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# **PALADIN LIMITED**

*(incorporated in Bermuda with limited liability)*  
(Stock Code: 495 and 642 (Preference Shares))

**OPEN OFFER OF  
CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF HK\$0.01 EACH  
IN THE PROPORTION OF  
ONE CONVERTIBLE REDEEMABLE PREFERENCE SHARE  
FOR EVERY TWO ORDINARY SHARES AND FOR EVERY TWO  
CONVERTIBLE REDEEMABLE PREFERENCE SHARES  
HELD ON THE RECORD DATE  
AT HK\$0.50 PER CONVERTIBLE REDEEMABLE PREFERENCE SHARE**

**TERMINATION OF THE OPEN OFFER  
AND  
RESUMPTION OF TRADING**

The open offer closed for acceptance on Thursday, 3rd January, 2008. The open offer was subject to, among other things, the underwriting agreement in respect of the open offer becoming unconditional in all respects.

The open offer was subject to the satisfaction of certain conditions by no later than certain dates.

Not all conditions were satisfied by the relevant dates and the open offer has terminated.

Trading in the securities of Paladin on the Stock Exchange was suspended at 09:30 on Tuesday, 8th January 2008 pending publication of this announcement. Paladin has requested a resumption of trading in its securities from 09:30 on Thursday, 10th January 2008.

Reference is made to the announcements of Paladin dated 4th, 13th, and 19th September, 2007, 17th and 30th October, 2007 and 14th and 29th November, 2007, the circular dated 14th September, 2007 and the prospectus (the "Prospectus") dated 7th December, 2007. Unless otherwise defined herein, terms and expressions used in this announcement shall have the same meanings used in the Prospectus.

## **UNDERWRITING ARRANGEMENT**

The open offer was subject to, among other things the satisfaction of certain conditions by certain dates.

Not all conditions were satisfied by the relevant dates and the open offer has terminated. No certificates for Preference Shares will be despatched and any moneys paid on application will be returned as soon as practicable.

## RESOURCES

The Paladin group had unaudited bank balance and cash of approximately HK\$1.13 million as at 10 September 2007 and would be unlikely to possess sufficient internal resources to cover the budgeted expenses for the proposed development of a manufacturing facility at Wuhan East Lake High Technology Development Zone and future expansion of Sensors Integration Technology in high risk investments. The open offer of Preference Shares was to enable Paladin to raise expediently the funds required for financing the proposed development at Wuhan East Lake High Technology Development Zone and future expansion of Sensors Integration Technology in high risk investments. The directors of Paladin consider that the Paladin group will have sufficient resources for its continuing operations despite the termination of the open offer but will not have sufficient funds for financing the proposed development at Wuhan East Lake High Technology Development Zone and future expansion of Sensors Integration Technology in high risk investments unless and until it is able to raise capital to replace the anticipated proceeds of the open offer. Further announcements will be made, if and when appropriate, to update investors about the proposed development of a manufacturing facility at Wuhan East Lake High Technology Development Zone and future expansion of Sensors Integration Technology.

## SUSPENSION AND RESUMPTION OF TRADING IN SHARES IN PALADIN

Trading in the securities of Paladin on the Stock Exchange was suspended at 09:30 on Tuesday, 8th January 2008 pending publication of this announcement. Paladin has requested a resumption of trading in its securities from 09:30 on Thursday, 10th January 2008.

As at the date of this announcement, the board of directors of Paladin comprises:

Law Fong (*Executive director*)

Chen Te Kuang Mike (*Executive director*)

Oung Shih Hua, James (*Non-executive director*)

Zhu Pei Qing (*Independent non-executive director*)

Lu Ti Fen (*Independent non-executive director*)

Kwok Wai Chi (*Independent non-executive director*)

By order of the Board

**Paladin Limited**

**Law Fong**

*Chairman*

Hong Kong, 9th January, 2008

*The directors of Paladin jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the extent of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*