

## 2009 INTERIM ANNOUNCEMENT

<b>FINANCIAL HIGHLIGHTS</b>	<b>Six months ended</b>	<b>Six months ended</b>
	<b>30th June, 2009</b>	<b>30th June, 2008</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
<b>Revenue</b>	<b>106.7</b>	133.1
<b>Operating profit</b>	<b>101.2</b>	34.2
<b>Profit for the period</b>	<b>162.3</b>	305.1
<b>Basic earnings per ordinary share</b>	<b>HK\$15.9 cents</b>	HK\$29.9 cents
<b>Interim dividend</b>	<b>HK1.0 cent</b>	HK1.8 cents
	<b>As at</b>	<b>As at</b>
	<b>30th June, 2009</b>	<b>31st December, 2008</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Adjusted net asset value</b>		
<b>per ordinary share</b>	<b>HK\$6.41</b>	HK\$6.31

Press Release  
For Immediate Release

8th September, 2009

## Paliburg Announces 2009 Interim Results

Paliburg Holdings Limited (stock code: 617) announced today its interim results for the period ended 30th June, 2009.

### FINANCIAL RESULTS

For the six months ended 30th June, 2009, the Group achieved an unaudited consolidated profit attributable to shareholders of HK\$162.3 million, which was relatively lower than the profit of HK\$305.1 million recorded in the last corresponding period, due primarily to the decrease in the profit contribution from Regal Hotels International Holdings Limited.

For the purpose of reference and ease of comparison, supplementary information on the Group's net assets position, compiled on an adjusted basis to reflect more fairly the share of net assets as attributable to the interests held by Regal in Regal Real Estate Investment Trust, is provided in the interim results announcement released today. **The adjusted net asset value per ordinary share is HK\$6.41.**

### DIVIDEND

The Directors have declared the payment of an interim dividend of HK1.0 cent per ordinary share for the financial year ending 31st December, 2009 (2008 – HK1.8 cents).

### REVIEW OF OPERATIONS

#### PROPERTIES

##### Hong Kong

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

The Group has a 30% joint venture interest in this development project. The development has a total gross floor area of about 913,000 square feet, comprising of 9 residential towers with 715 luxury residential apartments and certain commercial areas on the ground floor, and will be complemented with club house and car parking facilities. The superstructure works for the project are progressing and the presale marketing program is expected to be commenced early next year.

### **211 Johnston Road, Wanchai**

The Group owns certain ground floor units and all the office floors above the podium level in this commercial building. With a view to enhancing the property value, the Group is undertaking a conversion program to convert 9 upper floors into a hotel with 50 guest rooms. Two other units owned on the ground floor are also included in the program for conversion into restaurant use, which are planned to be operated in conjunction with the hotel. It is currently anticipated that the conversion works for the hotel portion will be completed and ready for operation around the end of this year.

### **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 Hang Fok Properties Limited, an associate that is in turn 50% each held by the Group and the Regal group. The joint venture entity is now in the course of finalising with the Beijing Municipal Bureau of Land and Resources the terms of the contract for the grant of the primary development rights for the Phase II land.

### **CONSTRUCTION AND BUILDING RELATED BUSINESSES**

Chatwin Engineering Limited, the Group's wholly-owned construction arm, continues to operate steadily and contributed satisfactory profit to the Group during the period under review. The contract works undertaken by Chatwin for the construction of three additional stories on top of the Regal Riverside Hotel in Shatin was recently completed in June, while the contract works for the Housing Authority for the redevelopment of Sau Mau Ping Estate Phases 13 & 16 have also been substantially completed. In the meantime, Chatwin has secured a number of new projects, including a school re-provisioning contract in Wanchai and a contract for maintenance works for the MTR stations. Despite the difficult environment encountered by the construction industry in Hong Kong, Chatwin will strive to secure further new contracts from different sectors, making use of its competitive advantage afforded by a relatively compact and cost effective operating structure.

In the meantime, the building related businesses encompassing development consultancy, project management, building services, estate management as well as technology-based building management and security systems and services are operating satisfactorily and are gradually expanding the services to external clients.

### **OTHER INVESTMENTS**

Presently, the Group holds approximately 16.9% of the issued ordinary shares of Cosmopolitan as well as substantial interests in the convertible bonds issued by Cosmopolitan group. Assuming all the outstanding convertible bonds of and the options on convertible bonds granted by Cosmopolitan group, including those held by the Group, are fully converted and/or exercised and converted, the Group can hold up to approximately 25.9% of the fully diluted shareholding of Cosmopolitan. At the

same time, Regal group also holds substantial interests in the securities of Cosmopolitan group and, on the same fully-diluted basis, it can also come to own up to approximately 32.8% of the enlarged share capital of Cosmopolitan.

### **THE REGAL GROUP AND REGAL REIT**

For the six months ended 30th June, 2009, Regal achieved an unaudited consolidated profit attributable to ordinary shareholders of HK\$ 147.2 million.

For the six months ended 30th June, 2009, Regal REIT attained an unaudited consolidated profit of HK\$187.5 million and total distributable income amounted to HK\$280.5 million.

For 2009 interim results and further information on Regal and Regal REIT, please refer to their respective press releases and full set of interim results announcements.

### **OUTLOOK**

The presale program for the joint venture development project in Ap Lei Chau is expected to be launched early next year. Having regard to the favourable sentiment towards the property sector and the limited supply of luxury apartments in the southern part of the Hong Kong Island, it is anticipated that the units in this residential development will be very well received and should generate to the Group substantial future profits and cash flow. The Group is actively working on the plans to expand its business portfolio, with a view to broadening its income source.

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

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