



汎港地產集團
PAN HONG PROPERTY GROUP

PAN HONG PROPERTY GROUP LIMITED
(Incorporated in Bermuda on 20 December 2005)

**3RD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2006**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement (for the group) together with a comparative statement for the
corresponding period of the immediately preceding financial year.**

Group Income Statement for 3rd Quarter ended 30 September 2006. These figures have not been audited.

	RMB'000		%	RMB'000		%
	3 Months ended 30/9/2006	3 Months ended 30/9/2005		9 Months ended 30/9/2006	9 Months ended 30/9/2005	
	(Unaudited)	(Unaudited)	Change	(Unaudited)	(Unaudited)	Change
Revenue	27,849	1,694	1540.0%	99,411	3,202	3000.0%
Cost of Sales	16,813	1,255	1240.0%	59,129	2,129	2680.0%
Gross Profit	11,036	439	2410.0%	40,282	1,073	3650.0%
Other income and gains	2,459	3	81870.0%	8,424	6	140300.0%
Share of loss of an associate	-	(89)	-100.0%	(324)	(185)	80.0%
Selling expenses	(203)	(56)	260.0%	(825)	(212)	290.0%
Administrative expenses	(1,979)	(773)	160.0%	(3,835)	(2,187)	80.0%
Other operating expenses	(3,790)	(230)	1550.0%	(6,064)	(881)	590.0%
Total costs and expenses	(5,972)	(1,148)	420.0%	(11,048)	(3,465)	220.0%
Profit / (loss) from operating activities	7,523	(706)	-1170.0%	37,658	(2,386)	-1680.0%
Finance income / (costs)	(383)	15	-2650.0%	(1,259)	53	-2480.0%
Profit / (loss) before taxation	7,140	(691)	-1130.0%	36,399	(2,333)	-1660.0%
Taxation	2,974	-	NM	11,783	-	NM
Profit / (loss) for the period	4,166	(691)	-700.0%	24,616	(2,333)	-1160.0%
Attributable to:						
Equity holders of the parent	4,146	(723)	-670.0%	24,420	(2,379)	-1130.0%
Minority shareholders	20	32	-40.0%	196	46	330.0%
	4,166	(691)	-700.0%	24,616	(2,333)	-1160.0%
Earning / (loss) per share (RMB cents)	1.15	(0.20)		6.78	(0.66)	

NM: Not Meaningful



Note:

Profit / (loss) before taxation includes the following:

	RMB'000		RMB'000	
	3 Months ended 30/9/2006 (unaudited)	3 Months ended 30/9/2005 (unaudited)	9 Months ended 30/9/2006 (unaudited)	9 Months ended 30/9/2005 (unaudited)
Depreciation of property, plant and equipment	97	136	212	254
Less: amount capitalized in properties held under development	(65)	(32)	(104)	(104)
Borrowing costs	3,171	463	3,391	1,278
Less: amount capitalized in properties held under development	(2,850)	-	(1,746)	-
(Profit) / loss on disposal of property, plant and	(31)	-	(31)	164
Operating lease charges in respect of land and buildings	223	5	335	64
Less: amount capitalized in properties held under development	(26)	-	(64)	-
IPO expenses	3,539	-	3,539	-
Staff costs, including directors' emoluments	522	450	4,044	1,003

Notes:

