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PALADIN LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 495)

ADOPTION OF NEW BYE-LAWS OF THE COMPANY

At the board meeting of Paladin Limited (the “Company”) held on 19 October 2004, the board of directors of the Company (the “Board”) resolved, amongst other things, a proposal to the shareholders of the Company (“Shareholders”) for approval by way of special resolution to adopt a new set of bye-laws of the Company (the “New Bye-laws”) at the annual general meeting of the Company to be held on 3 December 2004.

The major amendments to be effected by the adoption of the New Bye-laws include, inter alia, amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), and the coming into effect of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) since existing bye-laws of the Company were adopted.

The Board considers that the New Bye-laws proposed to be adopted at the annual general meeting of the Company to be held on 3 December 2004 are in compliance with appendices 3 and 13 of the Listing Rules.

Details in respect of the adoption of the New Bye-laws will be set out in the circular to be despatched to the Shareholders on 28 October 2004.

The Board announces that at a meeting of the Board held on 19 October 2004, the Board had resolved, amongst other things, a proposal to the Shareholders for approval by way of special resolution to adopt the New Bye-laws at the annual general meeting of the Company to be held on 3 December, 2004.

The major amendments to be effected by the adoption of the New Bye-laws include, inter alia, amendments to the Listing Rules and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), and the coming into effect of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) since the existing bye-laws of the Company were adopted.

The principal proposed amendments incorporated in the New Bye-laws include, amongst other things, the following:

- (i) the Company may, subject to the requirements of the Companies Act 1981 of Bermuda (as amended) and the Listing Rules, send summarised financial statements to the Shareholders who have consented and elected to receive summarised financial statements instead of full financial statements;
- (ii) the Company may send notices or documents to its Shareholders by electronic means to such address as may from time to time be authorised by such Shareholders concerned or by publishing it on a computer network and notifying the Shareholders concerned, in such manner as they may from time to time authorise, that such notices or documents have been so published;
- (iii) a new definition of “recognised clearing house” will be adopted as a result of the changes introduced by the Securities and Futures Ordinance;
- (iv) the minimum seven-day period for lodgment by Shareholders of the notice to nominate a director of the Company shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (v) a director of the Company shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has/have a material interest nor shall he be counted towards the quorum of the relevant board meeting; and
- (vi) where any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

The Board considers that the New Bye-laws proposed to be adopted at the annual general meeting of the Company to be held on 3 December 2004 are in compliance with appendices 3 and 13 of the Listing Rules.

Details in respect of adoption of the New Bye-laws will be set out in the circular to be despatched to the Shareholders on 28 October 2004.

By Order of the Board
Paladin Limited
Law Fong
Acting Chairman

Hong Kong, 19 October 2004

As at the date of this announcement, the directors of the Company are Mr. Law Fong, Mr. Chen Te Kuang Mike, Mr. Oung Shih Hua James[#], Ms. Lu Ti Fen^{}, Mr. Zhu Pei Qing^{*} and Mr. Kwok Wai Chi^{*}.*

[#] *Non-Executive Director*

^{*} *Independent Non-Executive Director*

Please also refer to the published version of this announcement in China Daily.