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PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495)

CHANGE IN USE OF PROCEEDS OF OPEN OFFER

The 2021 Annual Report disclosed a further 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. It also disclosed that negotiations for the purchase were impaired and have now halted as a result of the coronavirus pandemic.

The Company has as a result decided to change the use of proceeds of the Open Offer, from purchase of land and construction of facilities to general working capital.

This announcement is supplemental to the Company's open offer of convertible notes made on 28 November, 2017 (the "Open Offer"), its announcement dated 12 August, 2020 and its annual report for the year ended 30 June, 2021 published on 28 October, 2021 (the "2021 Annual Report").

The Company disclosed in the 2021 Annual Report, amongst other things, that as at 30 June, 2021 it had unutilised proceeds from the Open Offer including (i) HK\$7.8 million for purchase of land, and (ii) HK\$39 million for construction of facilities. It also disclosed that negotiations for the purchase were impaired and have now halted as a result of the coronavirus pandemic.

The land in question is in Vietnam and was to be acquired for use by the Company's subsidiary incorporated in and managed from Finland. As the facilities that were intended to be financed by the HK\$39 million earmarked for construction of facilities were intended to be built on land the acquisition of which is no longer being negotiated they can no longer be used for that purpose. Given the uncertainties created by the coronavirus pandemic, and that the Company does not know if and when these uncertainties will be resolved, the Company has decided to change the use of proceeds of the Open Offer to general working capital.

The Board considers this change in use of proceeds to be in the best interests of the Company and its shareholders as a whole as it will free up cash resources that prior to the change were allocated to a potential project that did not materialise, and provided no material benefit to the Company.

Further announcements will be made if and when appropriate.

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

Hong Kong, 14 December 2021

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*)

Au Chik Lam Alexander (*Independent non-executive director*)

Liu Man Kin Dickson (*Independent non-executive director*)

Luo Rongxuan (*Independent non-executive director*)