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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your ordinary shares in **Paliburg Holdings Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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.

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**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE ORDINARY SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2012 Annual General Meeting of Paliburg Holdings Limited (the “Company”) to be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 30th May, 2012 at 11:45 a.m. is appended to this circular. If you do not propose to attend the Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the Meeting or at any adjourned meeting should you so wish, and in the event that you turn out for such meeting(s) after sending in the proxy form, the proxy shall be deemed to be revoked.

30th April, 2012

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context requires otherwise:*

“2011 Annual Report”	the annual report of the Company for the year ended 31st December, 2011
“2012 AGM”	the annual general meeting of the Company convened to be held on Wednesday, 30th May, 2012 at 11:45 a.m.
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors, presently comprising six Executive Directors and four Independent Non-Executive Directors, all as named in the Letter from the Chairman contained in this circular
“Bye-laws”	the bye-laws of the Company
“Century”	Century City International Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Century City Group”	Century, the Company and Regal, together with their respective subsidiaries (in respect of Regal, not including Regal REIT and its subsidiaries)
“CCIHL Group”	Century and the Company, together with their respective subsidiaries
“Companies Act”	The Companies Act 1981 of Bermuda
“Company”	Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability, the Ordinary Shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholders”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24th April, 2012, being the latest practicable date for the purposes of ascertaining certain information in this circular

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## DEFINITIONS

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“listed public companies”	public companies which securities are listed on any securities market in Hong Kong or overseas
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Notice of 2012 AGM”	the notice convening the 2012 AGM appended to this circular
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as set out in the Notice of 2012 AGM
“Ordinary Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Regal”	Regal Hotels International Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Regal REIT”	Regal Real Estate Investment Trust, a Hong Kong collective investment scheme authorised under section 104 of the SFO, the units of which are listed on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors in such manners as set out in Ordinary Resolution 5(A) contained in the Notice of 2012 AGM relating to the repurchase of Ordinary Shares
“Repurchase Proposal”	the proposal with respect to the repurchase of Ordinary Shares pursuant to the Repurchase Mandate, details of which proposal are set out in “Appendix II — Explanatory Statement on Repurchase of Ordinary Shares” to this circular
“Retiring Directors”	those Directors who, as named under the section headed “Re-election of Directors” in the Letter from the Chairman contained in this circular, will retire at the 2012 AGM pursuant to the Bye-laws
“RHIHL Group”	Regal and its subsidiaries (not including Regal REIT and its subsidiaries)
“RPML”	Regal Portfolio Management Limited, a wholly owned subsidiary of Regal and the manager of Regal REIT
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of Ordinary Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“substantial shareholders”	has the meaning ascribed thereto in the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“%”	per cent

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## LETTER FROM THE CHAIRMAN

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*Executive Directors:*

LO Yuk Sui (*Chairman and Chief Executive Officer*)  
Donald FAN Tung (*Chief Operating Officer*)  
Jimmy LO Chun To  
LO Po Man  
Kenneth NG Kwai Kai  
Kenneth WONG Po Man

*Independent Non-Executive Directors:*

Bowen Joseph LEUNG Po Wing, GBS, JP  
NG Siu Chan  
Abraham SHEK Lai Him, SBS, JP  
WONG Chi Keung

*Head office and principal place  
of business:*

11th Floor, 68 Yee Wo Street  
Causeway Bay  
Hong Kong

*Registered office:*

Rosebank Centre, 11 Bermudiana Road  
Pembroke, Bermuda

30th April, 2012

*To the Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND  
REPURCHASE ORDINARY SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

The purpose of this circular is to provide the Shareholders with requisite information with respect to the resolutions to be proposed at the forthcoming 2012 AGM relating to the followings:

- (1) the re-election of the Retiring Directors who will retire and, being eligible, have offered themselves for re-election at the 2012 AGM;
- (2) the grant of a general mandate to the Directors for the issue of new Ordinary Shares in such manners as set out in Ordinary Resolutions 5(B) and 5(C) contained in the Notice of 2012 AGM; and
- (3) the grant of the Repurchase Mandate to the Directors for the Repurchase Proposal.

