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PAN HONG PROPERTY PLACES 23.8 M NEW SHARES AT S\$0.50 EACH  
TO A SUBSIDIARY OF BANK OF COMMUNICATIONS

- BOCOM International is wholly-owned by Bank of Communications, which ranks as one of the top 5 banks in the PRC, and the top 10 banks globally
- Placement will give BOCOM International a 4.64% \* stake in Pan Hong Property
- Net proceeds raised from the Placement estimated to be around S\$11.76 million

*Singapore, 17 August 2009* - Main Board-listed **Pan Hong Property Group Limited** (the “Company” and together with its subsidiaries, the “Group”), a Hong Kong-based property developer that focuses primarily on the second and third-tier cities in the People’s Republic of China (“PRC”), today announced that it has placed 23.8 million new shares (the “Placement Shares”) in the capital of the Company to the BOCOM International group (“BOCOM International”), which is the investment banking and securities arm of Bank of Communications Co., Ltd (“Bank of Communications”).

Under a placement agreement (“Placement Agreement”) that the Company has entered into with CIMB-GK Securities Pte. Ltd. on 17 August 2009, the Placement Shares have been placed to BOCOM International at a placement price of S\$0.50 (the “Placement Price”) for each Placement Share (the “Placement”).

The Placement Shares represent 4.86% of the Company’s existing issued and paid up share capital of 489,639,000 ordinary shares (excluding treasury shares) as at 17 August 2009. On completion of the Placement, the Placement Shares will represent 4.64% of the Company’s enlarged share capital of 513,439,000 million ordinary shares (excluding treasury shares).

The Placement Price represents a discount of approximately 13.58% of the volume weighted average price for trades done on the Company’s shares on the SGX-ST for the full market day on 14 August 2009 (being the preceding market day prior to the signing of the Placement Agreement) and up to the time of trading halt of its shares on 17 August 2009.

Said Mr Wong Lam Ping, the Group’s Executive Chairman, “We would like to thank and welcome BOCOM International as a shareholder of Pan Hong Property Group. We are also encouraged by the entry of BOCOM International as we believe the Group shall be the first company listed on the Singapore stock exchange to have BOCOM International as a shareholder. As a renowned leading investment bank with a wide customer network in China and Hong Kong, BOCOM International’s

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\* Based on the Company’s enlarged share capital (excluding treasury shares) upon completion of the Placement

investment is a vote of confidence in the Group's business and prospects, and should have a positive influence on the Group's reputation within the international investment community."

### **BOCOM International - investment banking and securities flagship of Bank of Communications**

BOCOM International is a large international investment banking and securities group that offers a full spectrum of financial services. It is wholly-owned by Bank of Communications, which is one of the top five banks with the longest history in the PRC. Bank of Communications is a publicly-listed group that counts the Ministry of Finance of the PRC, National Council for Social Security Fund, the PRC, and The Hongkong and Shanghai Banking Corporation Limited among its shareholders.

### **Use of Proceeds**

Assuming the Placement is fully subscribed, the estimated net proceeds from the Placement will be approximately S\$11.76 million. The Group intends to use the proceeds to fund its general working capital requirements, such as the construction of its property projects and / or acquisition of suitable land reserves for future developments.

The Group currently has plans to commence construction of four projects in Yichun, Huzhou, Fuzhou and Jiangmen cities in the PRC during the current financial year ending 31 March 2010.

Pending the deployment of the net proceeds from the Placement, the net proceeds may be deposited with banks and/or financial institutions or invested in short term money markets or debt instruments or for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

### **Financial Effects of the Placement**

The net asset value per share and the earnings per share of the Company and the Group as at 30 June 2009, based on the unaudited financial statements of the Company for the first quarter ended 30 June 2009 published on the SGXNET on 12 August 2009 and its issued and paid up share capital (excluding treasury shares) as at 30 June 2009, were 152.32 RMB cents and 2.09 RMB cents respectively. The net asset value per share and the earnings per share of the Group, after adjusting for the issue of the Placement Shares would be 156.08 RMB cents and 1.87 RMB cents respectively.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement.

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### **About BOCOM International**

As the investment banking and securities arm of Bank of Communications, BOCOM International has three core businesses, namely investment banking, brokerage services and asset management. BOCOM International offers an extensive range of financial services to a global customer base. These services

include asset management, stock and futures brokerage, research, merger and acquisitions advisory, financial advisory, corporate finance and direct investment.

BOCOM International is a leading sponsor and underwriter of initial public offerings and secondary offerings in Hong Kong, and is also licensed with the Hong Kong Securities and Futures Commission to act as a listing sponsor and independent financial advisor for merger and acquisitions.

#### **About Bank of Communications**

Established in 1908, the Bank of Communications is a leading commercial bank with the longest history in the PRC. The Bank of Communications is a trail blazer in the PRC's banking industry – it was the first of the five largest PRC banks to gain a listing on the Hong Kong Stock Exchange, and also the first integrated commercial bank in the country engaged in banking, securities and insurance businesses. With total asset value exceeding RMB 3.0 trillion (as at 31 March 2009), the Bank of Communications is ranked among the top five listed commercial banks in the PRC. Its market capitalization of RMB 492.1 billion (as at 27 July 2009) also places the Bank of Communications among the top ten banks on a global basis.

#### **About Pan Hong Property Group Limited**

Pan Hong Property Group Limited (汎港地产集团) is a Hong Kong-based property developer that focuses primarily on developing high quality residential and commercial properties in the second and third-tier cities in the PRC.

Backed by over 20 years of experience in the PRC's property development industry, Pan Hong has established its presence in Hangzhou and Huzhou cities in Zhejiang Province, and Nanchang city in Jiangxi Province. Besides these cities, the Group also owns interests in land reserves in Fuzhou, Yichun and Leping cities in Jiangxi Province, Jiangmen city in Guangdong Province, and Huzhou city in Zhejiang Province, for property development.

As a testament to the quality of Pan Hong's property developments, the Group has received several awards for its current project in Nanchang – Nanchang Honggu Kaixuan. In 2007, the Group was conferred the '4th Annual Nanchang City Best Property Award', 'Most Popular Property in Nanchang', as well as accolades such as 'Reputable Brand of the Year in Jiangxi' and 'Professional Property Developer of International Standard'. The Group's Hua Cui Ting Yuan project also clinched the China Classic Villa Award 2008.

Pan Hong was listed on the Singapore Exchange on 20 September 2006.

Website : <http://www.pan-hong.com>