

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



汎港地產集團
PAN HONG PROPERTY GROUP

Incorporation of Associated Company

The Board of Directors of Pan Hong Property Group Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to announce the incorporation of an associated company, Pinghu City Pan Hong Port Limited (平湖市汎港港务有限公司) (“Pan Hong Port”) in the PRC. The Group’s wholly-owned subsidiary, Pinghu Jiahai Warehousing Limited (平湖嘉海仓储有限公司) has a 30% shareholding in Pan Hong Port, while the remaining 70% is held by Pinghu City Dushan Port Investments Limited (平湖市独山港港务投资有限公司), a wholly state-owned enterprise.

Pan Hong Port has a registered and paid-up capital of RMB 50 million and RMB 10 million respectively. Pan Hong Port will primarily be engaged in pre-construction activities. The Group has injected RMB 3 million into the share capital of Pan Hong Port using borrowings. The remaining investment in Pan Hong Port shall be funded by internal resources and/or borrowings.

The above transaction is not expected to have any material impact on the Group’s earnings per share or net tangible assets for the current financial year ending 31 March 2010.

None of the Company’s directors or controlling shareholder has any interest, direct or indirect, in the above transaction (other than their shareholdings in the Company).

By Order of the Board

Wong Lam Ping
Executive Chairman

25 January 2010

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