
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **PALADIN LIMITED**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for onward transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495 and 642 (Preference Shares))

GENERAL MANDATES TO REPURCHASE AND ISSUE SECURITIES, RE-ELECTION OF RETIRING DIRECTORS, PROPOSED REFRESHMENT OF LIMIT UNDER SHARE OPTION SCHEME, NOTICE OF ANNUAL GENERAL MEETING AND NOTICE OF CLASS MEETING

Notices convening the Annual General Meeting and the Class Meeting (as defined herein) are set out on pages 14 to 21 of this circular. Whether or not holders of Preference Shares (as defined herein) are able to attend the Class Meeting, they are requested to complete the enclosed yellow form of proxy in accordance with the instructions printed thereon and return the same to Paladin's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Class Meeting. Completion and return of the yellow form of proxy will not prevent holders of Preference Shares from attending and voting in person at the Class Meeting or any adjournment of it if they so wish.

Whether or not holders of shares in the Company (as defined herein) other than holders of Preference Shares are able to attend the Annual General Meeting, they are requested to complete the enclosed white form of proxy in accordance with the instructions printed thereon and return the same to Paladin's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting. Completion and return of the white form of proxy will not prevent holders of shares in the Company generally from attending and voting in person at the Annual General Meeting or any adjournment of it if they so wish.

31 October 2016

CONTENTS

	<i>Page</i>
LETTER FROM THE BOARD	4
APPENDIX I – EXPLANATORY STATEMENT	9
APPENDIX II – DETAILS OF DIRECTORS STANDING FOR RE-ELECTION	12
NOTICE OF ANNUAL GENERAL MEETING	14
NOTICE OF CLASS MEETING	19

DEFINITIONS

In this circular, unless the context otherwise requires:

“Annual General Meeting”	means the annual general meeting of the Company to be held on 12 December 2016;
“Auditors”	means the auditors for the time being of the Company;
“associate”	has the meaning ascribed to it in the Listing Rules;
“Board”	means the board of Directors;
“business day”	means a day on which the Stock Exchange is open for the business of trading in securities;
“Chief Executive”	has the meaning ascribed to it in the Listing Rules;
“Class Meeting”	means the class meeting of Preference Shareholders to be held on 12 December 2016;
“Company” or “Paladin”	means 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;
“Directors”	means the directors of the Company;
“Eligible Employee”	means any employee including executive directors (whether full time or part time) of the Company, any subsidiary or any Investee;
“Eligible Participant”	means: <ul style="list-style-type: none">(a) any Eligible Employee;(b) any non-executive director (including any independent non-executive director) of the Company, any subsidiary or any entity in which the Company or any of its subsidiaries holds any investment;(c) Chief Executive or any Substantial Shareholder of the Company;(d) any consultant or professional advisor to the Company, any subsidiary or any Investee;

DEFINITIONS

	(e) any associate of Director, Chief Executive or Substantial Shareholder of the Company; or
	(f) any discretionary object of a discretionary trust established by any of the above-mentioned persons;
“Grantee”	means any Eligible Participant who accepts the offer of any Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	means the Company and its subsidiaries;
“Investee”	means any entity in which the Company or any of its subsidiaries holds any investment;
“Latest Practicable Date”	means 25 October, 2016 being the latest practicable date for ascertaining certain information in this circular;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Option”	means an option to subscribe for the Ordinary Shares granted pursuant to the Share Option Scheme;
“Ordinary Share(s)”	means ordinary share(s) of HK\$0.01 in the capital of the Company;
“Other Schemes”	means other share option schemes (if any) adopted by any member of the Group from time to time providing for grants of options over Ordinary Shares;
“Ordinary Shareholders”	means holders of Ordinary Shares;
“Preference Shares”	means the convertible redeemable preference shares of HK\$0.01 each in the share capital of the Company;
“Preference Shareholders”	means holders of Preference Shares;

DEFINITIONS

“Proposed Refreshment”	means the proposed refreshment of the Scheme Mandate Limit so that the Company may grant new options under the Share Option Scheme to subscribe for new Ordinary Shares representing in aggregate up to 10% of its issued Ordinary Share capital as at the date of the Annual General Meeting;
“Repurchase Mandate”	means the proposed general mandate to the Directors to exercise the powers of the Company to repurchase the Ordinary Shares representing up to a maximum of 10% of the aggregate nominal amount of the Ordinary Shares of the Company in issue as at the date of the passing of the relevant resolution;
“Scheme Mandate Limit”	means the maximum number of Ordinary Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any Other Schemes (which initially did not in aggregate exceed 10% of the Ordinary Shares in issue as at the date of adoption of the Share Option Scheme), which may be refreshed pursuant to the rules of the Share Option Scheme;
“Share Option Scheme”	means the share option scheme currently in force and adopted by the Company on 8 December, 2015;
“Shareholders”	means Ordinary Shareholders and/or Preference Shareholders, as the context may indicate;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	means a substantial shareholder (as that term is defined in the Listing Rules) of the Company; and
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD

PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495 and 642 (Preference Shares))

Directors:

Dr. Oung Shih Hua, James (*Chairman*)

Mr. Chan Chi Ho[#]

Mr. Yuen Chi Wah[#]

Dr. Au Chik Lam Alexander^{*}

Mr. Liu Man Kin Dickson^{*}

Prof. Huang Weizong Martin^{*}

[#] *Non-Executive Director*

^{*} *Independent Non-Executive Directors*

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

*Head office and principal
place of business:*

Suite 2304, 23rd Floor
Sun Life Tower
The Gateway
Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

31 October 2016

To Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SECURITIES,
RE-ELECTION OF RETIRING DIRECTORS,
PROPOSED REFRESHMENT OF LIMIT UNDER
SHARE OPTION SCHEME,
NOTICE OF ANNUAL GENERAL MEETING
AND
NOTICE OF CLASS MEETING**

INTRODUCTION

At the Annual General Meeting of Paladin to be held on 12 December, resolutions will be proposed (i) to grant to the Directors a general mandate to issue Shares of each class of existing securities; (ii) to grant to the Directors a general mandate to repurchase Ordinary Shares; (iii) to re-elect retiring Directors and (iv) to refresh the limit under the Share Option Scheme. At the Class Meeting to be held on 12 December 2016, a resolution will be proposed to grant to the directors of the Company a general mandate to issue shares of each class of existing securities.

LETTER FROM THE BOARD

This circular contains the explanatory statement in compliance with the Listing Rules and to give all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to approve the mandates to the Directors for the issue and allotment of new shares of the Company and the repurchase by the Company of its own shares and to approve Proposed Refreshment.

GENERAL MANDATE TO ISSUE SHARES

Approval will be sought from shareholders of the Company to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with new shares in the capital of the Company amounting to up to 20% of the aggregate nominal amount of Ordinary Shares (as hereinafter defined) of the Company in issue, including for the avoidance of doubt the Preference Shares, by way of an ordinary resolution to be proposed at the Annual General Meeting. The Directors wish to state that they have no immediate plans to issue any new shares pursuant to such general mandate. In the event that it becomes desirable for the Company to issue any new shares, the Directors are given flexibility and discretion to allot and issue new shares amounting to up to 20% of the aggregate nominal amount of each class of securities of the Company as at the date of the passing of the relevant resolution and by adding to such mandate the number of Ordinary Shares repurchased by the Company pursuant to the Repurchase Mandate (as hereinafter defined).

As the Latest Practicable Date, the total numbers of issued Ordinary Shares and Preference Shares were 1,309,088,769 and 69,073,529 respectively. Subject to the passing and pursuant to the terms of the ordinary resolution regarding the general mandate to issue shares and on the basis that no further Ordinary Share and Preference Shares are issued or converted prior to the Annual General Meeting, the Company would be allowed under the general mandate to issue a maximum of 261,817,753 new Ordinary Shares and 13,814,705 new Preference Shares.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to approve the granting of a general mandate to the Directors to exercise the powers of the Company to repurchase the Ordinary Shares representing up to a maximum of 10% of the aggregate nominal amount of the Ordinary Shares of the Company in issue as at the date of the passing of the relevant resolution.

An explanatory statement as required under the Listing Rules to provide the requisite information for your consideration of the Repurchase Mandate is set out in Appendix I hereto.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 99 of the Company's Bye-laws, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office by rotation. Accordingly, Dr. Oung Shih Hua, James and Mr. Chan Chi Ho will retire by rotation at the Annual General Meeting.

Dr. Oung Shih Hua, James and Mr. Chan Chi Ho being eligible, have offered themselves for re-election at the Annual General Meeting. Details of such Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROPOSED REFRESHMENT

The Company adopted the Share Option Scheme on 8 December, 2015. The purpose of the Share Option Scheme is to provide the Group with a flexible means of giving incentives to and rewarding, and/or providing benefits to Eligible Participants to provide the Eligible Participants with an opportunity to acquire personal stakes in the Group and to build common objectives of the Group and the Eligible Participants for the betterment of the Group as a whole.

