

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda on 20 December 2005)

(Co. Reg. No: 37749)

1st QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THREE MONTHS ENDED 30 JUNE 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	Group		Increase/ (Decrease)
	3 months ended 30 June 2013 (Unaudited)	3 months ended 30 June 2012 (Unaudited)	
Revenue	130,343	167,241	(22.1%)
Cost of sales	(86,203)	(86,520)	(0.4%)
Gross profit	44,140	80,721	(45.3%)
Other income and gains	6,767	3,658	85.0%
Selling and distribution expenses	(3,092)	(2,011)	53.8%
Administrative expenses	(11,119)	(7,938)	40.1%
Other operating expenses	(213)	(204)	4.4%
Finance costs	(278)	(383)	(27.4%)
Profit before income tax	36,205	73,843	(51.0%)
Income tax expense	(12,754)	(21,331)	(40.2%)
Profit for the period	23,451	52,512	(55.3%)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations, net of tax amounting to RMB Nil	(1,937)	547	(454.1%)
Total comprehensive income for the period	21,514	53,059	(59.5%)
Profit for the period attributable to:			
Owners of the Company	19,717	39,652	(50.3%)
Non-controlling interests	3,734	12,860	(71.0%)
	<u>23,451</u>	<u>52,512</u>	(55.3%)
Total comprehensive income attributable to:			
Owners of the Company	17,780	40,199	(55.8%)
Non-controlling interests	3,734	12,860	(71.0%)
	<u>21,514</u>	<u>53,059</u>	(59.5%)
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and Diluted	<u>3.83</u>	<u>7.69</u>	(50.2%)

Note:

	Group	
	3 months ended 30 June 2013	3 months ended 30 June 2012
RMB '000	(Unaudited)	(Unaudited)
Profit before income tax is arrived at after charging/(crediting):		
Interest charges on financial liabilities stated at amortised cost		
- Bank and other loans wholly repayable within five years	12,130	1,734
Less: amount capitalised in properties held under development	(11,852)	(1,351)
	278	383
Depreciation of property, plant and equipment	379	359
Less: amount capitalised in properties held under development	(117)	(103)
	262	256
Cost of properties held for sale recognised as expense	78,073	77,218
Operating lease charge in respect of land and buildings	181	101
Less: amount capitalised in properties held under development	(40)	(2)
	141	99
Staff costs, including directors' remuneration		
- Wages and salaries	4,106	3,732
- Retirement benefit scheme contributions - defined contribution plans	31	46
Less: amount capitalised in properties held under development	(1,547)	(1,002)
	2,590	2,776
Net fair value (gain)/loss on financial assets at fair value through profit or loss	(275)	195
and crediting:		
Interest income from bank deposits and cash at banks	4,392	235
Rental income	2,095	3,422

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 June 2013 Unaudited	31 March 2013 Audited	30 June 2013 Unaudited	31 March 2013 Audited
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	15,083	14,231	-	-
Investment properties	153,202	153,202	-	-
Investments in subsidiaries	-	-	564,060	564,060
Interest in a joint venture	174,149	174,149	-	-
Interest in an associate	5,952	5,952	-	-
Long-term pledged deposits	230,000	230,000	-	-
Deferred tax assets	29,726	29,726	-	-
	608,112	607,260	564,060	564,060
Current assets				
Properties held under development	1,233,120	1,351,100	-	-
Properties held for sale	517,111	386,496	-	-
Accounts receivable	2,690	602	-	-
Prepayments and other receivables	679,268	421,625	32	-
Amounts due from related parties	-	-	258,338	258,338
Amount due from an associate	38,167	37,867	-	-
Financial assets at fair value through profit or loss	5,810	533	-	-
Pledged deposits	217,165	63,148	-	-
Cash and bank balances	248,290	331,986	92	92
	2,941,621	2,593,357	258,462	258,430
Non-current assets held for sale				
Investment properties held for sale	-	7,474	-	-
	2,941,621	2,600,831	258,462	258,430
Current liabilities				
Accounts payable	72,004	35,049	-	-
Accruals, receipts in advance and other payables	521,824	525,804	273	261
Provision for tax	166,348	197,098	-	-
Amounts due to related parties	1,061	1,040	223,176	222,685
Bank and other loans	394,290	132,647	-	-
	1,155,527	891,638	223,449	222,946
Net current assets	1,786,094	1,709,193	35,013	35,484
Total assets less current liabilities	2,394,206	2,316,453	599,073	599,544
Non-current liabilities				
Bank and other loans	471,975	434,500	-	-
Deferred tax liabilities	27,588	27,609	-	-
	499,563	462,109	-	-
Net assets	1,894,643	1,854,344	599,073	599,544
EQUITY				
Equity attributable to the Company's owners				
Share capital	313,446	313,446	313,446	313,446
Reserves	1,073,830	1,052,176	259,594	260,065
Proposed final dividend	26,033	26,033	26,033	26,033
	1,413,309	1,391,655	599,073	599,544
Non-controlling interests	481,334	462,689	-	-
Total equity	1,894,643	1,854,344	599,073	599,544

