

# PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)  
(Registration Number: 37749)



汎港地產集團  
PAN HONG PROPERTY GROUP

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## Acquisition of Equity Interest in Huzhou Delong Real Estate Co., Ltd.

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### 1. Introduction

The Board of Directors of Pan Hong Property Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Huzhou Luzhou Housing and Landing Development Co., Ltd (湖州绿洲房地产开发有限公司) (“**Huzhou Luzhou**”), had entered into an agreement to acquire a 30% equity interest in Huzhou Delong Real Estate Co., Ltd. (湖州德隆置业有限公司) (“**Huzhou Delong**”).

### 2. Background of Huzhou Delong

Huzhou Delong is incorporated in the People’s Republic of China (“**PRC**”) in 2010 with a registered share capital of RMB20.0 million. The principal activities of Huzhou Delong are property development and property management services. Huzhou Delong owns a land parcel with site area of 54,452 sqm. The land parcel is located at the tourist destination of Taihu Meixi, Huzhou Development Zone, Zhejiang Province, the PRC (浙江省湖州市开发区太湖梅西).

### 3. Rationale for the Acquisition

The Company believes that the Acquisition will enable the Group to acquire an interest in strategically located land parcel for future development, and strengthen its brand in Huzhou city of Zhejiang Province, the PRC.

### 4. Structure of the Acquisition

Huzhou Delong is owned by Zhejiang Fengjing Metal Materials Co., Ltd. (浙江丰景金属材料有限公司) (the “**Vendor**”), Vitoria (Huzhou) Garment Co., Ltd. (维多利亚(湖州)时装有限公司) (“**Vitoria Huzhou**”) and Huzhou De Tai Shun Trading Co., Ltd. (湖州德泰顺贸易有限公司) (“**De Tai Shun**”) which hold interests of 50%, 34% and 16% respectively.

Under the structure of the Acquisition, Huzhou Luzhou had entered into a share transfer agreement with the Vendor to acquire a 30% equity stake in Huzhou Delong. The Vendor had also entered into a separate share transfer agreement with Zhang Sheng Wen (张生文) (“**Mr. Zhang**”) and Huang Shun Mei (黄顺妹) (“**Ms. Huang**”) to transfer the remaining equity stake of 20% in Huzhou Delong to them equally. Upon the Acquisition, Huzhou Delong is an associated company of the Group which 34%, 30%, 16%, 10% and 10% of the equity interests are held by Vitoria Huzhou, Huzhou Luzhou, De Tai Shun, Mr. Zhang and Ms. Huang respectively.

The purchase consideration for the Acquisition is RMB6.0 million (“**Purchase Consideration**”). The Purchase Consideration was arrived at on a “willing-buyer-and-willing-seller” basis, after taking into consideration, *inter alia*, the development potential of the land parcel that are held by Huzhou Delong and the net book value of Huzhou Delong. The net book value of Huzhou Delong is RMB19.6 million as at 30 June 2012. The Purchase Consideration will be funded by the Group’s internal resources.

## 5. Relative Figures Computed Pursuant to Rule 1006 of the Listing Manual of the SGX

<b>Rule 1006 (a)</b> Net Asset Value	Not applicable as this transaction is not a disposal of assets.
<b>Rule 1006 (b)</b> Net Profits	Not applicable as there are no profits attributable from the Acquisition.
<b>Rule 1006 (c)</b> Market Capitalisation	The Purchase Consideration of RMB6.0 million (equivalent to S\$1.2 million based on the exchange rate of S\$1.00 : RMB 4.97) represents approximately 0.8% of the Company's market capitalisation of S\$141.7 million as at 10 July 2012.
<b>Rule 1006 (d)</b> Equity Securities	Not applicable as the Purchase Consideration is to be fulfilled by cash payment.

As the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST did not exceed 5%, the Acquisition is considered a "Non-Discloseable Transaction" under Rule 1008 of the Listing Manual of the SGX-ST. This Announcement is being made pursuant to Rule 704(17) of the SGX-ST Listing Manual.

### 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 2013. 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).

**By Order of the Board**

**Wong Lam Ping**  
**Executive Chairman**

12 July 2012