- (1) Pan Hong Property Group Limited (thereafter "the Company") was incorporated in Bermuda on 20 December 2005 under the Bermuda Companies Act as an exempted company with limited liability. The principal activity of the Company is that of an investment holding company.
- (2) On 9 September 2006, the Company completed its Restructuring Exercise as set out in the Company's prospectus dated 11 September 2006 (the "Restructuring Exercise") to rationalize the Group's structure in preparation for the public listing of the Company's shares on the Main Board of Singapore Stock Exchange Securities Trading Limited (the "SGX-ST"). Subsequently on 20 September 2006, the Company was officially listed on the SGX-ST.
- (3) Pursuant to the completion of the Restructuring Exercise, the Company became the holding company of the Group. Accordingly, the Group is regarded as a continuing entity resulting from the Restructuring Exercise since all of the participating entities which took part in the Restructuring Exercise were controlled by the same ultimate shareholders before and immediately after the Restructuring Exercise. Accordingly, the Group is regarded as a continuing entity resulting from the Restructuring Exercise since 9 September 2006 and the Restructuring Exercise has been accounted for as reorganization under common control in a manner similar to a pooling-of-interests. As a result, the accompanying consolidated balance sheet has been prepared to present the Group's assets and liabilities as if the Restructuring Exercise had been completed as at 31 December 2005 and 30 September 2006. Furthermore, with the exception of the Acquired Interests as set out in the Prospectus of the Company dated 11 September 2006, the accompanying consolidated results and cash flows include the results of the Company and its subsidiaries with effect from 1 January 2005 as if the current group structure had been in existence throughout the period presented.

**Revenue**

Revenue was derived mainly from sale of residential properties, particularly the projects in Huzhou. A small part of the revenue was contributed by the rental income, bank interest income and other income. Both the revenue of 3 months and 9 months ended 30 September 2006 increased substantially by approximately RMB26.1 million and RMB96.2 million over the corresponding periods of 2005 respectively. The increase in revenue was primarily attributable to the delivery of properties of Huzhou Xinya Jiayuan (湖州馨雅家園), Huzhou Liyang Jingyuan Phase 1 (湖州麗陽景苑第一期), Huzhou Zhili Yazhoucheng Phase 1 (湖州織里亞洲城第一期) in Huzhou for the 9 months ended 30 September 2006 and Wuxing District Balidian Multi-trading Market (吳興區八里店社區綜合市場) in Huzhou for the 3 months ended 30 September 2006.

Revenue arising from the sales of properties held for sale are recognized when the significant risks and rewards of ownership for these properties held for sales have been transferred to the purchasers and the Group retains neither continuing involvement to the degree usually associated with ownership nor effective control over properties held for sales.

Cost of sales

Cost of sales comprised principally land costs, construction costs and capitalized borrowing costs. In line with the increase in revenue, the cost of sales increased in the 3 months ended 30 September 2006 by approximately RMB15.5 million and in 9 months ended 30 September 2006 by approximately RMB57.0 million over the corresponding periods of last year.

Gross Profit

Our gross profit increased by approximately RMB10.6 million in the 3 months ended 30 September 2006 and approximately RMB39.2 million in 9 months ended 30 September 2006 and it was mainly attributable to the sales of commercial units of the projects in Wuxing District Balidian Multi-trading Market (吳興區八里店社區綜合市場) in Huzhou and Huzhou Liyang Jingyuan Phase 1 (湖州麗陽景苑第一期). Gross profit margin for both 3 months ended 30 September 2006 and 9 months ended 30 September 2006 were approximately 26% and 33% respectively. The higher gross profit margin achieved in 9 months ended 30 September 2006 was due to the higher average selling prices and the gross floor area for the residential units for Huzhou Zhili Yazhoucheng Phase 1 (湖州織里亞洲城第一期), Huzhou Liyang Jingyuan Phase 1 (湖州麗陽景苑第一期) and commercial units in Wuxing District Balidian Multi-trading Market (吳興區八里店社區綜合市場).

Other operating income

Other operating income consisted mainly of interest income, rental income and the fair value gain upon revaluation of an investment property and other miscellaneous income. The increase in other operating income in the 3 months ended 30 September 2006 by approximately RMB2.4 million and in 9 months ended 30 September 2006 by approximately RMB8.4 million over the corresponding periods of last year were mainly due to the increase in exchange gain on IPO proceeds of approximately RMB2.4 million in the 3 months ended 30 September 2006 and the fair value gain upon revaluation of an investment property of approximately RMB6 million in 9 months ended 30 September 2006 over the corresponding periods of last year.

Rental income receivable under operating leases is recognized in the consolidated income statement in equal instalments over the accounting periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized in the combined income statement as an integral part of the aggregate net lease payments receivable.

