

2009 FINAL RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

| | Year 2009 | Year 2008 |
|---|--------------|----------------|
| | HK\$'M | HK\$'M |
| Operating profit/(loss) | 329.4 | (95.7) |
| Profit/(Loss) for the year | 429.5 | (468.8) |
| Basic earnings/(loss) per ordinary share | HK42.1 cents | HK(46.0) cents |
| Proposed final dividend | HK3.3 cents | HK2.0 cents |
| Total dividends for the year | HK4.3 cents | HK3.8 cents |
| Adjusted net asset value per ordinary share | HK\$6.83 | HK\$6.22 |

- Achieved net profit for the year of HK\$429.5 million, as compared to the loss of HK\$468.8 million recorded in 2008.
- Final dividend and total dividends per ordinary share for 2009 increased by 65% and 13%, respectively, over the comparative amounts last year.
- Completed the sale of 75% interest in 211 Johnston Road, Wanchai to Regal REIT in October 2009.
- Presale programme for “Larvotto”, a luxury residential development in Hong Kong 30%-owned by the Group, will be launched shortly. The project is expected to generate for the Group very substantial cash flow and profit contributions.
- The Group is seriously reviewing a number of property projects, most of which are located in China.
- It is anticipated that the Group will be able to regain growth momentum and to secure for its shareholders long term benefits in the coming years.



Press Release

22nd March, 2010

For Immediate Release

Paliburg Announces 2009 Final Results

Paliburg Holdings Limited (stock code: 617) announced today its final results for the year ended 31st December, 2009.

FINANCIAL RESULTS

For the year ended 31st December, 2009, the Group achieved a consolidated profit attributable to shareholders of HK\$429.5 million, as compared to the consolidated loss of HK\$468.8 million recorded in 2008. The profit attained for the year under review is mainly attributable to the fair value gains on certain financial assets and investment properties held by the Group and the contribution from Regal Hotels International Holdings Limited, its listed associate.

For the purpose of reference and ease of comparison, supplementary information on the net assets of the Group, compiled on an adjusted basis to reflect more fairly the underlying net assets attributable to the interests held by Regal in Regal Real Estate Investment Trust, is provided in the final results announcement released today. **The adjusted net asset value per ordinary share is HK\$6.83.**

DIVIDENDS

The Directors have resolved to recommend the payment of a final dividend of HK3.3 cents per ordinary share for the year ended 31st December, 2009 (2008 – HK2.0 cents).

Together with the interim dividend of HK1.0 cent (2008 – HK1.8 cents, as adjusted) per ordinary share paid in October 2009, total dividends per ordinary share for the year ended 31st December, 2009 will amount to HK4.3 cents (2008 – HK3.8 cents, as adjusted).

BUSINESS OVERVIEW

PROPERTIES

The Group has a 30% joint venture interest in the luxury residential development project in Ap Lei Chau. The project has a total gross floor area of about 913,000 square feet, comprising 9 residential towers with 715 luxury residential apartments and certain commercial areas on the ground floor, which will be complemented with club house and car parking facilities. The development has been named as “Larvotto” and the presale programme is planned to be launched shortly. Construction works for the project are expected to be completed by the end of 2010.

In October 2009, the Group completed the sale to Regal REIT, the listed associate of Regal, of 75% equity interests in the major portions of the commercial building at No.211 Johnston Road in Wanchai, at a sale consideration based on an agreed property value of HK\$468 million. The Group has also granted to Regal REIT an option exercisable by Regal REIT to acquire from the Group the remaining 25% equity interests based on the terms as stipulated in the relevant agreements. As part of the transaction, the property has been leased to the Group for the property leasing and hotel operation business for a term to 31st December, 2010. Part of the building has since been converted into a hotel with 50 hotel rooms, which is managed by the Regal group and operating as the “Regal iClub Hotel”, and the building renamed as “Regal iClub Building”. Since the commencement of business operations in December 2009, the Regal iClub Hotel has been well received. In view of the hotel’s encouraging performance, an application was made for the conversion of the remaining 10 office floors into 49 additional guestrooms and suites and the requisite approval has recently been obtained. The Group will be in discussions with Regal REIT on the plans for the implementation of the new conversion programme.

CONSTRUCTION AND BUILDING RELATED BUSINESSES

To complement its property development activities, the Group operates a comprehensive range of construction and other building related businesses, encompassing development consultancy comprising architectural, engineering and interior design services, project management, building services, estate management as well as technology-based building management and security system and services. These business services are being provided to affiliated group as well as third party clients. These business operations have performed satisfactorily and profitably during the year under review.

OTHER INVESTMENTS

During the year, the Group participated as one of the cornerstone investors in the initial public offering of China Pacific Insurance (Group) Co., Ltd. The Group also owns within its investment portfolio substantial interests in the convertible bonds issued by certain subsidiaries of Cosmopolitan International Holdings Limited and, in addition, approximately 16.9% of the issued ordinary shares of Cosmopolitan. For the year ended 31st December, 2009, the Group recorded significant fair value gains on its portfolio of financial assets, a large part of which was attributable to the interests held in the shares and convertible bonds of the Cosmopolitan group.

REGAL GROUP AND REGAL REIT

For the year ended 31st December, 2009, Regal achieved a consolidated profit attributable to shareholders of HK\$431.1 million, as compared to the consolidated loss of HK\$808.8 million recorded in 2008.

For the year ended 31st December, 2009, Regal REIT attained a consolidated profit before distributions to unitholders of HK\$626.8 million, as compared to a consolidated net loss of HK\$2,150.2 million before distributions to unitholders recorded in 2008.

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

OUTLOOK

Based on present market projections, the Larvotto luxury residential development project will generate for the Group very substantial cash flow and profit contributions. “With a view to re-expanding its property portfolio, the Group is seriously reviewing a number of property projects, most of which are located in China. The Directors anticipate that the Group will be able to regain growth momentum and to secure for its shareholders long term benefits in the coming years.” said Mr. Y. S. Lo, Chairman and Chief Executive Officer of the Group.

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

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