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UPDATE ON FINANCIAL INFORMATION

This announcement is made by Paliburg Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review by management of the Company on the unaudited consolidated management accounts of the Group for the year ended 31st December, 2025, it is expected that the Group will record a consolidated loss attributable to shareholders of approximately HK\$1,158 million for the year ended 31st December, 2025, as compared to the loss of HK\$1,643.3 million incurred in the preceding financial year.

The expected loss for the year under review was primarily attributable to the finance costs incurred, the substantial depreciation charges on the Group’s hotel properties in Hong Kong, despite they have no impact on the Group’s cash flow, as well as the impairment loss on the properties held for sale in the development projects in China undertaken by Cosmopolitan International Holdings Limited, a listed subsidiary of the Company.

At present, the Group’s principal businesses are mainly focused on properties and hotels in Hong Kong. Taking advantage of the gradual recovery of the residential market in Hong Kong during the year, the Group is expected to achieve aggregate proceeds in excess of HK\$1,793.5 million from the sale of its residential properties. As regarding the Group’s hotel businesses, which are primarily operated by Regal Hotels International Holdings Limited, also a listed subsidiary of the Company, they have continued to perform satisfactorily and contributed increased profits in 2025.

For the year under review, the Group's gross profit from business operations is expected to amount to approximately HK\$1,169 million (2024 – HK\$943.7 million). After accounting for mainly the impairment loss on properties held for sale in China mentioned above, the fair value losses on investment properties as well as various administrative and property selling expenses, the Group is expected to record an operating loss before finance costs, depreciation and tax of approximately HK\$154 million (2024 – HK\$376.4 million).

In order to conform to applicable accounting standards, the Group's hotel properties in Hong Kong are required to be subject to depreciation charges, as they are all owned and operated within the Group. Total depreciation charges on those 11 hotels for the year are expected to amount to approximately HK\$669 million (2024 – HK\$678.9 million), which though having no impact on cash flow, have nevertheless adversely affected the Group's financial results.

The expected net loss is only based on the unaudited consolidated management accounts of the Group for the year ended 31st December, 2025. The audited consolidated financial statements of the Group for the year ended 31st December, 2025 are still being finalised. The final results announcement of the Group for the year ended 31st December, 2025 will be published on 30th March, 2026.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Paliburg Holdings Limited
Eliza Lam Sau Fun
Secretary

Hong Kong, 25th March, 2026

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Mr. LO Yuk Sui
(Chairman and Chief Executive Officer)
Mr. Jimmy LO Chun To
(Vice Chairman and Managing Director)
Mr. Kelvin LEUNG So Po
Ms. LO Po Man
Mr. Kenneth NG Kwai Kai
Mr. Kenneth WONG Po Man

Independent Non-Executive Directors:

Mr. Bowen Joseph LEUNG Po Wing, GBS, JP
Ms. Winnie NG, JP
Mr. Abraham SHEK Lai Him, GBS, JP
Mr. WONG Chi Keung