Interest income from bank deposits is recognized on a time proportion basis by reference to the principal outstanding and the rate applicable.

Selling expenses

Selling expenses included mainly staff expenses, advertising and promotion expenses, traveling expenses and other sundry expenses. The increase of RMB0.1 million in the 3 months ended 30 September 2006 and the increase of RMB0.6 million in 9 months ended 30 September 2006 over the corresponding periods of last year were mainly attributable to the increase in staff costs, advertising expenses for promotion of new projects during the period.

Administrative expenses

Administrative expenses comprised primarily staff costs, depreciation, rental, utilities, and traveling and entertainment expenses. These expenses in the 3 months ended 30 September 2006 and 9 months ended 30 September 2006 were approximately RMB1.2 million and RMB1.6 million higher than those of the corresponding periods in 2005, respectively in line with the increase in revenue. The increases were mainly due to hiring of more staff for the new projects in Huzhou and increase in the professional fees incurred for the Company's preparation of its listing of approximately RMB3.6 million which was partially set off by the exchange gain on the IPO proceeds of approximately RMB2.4 million in the 3 months ended 30 September 2006.

Other operating expenses

Other operating expenses included mainly the loss on disposal of property, plant and equipment, donations and IPO expenses. These expenses of the 3 months ended 30 September 2006 and 9 months ended 30 September 2006 increased by approximately RMB3.6 million and RMB5.2 million respectively. The significant increase of other operating expenses in the 3 months ended 30 September 2006 and in 9 months ended 30 September 2006 was mainly due to the IPO listing expenses of approximately RMB3.6 million incurred in the 3 months ended 30 September 2006.

Finance income / (costs)

Finance income includes the interest on bank deposits while finance costs consisted of interests on borrowings, net of any capitalized interest. Finance income was approximately RMB0.4 million in 3 months ended 30 September 2006 and RMB1.3 million in 9 months ended 30 September 2006 over the corresponding period of last year.

Income Tax

Income tax was derived by applying statutory tax rate of 33%. No Singapore income tax and Hong Kong Profits Tax were included as there was no assessable income derived from or arising in both Singapore and Hong Kong.

Income tax increased significantly by approximately RMB3 million in the 3 months ended 30 September 2006 and approximately RMB11.8 million in 9 months ended 30 September 2006 over the corresponding periods of last year was primarily due to higher profits before income tax as a result of increased revenue. The effective tax rate for the Group in the 3 months ended 30 September 2006 and in 9 months ended 30 September 2006 was approximately 33%.



1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30/9/2006 Unaudited RMB'000	31/12/2005 Audited RMB'000	30/9/2006 Unaudited RMB'000	31/12/2005 Unaudited RMB'000
ASSETS AND LIABILITIES				
NON-CURRENT ASSETS				
Goodwill	6,030	-	-	-
Investment properties	7,642	-	-	-
Property, plant and equipment	4,720	1,794	-	-
Interests in subsidiaries	-	-	274,451	-
Interests in associates	-	22,360	-	-
	18,392	24,154	274,451	-
CURRENT ASSETS				
Properties held under development	245,502	216,397	-	-
Properties held for sale	125,992	82,310	-	-
Account receivables	36,081	18,122	-	-
Deposit, prepayments and other receivables	70,495	4,127	-	-
Amount due from a related company	-	25,290	-	-
Amount due from a subsidiary	-	-	193,466	-
Cash and bank balances	247,148	15,234	93	101
	725,218	361,480	193,559	101
CURRENT LIABILITIES				
Accounts payable	1,152	59	-	-
Accruals, advance receipt and other payables	68,029	53,636	9,665	-
Provision for tax	10,363	17,911	-	-
Amount due to related companies	-	1,296	-	-
Borrowings	16,000	22,000	-	-
	95,544	94,902	9,665	-
NET CURRENT ASSETS	629,674	266,578	183,894	101
TOTAL ASSETS LESS CURRENT LIABILITIES	648,066	290,732	458,345	101
NON-CURRENT LIABILITIES				
Shareholder's loan	13,210	194,253	-	-
Borrowings	110,000	-	-	-
Deferred taxation	5,477	-	-	-
NET ASSETS	519,379	96,479	458,345	101
EQUITY				
Share capital	292,164	11	292,164	101
Share premium	111,948	-	111,948	-
Reserves	85,870	61,455	54,233	-
EQUITY ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS	489,982	61,466	458,345	101
Minority interests	29,397	35,013	-	-
TOTAL EQUITY	519,379	96,479	458,345	101

