



(Stock Code: 617)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Paliburg Holdings Limited (the "Company") will be held at Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Monday, 19th July, 2004 at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTION NO. 1

"THAT:

- (A) the performance by Regal Hotels International Holdings Limited ("Regal", presently a subsidiary of the Company) of the subscription agreements (the "Subscription Agreements", a copy each of which has been produced to this meeting marked "A" and initialled by the Chairman of this meeting for identification purpose) both dated 3rd June, 2004, one entered into between Cheerview Limited (the "Issuer", a wholly-owned subsidiary of Regal), Regal and Clovering Enterprise Limited, and the other entered into between the Issuer, Regal, Finance Noble Limited and Leader Advance Limited, relating to the proposed issue of 2% Guaranteed Convertible Bonds due 2007 for an aggregate principal amount of up to HK\$400 million (the "Bonds"), the principal terms and conditions of which are set out or referred to in the circular to holders of ordinary shares of HK\$0.01 each in the share capital of the Company dated 30th June, 2004, a copy of which has been produced to this meeting marked "B" and initialled by the Chairman of this meeting for identification purpose, be and is hereby approved;
- (B) the issue of the Bonds by the Issuer upon the terms and conditions as set out in the Subscription Agreements be and is hereby approved;
- (C) the issue and allotment of new ordinary shares of HK\$0.01 each in the share capital of Regal (the "Regal Shares") upon the due exercise of the conversion rights attaching to the Bonds be and is hereby approved; and
- (D) the directors of the Company be and are hereby authorised to do all such acts and things as they may, in their absolute discretion, consider necessary, desirable or expedient to effect, implement and complete any or all other transactions contemplated in this resolution."

ORDINARY RESOLUTION NO. 2

"THAT the directors of the Company be and are hereby authorised to (i) determine whether or not to exercise the right to subscribe for the ordinary shares of HK\$0.01 each in the share capital of Regal Hotels International Holdings Limited ("Regal", presently a subsidiary of the Company) under the warrants which may be issued by Regal pursuant to a proposed bonus issue, the principal terms and conditions of which are set out or referred to in the circular to holders of ordinary shares of HK\$0.01 each in the share capital of the Company dated 30th June, 2004, a copy of which has been produced to this meeting marked "B" and initialled by the Chairman of this meeting for identification purpose; and (ii) do all such acts and things as they may, in their absolute discretion, consider necessary, desirable or expedient to effect, implement and complete any or all other transactions contemplated in this resolution."

Hong Kong, 30th June, 2004

Head office and principal place of business:
18th Floor, Paliburg Plaza
68 Yee Wo Street
Causeway Bay
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, must be deposited at the office of the Company's branch share registrar in Hong Kong, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 36 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting, as the case may be. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting if members so desire.

As at the date of this announcement, the board of directors of the Company comprises Mr. LO Yuk Sui (Chairman and Managing Director), Mr. Donald FAN Tung (Executive Director), Mrs. Kitty LO LEE Kit Tai (Non-Executive Director), Mr. Jimmy LO Chun To (Executive Director), Mr. Kenneth NG Kwai Kai (Executive Director), Mr. NG Siu Chan (Independent Non-Executive Director), Hon Abraham SHEK Lai Him, JP (Independent Non-Executive Director) and Dr. Alex WU Shu Chih, CBE, LL D, FBIM FIOP, F Inst D, JP (Independent Non-Executive Director).

By Order of the Board
Eliza Lam Sau Fun
Company Secretary

Registered office:
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda