

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



汎港地產集團
PAN HONG PROPERTY GROUP

Acquisition of Land by the Company's subsidiary

1. Introduction

The Board of Directors (“**Board**”) of Pan Hong Property Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has made a successful bid for the land use rights of the land located on the south of Jiashan Road (夹山路) of the Southwest District (西南分區), on the east of Jinji Hill Site (金鸡山遗址), on the north of the New District 2nd Road (新区二路), Huzhou City, Zhejiang Province, the PRC (the “**Land**”) which was offered for sale by Huzhou Bureau of Land and Resources (湖州市国土资源局) (“**BLRH**”) through a tender by the Public Resources Transaction Centre of Huzhou (湖州市公共资源交易中心) (“**PRTCH**”) on 17 July 2015 (the “**Acquisition**”) for a total consideration of RMB211,000,000 (the “**Consideration**”). The bidder qualification review by BLRH was passed and a successful Bid Confirmation (成交确认书) was issued by BLRH on 17 July 2015. Land grant contract in relation to the acquisition was entered into on 23 July 2015.

2. Principal Terms of the Successful Bid Confirmation

Date of the Bid Confirmation	:	17 July 2015
Parties of the Bid Confirmation	:	Huzhou Pan Hong Runyuan Housing and Land Development Company Limited (湖州泛港润源房地产开发有限公司), an indirect wholly-owned subsidiary of the Group
Location of the Land	:	Hukaitu No. 2015-3 (湖开土 2015-3 号)
Total Site Area	:	118,274 square metres
Nature of the Land Use Rights	:	Residential use
Consideration	:	RMB211,000,000 (equivalent to approximately S\$47,522,523)

The Consideration was arrived at after taking into account the minimum bid price, current market conditions, location of the Land, and land price in the surrounding area with reference to the information available from BLRH. The Consideration and the relevant taxes will be funded by the Group's internal resources and/or bank borrowings as the Group's Board deems fit. The Group had paid a deposit of RMB42 million and 50% of the remaining Consideration is required to be paid within 30 days from the Date of Bid Confirmation, and thereafter the rest to be paid within one year from the Date of Bid Confirmation.

3. Rationale for the Acquisition

The Group is principally engaged in the property development in the PRC. The Land is intended to be developed as a residential project, which will increase the Group's investment proportion in residential properties.

The Directors consider that the Acquisition is in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable.

4. Relative Figures Computed Pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Manual")

Rule 1006 (a) Net Asset Value	Not applicable as this transaction is not a disposal of assets.
Rule 1006 (b) Net Profits	Not applicable as there are no profits attributable from the Acquisition.
Rule 1006 (c) Market Capitalisation	The Purchase Consideration of RMB211,000,000 (equivalent to approximately S\$47,522,523 based on the exchange rate of S\$1.00 : RMB4.44) represents approximately 52.71% of the Company's market capitalisation of S\$90,166,740 as at 17 July 2015.
Rule 1006 (d) Equity Securities	Not applicable as the Purchase Consideration is to be fulfilled by cash payment.

Notwithstanding that the Acquisition is a major transaction pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST Listing Manual**"), Chapter 10 of the SGX-ST Listing Manual is not applicable as the Acquisition is deemed to be in the ordinary course of business of developing commercial and residential properties. As such, no shareholders' approval is required.

5. Further Information

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 2016.

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the above transaction (other than their shareholdings in the Company).

The Group had incorporated a subsidiary to undertake the development project, details of which will be released in a separate announcement, once information are available. The Company will also provide further updates on the Acquisition, when appropriate and available.

By Order of the Board

Wong Lam Ping
Executive Chairman

29 July 2015