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/9/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
16,000	-	22,000	1,296

Amount repayable after one year

As at 30/9/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
110,000	13,210	-	194,253

Details of any collateral

The Group's interest-bearing bank borrowings are secured by the pledge of certain land use rights of the Group.

The shareholder's loan which were unsecured and interest free of approximately RMB194 million were subsequently capitalized on 23 March 2006 as part of the Restructuring Exercise. Please refer to the section of "Restructuring Exercise" of the Company's prospectus dated 11 September 2006 for details. The outstanding balance of shareholder's loan as at 30 September 2006 was approximately RMB13.2 million.



1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	RMB'000		RMB'000	
	3 Months ended 30/9/2006	3 Months ended 30/9/2005	9 Months ended 30/9/2006	9 Months ended 30/9/2005
Cash flow from operating activities				
Profit/(loss) before taxation	7,140	(691)	37,159	(2,448)
Adjustment for:				
Interest income	-	(14)	(19)	(18)
Interest expense	321	463	1,645	1,278
Depreciation	32	104	108	150
Fair value gain of investment property	-	-	(5,880)	-
Share of associate's loss	-	89	82	185
Operating cash flow before reinvestment in working capital	7,493	(49)	33,095	(853)
Increase in properties held under development	(20,477)	(15,929)	(36,804)	(174,197)
Decrease/(increase) in account and other receivables, prepayments and deposits paid	(45,542)	6,073	(55,970)	(116,044)
(Increase) / decrease in amount due from a related party	-	(5,000)	26,159	(18,000)
Increase in account and other payables, accruals and receipts in advance	23,975	16,412	18,074	152,539
(Increase) / decrease in amount due to related parties	(3,988)	197	(23,886)	713
Cash (used in) / generated from operations	(38,539)	1,704	(39,332)	(155,842)
Income taxes (paid) / refund	5,649	(2,833)	(16,847)	(17,448)
Net cash used in operating activities	(32,890)	(1,129)	(56,179)	(173,290)
Cash flow from investing activities				
Purchases of property, plant and equipment	(2,685)	(343)	(2,781)	(224)
Investment in associates	-	(2,374)	(2,060)	(20,514)
Acquisition of subsidiary, net	-	-	763	-
Interest received	-	14	19	18
Net cash used in investing activities	(2,685)	(2,703)	(4,059)	(20,720)
Cash flow from financing activities				
Repayment of minority shareholder's loan	(29,400)	-	-	-
Issue of shares	180,951	-	180,951	-
New bank loans	110,000	-	110,000	-
Repayment of bank loans	(15,000)	-	(14,989)	(3,000)
(Decrease)/ increase in shareholder's loan	(376)	(15,986)	11,596	162,067
Interest paid	(321)	(463)	(2,252)	(1,278)
Net cash (used in) / generated from financing activities	245,854	(16,449)	285,306	157,789
Net increase / (decrease) in cash and cash equivalents	210,279	(20,281)	225,068	(36,221)
Effect of foreign exchange difference	5,924	4,951	6,846	24,344
Cash and cash equivalents at beginning of period	30,945	23,180	15,234	19,727
Cash and cash equivalents at end of period	247,148	7,850	247,148	7,850

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.