Under the Share Option Scheme, the original number of Ordinary Shares which may be issued upon the exercise of all Options granted or to be granted under the Share Option Scheme was 133,744,710 representing approximately 10% of the issued Ordinary Share capital of the Company then in issue.

Subject to Shareholders' approval, the Company may at any time refresh the Scheme Mandate Limit to grant Options over Ordinary Shares as shall represent 10% of the issued share capital of the Company as at the date of passing of the relevant resolution provided that:

- (i) the Scheme Mandate Limit so refreshed must not exceed 10% of the Ordinary Shares in issue at the date of Shareholders' approval of the refreshed Scheme Mandate Limit; and
- (ii) Options previously granted under the Share Option Scheme and Other Schemes (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

Notwithstanding the foregoing, the number of Ordinary Shares to be issued upon the exercise of all the Options granted and yet to be exercised under the Share Option Scheme and Other Schemes must not exceed 30% of the Ordinary Shares in issue from time to time.

At the Latest Practicable Date, 131,000,000 Options remained outstanding, representing approximately 10.01% of the issued Ordinary Share capital of the Company. At the Latest Practicable Date, save for the 69,073,529 Preference Shares, 131,000,000 share options outstanding under the Share Option Scheme and Other Schemes and outstanding convertible notes with an aggregate face value of HK\$16,713,552.75 which can be converted into 66,854,211 Ordinary Shares representing approximately 5.11% of the issued Ordinary Share capital of the Company, there were no outstanding options, warrants, convertible securities or other rights to subscribe for Shares.

At the Latest Practicable Date, there were 1,309,088,769 Ordinary Shares in issue. Assuming no further issue of Ordinary Shares prior to the Annual General Meeting, upon refreshment of the Share Option Scheme Limit by the Ordinary Shareholders at the Annual General Meeting, the Company may grant Options entitling holders thereof to subscribe for up to a maximum number of 130,908,876 Ordinary Shares, representing approximately 10% of the issued Ordinary Share capital of the Company at the date of Annual General Meeting.

LETTER FROM THE BOARD

Accordingly, the total number of Ordinary Shares which may be issued upon exercise of all Options to be granted under the refreshed Share Option Scheme and any Other Schemes will not exceed 10% of the issued Ordinary Share capital of the Company as at the date of the Annual General Meeting. No Options may be granted if this will result in the number of Ordinary Shares which may be issued upon exercise of all Options granted and yet to be exercised under the Share Option Scheme and any Other Schemes exceeding the 30% limit.

The Proposed Refreshment is conditional upon:

- (i) the passing of a resolution at the Annual General Meeting to approve the Proposed Refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Ordinary Shares which may fall to be issued upon the exercise of Options that may be granted under the Share Option Scheme under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in the Ordinary Shares, representing 10% of the Ordinary Shares in issue at the Annual General Meeting, which may fall to be issued upon the exercise of the Options that may be granted under the refreshed Scheme Mandate Limit.

The Directors consider that the Proposed Refreshment is in the best interests of the Company and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other selected Eligible Participants under the Share Option Scheme. The Proposed Refreshment is in line with the purpose of the Share Option Scheme.

ANNUAL GENERAL MEETING AND CLASS MEETING

The notices convening the Annual General meeting and the Class Meeting are set out on pages 4 to 21 of this circular.

The forms of proxy for use at the Annual General meeting and the Class Meeting are enclosed. Whether or not you are able to attend the Annual General Meeting and/or the Class Meeting, you are requested to complete the relevant form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investors Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time appointed for holding the Annual General Meeting and the Class Meeting. Completion and return of the relevant form of proxy will not preclude you from attending and voting at the Annual General Meeting or the Class Meeting (as the case may be) if you so wish.

LETTER FROM THE BOARD

VOTING AT THE ANNUAL GENERAL MEETING AND CLASS MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting of the Company must be taken by poll. Therefore the chairman of the meetings will demand a poll on each of the resolutions put to the vote at the Annual General Meeting and the Class Meeting. The results of the polls will be published on the websites of the Stock Exchange and the Company after the Annual General Meeting and the Class Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are formed on bases and assumptions that are fair and reasonable.

