



Press Release – for immediate release

## **Pan Hong turns around with RMB170.7 million net profit for FY2010**

- **FY2010 Revenue surged 10-fold to RMB432.7 million from FP2009's RMB39.9m**
- **Proposes dividend of 0.5 Singapore cents per share**
- **Group optimistic of FY2011 on high pre-sales value of RMB697.6 million**

**Singapore, 27 May 2010** – Pan Hong Property Group Limited (“Pan Hong” or the “Group”, 汎港地產集團), a Hong Kong-based property developer that focuses primarily on developing properties in the second and third-tier cities in the PRC since 1980s, reported a RMB170.7 million net profit for the financial year ended 31 March 2010 (“FY2010”), reversing the loss of RMB37.2 million in the previous financial period (15 months ended 31 March 2009, or “FP2009”).

<b>RMB'000</b>	<b>Year ended 31 March 2010 (FY2010)</b>	<b>Fifteen months ended 31 March 2009 (FP2009)</b>	<b>% Change</b>
<b>Revenue</b>	<b>432,684</b>	<b>39,859</b>	<b>985.5%</b>
<b>Gross Profit</b>	<b>176,642</b>	<b>16,705</b>	<b>957.4%</b>
<b>Operating Profit/(loss)</b>	<b>240,614</b>	<b>(33,683)</b>	<b>-</b>
<b>Profit/(loss) for the year/period</b>	<b>170,679</b>	<b>(37,219)</b>	<b>-</b>
<b>Profit/(loss) attributable to owners of the company</b>	<b>171,463</b>	<b>(36,985)</b>	<b>-</b>
<b>Earnings/(loss) per share (RMB cents)</b>	<b>33.87</b>	<b>(7.55)</b>	<b>-</b>



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	As at 31 March 2010	As at 31 March 2009
<b>Cash and bank balances, and Pledged bank deposits (RMB'000)</b>	<b>304,666</b>	<b>225,459</b>
<b>Net Asset Value (RMB cents)</b>	<b>219.01</b>	<b>152.06</b>

Commenting on the Group's return to the black, Mr Wong Lam Ping (汪林冰), Executive Chairman, commented, "Our strategy and perseverance for the past one year have paid off. We achieved a stunning 10-fold increase in revenue and turnaround from a loss in FP2009 to a profit in FY2010. This is testimony of our strategies in focusing on second and third tier cities and the timing of our launches."

Mr. Wong explained, "We have launched our sales of residential property at the right time for our recent and current projects. Most units were sold before the market cooling measures were implemented by the Central Government. Such measures were mainly targeted at speculative demand of residential property in first tier cities. The commercial units comprising retail and office space which we launched recently were not affected by these measures. Our focus in second and third tier cities has insulated us from the impact of the measures. Our sterling results for FY2010 have demonstrated our ability in developing and launching our projects at the right time."

The improvement in net profit came on the back of a 985.5% increase in the Group's revenue from RMB39.9 million in FP2009 to RMB432.7 million in FY2010. Due to a stronger revenue, the Group achieved higher gross profit of RMB176.6 million in FY2010, compared to RMB16.7 million in FY2009. However, gross profit margin was slightly lower at 40.8% in FY2010, compared to 41.9% in FP2009, due to variation in property projects that were sold and transferred in the respective financial periods. The substantial increase in revenue, gross profit and other income and gains lifted the Group's net profit to RMB170.7 million in FY2010, turning it around from a loss of RMB37.2 million in FP2009.



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Following a good set of results in FY2010, the Group is proposing a final dividend of 0.5 Singapore cents per share (representing a payout ratio of about 7.4%) to shareholders, subject to the approval of shareholders to be obtained at the forthcoming Annual General Meeting. This is another demonstration of the Group's intent to bring value to its shareholders. In October 2009, the Group had issued free warrants to shareholders on the basis of three free warrants for every ten ordinary shares.

The Group ended FY2010 financially stronger with a total of RMB304.7 million in cash and bank balances and pledged bank deposits as at 31 March 2010, compared to RMB225.5 million as at 31 March 2009. Net asset value of the Group, computed using the actual cost of acquiring the Group's properties held under development, had also improved from 152.06 RMB cents as at 31 March 2009 to 219.01 RMB cents as at 31 March 2010.

With an aggregate pre-sales value of RMB697.6 million for its residential units, the Group remains optimistic of its results in FY2011. Within these few months, the Group would be launching the remaining units of Nanchang Honggu Kaixuan Phase II (南昌红谷凯旋第二期) and Huzhou Hua Cui Ting Yuan Phase I (湖州华萃庭院第一期). In FY2011, the Group will commence construction of Yichun Project Phase I (江西宜春第一期), Fuzhou Project Phase I (江西抚州第一期), Huzhou Runyuan Project Phase I (湖州润源第一期) and Nanchang Dingxun Project Phase I (鼎迅项目第一期).

As the recent property market cooling measures implemented by the Central Government were only targeted at residential property, the demand and prices of the Group's commercial property comprising retail and office were thus not affected. The Group plans to launch its commercial units for Huzhou Liyang Phase 2 and Nanchang Honggu Phase 1 and 2 projects in FY2011.

Mr Wong added, "With a sound cash position and strong pre-sales value, we are optimistic of the outlook for FY2011. We look ahead with confidence to continue with the implementation our long-term growth strategies."

– The End –



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## About Pan Hong Property Group Limited

Pan Hong Property Group Limited (汎港地產集團) 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, and Pinghu 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 Huzhou 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>

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