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## LETTER FROM THE CHAIRMAN

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### **Re-election of Directors**

In accordance with Bye-law 99 of the Bye-laws, the Retiring Directors, namely Mr. Jimmy LO Chun To, Miss LO Po Man and Mr. Kenneth NG Kwai Kai, all being Executive Directors, and Hon Abraham SHEK Lai Him, an Independent Non-Executive Director, will retire from office by rotation at the 2012 AGM.

The Retiring Directors, being eligible, have offered themselves for re-election at the 2012 AGM.

The re-election of the Retiring Directors at the 2012 AGM will not be for any specific term of office, but the Retiring Directors will be subject to retirement by rotation at least once every three years in accordance with the Bye-laws. The particulars of the Retiring Directors offering for re-election, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

### **General Mandate to Issue Ordinary Shares**

The Directors wish to seek the approval of the Shareholders (i) to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Ordinary Shares up to 20% of the Ordinary Shares in issue as at the date of the passing of the proposed Ordinary Resolution 5(B) as set out in the Notice of 2012 AGM, and (ii) to extend the 20% share issuing mandate to be granted pursuant to Ordinary Resolution 5(B) by adding to such mandate the number of Ordinary Shares repurchased by the Company pursuant to the Repurchase Mandate.

Based on 1,148,707,474 Ordinary Shares in issue as at the Latest Practicable Date and on the assumption that there will be no variation in the issued ordinary share capital of the Company during the period up to the date of the 2012 AGM on 30th May, 2012, the Company would be allowed to allot and issue a maximum number of 229,741,494 Ordinary Shares pursuant to the 20% share issuing mandate as set out in Ordinary Resolution 5(B).

There is no immediate plan for the issue by the Company of any new Ordinary Shares pursuant to the 20% share issuing mandate.

### **General Mandate to Repurchase Ordinary Shares**

The Directors wish to seek the approval of the Shareholders to the Repurchase Mandate for the Repurchase Proposal. The explanatory statement regarding the Repurchase Proposal required to be sent to the Shareholders in accordance with the Listing Rules is set out in Appendix II to this circular.

### **Notice of 2012 AGM**

The Notice of 2012 AGM is contained in pages 14 to 16 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules and Bye-law 70 of the Bye-laws, voting on all resolutions to be put forth to the Shareholders at the 2012 AGM will be taken by poll. The Company will announce the results of poll voting by way of publication of an announcement in accordance with the requirements under Rule 13.39(5) of the Listing Rules on the websites of the Stock Exchange and the Company, respectively.

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## LETTER FROM THE CHAIRMAN

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### **Recommendation from the Directors**

The Directors consider that the proposed grant of the Repurchase Mandate and the 20% share issuing mandate pursuant to the Ordinary Resolution 5(A) and the Ordinary Resolutions 5(B) and 5(C), respectively, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of these Ordinary Resolutions to be proposed at the 2012 AGM.

Yours faithfully,  
**LO YUK SUI**  
*Chairman*



**(I) Mr. Jimmy LO Chun To** (*Executive Director*)

**Mr. Jimmy Lo**, aged 38, was appointed to the Board as an Executive Director in 1999. He is also an executive director of Century and Regal and a non-executive director of RPML. Mr. Lo graduated from Cornell University, New York, U.S.A. with a Degree in Architecture. Apart from his involvement in the design of the Group's property projects and the hotel projects of the RHIHL Group, he undertakes responsibilities in the business development function of the Century City Group. Save as disclosed herein, Mr. Lo has not held any directorships in other listed public companies during the last three years.

Mr. Lo's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Lo has a service contract with the Group, which does not have a specific length of service and is determinable by either party on 3 months' notice. Under his service contract, he is presently entitled to receive from the Group an allocated monthly salary of HK\$81,900, which was determined by reference to industry norm and market conditions and based on the services rendered to the Group and, in addition, performance based discretionary bonus and other related employee benefits and allowances. Mr. Lo is also entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director. The normal Director's fee was determined based on the duties and responsibilities in respect of such office and was previously approved by the Shareholders at general meeting.

