



2005 INTERIM ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	Six months ended June 30, 2005 (Unaudited) HK\$'M	Six months ended June 30, 2004 (Unaudited and restated) HK\$'M	% Change
Net profit attributable to shareholders	144.1	37.8	+281.2%
Basic earnings per ordinary share	HK2.00 cents	HK0.83 cent	+141.0%



Press Release

September 15, 2005

For Immediate Release

Paliburg Group Announces 2005 Interim Results

Paliburg Holdings Limited (“the Paliburg Group”, stock code: 617) announced today its interim results for the period ended June 30, 2005. For the period under review, the Paliburg Group attained an unaudited consolidated net profit attributable to shareholders of HK\$144.1 million, representing an increase of about 281.2% as compared with the HK\$37.8 million (as restated) recorded for the corresponding period in 2004.

In the comparative period in 2004, Regal Hotels International Holdings Limited was accounted for as a subsidiary of the Company as the Paliburg Group then held over 50% of the ordinary shares of Regal. As explained in the 2004 Annual Report, Regal ceased to be a subsidiary of the Company in July 2004 and Regal has since been equity accounted for as an associate of the Paliburg Group. Thus, certain items in the interim financial statements as shown for the 2004 interim period may not be comparable to those for the current interim period.

The basic terms and the land premium amount for the lease modification of the development site at Ap Lei Chau Inland have been agreed and finalised with the government. The Paliburg Group retains a 30% interest in this joint venture development and under the terms of the joint venture, any funding required for the development project will be procured by the other joint venture partners. The proposed development entails primarily residential accommodation having gross floor area of about 900,000 square feet together with ancillary retail, recreational and car parking facilities. Site formation works are scheduled to commence shortly.

The Paliburg Group holds for rental income all the office floors with total gross floor area of about 60,900 square feet, and certain ground floor shops with total gross floor area of about 2,200 square feet, at the commercial building at 211 Johnston Road, Wanchai. About 90% of the units is leased to date, with increasing rentals achieved on new leases or tenancy renewals.

The Paliburg Group is retaining a majority of the 16 duplex units in the “Rainbow Lodge” residential development at 9 Ping Shan Lane, Yuen Long, New Territories. In view of the positive outlook of the residential property market, the retained units will be released for sale on a gradual basis.

The Paliburg Group’s controlling interest in Regal is yielding encouraging growth prospects. The Paliburg Group’s financial position is now very healthy and the gearing ratio is maintained at a very low level. To complement its strategic investment holding in Regal, the Group is actively seeking appropriate development and investment opportunities in the property sector which will continue to be a core business of the Group. With the anticipated improvement in the overall performance of the Group, the Directors are hopeful that the Company will soon resume payment of dividends to shareholders.

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

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