

2010 INTERIM ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

	Six months ended 30th June, 2010 (Unaudited) HK\$'M	Six months ended 30th June, 2009 (Unaudited) HK\$'M	% Change
Operating profit	209.1	101.2	107%
Profit for the period	400.1	162.3	146%
Basic earnings per ordinary share	HK39.2 cents	HK15.9 cents	146%
Interim dividend	HK1.5 cents	HK1.0 cent	50%
	As at 30th June, 2010 (Unaudited)	As at 31st December, 2009 (Unaudited)	
Adjusted net asset value per ordinary share	HK\$7.25	HK\$6.83	6.1%

- **Unaudited consolidated profit for the period increased by about 146% over the corresponding period in 2009.**
- **Interim dividend for 2010 increased by 50% over the comparative amount in 2009.**
- **The Group has a 30% joint venture interest in “Larvotto”, the units presale of which has been very well received.**
- **The Group is presently debt free and with the very substantial cash inflow expected to be generated from “Larvotto” in 2011, the financial position of the Group will be greatly enhanced.**
- **The Group is actively planning to replenish its property development and investment portfolio, both in Hong Kong as well as in China.**



Press Release
For Immediate Release

24th August, 2010

Paliburg Announces 2010 Interim Results

Paliburg Holdings Limited (stock code: 617) announced today its interim results for the six months ended 30th June, 2010.

FINANCIAL RESULTS

For the six months ended 30th June, 2010, the Group achieved an unaudited consolidated profit attributable to shareholders of HK\$400.1 million, which represents an increase of about 146% over the HK\$162.3 million attained in the comparative period last year. The increase in the profit achieved was principally derived from the fair value gains on the financial assets held by the Group as well as the enhanced profit contribution from Regal Hotels International Holdings Limited.

For the purpose of reference, supplementary information on the net assets of the Group, compiled on an adjusted basis to more fairly reflect the underlying net assets attributable to the interests held by Regal Group 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\$7.25.**

DIVIDEND

The Directors have declared the payment of an interim dividend of HK1.5 cents (2009 – HK1.0 cent) per ordinary share for the financial year ending 31st December, 2010.

REVIEW OF OPERATIONS

PROPERTIES

The Group has a 30% joint venture interest in Larvotto, a luxury residential development project at Ap Lei Chau, which has a very low carrying investment cost. The project has a total gross floor area of about 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. Presale of the apartments units commenced in July 2010 and has been very well received. So far, about 640 residential apartment units have been presold for an aggregate sale consideration exceeding HK\$14 billion. The construction works are well in progress

and the development is expected to be completed within the first quarter of 2011. Very substantial cash flow and profits are expected to be derived from the Group's interest in Larvotto, which will be received and accounted for in 2011 when the agreements for the sale and purchase of the apartment units presold are completed.

The Group is retaining 25% equity interests in Regal iClub Building at No.211 Johnston Road in Wanchai, with the 75% interests having been sold to Regal REIT in October last year. Due to the encouraging performance of the Regal iClub Hotel since its opening in December 2009, the remaining ten office floors in the building are being converted into another 49 guestrooms and suites, anticipated to be completed later this year. The property is currently leased to the Group for property leasing and hotel operation business and the lease will expire at the end of this year. The Group has granted an option to Regal REIT to acquire the Group's remaining 25% equity interests on pre-agreed terms, which is exercisable by Regal REIT during the period from 1st November, 2010 to 28th February, 2011.

CONSTRUCTION AND BUILDING RELATED BUSINESSES

The Group operates a comprehensive range of construction and other building related businesses which, apart from offering services to third party clients, are providing key support to the needs of the Group as a whole. While the construction industry in Hong Kong continues to be very competitive, the Group has recently diversified into the business of providing LED lighting works for buildings, which has high growth potential.

OTHER INVESTMENTS

The Group holds a substantial portfolio of investments in financial assets, including the shares in China Pacific Insurance (Group) Co., Ltd. previously acquired as one of the cornerstone investors in its IPO last year. Apart from the 16.8% shareholding interest held in Cosmopolitan International Holdings Limited, the Group also owns a significant amount of the convertible bonds issued by the Cosmopolitan group.

REGAL GROUP AND REGAL REIT

For the six months ended 30th June, 2010, Regal achieved an unaudited consolidated profit attributable to shareholders of HK\$385.3 million, an increase of about 162% as compared to the profit of HK\$147.2 million recorded in the corresponding period in 2009.

For the six months ended 30th June, 2010, Regal REIT attained an unaudited consolidated net profit before distribution to its unitholders of approximately HK\$308.2 million, as compared to the profit of HK\$187.5 million recorded in the corresponding period in 2009.

For 2010 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 Group is presently debt free and with the very substantial cash inflow expected to be generated from the Larvotto joint development project in 2011, the financial position of the Group will be greatly enhanced. “The Group is actively planning to replenish its property development and investment portfolio, both in Hong Kong as well as in China.” concluded 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 interim results announcement released today.

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