汎港地產集團
PAN HONG PROPERTY GROUP

For immediate release

Pan Hong posts 3Q2012 net profit of RMB85.3 million

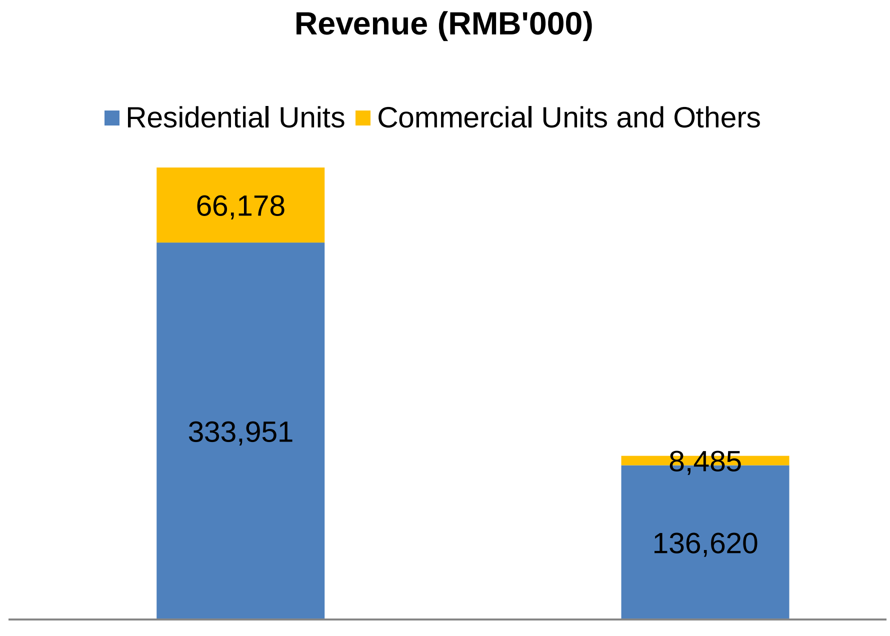
Key Highlights

- As at 31 December 2011, the Group's pre-sales amounted to RMB510.6 million; expected to be recognized in future
- Maintains strong financial position: Holds cash and cash equivalents of RMB195.4 million
- Gearing ratio improved to 0.2% in 3Q2012, a leading position among listed peers

Singapore, 13 February 2012 – Pan Hong Property Group Limited ("Pan Hong" or the "Group", 汎港地产集团) (SGX: P36), a recognized Hong Kong property developer that focuses primarily on developing high-end residential and commercial properties in the high growth second to third tier cities in the PRC, today announced a profit after tax attributable to shareholders of RMB 85.3 million for the third quarter ended 31 December 2011 ("3Q2012"), a decline of 31.8% when compared to RMB 125.2 million in the year-ago period ("3Q2011").

During the period under review, the Group recorded lower revenue of RM145.1 million when compared to the RMB400.1 million achieved in 3Q2011. Revenue from development properties for the current quarter was mainly contributed from 204 residential units sold in Nanchang Honggu Kaixuan Phase 2 (南昌红谷凯旋第二期).

The Group recorded higher revenue in 3Q2011 as there were more residential units sold and delivered from Nanchang Honggu Kaixuan Phase 2, Huzhou Hua Cui Ting Yuan Phase 1 (湖洲华萃庭院一期) and Hangzhou Liyang Yuan (杭州丽阳苑) and commercial units sold in Huzhou Liyang Jingyuan Phase 2 (湖洲丽阳景苑二期) and Nanchang Honggu Kaixuan.



As of 31 January 2012, the Group has pre-sold a total Gross Floor Area of 75,259sqm comprising of residential and commercial units, with a total pre-sales value of RMB 510.6 million, and is expected to be recognized in future.

In line with lower revenue, the Group's cost of sales dropped by 61.2% to RMB91.6million, from RMB236.3 million in 3Q2011. Gross profit stood at RMB53.5 million, yielding a gross profit margin of 36.9%.

During 3Q2012, the Group completed the sale and transfer of Hailian project and this resulted in other income and gains of RMB94.8 million in 3Q2012, up 673.4% from RM12.3 million in the previous corresponding quarter.