As at the Latest Practicable Date, Mr. Lo held the following interests in the securities of the Company and Century within the meaning of Part XV of the SFO:

- (1) interests directly held by Mr. Lo in 2,274,600 issued Ordinary Shares, representing approximately 0.20% of the issued ordinary share capital of the Company as at the Latest Practicable Date; and
- (2) interest directly held by Mr. Lo in 251,735 issued ordinary shares of Century, representing approximately 0.01% of the issued ordinary share capital of Century as at the Latest Practicable Date.

Details of the directorships of Mr. Lo in the substantial and controlling shareholders of the Company are disclosed under the section headed "Substantial Shareholders' Interests in Share Capital" in the Report of Directors contained in the 2011 Annual Report. Mr. Lo is the son of Mr. Lo Yuk Sui, the Chairman and Chief Executive Officer of the Company, and the brother of Miss Lo Po Man, an Executive Director of the Company. Save as disclosed herein, Mr. Lo does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Mr. Lo pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Lo.

**(II) Miss LO Po Man (*Executive Director*)**

Miss Lo, aged 32, was appointed to the Board as an Executive Director in 2007. Miss Lo graduated from Duke University, North Carolina, U.S.A. with a Bachelor Degree in Psychology. She is also an executive director of Century and Regal. Miss Lo joined the RHIHL Group in 2000 and has been involved in the marketing and sales functions of the RHIHL Group. Miss Lo is an executive director of the estate agency business of the RHIHL Group and has undertaken an active role in directing the marketing campaign of the Regalia Bay luxury residential development in Stanley, Hong Kong. She also undertakes responsibilities in the business development function of the RHIHL Group. Save as disclosed herein, Miss Lo has not held any directorships in other listed public companies during the last three years.

Miss Lo's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Miss Lo does not have a service contract with the Group. She is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director. The normal Director's fee was determined based on the duties and responsibilities in respect of such office and was previously approved by the Shareholders at general meeting. With respect to her executive role, Miss Lo is presently entitled to receive from the Group an allocated monthly salary of HK\$11,700, which was determined by reference to industry norm and market conditions and based on the services rendered to the Group and, in addition, performance based discretionary bonus and other related employee benefits and allowances.

As at the Latest Practicable Date, Miss Lo held the following interests in the securities of the Company and Century within the meaning of Part XV of the SFO:

- (1) interest directly held by Miss Lo in 1,116,000 issued Ordinary Shares, representing approximately 0.097% of the issued ordinary share capital of the Company as at the Latest Practicable Date; and
- (2) interests directly held by Miss Lo in 112,298 issued ordinary shares of Century, representing approximately 0.003% of the issued ordinary share capital of Century as at the Latest Practicable Date.

Details of the directorships of Miss Lo in the substantial and controlling shareholders of the Company are disclosed under the section headed "Substantial Shareholders' Interests in Share Capital" in the Report of Directors contained in the 2011 Annual Report. Miss Lo is the daughter of Mr. LO Yuk Sui and the sister of Mr. Jimmy Lo. Save as disclosed herein, Miss Lo does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

There is no information that is required to be disclosed by Miss Lo pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Miss Lo.

**(III) Mr. Kenneth NG Kwai Kai (Executive Director)**

**Mr. Kenneth Ng**, aged 57, was appointed to the Board as an Executive Director in 1995. Mr. Ng has been with the Century City Group since 1985 and is in charge of the corporate finance, company secretarial and administrative functions of the Century City Group. Mr. Ng is a Chartered Secretary. Mr. Ng is also an executive director and the chief operating officer of Century, an executive director of Regal and a non-executive director of Cosmopolitan International Holdings Limited, a company listed on the Stock Exchange. He also acted as an executive director of KH Investment Holdings Limited (“KH Investment”), a company listed on the Growth Enterprise Market of the Stock Exchange, since mid September 2011 (when KH Investment was a listed subsidiary of Century) until he resigned from such position in early March 2012. Save as disclosed herein, Mr. Ng has not held any directorships in other listed public companies during the last three years.