RECOMMENDATION

The Directors consider that the granting of general mandates to issue shares, the Repurchase Mandate, re-election of the retiring directors and Proposed Refreshment are each in the best interests of the Company and its shareholders, and accordingly, recommend all shareholders entitled to vote, to vote in favour of the resolutions to be proposed at the Annual General Meeting and the Class Meeting.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
Oung Shih Hua, James
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the repurchase mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date the issued ordinary share capital of the Company was HK\$13,090,887.69 divided into 1,309,088,769 Ordinary Shares.

Subject to the passing and pursuant to the terms of the ordinary resolution regarding the Repurchase Mandate and on the basis that no further Ordinary Shares are issued or repurchased prior to the Annual General Meeting to be held on 12 December 2016, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 130,908,876 Ordinary Shares.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders as a whole. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per Ordinary Share and will only be made when the Directors believe that such repurchase will benefit the Company and its shareholders as a whole.

3. FUNDING OF REPURCHASE AND MATERIAL ADVERSE IMPACT

In repurchasing Ordinary Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-Laws and the laws of Bermuda. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for dividend or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the profits that would otherwise be available for dividend or out of the share premium or contributed surplus accounts of the Company.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in its annual report for the year ended 30 June 2016 in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. ORDINARY SHARES PRICES

The highest and lowest prices at which the Ordinary Shares have traded on the Stock Exchange during the current month and each of the previous twelve months before the printing of this circular were as follows:

	Ordinary Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
October	0.365	0.310
November	0.365	0.310
December	0.360	0.310
2016		
January	0.330	0.290
February	0.355	0.300
March	0.420	0.325
April	0.365	0.330
May	0.380	0.300
June	0.345	0.300
July	0.345	0.300
August	0.450	0.310
September	0.450	0.355
October (up to the Latest Practicable Date)	0.465	0.365

5. UNDERTAKING AND EFFECT OF REPURCHASE

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates as defined in the Listing Rules, have any present intention to sell any securities of the Company to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell securities of the Company to the Company or its subsidiaries or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

If a shareholder's proportionate interest in the voting rights of the Company increases upon exercise of the powers to repurchase securities of the Company pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer for all Shares in issue at the time in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Oung Da Ming, Cityguard Holdings Limited, Gold Seal Holdings Limited and Next Level Corporate Limited, substantial shareholders of the Company, together with parties acting in concert beneficially held 902,907,472 Ordinary Shares, representing approximately 68.97% of the issued Ordinary Shares of the Company. To the best knowledge of the Company, no other person, together with any associates thereof, was beneficially interested in Ordinary Shares representing 10% or more of the entire issued Ordinary Shares of the Company as at the Latest Practicable Date.

In the event that the Directors exercise in full the power to repurchase the Ordinary Shares which is proposed to be granted pursuant to the Repurchase Mandate then (if the present shareholders' interests in Shares remained the same) the attributable shareholding of Mr. Oung Da Ming, Cityguard Holdings Limited, Gold Seal Holdings Limited, Next Level Corporate Limited and the parties acting in concert with them in the Company would be increased to approximately 76.64% of the issued Ordinary Shares of the Company. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code, but would reduce the issued Ordinary Shares to less than 25%. In any event, the Repurchase Mandate will be exercised only if the number of Ordinary Shares held by the public would not fall below 25%.

The Directors are not aware of any consequences which would arise under Takeovers Code as a result of any repurchases pursuant to the general mandate.

6. SECURITIES REPURCHASE MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company had repurchased its Shares on the Stock Exchange as follows:

Date of repurchase	Number of shares repurchased	Highest price paid HK\$	Lowest price paid HK\$
24 June 2016	3,005,000	0.30	0.30
27 June 2016	5,000	0.30	0.30
28 June 2016	1,545,000	0.30	0.30
29 June 2016	280,000	0.30	0.30
7 July 2016	670,000	0.30	0.30
8 July 2016	1,320,000	0.30	0.30
	<u>6,825,000</u>		

Particulars of Directors standing for re-election are as follows:

Dr. Oung Shih Hua, James, aged 41, joined the Group in 1995. He holds a Bachelor of Science degree in finance and international business from New York University, a master's degree in psychology, and a Doctorate of Philosophy in applied psychology from East China Normal University. Dr. Oung is also a designated Fellow at Life Management Institute (FLMI) and is teaching graduate students part time in the People's Republic of China. He is currently the chairman of a private technology company. Dr. Oung has not held any directorship in other public listed company in the past three years preceding the Latest Practicable Date.

Dr. Oung is a director of each of Cityguard Holdings Limited, Five Star Investments Limited, Basurto Holdings Limited and Next Level Corporate Limited. Cityguard Holdings Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of Five Star Investments Limited, legally and beneficially owns 38.87% of the Ordinary Shares. Next Level Corporate Limited, a company incorporated in British Virgin Islands legally and beneficially owned 11.46% of the Ordinary Shares of the Company.

The shares in Basurto Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, are held by Dr. Oung's uncle, Mr. Oung Da Ming on trust for the estate of Dr. Oung's deceased grandmother, Ms. Oung Chin Liang Fung (as to 67%) and Dr. Oung's aunt, Ms. Lilian Oung (as to 33%). Mr. Oung Da Ming personally interested in 5.73% of Ordinary Shares of the Company and thought his interest in Gold Seal Holdings Limited, has interest in 12.10% of Ordinary Shares of the Company. Save as disclosed herein, he does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

At the Latest Practicable Date, Dr. Oung was interested or deemed to be interested in 10,500,000 Ordinary Shares, 2,500,000 Preference Shares and 13,100,000 underlying Ordinary Shares in respect of shares options granted to him under the Share Options Scheme of the Company within the meaning of Part XV of the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong).

Mr. Oung has not entered into a service contract with the Company and has no fixed term of service with the Company but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-Laws of the Company. The director's fee of Mr. Oung is determined by the Board with reference to the remuneration benchmark in the industry and the prevailing market conditions. For the year ended 30 June 2016, Mr. Oung received a director's fee of HK\$1,294,000.

Mr. Chan Chi Ho, aged 45, first joined the Group as company secretary in 2003 and was appointed as non-executive director on 1 August 2014. Prior to joining to the Group, Mr. Chan worked in an international accounting firm and served as its audit manager. He has over 21 years of experience in accounting and financial management. Mr. Chan holds a Bachelor of Arts degree in business studies and a master's degree in corporate governance from The Hong Kong Polytechnic University. He is a fellow member of both The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. He also is a member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. Mr. Chan has not held any directorship in other public listed company in the past three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Chan was interested or deemed to be interested in 13,100,000 underlying Ordinary Shares in respect of share options granted to him under the share options scheme of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Chan does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Chan has not entered into a service contract with the Company and has no fixed term of service with the Company but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-Laws of the Company. The director's fee of Mr. Chan is determined by the board with reference to the remuneration benchmark in the industry and the prevailing market conditions. For the year ended 30 June 2016, Mr. Chan received a director's fee of HK\$260,000.

Save as disclosed above, there are no other matters concerning all the aforesaid retiring Directors that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495 and 642 (Preference Shares))

NOTICE IS HEREBY given that the Annual General Meeting of the Company, excluding holders of the convertible redeemable preference shares of the Company, will be held at the Marina Room, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Castle Peak Bay, Tuen Mun, Hong Kong on 12 December 2016 at 11:00 a.m. for the following purposes.

1. to receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2016;
2. (a) to re-elect Dr. Oung Shih Hua, James as executive director of the Company;
(b) to re-elect Mr. Chan Chi Ho as non-executive director of the Company;
3. to fix the directors' remuneration;
4. to appoint Deloitte Touche Tohmatsu as auditors for the ensuing year and to authorise the directors to fix their remuneration;
5. to pass the Ordinary Resolution:

“THAT:

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company, including for avoidance of doubt the convertible redeemable preference shares of HK\$0.01 each of the share capital of the Company, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval given in paragraph (i) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time, (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of each class of existing securities of the Company in issue at the date of this resolution and the said approval shall be limited accordingly; and

(iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company’s Bye-Laws to be held;
or
- (c) the time at which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting; and

(v) for the purpose of this Resolution, “Rights Issue” means the allotment, issue or grant of shares pursuant to an offer of shares or other securities open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

6. to pass the Ordinary Resolution:

“**THAT:**

(i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase issued ordinary shares in the capital of the Company on the terms and subject to the conditions set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company;
- (iii) the aggregate nominal amount of the ordinary shares purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (i) above shall not exceed the aggregate of 10 percent of the aggregate nominal amount of the ordinary shares of the Company in issue as at the time of passing this resolution; and
- (iv) for the purposes of this resolution:

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company’s Bye-Laws to be held;
or
- (c) the time at which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”

7. to pass the Ordinary Resolution:

“**THAT** conditional upon the passing of ordinary resolutions numbered 5 and 6 set out in the notice of this meeting, the aggregate nominal amount of the ordinary shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company in the said ordinary resolution numbered 6 shall be added to the aggregate nominal amount of the issued ordinary shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the said ordinary resolution numbered 5.”

