



PAN HONG PROPERTY GROUP LIMITED

汎港地產集團有限公司

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NEWS RELEASE

PAN HONG'S IPO RECEIVES SUPPORT FOR BOTH OFFER AND PLACEMENT SHARES

Singapore, September 19, 2006 - Pan Hong Property Group Limited ("Pan Hong" or the "Group") (汎港地產集團), a quality residential and commercial property developer in the PRC, announced today that its initial public offering ("IPO") of 125 million Invitation Shares at S\$0.35 each has received strong support for both the public offer and placement tranches.

The investors who have each been allotted and/or allocated an aggregate of 5.0% or more of the Invitation Shares include Singapore Warehouse Company (Private) Ltd., which has subscribed for 21.5 million Placement Shares, representing approximately 17.2% of the total 125 million Invitation Shares.

"We are heartened and encouraged by the warm response and feedback from investors. We will now work on delivering our plans and promises so as to enhance shareholder value," said Mr. Wong Lam Ping (汪林冰), Executive Chairman of Pan Hong.

Pan Hong intends to use the net proceeds of approximately S\$38.2 million for the following purposes: -

- approximately S\$22.9 million for acquisition of land reserves; and
- the balance as working capital.

CIMB-GK Securities Pte. Ltd. is the Manager, Underwriter and Placement Agent for Pan Hong's IPO. Trading of Pan Hong's Shares is expected to commence on September 20, 2006.

About Pan Hong Property Group Limited

With a history dating back to 1983, Pan Hong is a residential and commercial property developer in Zhejiang and Jiangxi provinces in the PRC. The Group focuses on developing cities with significant growth potential. To date, it has completed six property development projects in Hangzhou and Huzhou cities, Zhejiang Province. Setting its eyes on the growth in the property market in the PRC, especially the developing cities, the Group has accumulated land reserves of approximately 457,635 sq m in Zhejiang and Jiangxi provinces for development over the next few years.

The Group primarily targets at the middle to upper-middle income group in the respective cities that their projects are located.

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