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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 2016

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 2016 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 2016

	<i>NOTES</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Turnover	<i>2</i>	11,433	–
Other income	<i>3</i>	3,758	5,876
Administrative expenses		(52,306)	(56,173)
Fair value change on investment properties		(110,815)	(45,640)
Gain on disposal of subsidiaries		894,565	–
Finance costs	<i>5</i>	(13,066)	(24,776)
Profit (loss) before taxation		733,569	(120,713)
Taxation	<i>6</i>	–	–
Profit (loss) for the year		733,569	(120,713)

	<i>NOTE</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Other comprehensive income (expense)			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation		1,558	2,350
Fair value gain (loss) on available-for-sale investments		<u>2,372</u>	<u>(3,212)</u>
Other comprehensive income (expense) for the year		<u>3,930</u>	<u>(862)</u>
Total comprehensive income (expense) for the year		<u>737,499</u>	<u>(121,575)</u>
EARNINGS (LOSS) PER SHARE			
Basic	7	<u>57.17 HK cents</u>	<u>(11.77) HK cents</u>
Diluted		<u>50.13 HK cents</u>	<u>(11.77) HK cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current assets		
Investment properties	649,050	–
Property, plant and equipment	34	59
Available-for-sale investments	12,060	9,688
Deposit placed for a life insurance policy	20,926	20,902
Deposit paid	4,915	–
	<u>686,985</u>	<u>30,649</u>
Current assets		
Other receivables, deposits and prepayments	15,532	16,041
Bank balances and cash	428,238	52,340
	<u>443,770</u>	<u>68,381</u>
Assets classified as held for sale	–	975,304
	<u>443,770</u>	<u>1,043,685</u>
Current liabilities		
Other payables and accrued charges	107,440	99,775
Amounts due to related parties	12,870	18,176
Bank overdrafts	43	76
Secured bank borrowings	97,303	–
Convertible redeemable preference shares	15,997	–
	<u>233,653</u>	<u>118,027</u>
Liabilities associated with assets classified as held for sale	–	798,838
	<u>233,653</u>	<u>916,865</u>
Net current assets	<u>210,117</u>	<u>126,820</u>
	<u>897,102</u>	<u>157,469</u>
Capital and reserves		
Share capital	13,275	10,954
Reserves	883,827	131,591
Total equity	<u>897,102</u>	<u>142,545</u>
Non-current liabilities		
Convertible redeemable preference shares	–	14,924
	<u>897,102</u>	<u>157,469</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

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

In the current year, the Group adopted accounting policies in the consolidated financial statements that are consistent with those set out in the consolidated financial statements for the year ended 30 June 2015.

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 ²
HKFRS 15	Revenue from contracts with customers ²
HKFRS 16	Leases ³
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle ¹
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions 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 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ¹
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ¹
Amendments to HKFRS 15	Clarification to HKFRS 15 Revenue from contracts with customers ²
Amendments to HKAS 1	Disclosure initiative ¹
Amendments to HKAS 7	Disclosure initiative ⁵
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants ¹

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

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2019.

⁴ Effective for annual periods beginning on or after a date to be determined.

⁵ Effective for annual periods beginning on or after 1 January 2017.

Except as described below, the directors anticipates that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements of the Group.

HKFRS 9 “Financial instruments”

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of HKFRS 9 was issued in 2015 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 that are relevant to the Group are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors anticipates that the application of HKFRS 9 in the future will affect the classification and measurement of the Group’s financial assets but unlikely affect the Group’s financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 “Revenue from contracts with customers”

In July 2015, 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 principle 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 the performance obligations 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 customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors anticipates that the application of HKFRS 15 in the future may have impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 “Leases”

HKFRS 16 was issued by the HKICPA in May 2016. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the consolidated financial statements of both lessors and lessees. The new standard maintains substantially the lessor accounting requirements in the current standard.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 “Property, plant and equipment”, while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments.

The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value.

The directors of the Group does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

2. TURNOVER

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

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income from investment properties	<u>11,433</u>	<u>–</u>

3. 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 of which the management is proactively looking for the potential transaction during the year
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 2016

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover			
External	<u>–</u>	<u>11,433</u>	<u>11,433</u>
Segment result	<u>(8,369)</u>	<u>(99,382)</u>	<u>(107,751)</u>
Other income			3,757
Gain on disposal of subsidiaries			894,565
Unallocated corporate expenses			(43,936)
Finance costs			<u>(13,066)</u>
Profit before taxation			<u>733,569</u>

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment result represents the result incurred by each segment without allocation of corporate income and expenses, gain on disposal of subsidiaries 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 2015

	Property development <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
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>

Segment assets and liabilities

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

	2016	2015
	HK\$'000	HK\$'000
Segment assets		
Property development	–	–
Property investment	<u>649,050</u>	<u>–</u>
Total segment assets	649,050	–
Available-for-sale investments	12,060	9,688
Deposit placed for a life insurance policy	20,926	20,902
Assets classified as held for sale	–	975,304
Bank balances and cash	428,238	52,340
Unallocated	<u>20,481</u>	<u>16,100</u>
Consolidated assets	<u>1,130,755</u>	<u>1,074,334</u>
Segment liabilities		
Property development	–	–
Property investment	<u>3,421</u>	<u>–</u>
Total segment liabilities	3,421	–
Amounts due to related parties	12,870	18,176
Bank overdrafts	43	76
Secured bank borrowings	97,303	–
Liabilities associated with assets classified as held for sale	–	798,838
Convertible redeemable preference shares	15,997	14,924
Unallocated	<u>104,019</u>	<u>99,775</u>
Consolidated liabilities	<u>233,653</u>	<u>931,789</u>

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, 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 classified as held for sale, convertible redeemable preference shares and certain unallocated corporate liabilities.

Other segment information

For the year ended 30 June 2016

	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	–	759,865	–	759,865
Depreciation	–	–	24	24
Fair value loss on investment properties	–	110,815	–	110,815
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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> </u>	<u> </u>	<u> </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:

	2016	
	Revenue from external customers <i>HK\$'000</i>	Non-current assets <i>HK\$'000</i>
Hong Kong (Place of domicile)	<u>11,433</u>	<u>649,050</u>
	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>

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

4. OTHER INCOME

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Bank interest income	385	64
Consultancy fee income	746	1,166
Interest income from deposit placed for a life insurance policy	893	865
Net exchange gain	631	12
Rental income from properties held for sale	801	3,327
Others	<u>302</u>	<u>442</u>
	<u>3,758</u>	<u>5,876</u>

5. FINANCE COSTS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest on bank borrowings	4,914	13,937
Interest on bank overdrafts	60	2,846
Interest on other payables	6,870	6,361
Finance costs on convertible redeemable preference shares	<u>1,222</u>	<u>1,632</u>
	<u>13,066</u>	<u>24,776</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 profit (loss) for the year arising in Hong Kong since there was no assessable profit for both years.

7. EARNINGS (LOSS) PER SHARE

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

	For the year ended 30 June	
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Earnings (loss)		
Profit (loss) for the year attributable to owners of the Company for the purposes of basic earnings per share	733,569	(120,713)
Effect of dilutive potential shares:		
Interest on convertible redeemable preference shares (net of income tax)	<u>1,222</u>	<u>–</u>
Earnings (loss) for the purposes of diluted earnings per share	<u>734,791</u>	<u>(120,713)</u>

	2016	2015
Number of shares		
Weighted average number of shares for the purposes of calculating basic earnings per share	1,283,247,688	1,025,749,062
Effect of dilutive potential shares:		
Convertible redeemable preference shares	70,979,239	–
Convertible notes	<u>111,401,433</u>	<u>–</u>
 Weighted average number of shares for the purpose of calculating diluted earnings per share	 <u><u>1,465,628,360</u></u>	 <u><u>1,025,749,062</u></u>

The computation of diluted earnings per share for the year ended 30 June 2016 does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares. In addition, the computation of diluted loss per share for the year ended 30 June 2015 had 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\$24,000 (2015: HK\$395,000).

DIVIDEND

The Directors of the Company do not recommend the payment of a final dividend (2015: nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 7 December 2016 to 9 December 2016, 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 activity of the Group is property investment.

BUSINESS REVIEW AND PROSPECTS

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 million. The transaction was completed on 20 October 2015 and The Group has recognised a net gain of approximately HK\$895 million.

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\$498 million. The transaction was completed on 20 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 required material capital expenditure in the absence of which the Peak Road Property and its value may deteriorate. Since the Group did 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 reworked its property portfolio to properties more manageable and better suited to its current financial position.

The board of directors (the “Board”) was of the view that the AXA Properties could generate stable rental income for the Group and accordingly, fitted with the Group’s financial position and goals.

Cluny Properties

On 7 December 2015, the Group entered into a preliminary sale and purchase agreement in relation to the acquisition of 2 properties and 2 car parks located at Cluny Park, 53 Conduit Road, Hong Kong, (the “Cluny Properties”) for an aggregate consideration of HK\$195,000,000. The transaction was completed in April 2016.

The Group intends to hold the Cluny Properties for investment purposes and will lease out the Cluny Properties for rental income and will hold it for capital appreciation purposes. The Group will consider to sell the Cluny Properties for capital gains depending on future market circumstances. The Board believe that the acquisition will broaden the property portfolio and income base of the Group.

Grant of options

The Company granted an aggregate of 131,000,000 options under the Company’s Share Option Scheme on 30 May 2016.

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. It only generated a revenue of approximately HK\$1 million for the year ended 30 June 2016.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2016, net current assets of the Group were approximately HK\$210 million. The current ratio was 1.90. The bank balances and cash were approximately HK\$428 million.

As at 30 June 2016, the Group has outstanding liabilities of approximately HK\$234 million comprising (i) other payables and accrued charges of approximately HK\$107 million, (ii) amounts due to related parties of approximately HK\$13 million, (iii) convertible redeemable preference shares of approximately HK\$16 million and (iv) bank loans and overdrafts of approximately HK\$97 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 and overdrafts were secured by investment properties of approximately HK\$194 million.

The Group's gearing ratio, total debts divided by total assets, was approximately 21%.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

For the year ended 30 June 2016, 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 were completed in October 2015.

In addition, the Group has entered into a preliminary sale and purchase agreement to acquire the Cluny Properties and the transaction was completed in April 2016.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group employed total of 15 employees. They were remunerated according to market conditions.

CONTINGENT LIABILITIES

As at 30 June 2016, there were contingent liabilities in respect of certain legal proceedings against certain subsidiaries of the Company. The aggregate amount of claims was approximately HK\$13 million. In the opinion of the directors, the claims were remote and no provision has been made in the consolidated financial statements.

PURCHASE, SALE AND REDEMPTION OF SHARES

For the year ended 30 June 2016, the Company repurchased 28,410,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of HK\$8,523,000. Save as the above, 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 2016.

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 2016, 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 directors and 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 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 Chief Executive Officer. In the opinion of the Board, Dr. Oung temporarily acts as the role of the Chief Executive Officer. 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 2016

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.