteed; and (iii) liability component of convertible redeemable preference shares of approximately HK\$15,487,000, which is unsecured and unguaranteed.

As at 30 November 2015, the Group had convertible redeemable preference shares, of which the liability component was approximately HK\$15,487,000. The principal amount of authorised or created but unissued convertible redeemable preference shares is approximately HK\$10,059,000.

As at 30 November 2015, being the latest practicable date for the purpose of ascertaining indebtedness of the Group prior to the printing of this circular, the Group is the defendant of the following legal cases, in which the Directors are of the opinion that the estimated contingent liabilities arising from the litigations cannot be reasonably ascertained.

- (a) On 28 October 2014, Chen Te Kuang Mike (“**Mike Chen**”) issued a writ of summons against the Company, claiming for (i) repayment of HK\$10,500,000, being an alleged loan made to Margetta Co. Limited in which the Company undertook to repay and HK\$2,000,000, being an alleged loan made to the Company, and (ii) interest. On 27 January 2015, the Company filed a Defence and Counterclaim. The Company’s counterclaim is for Mike Chen’s breach of trust and/or his fiduciary duties owed to the Company. The Company claims, amongst others, for a sum of HK\$410,447 against Mike Chen. On 23 March 2015, Mike Chen filed his Reply and Defence to Counterclaim. The litigation is still ongoing and there is no further update on the case up to the Latest Practicable Date.
- (b) On 14 November 2014, a petition under section 724 of the Companies Ordinance was served on the Company, as first respondent, and Cityguard Holdings Limited, Five Star Investments Limited, Gold Seal Holdings Limited, Mr. Oung Da Ming, Dr. Oung Shih Hua, James, Mr. Yuen Chi Wah and Mr. Chan Chi Ho as second to eighth respondents. The petition was filed by Mr. Chen Te Kuang, Mike (as petitioner), a former Director who was removed from office by the ordinary shareholders in general meeting held on 1 August 2014.

The petition is “On ground that members unfairly prejudiced” and in it the petitioner asserts among other things that Five Star Investments Limited and Gold Seal Holdings Limited, as well as Dr. Oung Shih Hua, James, have conducted the affairs of the Company in a manner unfairly prejudicial to the interests of other members of the Company, including the petitioner. The petitioner seeks orders to the following effect:

- (i) proceedings are brought in the names of the Company and two of its subsidiaries against Mr. Oung Da Ming, Margaret Uon, Five Star Investments Limited, Cityguard Holdings Limited and/or Gold Seal Holdings Limited;
- (ii) the Company to set up a special committee to review the internal controls and risk management systems of the Company, such special committee to engage independent experts to assist it in reviewing the systems and identifying material weaknesses with recommended remedial actions;
- (iii) a receiver of the Company’s business is appointed until the special committee has completed its review and the recommended remedial actions, if any, are implemented;

- (iv) alternatively, the 4th to 8th respondents and their agents/associates be restrained from acting as directors and/or bank signatories of the Company and its subsidiaries until the special committee has completed its review and the recommended remedial actions, if any, are implemented;
- (v) damages (to be assessed), and any interest on those damages, be paid to the petitioner by any of the 2nd to 8th respondents as the Court thinks fit.

The Company is currently seeking legal advice in relation to the petition. A case management conference will be held on 18 February 2016. As at the Latest Practicable Date, no trial date has yet been set.

Based on the legal advice obtained by the Group, the Board is of the opinion that the remaining cases are ongoing and the Group is unable to evaluate the likely outcome of the actions. Accordingly, no provision is considered necessary.

### **3. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the effect of the Acquisition and the present financial resources available to the Group, including funds internally generated from its business operation, the Group will have sufficient working capital for its business operations for at least the next twelve months from the date of this circular in the absence of unforeseen circumstances.

### **4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2015 (being the date to which the latest published audited financial statements of the Company were made up).

