

2006 INTERIM ANNOUNCEMENT

FINANCIAL HIGHLIGHTS	Six months ended 30th June, 2006 (Unaudited) HK\$'M	Six months ended 30th June, 2005 (Unaudited and restated) HK\$'M	% Change
Operating profit	72.9	13.8	+428.3%
Profit for the period attributable to the shareholders	209.1	142.0	+47.3%
Basic earnings per ordinary share	HK2.90cents	HK1.97 cents	+47.2%
Proforma net asset value per ordinary share	HK\$0.93	HK\$0.91*	+2.2%
Interim dividend	HK0.15 cent	Nil	—
*as at 31st December, 2005			

Press Release

September 18, 2006

For Immediate Release

Paliburg Group Announces 2006 Interim Results

Paliburg Holdings Limited (“the Paliburg Group”, stock code: 617) announced today its interim results for the period ended June 30, 2006. For the period under review, the Paliburg Group attained an unaudited consolidated profit attributable to shareholders of HK\$209.1 million, representing an increase of about 47.3% as compared with the HK\$142.0 million (as restated) recorded for the corresponding period in 2005.

In view of the satisfactory results achieved, the Directors have resolved to declare the payment of a interim dividend of HK0.15 cent per ordinary share for the financial year ending December 31, 2006 (2005 – nil).

PROPERTIES

Ap Lei Chau Development

The Group owns a 30% interest in the joint venture development project at Ap Lei Chau Inland Lot No.129, comprising primarily residential accommodation having gross floor area of about 900,000 square feet together with ancillary retail, recreational and car parking facilities. The application to revise the flat mix of the proposed development, with a view to increasing the average size of the residential units to suit market demands, has been approved by the Town Planning Board. Site formation works for this project are in progress.

211 Johnston Road, Wanchai

The Group has decided to retain for rental income 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, in the commercial building at 211 Johnston

Road, Wanchai. Consequently, this property has been reclassified from property held for sale to investment property in the Interim Results. A fair value gain on this property has been reflected in the financial results for the period under review by reference to its independent professional market valuation as at 30th June, 2006. The rental rates achieved on new leaseings or tenancy renewals have increased progressively and, at present, nearly all of the units are tenanted.

Rainbow Lodge, Yuen Long

The Group has lately re-launched the marketing of part of its retained duplex units in the “Rainbow Lodge” residential development at 9 Ping Shan Lane, Yuen Long, New Territories and further units have since been sold.

Development Project in the Central Business District of Beijing

Each of the Group and Regal Hotels International Holdings Limited beneficially owns a 50% equity interest in a company which, in turn, holds a 59% interest in an investee company established in the PRC. The investee company has entered into the Land Grant Contracts for the Phase I land sites comprised in a comprehensive development project located at Chao Yang Men Wai Da Jie in the Central Business District of Beijing, PRC and the related land premium payable under the Land Grant Contracts was fully settled in April 2006. The overall development project entails total permissible gross floor area of about 4,630,000 square feet, planned to comprise office, residential, hotel, commercial and carparking accommodations. While the requisite development and design plans are being revised, the investee company is actively working to secure its rights to the remaining land site comprised in the overall development project.

CONSTRUCTION AND BUILDING RELATED BUSINESSES

The Group’s building construction arm, Chatwin Engineering Limited, is taking steps to expand its business undertakings and has successfully secured new contracts in both the public housing estate sector as well as in the private sector. In addition, to

support its core property businesses, the Group continues to operate profitably a wide range of property related services encompassing development consultancy comprising architectural, engineering and interior design services, project management, building services and estate management.

THE REGAL GROUP

For the six months ended June 30, 2006, Regal achieved an unaudited consolidated profit attributable to ordinary shareholders of HK\$310.8 million, as compared with the profit of HK\$302.3 million for the corresponding period in 2005. (For 2006 interim results and further information on Regal, please refer to Regal's press releases and full set of interim results announcement dispatched today)

OUTLOOK

“With the vast experience and expertise readily available within the Group in different facets of the property businesses, the Group is well positioned and prepared to undertake new development projects and property investments. Due to the scarcity of land supply in Hong Kong, the Group believes that the real estate market in mainland China will comparatively provide more attractive opportunities for its planned business expansion. Accordingly, in addition to the joint venture composite development project that is being undertaken in Beijing, the Group is actively reviewing other potential development projects in mainland China with a view to strengthening its overall property portfolio.” said Mr Y. S. Lo, Chairman and Managing Director of the Group, at the press conference today.

#

For further information, please refer to the full set of Paliburg's interim results announcement released today.

For media enquiries, please contact:

Ms Amy Kwong, Group Director of Communications

Tel: 2837 1963 Fax: 2577 9912

Email: rhk.pr@RegalHotel.com