



Press Release

Immediate Release

April 28, 2011

Paliburg Group and Regal Group - Establishment of Joint Venture Company

Each of Paliburg Group and Regal Group is pleased to announce that the ordinary resolution in respect of the establishment of the Joint Venture Company for the development of real estate projects for sale and/or leasing was duly passed by independent shareholders of Regal by way of poll at the special general meeting of Regal convened today, at which over 98.6% of the independent shareholders present and voted approved such ordinary resolution.

The Joint Venture Company will be owned by Paliburg Group and Regal Group on a 50:50 basis and the maximum total capital commitment to Joint Venture Company will be HK\$3,800 million, which will be contributed by each of Paliburg Group and Regal Group in a maximum capital commitment of HK\$1,900 million and on a pro-rata basis in accordance with their respective shareholding in Joint Venture Company.

Both the Paliburg Group and the Regal Group undertake property development and property investment as part of their principal business activities, while the Regal Group is also engaged in hotel investment, operation and management businesses. It is expected that many new development projects may involve different types of properties, including commercial, office, residential and hotel, and in some cases may involve composite developments with mixed components. In the undertaking of new property developments, it is of mutual benefit to both the Paliburg Group and Regal Group that they join force to form a sizeable Joint Venture Company with greater financial capability and to tap and capitalise on each party's experience and expertise, particularly, on the Paliburg Group with respect to its experience and expertise on general property development, project management, design and construction; and on the Regal Group with respect to its experience and expertise on hotel operation and management and luxury residential development.

The respective boards of directors of Paliburg and Regal consider that with the combined

resources, experience and expertise of the Paliburg Group and the Regal Group as aforesaid, the formation of Joint Venture Company will provide the Paliburg Group and the Regal Group with the required flexibility to respond swiftly to any available viable business opportunities from time to time, should both the Paliburg Group and the Regal Group consider that it is in the benefit of the respective shareholders of Paliburg and Regal as a whole to undertake such business opportunities through the Joint Venture Group.

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For media enquiries, please contact:

Group Director of Communications – Ms Carman Choi

Tel: 2837 1659 Fax: 2890 5073

Email: carman.choi@regalhotel.com

Assistant Communications Manager – Ms Winnie Poon

Tel: 2837 1650 Fax: 2890 5073

Email: winnie.poon@regalhotel.com