Mr. Ng’s directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Ng has a service contract with the Group, which does not have a specific length of service and is determinable by either party on 3 months’ notice. Under his service contract, he is presently entitled to receive from the Group an allocated monthly salary of HK\$40,000, which was determined by reference to industry norm and market conditions and based on the services rendered to the Group and, in addition, performance based discretionary bonus and other related employee benefits and allowances. Mr. Ng is also entitled to normal Director’s fee in the amount of HK\$100,000 per annum in acting as a Director. The normal Director’s fee was determined based on the duties and responsibilities in respect of such office and was previously approved by the Shareholders at general meeting.

As at the Latest Practicable Date, Mr. Ng directly held interests in 176,200 issued Ordinary Shares, representing approximately 0.015% of the issued ordinary share capital of the Company as at the Latest Practicable Date, within the meaning of Part XV of the SFO. Details of the directorships of Mr. Ng in the substantial and controlling shareholders of the Company are disclosed under the section headed “Substantial Shareholders’ Interests in Share Capital” in the Report of Directors contained in the 2011 Annual Report. Save as disclosed herein, Mr. Ng does not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

Mr. Ng acted as a director of (i) The New China Hong Kong Group Limited (“NCHKG”) and (ii) Villawood Development Limited (“Villawood”) and Hennic Properties Limited (“Hennic”), until the commencement of the creditors’ voluntary winding up of NCHKG and the appointment of provisional liquidators of Villawood and Hennic, respectively. Relevant details required to be disclosed pursuant to Rule 13.51(2)(l) of the Listing Rules are set out below:

- (1) NCHKG, of which certain subsidiaries of Century and Regal were financial creditors, is a company incorporated in Hong Kong and was the holding company of an investment and financial services group established in Hong Kong. Due to the Asian financial crisis in 1998, NCHKG experienced financial difficulties. With a view to assisting in the launch of a corporate rescue of NCHKG, Mr. Ng was appointed as a director of NCHKG on 30th September, 1998 and sat on its executive committee. The attempted corporate rescue of

NCHKG turned out to be unsuccessful and it went into a creditors' voluntary winding up on 1st March, 1999. Mr. Ng's only involvement in the management of NCHKG was principally related to the attempted corporate rescue of NCHKG since his appointment as one of its directors on 30th September, 1998. Except that the winding up process has still not been completed, there is no information accessible by Mr. Ng in his capacity as a past director of NCHKG that could ascertain the actual amounts involved, the possible outcome as well as the current status of NCHKG's winding up process.

- (2) Villawood, a company incorporated in the British Virgin Islands, and Hennic, a wholly owned subsidiary of Villawood incorporated in Hong Kong, (together, the "Villawood Companies"), were companies within a disposal group classified as held for sale, as disclosed in the audited consolidated financial statements of each of the CCIHL Group and the Group for the years ended 31st December, 2005 to 2011, respectively. The disposal group comprises Talent Faith Investments Ltd., the holding company holding 65% shareholding interest in Villawood, and the Villawood Companies, in which the Group no longer holds any beneficial interests. The remaining 35% shareholding interests in Villawood are held by two independent third parties. One of the two independent shareholders of Villawood (the "Relevant Villawood Shareholder") has petitioned for the winding up of the Villawood Companies, and court orders were granted by the High Court of Hong Kong on 12th May, 2009 for the appointment of provisional liquidators to Villawood and Hennic. The petitions by the Relevant Villawood Shareholder involved claims for advances made to the Villawood Companies in an aggregate amount of approximately HK\$76 million, but the Group has no knowledge at the present time of the possible outcome of the winding up process of the Villawood Companies.

Save as disclosed herein, there is no information that is required to be disclosed by Mr. Ng pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Ng.

