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PROFIT WARNING

This announcement is made by Paliburg Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “Board”) wishes to inform the holders of the securities of the Company and potential investors that the Group is expected to record a loss for the financial year ended 31st December, 2008. The Group reported profits for the last financial year ended 31st December, 2007 and the six months ended 30th June, 2008.

The loss expected to be incurred by the Group for the financial year ended 31st December, 2008 is mainly attributable to the losses arising from changes in the fair values of certain of the investment properties and financial assets held by the Group, Regal Hotels International Holdings Limited (“Regal”) which is a listed associate of the Group and Regal Real Estate Investment Trust (“Regal REIT”) which is a listed associate of Regal.

The decrease in the fair values of the investment properties and financial assets held by the Group, Regal and Regal REIT primarily reflected the significant downturn in the financial and property market conditions in Hong Kong which, in turn, is brought about by the recent global financial crisis. These fair value losses are however non-cash flow items and do not have an immediate impact on the cash flow of the Group.

This profit warning announcement is only based on the unaudited consolidated management accounts of the Group. The audited consolidated financial statements of the Group for the year ended 31st December, 2008 are still being finalised. The final results announcement of the Group for the year ended 31st December, 2008 is expected to be published on 31st March, 2009.

Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 17th March, 2009

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. Donald FAN Tung
(Chief Operating Officer)
Mr. Jimmy LO Chun To
Miss 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
Mr. NG Siu Chan
Hon Abraham SHEK Lai Him, SBS, JP
Mr. WONG Chi Keung