

PAN HONG PROPERTY GROUP LIMITED
(Incorporated in Bermuda)
(Registration Number: 37749)

INCREASE IN REGISTERED CAPITAL OF SUBSIDIARIES AND AN ASSOCIATE COMPANY

The Board of Directors of Pan Hong Property Group Limited ("Pan Hong" or the "Group") wishes to announce that the Group's wholly-owned subsidiary, Pan Hong Investment Limited, has received approvals from the relevant authorities in the People's Republic of China to increase the registered capital of the following subsidiaries and an associate company.

The increase in registered capital of the subsidiaries and associate company are as follows:

<u>Name of subsidiary / associate</u>	<u>Registered Capital</u>	
	<u>From</u>	<u>To</u>
Hangzhou Liyang Real Estate Development Co., Ltd ("Hangzhou Liyang")	USD 3,500,000	USD 6,000,000
Jiangxi Asia City Real Development Co., Ltd ("Jiangxi Asia City")	USD 5,000,000	USD 25,000,000
Jiangxi Ganghong Investment Co., Ltd ("Jiangxi Ganghong")	RMB 60,000,000	RMB 100,000,000

The Group's prior investments in Hangzhou Liyang, Jiangxi Asia City and Jiangxi Ganghong were funded by IPO proceeds and internal resources. The investments were made to finance the development of the Group's property projects in Hangzhou (Zhejiang Province), Nanchang and Yichun cities (Jiangxi Province) respectively.

The above investments are not expected to have any material impact on the Company's earnings per share or net tangible assets for the financial year ending 31 December 2007.

None of the Group's directors or controlling shareholder has any interest, direct or indirect, in the above transaction.

The Initial Public Offering of Pan Hong's shares was sponsored by CIMB-GK Securities Pte. Ltd.

BY ORDER OF THE BOARD

Wong Lam Ping
Executive Chairman

Date : 7 August 2007