**(IV) Hon Abraham SHEK Lai Him, SBS, JP (*Independent Non-Executive Director*)**

**Hon Abraham Shek**, aged 66, was invited to the Board as an Independent Non-Executive Director in 2002. Mr. Shek holds a Bachelor Degree of Arts. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region. He is also a Member of the Court of The Hong Kong University of Science & Technology, Member of both of the Court and the Council of The University of Hong Kong, Director of The Hong Kong Mortgage Corporation Limited and Vice Chairman of Independent Police Complaints Council. Mr. Shek is the chairman and an independent non-executive director of Chuang's China Investments Limited, the vice chairman, an independent non-executive director and a member of the audit committee of ITC Properties Group Limited, an independent non-executive director and a member of the audit committee of China Resources Cement Holdings Limited, Chuang's Consortium International Limited, Country Garden Holdings Company Limited, ITC Corporation Limited, Kosmopolito Hotels International Limited, Lifestyle International Holdings Limited, Midas International Holdings Limited, NWS Holdings Limited, SJM Holdings Limited and Titan Petrochemicals Group Limited, and an independent non-executive director of Hop Hing Group Holdings Limited, Hsin Chong Construction Group Limited and MTR Corporation Limited, all of which companies are listed on the Stock Exchange. He is also an independent non-executive director and a member of the audit committee of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (which is listed on the Stock Exchange), and RPML. Save as disclosed herein, Mr. Shek has not held any directorships in other listed public companies during the last three years.

Mr. Shek's directorship with the Company is subject to retirement by rotation at least once every three years pursuant to the relevant provisions under the Bye-laws. Mr. Shek does not have a service contract with the Group. He is entitled to normal Director's fee in the amount of HK\$100,000 per annum in acting as a Director. Mr. Shek is also entitled to normal fee in the amount of HK\$50,000 per annum in acting as a member of the Audit Committee of the Company. Mr. Shek was appointed as a member of the Nomination Committee of the Company which was established by the Board on 29th March, 2012 and, in acting as a member of the Nomination Committee, he is entitled to normal fee in the amount of HK\$30,000 per annum. The normal fees were determined based on the duties and responsibilities in respect of such respective offices, and the Director's fee was previously approved by the Shareholders at general meeting.

Mr. Shek does not hold any interests in the securities of the Company within the meaning of Part XV of the SFO. He does not have any relationships with any Directors, senior management, or substantial or controlling shareholders of the Company.

Mr. Shek has served on the Board as an Independent Non-Executive Director for more than nine years and, during such tenure, he has given independent guidance and advice to the Company. The Company has received from Mr. Shek his annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers that Mr. Shek is independent.

There is no information that is required to be disclosed by Mr. Shek pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the re-election of Mr. Shek.

This is the explanatory statement to provide requisite information to you for your consideration of the Repurchase Proposal, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange. The Ordinary Shares are listed on the Stock Exchange.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were 1,148,707,474 Ordinary Shares in issue.

Subject to the passing of the Ordinary Resolution 5(A) as set out in the Notice of 2012 AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 114,870,747 Ordinary Shares, on the assumption that there will be no variation in the issued ordinary share capital of the Company during the period up to the date of the 2012 AGM. The aggregate nominal amount of Ordinary Shares which may be repurchased under the Repurchase Mandate will not exceed 10% of that of the Ordinary Shares in issue at the date of the 2012 AGM.

The Repurchase Mandate will be valid for the period from the date of passing the Ordinary Resolution 5(A) until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting is required by the Bye-laws or the Companies Act or any other applicable law of Bermuda to be held; and (iii) the revocation or variation of the authority given under the Ordinary Resolution 5(A) by an ordinary resolution of the Shareholders in general meeting.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Proposal is in the interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share or may otherwise be in the interests of the Company, and will only be made when the Directors believe that such purchases will benefit the Company and its Shareholders.

### **3. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's funds legally available for such purpose in accordance with the Company's Memorandum of Association and Bye-laws and the laws of Bermuda. Any shares repurchased under the Repurchase Mandate must be funded out of the capital paid up on the repurchased shares or the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares. Any premium payable on the repurchase must be provided for out of the funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

It is not expected that there would be material 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 the 2011 Annual Report) even if the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. Nevertheless, 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 of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **4. SHARE PRICES**

The highest and lowest prices at which the Ordinary Shares have traded on the Stock Exchange in each of the previous twelve months and in April 2012 (up to the Latest Practicable Date) were as follows:

	<b>Ordinary Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
April 2011	3.150	3.050
May 2011	3.080	2.960
June 2011	3.160	3.000
July 2011	3.080	2.900
August 2011	2.950	2.350
September 2011	2.900	2.360
October 2011	2.530	2.120
November 2011	2.470	2.230
December 2011	2.300	2.120
January 2012	2.370	2.160
February 2012	2.520	2.290
March 2012	2.570	2.260
From 1st April, 2012 to the Latest Practicable Date	2.340	2.170

#### **5. DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates have any present intention to sell any Ordinary Shares to the Company under the Repurchase Proposal if the same is approved by the Shareholders. No other connected persons of the Company have notified the Company that they have a present intention to sell Ordinary Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

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 Ordinary Resolution 5(A) in accordance with the Listing Rules and the laws of Bermuda.

