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## **PARADISE ENTERTAINMENT LIMITED**

**滙彩控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1180)**

### **PROPOSED SHARE PREMIUM REDUCTION**

The Board intends to put forward for approval by the Shareholders at the Special General Meeting a proposal to reduce the entire amount standing to the credit of the Share Premium Account as of the Effective Date to nil with the credit arising therefrom to be entirely transferred to the Contributed Surplus Account.

A circular of the Company containing, inter alia, details of the Proposed Share Premium Reduction and a notice convening the Special General Meeting will be despatched to the Shareholders on or before 1 June 2017.

#### **PROPOSAL**

The Board intends to put forward for approval by the Shareholders at the Special General Meeting a proposal to reduce the entire amount standing to the credit of the Share Premium Account as of the Effective Date to nil with the credit arising therefrom to be entirely transferred to the Contributed Surplus Account.

#### **REASON FOR THE PROPOSED SHARE PREMIUM REDUCTION**

Under the Companies Act 1981 of Bermuda, where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premiums on those shares shall be transferred to the Share Premium Account. The Company shall not declare or pay a dividend or make a distribution out of the Share Premium Account.

On the other hand, the Company can declare or pay a dividend or make a distribution out of the Contributed Surplus Account, provided that the two conditions set forth in the section headed "Conditions of the Proposed Share Premium Reduction" below are fulfilled. The amount standing to the credit of the Share Premium Account can be reduced, with the credit arising therefrom to be transferred to the Contributed Surplus Account.

\* For identification purpose only

The Board considers that the Proposed Share Premium Reduction will give the Company greater flexibility to declare or pay dividends or to make distributions to the Shareholders in the future as and when the Board considers appropriate. The Board therefore considers that the Proposed Share Premium Reduction is in the best interests of the Company and the Shareholders as a whole.

## **EFFECTS OF THE PROPOSED SHARE PREMIUM REDUCTION**

The implementation of the Proposed Share Premium Reduction does not involve any reduction in the authorised or issued share capital of the Company, or any reduction in the nominal value of the Shares or the trading arrangements concerning the Shares.

Save for the expenses to be incurred by the Company in relation to the Proposed Share Premium Reduction, the Board considers that the implementation of the Proposed Share Premium Reduction will not have a material adverse effect on the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

Based on the audited consolidated financial statements of the Company for the year ended 31 December 2016, the amounts standing to the credit of the Share Premium Account and the Contributed Surplus Account as at 31 December 2016 were HK\$927,197,000 and HK\$141,191,000 respectively. The balances of the Share Premium Account and the Contributed Surplus Account have not changed since 31 December 2016 and up to the date of this announcement.

Assuming that the balances of the Share Premium Account and the Contributed Surplus Account will not change as from the date of this announcement and up to the Effective Date, the balance of the Share Premium Account will become nil and the credit balance of the Contributed Surplus Account will be increased by HK\$927,197,000 to HK\$1,068,388,000 upon the completion of the Proposed Share Premium Reduction on the Effective Date.

## **CONDITIONS OF THE PROPOSED SHARE PREMIUM REDUCTION**

The Proposed Share Premium Reduction will be conditional upon:

- (a) the passing of a special resolution by the Shareholders approving the Proposed Share Premium Reduction at the Special General Meeting; and
- (b) compliance with Section 46(2) of the Companies Act 1981 of Bermuda, including (i) publication of a notice in relation to the Proposed Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the Effective Date; and (ii) the Board being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Proposed Share Premium Reduction would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the two conditions above, the Proposed Share Premium Reduction will be completed and become effective on the Effective Date.

## GENERAL

The Proposed Share Premium Reduction is subject to, inter alia, the passing of a special resolution by the Shareholders at the Special General Meeting. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the special resolution approving the Proposed Share Premium Reduction.

A circular of the Company containing, inter alia, details of the Proposed Share Premium Reduction and a notice convening the Special General Meeting will be despatched to the Shareholders on or before 1 June 2017.

**Shareholders and potential investors should note that the Proposed Share Premium Reduction is conditional upon satisfaction of the conditions set out in this announcement. Therefore, the Proposed Share Premium Reduction may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Paradise Entertainment Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Contributed Surplus Account”	the contributed surplus account of the Company
“Director(s)”	the director(s) of the Company
“Effective Date”	the date of the Special General Meeting, being the date on which the Proposed Share Premium Reduction will be completed and become effective (subject to the fulfilment of the two conditions set forth in the section headed “Conditions of the Proposed Share Premium Reduction” above)
“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
“Proposed Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the Share Premium Account as of the Effective Date to nil with the credit arising therefrom to be entirely transferred to the Contributed Surplus Account on the Effective Date
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Premium Account”	the share premium account of the Company
“Shareholder(s)”	holder(s) of the Shares
“Special General Meeting”	the special general meeting of the Company to be held at which the special resolution approving the Proposed Share Premium Reduction will be considered and, if thought fit, passed with or without amendments by the Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board  
**PARADISE ENTERTAINMENT LIMITED**  
**Chan Kin Man**  
*Company Secretary*

Hong Kong, 15 May 2017

*As at the date of this announcement, the executive Directors are Mr. Jay Chun (Chairman and Managing Director, also alternate Director to Mr. Shan Shiyong, alias, Sin Sai Yung), Mr. Shan Shiyong, alias, Sin Sai Yung and Mr. Hu Liming and the independent non-executive Directors are Mr. Li John Zongyang, Mr. Kai-Shing Tao and Ms. Tang Kiu Sam Alice.*