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**APPENDIX II      UNAUDITED PRO FORMA CONSOLIDATED STATEMENT  
OF ASSETS AND LIABILITIES OF THE GROUP**

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**A.    UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND  
LIABILITIES OF THE GROUP AS AT 30 JUNE 2015**

The unaudited pro forma consolidated statement of assets and liabilities of the Group has been prepared based on the audited consolidated statement of financial position of the Group as at 30 June 2015 extracted from the annual report of the Company for the year ended 30 June 2015 and adjusted for the effects of the Acquisition (as defined in the Circular) described in the accompanying notes which are directly attributable and factually supportable and was prepared in accordance with paragraph 4.29 of the Listing Rules to illustrate how the Acquisition would affect the financial position of the Group as if the Acquisition had taken place on 30 June 2015. As the unaudited pro forma consolidated statement of assets and liabilities has been prepared for illustrative purposes only, and because of its hypothetical nature, it does not purport to represent what the financial position of the Group would be on actual completion of the Acquisition.

	<b>The Group as at 30 June 2015 HK\$'000 Note 2</b>	<b>Unaudited pro forma adjustment HK\$'000 Note 1</b>	<b>The Group after the Acquisition HK\$'000</b>
<b>Non-current assets</b>			
Investment properties	–	195,000	195,000
Property, plant and equipment	59		59
Available-for-sale investments	9,688		9,688
Deposit placed for a life insurance policy	<u>20,902</u>		<u>20,902</u>
	<u>30,649</u>		<u>225,649</u>
<b>Current assets</b>			
Other receivables, deposits and prepayments	16,041		16,041
Bank balances and cash	<u>52,340</u>	(240,825)	<u>(188,485)</u>
	68,381		(172,444)
<b>Assets classified as held for sale</b>	<u>975,304</u>		<u>975,304</u>
	<u>1,043,685</u>		<u>802,860</u>
<b>Current liabilities</b>			
Other payables and accrued charges	99,775		99,775
Amounts due to related parties	18,176		18,176
Bank overdrafts	<u>76</u>		<u>76</u>
	118,027		118,027
<b>Liabilities associated with assets classified as held for sale</b>	<u>798,838</u>		<u>798,838</u>
	<u>916,865</u>		<u>916,865</u>
<b>Net current assets (liabilities)</b>	<u>126,820</u>		<u>(114,005)</u>
	<u>157,469</u>		<u>111,644</u>
<b>Non current liabilities</b>			
Convertible redeemable preference shares	<u>14,924</u>		<u>14,924</u>
	<u>142,545</u>		<u>96,720</u>

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## APPENDIX II      UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

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*Note 1* The adjustments represent settlement of the consideration of HK\$195,000,000 payable in cash to the Seller and the stamp duties of HK\$45,825,000. Pursuant to the property valuation report of the acquired properties in Appendix III to this Circular, the market value of these properties is HK\$195,000,000 as at 30 November 2015. For the purposes of the unaudited pro forma consolidated statement of assets and liabilities of the Group, the directors assume that the fair value of these properties as at 30 June 2015 approximates the fair value as at 30 November 2015. Stamp duties paid of HK\$45,825,000 is recognised in profit or loss accordingly.

The group intends to hold the properties for rental and/or capital appreciation purposes. Therefore, these properties are classified as investment properties for the purposes of these unaudited pro forma consolidated statement of assets and liabilities of the Group.

*Note 2* The figures are extracted from the audited consolidated statement of financial position of the Group as at 30 June 2015 as included in the annual report of the Company for the year ended 30 June 2015 dated 30 September 2015.

*Note 3* No adjustment has been made to the unaudited pro forma consolidated statement of assets and liabilities for acquisition-related costs except for the stamp duties of HK\$45,825,000 as the directors consider that such costs are insignificant.

*Note 4* Apart from the adjustments as stated above, no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2015. The negative balance of bank balances and cash after the Acquisition will be funded by the receipt of net cash consideration of approximately HK\$530,000,000 from the disposal of the Company's property interests in Nos. 8, 10 and 12 Peak Road, The Peak, Hong Kong (the "Disposal"). The details of the Disposal were disclosed in the Company's Circular dated 25 August 2015 and the Disposal was completed on 20 October 2015. The net cash consideration of approximately HK\$530,000,000 was received on 20 October 2015.

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## APPENDIX II      UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

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### **B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR**

#### **TO THE DIRECTORS OF PALADIN LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Paladin Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) 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 assets and liabilities as at 30 June 2015 and related notes as set out on pages II-1 to II-2 of the circular issued by the Company dated 25 January 2016 (the “**Circular**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-3 to II-5 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed major transaction in relation to the acquisition of properties (collectively referred to as the “**Transactions**”) on the Group’s financial position as if the Transactions had taken place at 30 June 2015. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 30 June 2015, on which an auditor’s report has been published.