汎港地產集團
PAN HONG PROPERTY GROUP

PAN HONG PROPERTY GROUP LIMITED

Group	Share capital	Share premium	Capital surplus reserve	Exchange reserves	(Accumulated losses)/retained earnings	Minority interests	Total equity
RMB'000							
Balance at 1 July 2005	10	-	-	6,494	(214)	36,977	43,267
Profit / (loss) for the period	-	-	-	-	(723)	32	(691)
Exchange difference	-	-	-	4,271	-	-	4,271
Balance at 30 September 2005	10	-	-	10,765	(937)	37,009	46,847
Balance at 1 January 2005	10	-	-	(2,878)	1,722	14,958	13,812
Profit / (loss) for the period	-	-	-	-	(2,379)	46	(2,333)
Exchange difference	-	-	-	13,643	(280)	22,005	35,368
Balance at 30 September 2005	10	-	-	10,765	(937)	37,009	46,847

Group	Share capital	Share premium	Capital surplus reserve	Exchange reserves	(Accumulated losses)/retained earnings	Minority interests	Total equity
RMB'000							
Balance at 1 July 2005	200,233	16,546	6,058	129	73,385	29,378	325,729
Restructuring Exercise	(200,233)	(16,546)	(6,058)	(129)	4,094	-	(218,872)
Pursuant to the Restructuring Exercise	219,022	-	-	-	-	-	219,022
Fully paid 1,000,000 shares of HK\$0.10 each	101	-	-	-	-	-	101
New shares of HK\$0.60 each to be issued pursuant to the Invitation	73,041	118,023	-	-	-	-	191,064
Arising from Restructuring Exercise	-	-	(840)	-	-	-	(840)
Share issue expenses	-	(6,075)	-	-	-	-	(6,075)
Profit / (loss) for the period	-	-	-	-	4,147	19	4,166
Exchange difference	-	-	-	5,024	60	-	5,084
Balance at 30 September 2006	292,164	111,948	(840)	5,024	81,686	29,397	519,379
Balance at 1 January 2006	-	-	-	-	-	-	-
Pursuant to the Restructuring Exercise	219,022	-	-	437	61,018	35,013	315,490
Fully paid 1,000,000 shares of HK\$0.10 each	101	-	-	-	-	-	101
New shares of HK\$0.60 each to be issued pursuant to the Invitation	73,041	118,023	-	-	-	-	191,064
Share issue expenses	-	(6,075)	-	-	-	-	(6,075)
Arising from Restructuring Exercise	-	-	(840)	-	-	-	(840)
Profit / (loss) for the period	-	-	-	-	24,420	196	24,616
Exchange difference	-	-	-	4,587	(3,752)	(5,812)	(4,977)
Balance at 30 September 2006	292,164	111,948	(840)	5,024	81,686	29,397	519,379

Company	Share capital	Share premium	Capital surplus reserve	Exchange reserves	(Accumulated losses)/retained earnings	Minority interests	Total equity
RMB'000							
Balance at 1 January 2006	-	-	-	-	-	-	-
New ordinary shares of HK\$0.10 each pursuant to the Restructuring Exercise	219,022	-	55,421	-	-	-	274,443
Fully paid 1,000,000 shares of HK\$0.10 each	101	-	-	-	-	-	101
New shares of HK\$0.60 each to be issued pursuant to the Invitation	73,041	118,023	-	-	-	-	191,064
Share issue expenses	-	(6,075)	-	-	-	-	(6,075)
Loss for the period	-	-	-	-	(1,188)	-	(1,188)
Exchange difference	-	-	-	-	-	-	-
Balance at 30 September 2006	292,164	111,948	55,421	-	(1,188)	-	458,345

Note: The statement of changes in equity of the Company for the 3 months and 9 months ended 30 September 2005 is not presented as the Company was only incorporated on 20 December 2005.