As at the Latest Practicable Date, Century, together with Mr. LO Yuk Sui (the chairman and controlling shareholder of Century) and his other associates, held approximately 71.56% shareholding interests in the issued ordinary share capital of the Company.

In the event that the Repurchase Mandate granted to the Directors pursuant to the Repurchase Proposal were to be carried out in full, the shareholding interests of Century, together with Mr. LO Yuk Sui and his other associates, in the Company would increase to approximately 79.51% of the issued ordinary share capital of the Company, assuming there are no other changes in the capital structure of the Company. Pursuant to Rule 32.1 of the Takeovers Code, such resultant increase in shareholding interests would be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Based on information known to date, the Directors are not aware of any consequences which may arise under the Takeovers Code even if the Repurchase Mandate were exercised in full. Nevertheless, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Takeovers Code.

Furthermore, the Directors have no intention to exercise the Repurchase Mandate to such extent as would cause the public float to fall below 25% or such other minimum percentage as prescribed by the Listing Rules from time to time.

## **6. SECURITIES PURCHASES MADE BY THE COMPANY**

The Company has repurchased a total of 5,172,000 Ordinary Shares on the Stock Exchange during the six months preceding the Latest Practicable Date, details of which are as follows:

<b>Date of Repurchase</b>	<b>Number of Ordinary Shares repurchased</b>	<b>Price per Ordinary Shares</b>	
		<b>Highest</b>	<b>Lowest</b>
		<i>HK\$</i>	<i>HK\$</i>
24/10/2011	78,000	2.370	2.330
25/10/2011	64,000	2.400	2.350
26/10/2011	90,000	2.400	2.380
27/10/2011	80,000	2.450	2.440
31/10/2011	80,000	2.470	2.440
01/11/2011	52,000	2.450	2.420
02/11/2011	56,000	2.470	2.410



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**APPENDIX II****EXPLANATORY STATEMENT ON  
REPURCHASE OF ORDINARY SHARES**

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Date of Repurchase	Number of Ordinary Shares repurchased	Price per Ordinary Shares	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
03/11/2011	20,000	2.450	—
04/11/2011	150,000	2.460	2.450
07/11/2011	100,000	2.440	2.410
08/11/2011	62,000	2.440	2.410
09/11/2011	170,000	2.450	2.410
10/11/2011	30,000	2.360	2.330
11/11/2011	60,000	2.380	2.350
14/11/2011	258,000	2.430	2.390
15/11/2011	192,000	2.390	2.370
16/11/2011	120,000	2.370	2.360
17/11/2011	90,000	2.400	2.380
18/11/2011	88,000	2.370	2.340
21/11/2011	110,000	2.330	2.310
22/11/2011	72,000	2.330	2.310
23/11/2011	102,000	2.300	2.270
24/11/2011	460,000	2.280	2.240
25/11/2011	150,000	2.250	2.240
28/11/2011	92,000	2.250	2.230
29/11/2011	40,000	2.300	2.280
30/11/2011	42,000	2.280	2.260
01/12/2011	80,000	2.300	2.290
02/12/2011	20,000	2.300	—
05/12/2011	20,000	2.280	—
06/12/2011	72,000	2.270	2.230
07/12/2011	172,000	2.240	2.220
08/12/2011	30,000	2.230	2.220
09/12/2011	40,000	2.230	2.200
12/12/2011	106,000	2.200	2.180
13/12/2011	270,000	2.170	2.130
14/12/2011	100,000	2.250	2.210
15/12/2011	90,000	2.240	2.190
16/12/2011	70,000	2.260	2.230
19/12/2011	34,000	2.290	2.250
20/12/2011	120,000	2.280	2.230

