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PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495)

NOTICE OF REDEMPTION OF CONVERTIBLE REDEEMABLE PREFERENCE SHARES

The Company gives notice that in accordance with their terms, the Preference Shares will be redeemed on 5 July, 2017. The redemption price is HK\$0.25 per Preference Share.

Payment of the amounts due on redemption will be made on 5 July, 2017 or as soon as practicable thereafter.

On 19 June, 2017 the Company announced its intention to redeem the Preference Shares on or about 5 July 2017 and reminded holders of Preference Shares to notify the Company of a Hong Kong dollar bank account for the purposes of payment of amounts in respect of their Preference Shares to minimise delays in payment to them of sums payable on redemption of their Preference Shares.

Under the terms of the Preference Shares, amongst other things, if there are fewer than 80 million Preference Shares in issue the Company has the right by notice in writing to holders of Preference Shares to redeem all or any of the then outstanding Preference Shares, and if it does so it is required to pay a redemption amount equal to the initial subscription price of such number of Preference Shares so redeemed.

The total number of Preference Shares originally issued by the Company was 264,135,807 Preference Shares. 227,426,669 Preference Shares have since been converted into ordinary Shares of the Company and 10,926,320 Preference Shares have since been redeemed by the Company at the request of their holders. At the date of this announcement 25,782,818 Preference Shares remain in issue.

The Company hereby gives notice to holders of Preference Shares that all Preference Shares will be redeemed at a price of HK\$0.25 per Preference Share on 5 July, 2017. After this redemption, the Preference Shares will cease to exist and all unpaid amounts on them will become a liability of the Company. The expected timetable in respect of the redemption is set out below.

Redemption date 5 July

Redemption sums expected to be paid on
(subject to receipt of bank account details) 5 July

Any changes to this timetable will be announced.

REDEMPTION ARRANGEMENT

Under the terms of the Preference Shares, amongst other things, payments made by the Company in respect of the Preference Shares pursuant to the terms and conditions of the Preference Shares shall be made in Hong Kong dollars in immediately available funds and payment of all amounts in respect of the Preference Shares shall be made on the due dates into such bank account as the relevant Preference Shareholder may notify the Company by at least 7 day's prior notice.

Holders of Preference Shares have not previously notified the Company of a Hong Kong dollar bank account for the purposes of payment of amounts in respect of their Preference Shares and should do so as soon as possible so as to minimise delays in payment to them of sums payable on redemption of their Preference Shares.

On 5 July, 2017, the Company will redeem all outstanding Preference Shares, subject to having been notified of a bank account as mentioned above, as soon as reasonably practicable thereafter pay the holder of the relevant Preference Shares the redemption price of HK\$0.25 per Preference Share by credit to the bank account of the person entitled thereto notified to it by the relevant Preference Shareholder.

Holders of Preference Shares who are in any doubt as to the action to be taken should consult their licensed securities broker, bank manager, solicitor, professional accountant or other professional advisor. All certificates for Preference Shares will be invalid and should be destroyed (if not surrendered to the Company) after redemption.

INTERPRETATION

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

“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China;
“Paladin” or “Company”	Paladin Limited, an exempted company incorporated in Bermuda with limited liability, whose ordinary shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited; and
“Preference Shares”	the convertible redeemable preference shares of HK\$0.25 each in Paladin).

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

Hong Kong, 3 July, 2017

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 Mr. Luo Rongxuan.