

PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



BANK FACILITY

The Board of Directors of Pan Hong Holdings Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Nanchang Dingxun Co. Limited (南昌鼎迅實業有限公司) (the “**Borrower**”), a 55% and indirectly owned subsidiary of Sino Harbour Holdings Group Limited (“**Sino Harbour**”), which is listed on the Main Board of The Stock Exchange of Hong Kong Limited and approximately 73.05% owned by the Company, had obtained a bank facility (the “**Bank Facility**”) from Xiamen Bank Co., Ltd. (廈門銀行股份有限公司) (the “**Lender**”) for the Borrower’s property development projects.

The Bank Facility is up to a maximum amount of RMB420.0 million.

The Bank Facility is secured by the following guarantees and securities:

- (a) Land use rights and certain properties of the Borrower at book values of RMB163.2 million; and
- (b) Guarantees from the followings parties with a maximum limit of RMB420.0 million collectively:
 - i) Corporate guarantee from Sino Harbour;
 - ii) Corporate guarantee from Shanghai Dingxun Industrial Group Company Limited (上海鼎迅實業(集團)有限公司) (“**Shanghai Dingxun**”), which owned 45% equity interest in the Borrower;
 - iii) Personal guarantee from Mr. Yin Xiaming, the shareholder and corporate representative of Shanghai Dingxun; and
 - iv) Personal guarantee from Mr. Wong Lam Ping (“**Mr. Wong**”).

Mr. Wong, the controlling shareholder and executive chairman of the Company, being an interested person, has executed a personal guarantee in accordance with the guarantee agreement in favour of the Lender in order for the Borrower, being the entity at risk, to obtain the Bank Facility.

Mr. Wong will not be receiving any form of consideration from the Company or the Group for the provision of his personal guarantee to the Lender and he has confirmed that he will not claim against the Company or the Group in the event of any such claim against him by the Lender.

The Audit Committee of the Company has reviewed the terms of the Personal Guarantee and is of the view that:

- (a) the terms are on normal commercial basis and not prejudicial to the interests of the Company and its minority shareholders;
- (b) there is no risk to the Company pursuant to Rule 909 of the SGX-ST Listing Manual; and

(c) this transaction is not an interested person transaction which falls within the ambit of Chapter 9 of the SGX-ST Listing Manual.

Save for Mr. Wong's interest as mentioned above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the above transaction.

By Order of the Board

Wong Lam Ping
Executive Chairman
14 September 2016