#### **Directors’ Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on 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 behavior.



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## APPENDIX II      UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

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Our 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” issued by the HKICPA 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 Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(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 accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes 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 unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction 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 event or transaction at 30 June 2015 would have been as presented.

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**APPENDIX II      UNAUDITED PRO FORMA CONSOLIDATED STATEMENT  
OF ASSETS AND LIABILITIES OF THE GROUP**

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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 event or transaction, 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction 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 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
*Hong Kong*

25 January 2016

*The following is the text of a report prepared for the purpose of incorporation in this circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 30 November 2015 of the properties.*



Unit 3806, 38/F, China Resources Building,  
26 Harbour Road, Wan Chai, Hong Kong  
Tel (852) 2529 6878 Fax (852) 2529 6806  
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<http://www.romagroup.com>

25 January 2016

**Paladin Limited**

Suite 2304, 23rd Floor,  
Sun Life Tower,  
The Gateway, Harbour City,  
Tsim Sha Tsui, Kowloon,  
Hong Kong

Dear Sir/Madam,

**Re: Valuations of Various Properties in Hong Kong**

In accordance with your instructions for us to value the properties contracted to be acquired by Paladin Limited (the “Company”) and/or its subsidiaries (together with the Company referred to as “Group”) in Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 November 2015 (the “Date of Valuation”) for the purpose of incorporation in the Circular of the Company dated 25 January 2016.

**1. BASIS OF VALUATION**

Our valuations of the properties are our opinion of the market values of the concerned properties which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

**2. VALUATION METHODOLOGY**

We have valued the properties by the direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

**3. TITLE INVESTIGATION**

For the properties in Hong Kong, we have carried out land searches at the Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

**4. VALUATION ASSUMPTIONS**

Our valuations have been made on the assumption that the owner sells the properties in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

**5. SOURCE OF INFORMATION**

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, floor areas, ages of building and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reasons to suspect that any material information has been withheld.

**6. VALUATION CONSIDERATION**

We have inspected the exterior and, where possible, the interior of certain properties. No structural survey has been made in respect of the properties. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the floor areas of the properties under consideration but we have assumed that the floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Our valuations are prepared in compliance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

## **7. REMARKS**

Unless otherwise stated, all monetary amounts stated in our valuations are in Hong Kong Dollars (HK\$).

Our Summary of Values and Valuation Certificates are attached.

Yours faithfully,

For and on behalf of

**Roma Appraisals Limited**

**Dr. Alan W K Lee**

*BCom(Property) MFin PhD(BA)*

*MHKIS RPS(GP) AAPI CPV CPV(Business)*

**Associate Director**

*Note:* Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 12 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region and European countries.

## SUMMARY OF VALUES

## Properties contracted to be acquired by the Group in Hong Kong

<b>No.</b>	<b>Property</b>	<b>Market Value in Existing State as at 30 November 2015</b>
1.	Residential Unit A on 3rd Floor including Air-Conditioning Plant Room, Flat Roof and Air-Conditioning Platform together with the Residential Parking Space No. P12 on 2nd Floor Cluny Park, No. 53 Conduit Road, Hong Kong	HK\$103,000,000
2.	Residential Unit B on 3rd Floor including Flat Roof and Air-Conditioning Platform together with the Residential Parking Space No. P16 on 2nd Floor Cluny Park, No. 53 Conduit Road, Hong Kong	HK\$92,000,000
		<hr/> <b>Total: <u>HK\$195,000,000</u></b>

