

ANNOUNCEMENT OF 2005 GROUP RESULTS

FINANCIAL HIGHLIGHTS

	Year 2005	Year 2004	% Change
	HK\$'M	HK\$'M	
		(Restated)	
Operating profit/(loss)	154.1	(83.8)	–
Profit/(Loss) for the year attributable to the shareholders	517.5	(31.3)	–
Basic earnings/(loss) per ordinary share	HK7.18 cents	HK(0.58) cent	–
Proforma net asset value per ordinary share	HK\$0.91	HK\$0.52	+75.0%
Proposed Final Dividend	HK0.2 cent	Nil	–

Press Release

April 18, 2006

For Immediate Release

Paliburg Holdings Limited Announces 2005 Annual Results
Healthy Financial Position to Take on New Business Development Opportunities

Paliburg Holdings Limited (“the Paliburg Group”, stock code: 617) announced today its annual results for the year ended December 31, 2005.

For the year ended December 31, 2005, the Group achieved an audited consolidated net profit attributable to shareholders of [HK\\$517.5](#) million, as compared with the net loss of HK\$31.3 million (as restated) recorded for the 2004 financial year.

The satisfactory results attained in the year under review was primarily due to the increased profit contribution attributable to the Group’s shareholding interests in Regal Hotels International Holdings Limited, the Group’s listed associated company, and the write-back of impairment of investments in a former subsidiary company engaged in a development project in Beijing, PRC.

In view of the satisfactory results, the Directors have resolved to recommend the payment of a final dividend of [HK0.2](#) cent per ordinary share for the year ended December 31, 2005.

PROPERTIES

Ap Lei Chau Development

The Group has a 30% retained interest in this joint venture development project. The lease modification terms for this development project has already been finalised with the government and the requisite land premium fully paid in November 2005. Under the terms of the joint venture, all funding required for the development project will be procured by the other joint venture partners. The proposed development entails primarily residential accommodation having gross floor area of about 913,000 square feet together with ancillary retail, recreational and car parking facilities. Site formation works have already commenced.

211 Johnston Road, Wanchai

The Group owns all the office floors with total gross floor area of about 60,900 square feet and certain ground floor shops with total gross floor area of about 2,200 square feet at this office/commercial building previously developed by the Group. All the ground floor shops and over 90% of the units in the office floors are now under leases at satisfactory rentals.

Rainbow Lodge, Yuen Long

This development project was completed in 2004 and has a total of 16 duplex units with aggregate gross area of 30,800 square feet with ancillary car parking facilities. The Group still retains a majority of the duplex units, which will be released for sale when overall market activities revive.

Development Project in the Central Business District of Beijing

On July 8, 2005, the Group entered into a Sale and Purchase Agreement with the Regal group for the sale of a 50% equity interest in Hang Fok Properties Limited at a consideration of HK\$145 million. Hang Fok is principally engaged, through two investee companies established in the PRC, in the development of a property project at Chao Yang Men Wai Da Jie in the Central Business District of Beijing, planned to

comprise office, residential, hotel, commercial and carparking accommodations with a total permissible gross floor area of about 4,630,000 square feet (or 430,000 square meters).

In February 2006, one of the investee companies (both currently 59% owned subsidiary companies of Hang Fok) has formally entered into Land Grant Contracts with the Beijing Municipal Administration of State Land and Resources in respect of certain portions of the original development site with total permissible gross floor area of 280,833 square meters encompassing office, commercial and residential uses at a total consideration of approximately RMB390.5 million. The investee companies are continuing with their efforts with a view to further securing their rights to the remaining portion of the original development site.

While the detailed development plans for this project are being finalised, it is anticipated that the overall development scheme will comprise office, commercial, residential and carparking accommodations, to be complemented with a deluxe hotel. The land portions granted under the Land Grant Contracts are substantially vacant sites and in view of the Beijing Olympics to be held in August 2008, the joint venture parties are planning to proceed with the development of these land portions as the first phase of the project as soon as practicable.

Having considered the entitlements of the land use rights granted to the investee companies under the Land Grant Contracts, the favourable market environment currently prevailing in Beijing and the relatively attractive opportunity for the Group to participate in this development project, the Group is confident that this development project will generate substantial profit to the Group.

CONSTRUCTION BUSINESS

The construction business of the Group is operated through Chatwin Engineering Limited, which is a wholly owned subsidiary of the Group. The business operations of Chatwin have further improved in the year under review and have generated increased profits. With the gradual recovery of the construction industry in Hong Kong, Chatwin is actively seeking to expand its businesses in both the private as well the public sectors.

BUILDING RELATED BUSINESS

The Group also operates a comprehensive range of other building related businesses including development consultancy comprising architectural, engineering and interior design services, as well as project management, building services and estate management. These operating divisions have been providing professional support and services to most of the in-group projects as well as third party clients.

THE REGAL GROUP

For the year ended December 31, 2005, Regal achieved an audited consolidated net profit attributable to shareholders of HK\$528.4 million, representing an increase of about 43.6% over the corresponding figure of HK\$367.9 million (as restated) attained in the 2004 financial year. (For 2005 annual results and further information on Regal, please refer to Regal's press releases and full set of result announcement dispatched today)

OUTLOOK

The financial position of the Group is very healthy and the Group is now well positioned to take on new business development opportunities. While the strategic shareholding in Regal will continue to be held as a core investment, the Group is actively planning to replenish its assets portfolio in property development and investments, which remain to be the core businesses of the Group. Having regard to the optimistic outlook on the PRC economy, the Group is confident that the joint venture development project being undertaken in Beijing has huge profit potential. The Group is at the same time reviewing potential investment opportunities in other key mainland cities, with a view to securing new projects that are beneficial to the future growth of the Group.

“Due to the satisfactory results achieved, the Directors have decided to resume the payment of a final dividend to shareholders. This clearly endorses the confidence level of the Directors in the future prospects of the Group and the Directors are also hopeful that additional returns will be brought to shareholders in the coming years.” said Mr Y S Lo, Chairman and Managing Director of the Group, at the press conference today.

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For further information, please refer to the full set of Paliburg’s result announcement dispatched today.

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