
**AMENDMENT TO THE PRINCIPAL TERMS IN RELATION TO THE
INCREASE IN EQUITY INTEREST IN SUBSIDIARY - HUZHOU HAILIAN**

Reference is made to the Company's announcement dated 26 March 2012 ("**Announcement**") relating to the increase in equity interest in Subsidiary, Huzhou Jiangnan Hailian Construction Co., Ltd. ("**Huzhou Hailian**") (the "**Acquisition**").

Unless otherwise defined, all terms used herein shall bear the same meanings as those defined in the Announcement.

The Board of Directors of Pan Hong Property Group (the "**Company**") and together with its subsidiaries, the "**Group**") would like to clarify that the Vendor's name, "Huzhou Jiangnan Gongmao Group Limited" (湖州江南工貿集團有限公司) should be "Zhejiang Jiangnan Gongmao Group Limited" (浙江江南工貿集團有限公司) (the "**Vendor**") in the Announcement.

It was disclosed in the Announcement that PHI will make an advance payment of RMB15.0 million to the Vendor upon the signing of the Agreement. PHI reserves the right to unilaterally terminate the Agreement with the Vendor within 180 days of the contract date ("**Termination Period**"). During the Termination Period, the Vendor is legally obligated to refund the advance payment of RMB15.0 million unconditionally, without incurring any interests, to PHI if PHI chooses to exercise their right to terminate the Agreement.

The Group wishes to announce that its wholly-owned subsidiary, PHI has entered into an addendum agreement ("**Addendum Agreement**") with the Vendor in respect of the Acquisition. Pursuant to the Addendum Agreement, PHI reserves the right to unilaterally terminate the Agreement within the Termination Period which had been extended from 180 days of the contract date to 31 March 2013 ("**Extended Period**").

During the Extended Period, the Vendor is legally obligated to refund the advance payment of RMB15.0 million unconditionally, without incurring any interests, to PHI if PHI chooses to exercise their right to terminate the Agreement.

A copy of the Addendum Agreement is available for inspection at the office of the Company's Singapore Share Transfer Agent, B.A.C.S. Private Limited, at 63 Cantonment Road, Singapore 089758 during normal business hours for three months from the date of this announcement.

By Order of the Board

Wong Lam Ping
Executive Chairman

24 September 2012