## VALUATION CERTIFICATE

## Properties contracted to be acquired by the Group in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 November 2015
1.	Residential Unit A on 3rd Floor including Air-Conditioning Plant Room, Flat Roof and Air-Conditioning Platform together with the Residential Parking Space No. P12 on 2nd Floor Cluny Park, No. 53 Conduit Road, Hong Kong  114/2,510th equal and undivided shares of and in the Remaining Portion of Inland Lot No. 2138 (the "Lot")	The property comprises a residential unit on 3rd floor and a residential parking space on 2nd floor of a 13-storey residential building, scheduled to be completed in the first quarter of 2016.  The property has a salable area of about 236.974 sq.m. (or about 2,551 sq.ft.), including a balcony of about 9.065 sq.m. (or about 98 sq.ft.) and an utility platform of about 2.460 sq.m. (or about 26 sq.ft.) plus an air-conditioning plant room of about 2.836 sq.m. (or about 31 sq.ft.) and a flat roof of about 97.138 sq.m. (or about 1,046 sq.ft.).  The property is held under Government Lease for a term of 75 years commencing on 9 August 1915 and renewable for a further 75 years. The Government rents payable for the Lot is HK\$36,316 per annum.	The property is currently under construction.	HK\$103,000,000

## Notes:

1. The registered owner of the property is Bestone Limited vide Memorial No.UB9312892 dated 6 August 2004.
2. The property is subject to the following encumbrances:
  - a. Modification Letter with Plan vide Memorial No.14103002260025 dated 28 October 2014 (Remarks: From the Government of the Hong Kong Special Administrative Region by the District Lands Officer/Hong Kong West and South); and
  - b. Finance Undertaking in favour of the Government of the Hong Kong Special Administrative Region – The Director of Lands vide Memorial No.15100201710064 dated 30 September 2015 (Remarks: By the Hongkong and Shanghai Banking Corporation Limited).

The Company believes that the abovementioned encumbrances have no adverse impact on the Group. We have not taken those encumbrances into account as they have no impact on our valuation of the property.
3. The property lies within an area zoned "Residential (Group C)" under Mid-Levels West Outline Zoning Plan No.S/H11/15.
4. Pursuant to the Preliminary Sale and Purchase Agreement dated 7 December 2015, the property has been contracted to be granted to Upwill Limited, an indirect wholly-owned subsidiary of the Company, for a consideration of HK\$103,000,000.
5. Our inspection was performed by Ms. Tsz Yan CHEUNG, B.Sc. (Hons), in January 2016.

## VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 November 2015
2.	Residential Unit B on 3rd Floor including Flat Roof and Air-Conditioning Platform together with the Residential Parking Space No. P16 on 2nd Floor Cluny Park, No. 53 Conduit Road, Hong Kong  107/2,510th equal and undivided shares of and in the Remaining Portion of Inland Lot No. 2138	The property comprises a residential unit on 3rd floor and a residential parking space on 2nd floor of a 13-storey residential building, scheduled to be completed in the first quarter 2016.  The property has a salable area of about 221.483 sq.m. (or about 2,384 sq.ft.), including a balcony of about 9.065 sq.m. (or about 98 sq.ft) and an utility platform of about 2.888 sq.m. (or about 31 sq.ft.) plus a flat roof of about 93.380 sq.m. (or about 1,005 sq.ft.).  The property is held under Government Lease for a term of 75 years commencing on 9 August 1915 and renewable for a further 75 years. The Government rents payable for the Lot is HK\$36,316 per annum.	The property is currently under construction.	HK\$92,000,000

*Notes:*

1. The registered owner of the property is Bestone Limited vide Memorial No.UB9312892 dated 6 August 2004.
2. The property is subject to the following encumbrances:
  - a. Modification Letter with Plan vide Memorial No. 14103002260025 dated 28 October 2014 (Remarks: From the Government of the Hong Kong Special Administrative Region by the District Lands Officer/Hong Kong West and South); and
  - b. Finance Undertaking in favour of the Government of the Hong Kong Special Administrative Region – The Director of Lands vide Memorial No.15100201710064 dated 30 September 2015 (Remarks: by the Hongkong and Shanghai Banking Corporation Limited).

The Company believes that the abovementioned encumbrances have no adverse impact on the Group. We have not taken those encumbrances into account as they have no impact on our valuation of the property.

3. The property lies within an area zoned “Residential (Group C)” under Mid-Levels West Outline Zoning Plan No.S/H11/15.
4. Pursuant to the Preliminary Sale and Purchase Agreement dated 7 December 2015, the property has been contracted to be granted East Top (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company, for a consideration of HK\$92,000,000.
5. Our inspection was performed by Ms. Tsz Yan CHEUNG, *B.Sc. (Hons)*, in January 2016.