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

		Number of Ordinary Shares	Issued share capital (HKD'000)	Issued share capital (RMB'000)
3 January 2006	First allotment and issue 1,000,000 shares of HK\$0.10 each nil-paid	1,000,000	-	
9 September 2006	Restructuring exercise	2,159,000,000	215,900	219,022
9 September 2006	Crediting as fully paid the 1,000,000 shares of HK\$0.10 each were issued on 3 January 2006 as part of Restructuring Exercise	-	100	101
9 September 2006	Consolidation at HK\$0.60 each	(1,800,000,000)	-	-
11 September 2006	IPO share issue	120,000,000	72,000	73,041
		<u>480,000,000</u>	<u>288,000</u>	<u>292,164</u>

Note: Assuming that the closing rate of RMB:HKD as at 30 September 2006 was 1.01446.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computations as stated in the report from the joint reporting accountants on the financial statements of the Group included in the Company's prospectus dated 11 September 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable

PAN HONG PROPERTY GROUP LIMITED

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3 Months ended	3 Months ended	9 Months ended	9 Months ended
	30/9/2006	30/9/2005 *	30/9/2006	30/9/2005 *
Earnings / (loss) per ordinary share of the group, after deducting any provision for preference dividends (in RMB cents):				
(a) Based on weighted average number of ordinary shares on issue; and	1.15	(0.20)	6.78	(0.66)
(b) On a fully diluted basis	N/A	N/A	N/A	N/A

Basic earnings per share for the 3 months ended 30 September 2006 are calculated based on the Group's net profit attributable to shareholders of approximately RMB4.1 million (the 3 months ended 30 September 2005: loss of approximately RMB723,000) divided by weighted average number of 367,232,877 ordinary shares (assuming that the 120 million IPO shares were issued on 9 September 2006 and there were 365 days in a year) of HK\$0.60 each (the 3 months ended 30 September 2005: 360,000,000 ordinary shares of HK\$0.60 each) in issue during the period.

Basic earnings per share for the nine months ended 30 September 2006 are calculated based on the Group's net profit attributable to shareholders of approximately RMB24.4 million (nine months ended 30 September 2005: loss of approximately RMB2.4 million) divided by the weighted average number of 367,232,877 ordinary shares of HK\$0.60 each (nine months period ended 30 September 2005: 360,000,000 ordinary shares of HK\$0.60 each) in issue during the period.

Diluted earnings per share for the 3 months ended 30 September 2006 and the nine months ended 30 September 2006 over the corresponding periods of last year have not been calculated as no diluting events existed during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

RMB cents	Company		Group	
	30/9/2006	31/12/2005	30/9/2006	31/12/2005
Net asset value per ordinary share based on issued share capital at the end of:	124.81	1.01	141.43	26.27

Note: it is assumed that the weighted average number of shares for the period, i.e. 367,232,877 ordinary shares, is used to calculate the above figures.

PAN HONG PROPERTY GROUP LIMITED

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

	Group					
	3 Months ended 30/9/2006	3 Months ended 30/9/2005	Change %	9 Months ended 30/9/2006	9 Months ended 30/9/2005	Change %
Group Revenue						
RMB'000						
Sales of properties	27,849	1,694	1544.0%	99,411	3,202	3005.0%
Gain on revaluation of investment properties	-	-	NM	5,965	-	NM
Others	91	3	2933.0%	31	6	417.0%
Exchange gain	2,368	-	NM	2,428	-	NM
Total Group	30,308	1,697	1686.0%	107,835	3,208	3261.0%

For the period from 1 July 2006 to 30 September 2006, our Group has sold or pre-sold the following:-

Huzhou Zhili Phase 1 – we have sold 2 residential units for an aggregate purchase price of approximately RMB460,000. The average selling price of the units sold was approximately RMB1,300 per sq m;

Huzhou Liyang Phase 1 – we have sold 10 residential units, 9 storeroom units, 1 commercial units and 6 parking lots for an aggregate purchase price of approximately RMB6.16 million. The average selling prices of the residential and commercial units were approximately RMB3,725 per sq m and RMB3,814 per sq m, respectively;

Huzhou Xinya Jiayuan – we have sold 6 storeroom units and 9 parking lots for an aggregate purchase price of approximately RMB730,000. The average selling price of the residential units was approximately RMB2,008 per sq m; and

Wuxing Balidian Market – we have sold 77 commercial units for an aggregate purchase price of approximately RMB20.7 million. The average selling price of the commercial units was approximately RMB8,273 per sq m.

