



(Stock Code: 617)

## 2007 RESULTS ANNOUNCEMENT

### FINANCIAL HIGHLIGHTS

	Year 2007	Year 2006	% Change
	HK\$'M	HK\$'M	
<b>Revenue</b>	<b>353.7</b>	187.3	<b>+88.8%</b>
<b>Operating profit</b>	<b>157.6</b>	163.6	<b>-3.7%</b>
<b>Profit for the year</b>	<b>1,413.8</b>	300.1	<b>+371.1%</b>
<b>Basic earnings per ordinary share</b>	<b>HK16.65 cents</b>	HK3.73 cents <sup>*</sup>	<b>+346.4%</b>
<b>Proposed final dividend</b>	<b>HK0.40 cent</b>	HK0.30 cent	<b>+33.3%</b>
<b>Total dividends for the year</b>	<b>HK0.58 cent</b>	HK0.45 cent	<b>+28.9%</b>

<sup>\*</sup> restated to reflect the effect of the Open Offer in November 2007

Press Release

27<sup>th</sup> March 2008

For Immediate Release

**Paliburg Group Announces 2007 Annual Results**  
**Well-prepared for Long-term Growth**

Paliburg Holdings Limited (stock code: 617) announced today its annual results for the period ended 31<sup>st</sup> December, 2007.

**FINANCIAL RESULTS**

For the year ended 31<sup>st</sup> December, 2007, the Group recorded an audited consolidated profit attributable to shareholders of HK\$1,413.8 million, as compared with the comparative amount of HK\$300.1 million attained in the previous year.

The substantial increase in the profit achieved in the year under review was mainly attributable to the profit contribution from Regal Hotels International Holdings Limited, the Group's listed associate, which has increased significantly due to a gain derived by Regal from the spin-off of Regal Real Estate Investment Trust in March 2007.

**DIVIDEND**

The Directors have resolved to recommend the payment of a final dividend of HK0.4 cent per ordinary share for the year ended 31<sup>st</sup> December, 2007 (2006 – HK0.3 cent). Together with the interim dividend of HK0.18 cent per ordinary share paid in October 2007 (2006 – HK0.15 cent), total dividends per ordinary share for the year ended 31<sup>st</sup> December, 2007 will amount to HK0.58 cent (2006 – HK0.45 cent), representing an increase of about 29% over the total dividends paid for the 2006 financial year.

## **REVIEW OF OPERATIONS**

The Group has during the year under review disposed of some of its non-core assets, including the 10 duplex units and unsold car parks in the completed residential development at Rainbow Lodge, 9 Ping Shan Lane, Yuen Long for a consideration of HK\$70 million in March 2007 and the interests in the various parcels of land in Sharp Island, Sai Kung for a consideration of HK\$50 million in June 2007.

To further enlarge the capital base of the Company and to provide additional equity funds for the Group's business operations, the Company announced in September 2007 a proposal for the open offer of new shares, which was very well received by the shareholders. Valid applications for assured allotments accounted for more than 95% of the shares available under the open offer and valid excess applications received represented approximately 23.8 times of the open offer shares available for excess applications. The open offer was duly completed in November 2007 and total net proceeds of HK\$552.8 million were raised.

The present issued ordinary share capital of the Company has been enlarged to comprise 10,191 million shares and, in addition, there are a total of 1,126 million warrants outstanding. The warrants have been listed on the Hong Kong Stock Exchange since February 2008 and carry subscription rights to subscribe for new ordinary shares of the Company at an exercise price of HK\$0.21 per share (subject to adjustments) on or before 8<sup>th</sup> November, 2010. If these warrants are fully exercised, they will bring to the Company additional equity proceeds of approximately HK\$236 million.

## **PROPERTIES**

### **HONG KONG**

#### **Ap Lei Chau Inland Lot No. 129,**

#### **Ap Lei Chau East**

This development project, in which the Group has a 30% interest, entails primarily residential accommodation comprising luxury apartments together with ancillary retail areas having total gross floor area of about 913,000 square feet, and

complemented with recreational and car parking facilities. The piling works on the site are in progress.