**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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. DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES**

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

***Ordinary Shares of HK\$0.01 each of the Company (long position):***

Name of Director	Capacity	Number of issued Ordinary Shares held	Percentage of issued Ordinary Shares held
Dr. Oung Shih Hua, James	Beneficial owner	10,500,000	0.79%

***Preference Shares of HK\$0.01 each of the Company (long position):***

Name of Director	Capacity	Number of issued Preference Shares held	Percentage of issued Preference Shares held
Dr. Oung Shih Hua, James	Beneficial owner	2,500,000	3.52%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates had any interests or short position 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) which would have 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 are taken or deemed to have under such provision of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange.

### **3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS**

As of the Latest Practicable Date, so far was known to any Director or chief executive of the Company and based on 1,337,447,105 Ordinary Shares and 71,033,529 Preference Shares in issue as at the Latest Practicable Date, the following persons (other than any Director or the chief executive of the Company) had an interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group:

**Long position:**

Name of Shareholder	Capacity	Number of	Percentage of
		issued	issued
		Ordinary	Ordinary
		Shares held	Shares held
Basurto Holdings Limited ( <i>Note a</i> )	Interest of a controlled corporation	508,848,531	38.05%
Cityguard Holdings Limited ( <i>Note b</i> )	Beneficial owner	508,848,531	38.05%
Five Star Investments Limited ( <i>Note c</i> )	Interest of a controlled corporation	508,848,531	38.05%
Gold Seal Holdings Limited ( <i>Note d</i> )	Beneficial owner	158,358,941	11.84%
Next Level Corporate Limited ( <i>Note e</i> )	Other ( <i>Note e</i> )	508,848,531	38.05%
	Beneficial owner	<u>150,000,000</u>	<u>11.22%</u>
		<u>658,848,531</u>	<u>49.27%</u>
Mr. Oung Da Ming	Beneficial owner	75,000,000	5.61%
	Interest of a controlled corporation ( <i>note a</i> )	508,848,531	38.05%
	Interest of a controlled corporation ( <i>note d</i> )	158,358,941	11.84%
		<u>742,207,472</u>	<u>55.50%</u>
Name of Shareholder	Capacity	Number of	Percentage of
		issued	issued
		Preference	Preference
		Shares held	Shares held
Goldenfield Equities Limited ( <i>Note f</i> )	Beneficial owner	9,099,014	12.81%

**Convertible Note issued by the Company:**

Name of noteholder	Date of issue	Conversion period	Conversion price per share <i>HK\$</i>	Outstanding as at the Latest Practicable Date	Number of underlying shares	Approximate percentage of the issued convertible notes	Percentage of issued Ordinary Shares
Next Level Corporation Limited ( <i>Note e</i> )	24 November 2014	24 November 2014 to 23 November 2024	0.25	50,000,000	50,000,000	74.79%	3.74%

*Notes:*

- (a) Basurto Holdings Limited is held by Mr. Oung Da Ming on trust for the estate of his deceased mother, Ms. Oung Chin Liang Fung (as to 67%) and his sister, Ms. Lilian Oung (as to 33%).
- (b) Cityguard Holdings Limited, is a wholly-owned subsidiary of Five Star Investments Limited.
- (c) Five Star Investments Limited is owned as to 67% by the estate of Ms. Oung Chin Liang Fung, grandmother of Dr. Oung Shih Hua, James, and 33% by Ms. Lilian Oung, his aunt.
- (d) Gold Seal Holdings Limited is solely owned by Mr. Oung Da Ming.
- (e) Next Level Corporate Limited is owned as 25% by Mr. Oung Da Ming, 25% by his son, Mr. Oung Shih How, 25% by Dr. Oung Shih Hua, James, and 25% by Anglo Chinese Nominees, Limited which holds its shares in Next Level Corporate Limited as bare trustee for Basurto Holdings Limited. Next Level Corporate Limited is the owner of equity derivatives relating to Ordinary Shares and a chargee of Ordinary Shares.
- (f) Goldenfield Equities Limited is owned as to 40% by Ms. Lilian Oung, 40% by her son Mr. Chen Te Kuang, Mike, and 20% by Dr. Oung Shih Hua, James.