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**APPENDIX II****EXPLANATORY STATEMENT ON  
REPURCHASE OF ORDINARY SHARES**

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<b>Date of Repurchase</b>	<b>Number of Ordinary Shares repurchased</b>	<b>Price per Ordinary Shares</b>	
		<b>Highest HK\$</b>	<b>Lowest HK\$</b>
21/12/2011	110,000	2.260	2.230
22/12/2011	40,000	2.260	2.230
23/12/2011	132,000	2.260	2.220
28/12/2011	18,000	2.240	2.210
29/12/2011	60,000	2.230	2.210
30/12/2011	94,000	2.240	2.210
03/01/2012	66,000	2.230	2.210
04/01/2012	130,000	2.230	2.210
05/01/2012	150,000	2.190	2.160
06/01/2012	30,000	2.180	2.170
09/01/2012	20,000	2.180	—
11/01/2012	30,000	2.240	2.220
12/01/2012	30,000	2.240	2.230
13/01/2012	100,000	2.250	2.240
16/01/2012	<u>30,000</u>	2.250	—
Total:	<u>5,172,000</u>		

Save as disclosed herein, the Company has not purchased any of its Ordinary Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Wednesday, 30th May, 2012 at 11:45 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31st December, 2011.
2. To declare a final dividend for the year ended 31st December, 2011 of HK8.0 cents per ordinary share.
3. To elect Directors.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration.
5. To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

(A) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase ordinary shares of HK\$0.10 each in the capital of the Company (“Ordinary Shares”), subject to and in accordance with all applicable laws and the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Ordinary Shares which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting is required by the Bye-laws of the Company or The Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and

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## NOTICE OF 2012 AGM

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(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”

(B) “**THAT** the exercise by the Directors during the Relevant Period (as defined in Resolution 5(A) set out in the Notice of this Meeting) of all the powers of the Company to issue, allot and dispose of additional Ordinary Shares (including making and granting offers, agreements and options which would or might require Ordinary Shares to be issued, allotted or disposed of, whether during or after the end of the Relevant Period) be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where Ordinary Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Ordinary Shares (subject to such exclusions or other arrangements as the Directors 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional Ordinary Shares issued, allotted or disposed of (including Ordinary Shares agreed conditionally or unconditionally to be issued, allotted or disposed of, whether pursuant to an option or otherwise) shall not in aggregate exceed 20% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly.”

(C) “**THAT** the general mandate granted to the Directors under Resolution 5(B) above be and is hereby extended by the addition of an amount representing the aggregate nominal amount of Ordinary Shares purchased by the Company pursuant to the general mandate approved in Resolution 5(A) above.”

By Order of the Board  
**Paliburg Holdings Limited**  
**Eliza Lam Sau Fun**  
*Secretary*

Hong Kong, 30th April, 2012

**Notes:**

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. The proxy form must be deposited with the Company’s branch registrar in Hong Kong, Tricor Tengis Limited, (the “Branch Registrar”) at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting or any adjournment thereof.

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3. The Register of Ordinary Shareholders of the Company will be closed during the following periods, within which no transfers of shares will be effected:
  - (i) from Monday, 28th May, 2012 to Wednesday, 30th May, 2012, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Meeting. In order to be entitled to attend and vote at the Meeting, all transfers of Ordinary Shares, duly accompanied by the relevant share certificates, must be lodged with the Branch Registrar at the address set out above no later than 4:30 p.m. on Friday, 25th May, 2012; and
  - (ii) from Wednesday, 6th June, 2012 to Friday, 8th June, 2012, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers of Ordinary Shares, duly accompanied by the relevant share certificates, must be lodged with the Branch Registrar at the address set out above no later than 4:30 p.m. on Tuesday, 5th June, 2012.
4. A circular of the Company containing further details relating to the re-election of Directors and an explanatory statement or information regarding Resolutions 5(A), 5(B) and 5(C) above will be sent to the Company's shareholders together with the 2011 Annual Report of the Company.
5. In the event that a typhoon signal no. 8 (or above) or a black rainstorm warning is in effect on the day of the Meeting, Shareholders are requested to call the Company's hotline at (852) 2894-7511 on that day to enquire about the arrangements of the Meeting.