The recently announced extension of the MTR South Island Line has further stimulated the demand for properties in this locality, while the supply of luxury residential apartments in this part of Hong Kong is still relatively limited. The Group has high expectation on this joint venture project and is optimistic that significant profits will be derived.

**211 Johnston Road,  
Wanchai**

The ground floor shops and all the office floors in this commercial building, with aggregate gross area of about 63,000 square feet, are being retained as investment properties. All the ground floor shops have been leased and the units in the office floors are in good demand, yielding increasing rental income on tenancy reversions and renewals.

**THE PEOPLE'S REPUBLIC OF CHINA**

**Development Project in the Central Business District of Beijing**

This development project is held through a Sino-foreign joint venture entity that is 59% owned by an associate which, in turn, is 50% each held by the Group and Regal group. The Sino-foreign joint venture entity has obtained in May 2007 the Land Use Right Certificates for the Phase I land site and is continuing to work on securing the development rights over the Phase II land site comprised within the development project. As compared with the carrying costs of the Group with respect to its interest in this development project, the present land value of this very prominent site in the CBD of Beijing has appreciated significantly.

**CONSTRUCTION AND BUILDING RELATED BUSINESSES**

**Construction Business**

Chatwin Engineering Limited, the Group's construction arm, has operated profitably during the year. Chatwin is presently undertaking the construction contract for the Redevelopment of Sau Mau Ping Estate Phases 13 & 16 awarded by the Housing

Authority. Furthermore, Chatwin has also been engaged in most of the construction works for the asset enhancement programme at the Regal Hotels in Hong Kong, including the addition of new floor areas and a new swimming pool on the top portion of the Regal Hongkong Hotel recently completed and the construction of three additional stories on top of the Regal Riverside Hotel which is presently in progress.

### **Building Related Businesses**

The Group operates a comprehensive range of building related businesses, including development consultancy comprising architectural, engineering and interior design services, project management, building services, estate management as well as technology-based building management systems and services operated through the Leading Technology group. These business operations have overall contributed increased profits during the year.

### **REGAL HOTELS INTERNATIONAL HOLDINGS LIMITED AND REGAL REIT**

As at 31<sup>st</sup> December, 2007, the Group held approximately 45.2% shareholding interest in Regal and Regal REIT was, in turn, equity-accounted for by the Regal group as a 71.7% owned associate.

For the year ended 31<sup>st</sup> December, 2007, Regal achieved an audited consolidated profit attributable to shareholders of HK\$2,957.3 million, as compared with HK\$331.3 million attained in the 2006 financial year.

For the period from 11th December, 2006 (the date of establishment of Regal REIT) to 31st December, 2007, Regal REIT achieved an audited consolidated profit before distributions to unitholders of HK\$2,850.2 million.

For 2007 annual results and further information on Regal and Regal REIT, please refer to their respective press releases and full set of results announcements dispatched today and yesterday.

## **OUTLOOK**

The adverse impact of the sub-prime loan crisis is rippling across the financial and capital markets in different parts of the world, causing uncertainties over the global economic outlook. While the Group remains optimistic of the sustaining economic growth in Hong Kong and the PRC, it is expected that market environments could be volatile from time to time. The Group is closely watching on any appropriate acquisition opportunities that may become available to replenish its property portfolio but will continue to adopt a prudent approach when making new acquisitions.

“We believe that, with the strengthened capital and asset base, the Group will be able to move forward successfully with its business expansion plans, thereby enhancing long-term value for its shareholders.” said Mr YS Lo, Chairman & Chief Executive Officer of the Group.

# # #

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

For media enquiries, please contact:

Ms Shirley Chu, Group Director of Communications

Tel: 2837 1963      Fax: 2890 5073

Email: [shirley.chu@RegalHotel.com](mailto:shirley.chu@RegalHotel.com)