NOTICE OF ANNUAL GENERAL MEETING

8. to pass the Ordinary Resolution:

“**THAT** conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the ordinary shares of HK\$0.10 each in the Company (“Ordinary Shares”) falling to be issued and allotted pursuant to options that may be granted under the share option scheme of the Company adopted on 8 December 2015 (the “Share Option Scheme”), the refreshment of the existing limit in respect of the grant of options to subscribe for Ordinary Shares under the Share Option Scheme be and is hereby approved provided that the aggregate number of Ordinary Shares which may be allotted or issued pursuant to the exercise of options to be granted under the Scheme and any other schemes of the Company (excluding options previously granted (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or such other scheme(s) of the Company)) shall not exceed 10% of the aggregate number of Ordinary Shares in issue at the date of passing this resolution (the “Refreshed Mandate Limit”), the Share Option Scheme be and is hereby approved and the Directors be and are hereby authorised to grant options under the Share Option Scheme up to the Refreshed Mandate Limit and to allot, issue and deal with Ordinary Shares pursuant to the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement the Share Option Scheme as so refreshed.”

By Order of the Board
Chan Chi Ho
Company Secretary

Hong Kong, 31 October 2016

Head Office and Principal Place of Business:

Suite 2304, 23rd Floor
Sun Life Tower
The Gateway
Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

As at the date of this notice, the executive director of the Company is Dr. Oung Shih Hua, James; the non-executive directors are Mr. Chan Chi Ho and Mr. Yuen Chi Wah; and the independent non-executive directors of the Company are Dr. Au Chik Lam Alexander, Mr. Liu Man Kin Dickson and Prof. Huang Weizong Martin.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's Hong Kong Share Registrars, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than forty-eight hours before the time appointed for holding the meeting.
3. The Transfer Books and Register of Members of the Company will be closed from 7 December 2016 to 9 December 2016 both days inclusive.
4. Concerning Resolution No. 5 above, approval is being sought from Members for a general mandate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, in order to ensure flexibility and discretion to the directors of the Company in the event that it becomes desirable to issue any shares of the Company up to 20 percent of each class of existing securities.
5. In relation to Resolution No. 6 above, the directors of the Company wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision on how to vote on this Resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in the circular of which this notice forms part.

NOTICE OF CLASS MEETING

PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495 and 642 (Preference Shares))

NOTICE IS HEREBY given that a Class Meeting of the holders of the convertible redeemable preference share of the Company, will be held at the Marina Room, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Castle Peak Bay, Tuen Mun, Hong Kong on 12 December 2016 at 11:15 a.m. or so soon thereafter as the Annual General Meeting of the Company convened for the same date and place shall have concluded or been adjourned, to pass the Ordinary Resolution:

1. **“THAT:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company, including for the avoidance of doubt the convertible redeemable preference shares of HK\$0.01 each of the share capital of the Company, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval given in paragraph (i) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time, (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of each class of existing securities of the Company in issue at the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF CLASS MEETING

(iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company’s Bye-Laws to be held;
or
- (c) the time at which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting; and

(v) for the purpose of this Resolution, “Rights Issue” means the allotment, issue or grant of shares pursuant to an offer of shares or other securities open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

By Order of the Board
Chan Chi Ho
Company Secretary

Hong Kong, 31 October 2016

Head Office and Principal Place of Business:

Suite 2304, 23rd Floor
Sun Life Tower
The Gateway
Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

As at the date of this notice, the executive director of the Company is Dr. Oung Shih Hua, James; the non-executive directors are Mr. Chan Chi Ho and Mr. Yuen Chi Wah; and the independent non-executive directors of the Company are Dr. Au Chik Lam Alexander, Mr. Liu Man Kin Dickson and Prof. Huang Weizong Martin.

NOTICE OF CLASS MEETING

Notes:

1. Any Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's Hong Kong Share Registrars, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than forty-eight hours before the time appointed for holding the meeting.
3. The Transfer Books and Register of Members of the Company will be closed from 7 December 2016 to 9 December 2016 both days inclusive.
4. Concerning Resolution No. 1 above, approval is being sought from Members for a general mandate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, in order to ensure flexibility and discretion to the directors of the Company in the event that it becomes desirable to issue any shares of the Company up to 20 percent of each class of existing securities.