



PAN HONG'S NET PROFIT SOARS 275% TO A RECORD RMB 185.7 M IN FY2007

- Revenue surged nearly 3-fold to RMB 564.9 million
- Over 90% of Nanchang Honggu Kaixuan Phase 1 residential units sold in FY2007
- Group expects robust revenue and earnings in FY2008

Results Highlights	FY2007	FY2006	% change
Group Revenue (RMB million)	564.9	151.3	273.4
Net Profit (RMB million)	185.7	49.6	274.7
Net Profit Attributable to Shareholders (RMB million)	184.9	49.4	273.9
Earnings per share (RMB cents)	38.37	12.55	205.7
Proposed dividend per share (HK cents)	2.00	1.00	100.0

Singapore, 28 February 2008 – Pan Hong Property Group Limited (汎港地產集團有限公司) (“Pan Hong” or the “Group”), a niche property developer that focuses primarily on the second and third-tier cities in China, has reported that its net profit attributable to equity holders soared by 273.9% to a record RMB 184.9 million for the year ended 31 December 2007 (“FY2007”), on a substantial 273.4% gain in revenue to RMB 564.9 million.

The Group’s stellar set of financial results was lifted mainly by buoyant sales from the first phase of its current residential-cum-commercial property development in Nanchang city, Jiangxi Province. Launched in May 2007, Nanchang Honggu Kaixuan (“南昌紅谷凱旋”) reaped revenue of approximately RMB 548.3 million in FY2007, as the Group completed the handover of 989 residential units, totaling gross floor area (“GFA”) of around 117,846 sq m. The remaining revenue of RMB 16.6 million came from sales of the remaining units at the Group’s other completed developments.

Gross profit margin expanded to 40.8%, compared to 37.9% in FY2006, thanks to the higher overall average selling prices of properties sold during FY2007. Other income and gains more than trebled to RMB 77.4 million in FY2007, due mainly to higher agency commission and consultancy fee income. Pan Hong ended the year with cash and bank balances of RMB 243.9 million, up from RMB 221.4 million at end FY2006.

Said Mr Wong Lam Ping, Executive Chairman of Pan Hong, “FY2007 was a year of exciting developments for Pan Hong. Our revenue and profit hit an all-time high as the launch of our first property project in the fast-developing city of Nanchang received an encouraging response. At the end of 2007, the residential units under Phase 1 of this development are almost sold out.”

Indeed, Pan Hong bagged several awards for Nanchang Honggu Kaixuan in 2007, including the ‘4th Annual Nanchang City Best Property Award’, ‘Most Popular Property in Nanchang’, ‘Harmonious Habitat of the Year Award’, and also received company accolades such as ‘Reputable Brand of the Year in Jiangxi’ and ‘Professional Property Developer of International Standard’.

Added Mr Wong, “We also focused on strengthening our land bank in 2007 and made several land acquisitions in the PRC. Our sizeable land reserves, coupled with our financial strength and

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quality reputation, places the Group in a sound position to continue riding on the anticipated growth in the PRC's property market which continues to be buoyed by rising urbanization.

We plan to launch Phase 2 of Nanchang Honggu Kaixuan, as well as new projects – Hua Cui Ting Yuan and Hangzhou Liyang Yuan – in FY2008. Based on the current market climate and our business plans, the Group expects revenue and earnings in FY2008 to remain robust.”

The Group has completed the construction of Nanchang Honggu Kaixuan Phase 1 which has a total of 1,127 residential units, and commercial space. As at 31 December 2007, Pan Hong has already sold 91% or 1,030 of these residential units. The sales value of 989 units was recorded as revenue in FY2007, with the remaining sales value to be recognised after completion of handover of the respective residential units to the purchasers.

Phase 2 of Nanchang Honggu Kaixuan is scheduled to be launched by the middle of 2008, with pre-sales expected to be conducted in batches. Construction of Phase 2, which will comprise an office tower, retail space and residential units totaling around 216,000 sq m in planned GFA, is already in progress.

In addition to Nanchang Honggu Kaixuan Phase 2, Pan Hong is targeting to unveil two other property projects in Zhejiang Province in FY2008, subject to changes in business and market conditions. Hua Cui Ting Yuan is a residential property development set within a scenic backdrop at the well-known Taihu Lake in Huzhou city while Hangzhou Liyang Yuan is a smaller residential-and-commercial development located in Hangzhou city.

Beyond FY2008, Pan Hong has a planned pipeline of other development projects for the coming years, thanks to the substantial increase in its land bank during FY2007. The Group boosted the total planned GFA of its land bank by adding 2.2 million sq m of choice land parcels located in Yichun, Leping and Fuzhou cities in Jiangxi Province, as well as in Jiangmen city in Guangdong Province.

About Pan Hong Property Group Limited

Pan Hong Property Group Limited is a niche property developer that focuses primarily on developing high quality residential and commercial properties in the second and third-tier cities in China.

With more than 20 years of experience in China's property development industry, the Group has established its presence in Hangzhou and Huzhou cities in Zhejiang Province, and Nanchang city in Jiangxi Province. At present, the Group's land reserves for development span across seven cities in the PRC, including Nanchang, Yichun, Leping, Fuzhou, Jiangmen, Huzhou and Hangzhou. Among its notable property developments are the Hangzhou Yazhoucheng Garden, Huzhou Jinquan Garden and Nanxun Yazhoucheng Garden. As a testament to its quality developments, Pan Hong was awarded the “Huzhou City Outstanding Property Development” in 2003 and the “China IACE International Habitat Award” in 2005 for the Nanchang Honggu Kaixuan project.

Pan Hong was listed on the Singapore Exchange on 20 September 2006. The Initial Public Offering of Pan Hong was sponsored by CIMB-GK Securities Pte. Ltd.

Website : <http://www.pan-hong.com>