On the operating front, selling expenses lowered by 38.8% to RMB1.5 million in 3Q2012, compared to RMB2.4 million in 3Q2011 due mainly to higher promotional expenses in 3Q2011. Administrative expenses increased to RMB7.5 million, a rise of 79.7% from RMB4.2 million in 3Q2011, mainly due to increase in salary, maintenance fee and rental paid. Other operating expenses increased 173.5% from RMB1.5 million in 3Q2011 to RMB4.0 million in 3Q2012. This was attributed to an increase in net fair value loss of financial assets at fair value through profit or loss which includes listed equity securities in Hong Kong and the PRC. Share of loss of jointly controlled entity increased to RMB1.3 million in 3Q2012 from RMB12,000 in 3Q2011 mainly attributed to higher promotional expenses incurred by jointly controlled entity in the launch of Yichun Royal Lake City (宜春御湖城).

The Group's basic earnings per share in the latest quarter declined to 16.56 RMB cents, from 24.28 RMB cents in 3Q2011. Its net asset value per share was 340.72 RMB cents as at 31 December 2011, up from 264.11 RMB cents in 31 March 2011.

The Group remains in a strong financial position with a net cash position with cash and cash equivalents totaling RMB195.4 million. Based on its total equity of RMB1.76 billion and deposit collateral of RMB38.0 million, the Group's recorded a low gearing ratio of 0.2% only as at 31 December 2011, an improvement from 15.0% as at 31 March 2011, a leading position among its listed peers. Maintaining such strong financial prudence and cash and credit position will continue to be the Group's goal in the future.

Mr. Wong Lam Ping (汪林冰), Executive Chairman, commented, "Despite global economic uncertainty, the Group has managed to maintain a strong financial position. Notwithstanding the cooling measures taken by the PRC government to stabilize property prices, the Group will continue to focus on our core competencies and explore opportunities to acquire land parcels in second- and third-tier cities. We strive to deliver quality projects while maintaining a prudent investment approach. Given the Group's sufficient funding, it will continue to seek opportunities to acquire land parcels at low cost, and pursue its longtime strategy of targeting second- to third-tier cities."

One of the Group's newest and upcoming developments is the Yichun Royal Lake City which is located east of Jiangxi province. It features elder-friendly facilities and has received much praise from the local government for its barrier-free designs to enhance accessibility. Pre-sales for Phase 1 has been brisk and it has received strong interest from the property buyers, resulting in 66 units out of 172 units being pre-sold in the period leading up to the Lunar New Year holidays, The healthy take-up rate of this development testifies to the Group's ability to weather market slowdown.

Cities like Yichun have been benefitting from growing employment, improving quality, standards of living and hence sustain demands for residential properties. The Group believes that these cities are relatively less affected by the government's anti-speculation policies.

With the Group's continued focus on high growth second to third tier cities, it will consider investing in quality developments which features culturally innovative, sustainable and environmental-friendly infrastructure. The Group is currently in talks with relevant government entities to research the feasibility of such projects.

Apart from the above, Pan Hong has plans to embark on future projects so as to provide the Group with a healthy pipeline of new developments for the next few years.

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About Pan Hong Property Group Limited (SGX: P36)

Pan Hong Property Group Limited 汎港地产集团 is a pioneering and recognized property developer that focuses primarily on developing high quality residential and commercial properties in second to third tier cities in the PRC, with its headquarter and management team based in Hong Kong.

Backed by over 20 years of experience in the Chinese property development industry, Pan Hong has established a strong presence in Central China, especially in Zhejiang and Jiangxi provinces.

As a testament to the quality of Pan Hong's property developments, the Group has received several awards such as 'Professional Property Developer of International Standard'. Pan Hong was listed on the Singapore Exchange on 20 September 2006. It is one of the few listed property companies with low gearing.

After it spun off Sino Harbour Property Group to the Stock Exchange of Hong Kong Limited since July 2011, Pan Hong will focus more on the property development in Zhejiang Province, and continue to explore business opportunities in high growth second to third tier cities in the PRC.

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