

2010 FINAL RESULTS ANNOUNCEMENT

FINANCIAL AND BUSINESS HIGHLIGHTS

	Year 2010	Year 2009	
	HK\$'M	HK\$'M	% Change
Operating profit	441.9	312.8	+41.3 %
Profit for the year	2,150.5	430.6	+399.4 %
Basic earnings per ordinary share	HK\$2.07	HK\$0.42	+392.9 %
Net asset value per ordinary share	HK\$6.83	HK\$5.13	+33.1 %
Proposed final dividend	HK7.5 cents	HK3.3 cents	+127.3 %

- **Achieved net profit of HK\$2,150.5 million, as compared to the comparative profit of HK\$430.6 million attained in 2009.**
- **Final dividend and total dividends per ordinary share increased by 127.3% and 109.3%, respectively, for 2010.**
- **Very significant cash proceeds and profit are expected from the 30%-owned “Larvotto” residential development, which will be received and accounted for by the Group in 2011.**
- **Recently acquired two development sites in Hong Kong.**
- **Entered into a conditional agreement to join force with Regal group to form a sizeable joint venture, with maximum total capital commitment of HK\$3,800 million, to undertake development of real estate projects for sale and/or leasing.**
- **The Directors are optimistic that the rolling out of the business expansion plans will help to sustain continuing growth of the Group.**



Press Release
For Immediate Release

24th March, 2011

Paliburg Announces 2010 Final Results

Paliburg Holdings Limited (stock code: 617) announced today its final results for the year ended 31st December, 2010.

FINANCIAL RESULTS

For the year ended 31st December, 2010, the Group achieved a consolidated profit attributable to shareholders of HK\$2,150.5 million, as compared to the comparative profit of HK\$430.6 million attained in 2009.

The significant improvement in the profit achieved was mainly attributable to the increased share of profit from Regal Group, the listed associate of the Group, principally derived from the accounting profit recognised by Regal Group on the consolidation of Regal Real Estate Investment Trust as its subsidiary. Nevertheless, before accounting for the net contribution from Regal Group and other associates and the finance costs, the operating profit achieved by the Group for 2010 amounted to HK\$441.9 million, including fair value gains on the changes in the fair values of the financial assets, as compared with the corresponding amount of HK\$312.8 million attained last year.

During the year, substantially all of the 2010 Warrants of the Company have been exercised prior to their expiry date in November. Aggregate subscription proceeds of approximately HK\$226.1 million have been received and a total of approximately 107.7 million new shares of the Company have thus been issued.

DIVIDENDS

The Directors have resolved to recommend the payment of a final dividend of HK\$7.5 cents per ordinary share for the year ended 31st December, 2010, representing an increase of 127.3% over the final dividend of HK\$3.3 cents per ordinary share paid for the last financial year.

Together with the interim dividend of HK1.5 cents (2009 – HK1.0 cent) per ordinary share paid in October 2010, total dividends per ordinary share for the year ended 31st December, 2010 will amount to HK\$9.0 cents, representing an increase of 109.3% over the final dividend of HK\$4.3 cents per ordinary share paid for the last financial year.

BUSINESS OVERVIEW

PROPERTIES

The Group has a 30% interest in Larvotto, the luxury residential development project at Ap Lei Chau Inland Lot No.129. The development has a total gross floor area of approximately 913,000 square feet, comprising 9 residential towers with 715 residential apartments and certain commercial areas on the ground floor, complemented with club house and car parking facilities. Up to date, over 95% of the residential apartment units and about 65% of the carparks have been presold for aggregate sale consideration exceeding HK\$15 billion.

With a view to replenishing the Group's land bank, the Group has recently acquired two development sites in Hong Kong. After reviewing alternative development proposals and having regard to the prosperous outlook of the lodging business in Hong Kong, it is presently intended that both sites are to be developed as hotels.

The first development site is located at Nos.132-140 Bonham Strand in Sheung Wan on Hong Kong Island. It has a site area of approximately 5,070 square feet and plans have been approved for the construction of a hotel with 199 guestrooms and suites. The Group has submitted to the Building Authority for approval revised general building plans for the development of a hotel with 240 guestrooms and suites with gross floor area of approximately 77,450 square feet. The foundation works have recently commenced and the overall construction works are scheduled to be completed in the third quarter of 2013.

The other development site is constituted by two adjoining properties located at Nos.5-7 Bonham Strand West and Nos.169-171 Wing Lok Street, also in Sheung Wan district, with an aggregate site area of approximately 3,720 square feet. The agreements for the sale and purchase of this development property have been signed and scheduled to be completed in April and May this year, respectively. The general building plans for the proposed development of a hotel with 140 guestrooms and suites with total gross floor area of approximately 56,590 square feet will be submitted to the Building Authority for approval shortly. The overall development is expected to be completed in the second quarter of 2014.

JOINT VENTURE WITH REGAL

Having regard to the prosperous outlook of the real estate market in Hong Kong and in Mainland China and in preparation for suitable acquisition opportunities that may become available, as announced on 17th March, 2011, the Group and the Regal group have entered into a conditional agreement to establish a joint venture for the development of real estate projects for sale and/or leasing. As many new development projects will be of varying scales and may involve different property types, it was considered to be of mutual benefit to both groups that they join force to form a sizeable joint venture company with greater financial capability and to tap and capitalise on the different experience and expertise of the two groups. The joint venture company will provide the Group and the Regal group with the required flexibility to swiftly respond to available opportunities, should the two groups consider it to be in their mutual interests that such opportunities should be undertaken through the joint venture.

The joint venture will be owned by the Group and the Regal group on a 50:50 basis and the maximum total capital commitment to the joint venture will be HK\$3,800 million, to be contributed by the Group and the Regal group in a maximum capital commitment of HK\$1,900 million each and on pro-rata basis in accordance with their respective shareholdings in the joint venture. The formation of the joint venture will be conditional upon, among others, the approval by the independent shareholders of Regal. It is the intention of the two groups that, upon the due establishment of the joint venture, the joint venture may acquire from the Group certain development projects in Hong Kong as its starting projects.

REGAL GROUP AND REGAL REIT

For the year ended 31st December, 2010, Regal achieved a consolidated profit attributable to shareholders of HK\$6,928.8 million, which is significantly above the comparative amount of HK\$448.0 million attained for the preceding financial year.

For the year ended 31st December, 2010, Regal REIT achieved a consolidated net profit before distribution to unitholders of HK\$997.1 million, which was an increase of 46.1% over the comparative amount of HK\$682.3 million recorded for the year 2009.

For 2010 final results and further information on Regal Group and Regal REIT, please refer to their respective press releases and full set of final results announcements.

OUTLOOK

The Group is expecting to receive very significant proceeds from the Larvotto development in this current financial year, which will substantially strengthen the Group's financial position and cash resources. The Group is planning to further expand its property portfolio, which may be taken on either by the Group on its own or, as deemed appropriate, to be undertaken through the proposed joint venture.

“The Directors are optimistic that the rolling out of the business expansion plans will help to sustain continuing growth of the Group in the future years, thereby bringing to shareholders increasing returns.” 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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