For the updated status of our on-going sales of the above projects up to October 2006, please refer to our previous announcement made to SGX on 23 October 2006.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

None

PAN HONG PROPERTY GROUP LIMITED

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Measures introduced by the PRC government since May 2006 to curb speculation in the Chinese property sector are not expected to have any material impact on the Group's revenue and earnings in the next reporting period and the next 12 months. Based on the number of property units pre-sold to-date, the Group's revenue and earnings for the next reporting period and the next 12 months are expected to remain robust. There remain growth opportunities for financially strong property developers with choice land banks and a reputation for quality and reliability. The Group has received encouraging response to projects released in recent months. As such, the Directors are confident of the future performance of the Group.

Our Directors continue to believe that with the expected continuous growth of the PRC economy in the coming years leading to an increase in disposal income, this will lead to rising consumer affluence and sophistication which will drive the demand for better quality housing. The expected increase in urbanisation in the PRC, coupled with government policies encouraging private property ownership in the recent years, should also contribute to this rise in demand.

We are pleased to inform that the progress of our future projects are on track with our schedule, with three major projects targeted to be launched in the first quarter of 2007. These include Nanchang Honggu Kaixuan, Huacui Tingyuan and Hangzhou Liyang Yuan.

Barring unforeseen circumstances, the Group is confident that its revenue and net profit will continue to improve in 2007.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

PAN HONG PROPERTY GROUP LIMITED

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial period ended 30 September 2006.

13. Interested Person Transactions

Name of Interested Person	9 months ended 30 September 2006	
	Aggregate value of all IPTs during the financial year under review excluding transactions less than S\$100,000 and transactions pursuant to the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the Listing Manual)	Aggregate value of all IPTs under the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the Listing Manual) during the financial year under review (excluding transactions less than S\$100,000)
Advances from Pan Hong Company Limited ¹	RMB 2,900,000 ²	Nil
Advances from the Executive Chairman and controlling shareholder, Mr Wong Lam Ping	RMB 13,600,000 ³	Nil
Rental of office space from Pan Hong Company Limited ¹	HK\$ 97,200	Nil
Provision of legal services by Messrs Peter K.S.Chan & Co. ⁴	HK\$ 2,100	Nil

Notes :

- Pan Hong Company Limited is a company jointly owned by Mr Wong Lam Ping and Mdm. Chan Heung Ling, who are the Executive Chairman and Deputy Chairman of the Company respectively.
- As disclosed in the Company's prospectus dated 11 September 2006, approximately RMB 2,900,000 was due to Pan Hong Company Limited at the 10 August 2006. This amount has been repaid and there is no further advance from Pan Hong Company Limited as at 30 September 2006.
- As disclosed in the Company's prospectus dated 11 September 2006, approximately RMB 13,600,000 was outstanding to Mr Wong at the 10 August 2006. Mr Wong has undertaken that he will not demand the repayment of this loan prior to 1 January 2008, and further subject to the approval of the Audit Committee, taking into consideration the cash flow requirements of our Group at the time of the proposed repayment. The Group does not intend to seek further advances from Mr Wong.
- Mr Chan Kin Sang, a Non-Executive Director of the Company, is a senior partner of Messrs Peter K.S. Chan & Co., which had provided legal services to members of the Group.

CIMB-GK Securities Pte. Ltd. was the issue manager for the initial public offer of the Company.



汎港地產集團 PAN HONG PROPERTY GROUP LIMITED

BY ORDER OF THE BOARD

Wong Lam Ping
Executive Chairman

14/11/2006



PAN HONG PROPERTY GROUP LIMITED

STATEMENT BY DIRECTORS pursuant to SGX Listing Rule 705(4)

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Pan Hong Property Group Limited which may render these interim financial results to be false or misleading.

For and on behalf of the
Board of Directors of
Pan Hong Property Group Limited

Wong Lam Ping
Director

Chan Heung Ling
Director