Save as disclosed herein, as at the Latest Practicable Date, there was no other person so far as is known to the Directors and chief executives of the Company (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

#### 4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

#### 5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contracts with the Company, or any other member of the Group, save for those expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

#### 6. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 30 June 2015, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of, by or leased to any member of the Company or are proposed to be acquired or disposed of, by or leased to any member of the Company.

No contracts of significance to which the Company or its subsidiaries was a party and in which a Director had a material interest, either directly or indirectly, subsisted as at the Latest Practicable Date.

#### 7. LITIGATION

As at Latest Practicable Date, the Group had the following outstanding litigations. The Directors are of the opinion that the estimated contingent liabilities arising from the litigations cannot be reasonably ascertained at the current stage.

- (a) On 28 October 2014, Chen Te Kuang Mike (“**Mike Chen**”) issued a writ of summons against the Company, claiming for (i) repayment of HK\$10,500,000, being an alleged loan made to Magetta Co. Limited in which the Company undertook to repay and HK\$2,000,000, being an alleged loan made to the Company, and (ii) interest. On 27 January 2015, the Company filed a Defence and Counterclaim. The Company’s counterclaim is for Mike Chen’s breach of trust and/or his fiduciary duties owed to the Company. The Company claims, amongst others, for a sum of HK\$410,447 against Mike Chen. On 23 March 2015, Mike Chen filed his Reply and Defence to Counterclaim. The litigation is still ongoing and there is no further update on the case up to the Latest Practicable Date.

- (b) On 14 November 2014, a petition under section 724 of the Companies Ordinance was served on the Company, as first respondent, and Cityguard Holdings Limited, Five Star Investments Limited, Gold Seal Holdings Limited, Mr. Oung Da Ming, Dr. Oung Shih Hua, James, Mr. Yuen Chi Wah and Mr. Chan Chi Ho as second to eighth respondents. The petition was filed by Mr. Chen Te Kuang, Mike (as petitioner), a former Director who was removed from office by the ordinary shareholders in general meeting held on 1 August 2014.

The petition is “On ground that members unfairly prejudiced” and in it the petitioner asserts among other things that Five Star Investments Limited and Gold Seal Holdings Limited, as well as Dr. Oung Shih Hua, James, have conducted the affairs of the Company in a manner unfairly prejudicial to the interests of other members of the Company, including the petitioner. The petitioner seeks orders to the following effect:

- (i) proceedings are brought in the names of the Company and two of its subsidiaries against Mr. Oung Da Ming, Margaret Uon, Five Star Investments Limited, Cityguard Holdings Limited and/or Gold Seal Holdings Limited;
- (ii) the Company to set up a special committee to review the internal controls and risk management systems of the Company, such special committee to engage independent experts to assist it in reviewing the systems and identifying material weaknesses with recommended remedial actions;
- (iii) a receiver of the Company’s business is appointed until the special committee has completed its review and the recommended remedial actions, if any, are implemented;
- (iv) alternatively, the 4th to 8th respondents and their agents/associates be restrained from acting as directors and/or bank signatories of the Company and its subsidiaries until the special committee has completed its review and the recommended remedial actions, if any, are implemented;
- (v) damages (to be assessed), and any interest on those damages, be paid to the petitioner by any of the 2nd to 8th respondents as the Court thinks fit.

A case management conference will be held on 18 February 2016. As at the Latest Practicable Date, no trial date has yet been set.

Save as disclosed in this sub-section, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into the ordinary course of business) have been entered into by the Group within the two years preceding the date of this circular and are or may be material:

