PALADIN LIMITED

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

CLARIFICATION ANNOUNCEMENT

MAJOR TRANSACTION
ADMINISTRATION AGREEMENT

Reference is made to the announcement dated 15 November, 2014 made by Paladin Limited in relation to an agreement with Anglo Chinese for Anglo Chinese to administer and manage the property portfolio of Paladin Limited.

This announcement clarifies the fee arrangements and other matters relating to the Administration Agreement.

Reference is made to the announcement dated 15 November, 2014 (the "Announcement") made by the Company relating to the Administration Agreement entered with Anglo Chinese for Anglo Chinese to manage the property portfolio of the Company. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

FEES

In addition to the monthly fees for management services and the fees relating to the Knock Down Proposal and the Refurbishment Proposal as stated in the Announcement, Anglo Chinese will be paid a fee of $^1/_2$ of one per cent (or one per cent in circumstance where a buyer is introduced by Anglo Chinese outside of the tender and Paladin accepts its offer for the Properties) of the total consideration received by Paladin, being the proceeds of the tender, if the tender is accepted by Paladin.

In addition, in the event that the Knock Down Proposal is accepted in a contractually binding way by all owners of interests in Oasis or the decision is taken by Paladin to implement the Refurbishment Proposal, then on completion of either Proposal, Paladin shall in addition pay to Anglo Chinese a fee of 20% of the sum calculated by taking the valuation of Oasis (on an open market basis) either (a) as at the date the refurbishment pursuant to the Refurbishment Proposal is completed; or (b) on the date on which all or more than 50% of Oasis is sold, as the case may be, less:–

(i) the value (appraised on an open market basis) of Oasis as at the date of the Administration Agreement in its present state as determined by a valuer of international standing selected by Paladin and the Administrator; and

(ii) all amounts expended on the Knock Down Proposal or Refurbishment Proposal, as the case may be, including all financing and financing costs; and

(iii) the aggregate management fee and other fees accrued or paid to Anglo Chinese under the Administration Agreement.

CONDITIONS

If the conditions of the Administration Agreement as stated in the Announcement have not been fulfilled on or before 31st December, 2014, the Administration Agreement will terminate with effect from that date.

GENERAL

The Company has been advised by Anglo Chinese that The Anglo Chinese Investment Company, Limited is an Independent Third Party engaged in investment holding; Anglo Chinese Project Management, Limited is an Independent Third Party engaged in non regulated activities such as general consultancy services and project management; Anglo Chinese Corporate Finance, Limited is an Independent Third Party engaged in regulated activities under the Securities and Futures Ordinance, namely, type 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management); and Anglo Chinese has relevant qualifications and expertise in advising listed companies on large property transactions including disposal of hotels and large residential projects in Hong Kong and complex corporate restructuring work that involves raising capital and loan arrangements for real estate projects.

It is expected that the valuation (appraised on an open market basis) of Oasis as at the date of the Administration Agreement in its present state to be determined by a valuer of international standing selected by Paladin and the Administrator will be carried out as soon as possible. An appropriate announcement of the valuation of Oasis will be made where required under the Listing Rules.

DEFINITIONS

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

"Administration Agreement"	the Administration Agreement entered into between the Company, various wholly-owned subsidiaries of the Company and Anglo Chinese on 15th November, 2014;
"Anglo Chinese"	(1) The Anglo Chinese Investment Company, Limited, (2) Anglo Chinese Project Finance, Limited, (3) Anglo Chinese Corporate Finance, Limited, each of which is a company incorporated in Hong Kong with limited liability and an Independent Third Party, or such one or more of them as the context may indicate;
"Board"	the board of Directors;
"Director(s)"	the director(s) of the Company;
"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, its associates and connected persons (as those terms are defined in the Listing Rules);

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Oasis"	the development erected on the land registered in the Land Registry as Inland Lot No.7878 known as "8-12 Peak Road" Hong Kong and, where the context so admits, includes that land;
"Paladin" or the "Company"	Paladin Limited, a company incorporated in Bermuda with limited liability, the Ordinary Shares and Preference Shares of which are listed on the Main Board of the Stock Exchange (Stock Codes: 495 for Ordinary Shares, and 642 for Preference Shares) and where the context so admits also includes the Owners;
"Properties"	means all units in Oasis and the car parking and motorcycle parking spaces owned by Paladin at Oasis;
"Shareholder(s)"	holders of Ordinary Shares or Preference Shares, as the case may be;
"Share(s)"	the Ordinary Shares and Preference Shares; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

By order of the board of directors of
Paladin Limited
Oung Shih Hua, James
Chairman

Hong Kong, 20 November, 2014

At the date of this announcement, the Chairman and executive Director is Dr. Oung Shih Hua, James; the two non-executive Directors are Mr. Yuen Chi Wah and Mr. Chan Chi Ho and the independent non-executive Directors are Mr. Zhu Pei Qing, Mr. Kwok Wai Chi and Professor Huang Weizong Martin.