PALADIN LIMITED

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

INFORMATION SUPPLEMENTAL TO ANNUAL REPORT

The Annual Report disclosed a delay in use of proceeds of the Company's open offer in December 2017 of HK$7.8 million earmarked for purchase of land and HK$39 million earmarked for construction of facilities.

The delay came about because of the death of the person primarily responsible for conducting negotiations, followed by the outbreak of the coronavirus pandemic in the first half of 2020. Negotiations for the purchase are on hold as a result of the pandemic. The Company hopes that if the pandemic-related restrictions are eased in time, and the negotiations are successful, they will be completed in the next 12 months.

This announcement is supplemental to the annual report of the Company for the year ended 30 June 2019 published on 29 October 2019 (the "Annual Report"). Terms defined in the Annual Report are used in this announcement with those defined meanings.

This announcement includes information that was not included in the Annual Report, required by paragraph 11(8) of Appendix 16 to the Listing Rules.

The Company disclosed in the Annual Report, amongst other things, that as at 30 June 2019 it had unutilised proceeds from its open offer of convertible notes made in December 2017 including (i) HK$7.8 million for purchase of land, which is to be used in the next 12 months and (ii) HK$39 million for construction of facilities, which is to be used in 2 years.

The Company also disclosed in the Annual Report a delay in use of the HK$7.8 million for purchase of land and of the HK$39 million for construction of facilities but not the detailed status of the negotiations and the reasons for the delay. The land in question is in Vietnam and is to be acquired for use by the Company's subsidiary incorporated in and managed from Finland.

As required by paragraph 11(8) of Appendix 16 to the Listing Rules, the Company announces that the delay in use of HK$7.8 million for purchase of land came about because of the unfortunate illness, and subsequent death in November 2019, of the member of senior management of its Finland-based subsidiary who was primarily responsible for conducting negotiations, followed by the outbreak of the coronavirus pandemic in the first half of 2020, both of which severely impaired progress in, and have now halted, negotiations.

Negotiations are at present on hold due to travel and other restrictions imposed, and the commercial uncertainties arising, as a result of the coronavirus pandemic. As a result, the Company is unable to give any meaningful estimate of when they will re-commence or the time they will take to complete but hopes that if the pandemic-related restrictions are eased in time, and the negotiations are successful, they will be completed in the next 12 months.

The facilities that are intended to be financed by the HK$39 million earmarked for construction of facilities are intended to be built on the land the acquisition of which is still being negotiated and accordingly will not be used for that purpose unless and until the land is acquired.

Further announcements will be made if and when appropriate.

By Order of the Board
Paladin Limited
Oung Shih Hua James
Chairman

Hong Kong, 12 August 2020

At the date of this announcement, the board of directors of Paladin Limited comprises:

Oung Shih Hua, James *(Executive director)*
Chan Chi Ho *(Non-executive director)*
Yuen Chi Wah *(Non-executive director)*
Luo Rongxuan *(Independent non-executive director)*
Liu Man Kin Dickson *(Independent non-executive director)*
Au Chik Lam Alexander *(Independent non-executive director)*