- (a) the agreement dated 16 January 2014 for the sale and purchase between Banhart Company Limited (“**Banhart**”), a wholly-owned subsidiary of the Company, and Jiangxi Copper Hong Kong Company Limited (江西銅業香港有限公司)(“**Jiangxi**”) in relation to the disposal of office premise at Unit 01, 45th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong for a consideration of HK\$336,571,275 payable by Jiangxu to Banhart;
- (b) the agreement dated 26 September 2014 entered into between the Company and Gold Seal Holdings Limited (“**Gold Seal**”) relating to the underwriting of an open offer of convertible notes with an ordinary share alternative, a commission of 2% of the amount underwritten (the maximum principal amount being HK\$98,028,917.5) was payable by the Company to Gold Seal;
- (c) the instrument creating the convertible notes dated 24 November 2014 in an aggregate amount of HK\$125,908,502.25;
- (d) the administration agreement entered into between the Company, various wholly-owned subsidiaries of the Company and Anglo Chinese on 14 November 2014, as supplemented by a letter dated 3 December 2014 signed by Anglo Chinese and the Company. Anglo Chinese will be paid, amongst others, HK\$550,000 per month for its management services. The fee for preparing the Knock Down Proposal (as defined in the Company’s announcement dated 15 November 2014) and the Refurbishment Proposal (as defined in the Company’s announcement dated 15 November 2014) is HK\$2,000,000 plus a further fee of HK\$1,500,000 payable on presentation of the Knock Down Proposal or the Refurbishment Proposal (as selected by the Company) to the other owners of units in the Property (as defined in the Company’s announcement dated 15 November 2014);

- (e) the sale and purchase agreement dated 17 June 2015 entered into between Equal Force Limited (“**Equal Force**”) and the Company in respect of, amongst others, the entire issued share capital of each of Paladin Leisure Limited, Gainbest Venture Limited, Perfect Place Limited, Bowen Hill Limited and Oasis Trade Global Limited, and the 999,000 voting ordinary shares held by the Company in Holyrood Limited, which hold or used to hold interests in Nos. 8, 10 and 12 Peak Road, The Peak, Hong Kong, for an aggregate consideration of HK\$1,825,000,000 payable by Equal Force to the Company;
- (f) the provisional sale and purchase agreement dated 10 July 2015 entered into between the Company, Focus Master Limited (“**Focus Master**”) and CSI Properties Limited in respect of, amongst others, the entire issued share capital of each of Acme Elite Limited and Afar Success Limited, which own rights to acquire the 20th and 21st Floors of AXA Centre, 151 Gloucester Road, Hong Kong and certain car parking spaces in the same building, for an aggregate consideration of HK\$498,806,312 payable by the Company to Focus Master;
- (g) the formal agreement for sale and purchase dated 30 July 2015 entered into between the Company, Focus Master Limited and CSI Properties Limited, which replaces the provisional sale and purchase agreement mentioned in sub-paragraph (f) above;
- (h) the Preliminary Sale and Purchase Agreement pursuant to which an aggregate consideration of HK\$195,000,000 is payable by the Purchasers to the Vendor; and
- (i) the Formal Sale and Purchase Agreement which superseded the Preliminary Sale and Purchase Agreement mentioned in sub-paragraph (h) above.

Save as the aforesaid, no material contracts (not being contracts entered into the ordinary course of business) have been entered into by any member of the Group within the two years immediately preceding the date of this circular which are or may be material.

## 9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who had given their advice or opinion(s) which are contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Deloitte Touche Tohmatsu	Certified public accountants
Roma Appraisals Limited	Property valuer



Each of Deloitte Touche Tohmatsu and Roma Appraisals Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report as set out in this circular and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of Deloitte Touche Tohmatsu and Roma Appraisals Limited did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu and Roma Appraisals Limited did not have any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2015 (being the date to which the latest published audited accounts of the Group were made up).

#### **10. GENERAL**

- (a) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is at Suite 2304, 23rd Floor, Sun Life Tower, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.
- (c) The company secretary of the Company is Mr. Chan Chi Ho, who is a fellow member of both The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He also is a member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.
- (d) The English text of this circular shall prevail over the Chinese text.

#### **11. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection during normal office hours at the principal place of business of the Company for 14 days from the date of this circular:

- (a) the Bye-laws of the Company;
- (b) the accountant's report on unaudited pro forma financial information of the Group as set out in Appendix II to this circular;
- (c) the property valuation report prepared by Roma Appraisals Limited, the text of which is set out in Appendix III to this circular;

- (d) the material contracts referred to in the paragraph headed “Material Contracts” of this appendix;
- (e) the letters of consents referred to under the section headed “Experts and Consents” in this appendix;
- (f) the annual reports of the Company for two years ended 31 March 2014 and 2015; and
- (g) a copy of each circular of the Company issued pursuant to the requirements of Chapter 14 and/or 14A of the Listing Rules since 30 June 2015.