

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



汎港地產集團
PAN HONG PROPERTY GROUP

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX”) ON 2 JUNE 2009 IN RESPECT OF THE COMPANY’S FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2009

Pan Hong Property Group Limited (the “Company” and together with its subsidiaries, the “Group”) has been requested by SGX to provide further information in relation to the Company’s Full Year Financial Statement and Dividend Announcement for the period ended 31 March 2009 (the “Results Announcement”) which was released via SGXNET on 28 May 2009.

The query from SGX and the Company’s corresponding response are set out below.

Query:

We note on Page 13 of the Results Announcement that "As a result of a fund transfer to Jiangxi Ganghong through a short-term loan arrangement, the Group's interest in the jointly controlled entity increased to RMB91.1 million as at 31 March 2009". Please provide the reasons for the loan and the use of the loan.

Response:

Pan Hong owns a 50% interest in Jiangxi Ganghong Industrial Co., Ltd (“Jiangxi Ganghong”), which is a joint-venture company that was established to develop residential and commercial properties in Yichun city, Jiangxi Province. The registered and paid-up capital of Jiangxi Ganghong was RMB 100 million. During FP2009, the Group did a fund transfer through short-term loan of around RMB 42 million to Jiangxi Ganghong to finance primarily the partial payment for cost of land parcels. The funds are also used for working capital purposes including the funding of construction costs associated with the aforesaid property development. These land parcels were acquired in 2007.

By Order of the Board

Wong Lam Ping
Executive Chairman

4 June 2009

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