**1(b)(ii) Aggregate amount of group's borrowings and debt securities. Amount repayable in one year or less, or on demand****Amount repayable in one year or less, or on demand**

As at 30/06/2013		As at 31/03/2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
394,290	-	132,647	-

Amount repayable after one year

As at 30/06/2013		As at 31/03/2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
471,975	-	434,500	-

Details of any collateral

Bank and other loans of approximately RMB467,118,000 were secured by the Group's land use rights which were classified as "Leasehold interest in land and buildings", "Investment properties" and "Properties held under development" as at 30 June 2013. Bank and other loans of approximately RMB399,147,000 were secured by a deposit of RMB414,250,000 which was classified as "Pledged deposits" as at 30 June 2013.



1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

RMB'000	Group	
	3 months ended 30 June 2013 (Unaudited)	3 months ended 30 June 2012 (Unaudited)
Cash flows from operating activities		
Profit before income tax	36,205	73,843
Adjustments for:		
Interest income	(4,392)	(235)
Interest expense	278	383
Depreciation of property, plant and equipment	262	256
Operating profit before working capital changes	32,353	74,247
(Increase)/decrease in properties held under development and properties held for sale	(666)	33,796
Increase in accounts and other receivables, prepayments and deposit paid	(259,731)	(19,250)
(Increase)/decrease in financial assets at fair value through profit or loss	(5,277)	211
Increase/(decrease) in accounts and other payables, accruals and receipts in advance	32,975	(93,835)
Increase/(decrease) in amounts due to related parties	21	(566)
Cash used in operations	(200,325)	(5,397)
Interest received	4,392	235
Income taxes paid	(43,525)	(31,334)
Net cash used in operating activities	(239,458)	(36,496)
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,398)	(64)
Proceeds from disposal of investment properties held for sales	7,474	-
Advance to a joint venture	-	(9,271)
Advance to an associate	(300)	-
Increase in pledged deposits with original maturity over three months	(154,017)	(2,190)
Net cash used in investing activities	(148,241)	(11,525)
Cash flows from financing activities		
Proceeds from shares issued to non-controlling interest by subsidiary companies	14,911	-
New borrowings	305,677	-
Repayment of borrowings	(6,088)	(1,087)
Interest paid	(12,130)	(1,734)
Net cash generated from/(used in) financing activities	302,370	(2,821)
Net decrease in cash and cash equivalents	(85,329)	(50,842)
Effect of foreign exchange difference	1,633	626
Cash and cash equivalents at beginning of the period	331,986	154,918
Cash and cash equivalents at end of the period (note)	248,290	104,702
Note:		
Analysis of balances of cash and cash equivalents		
Cash and bank balances	248,290	104,702



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Equity attributable to equity holders of the Company										Total	Non - Controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Merger reserve	Statutory reserve	Capital reserve	Other reserve	Exchange reserve	Retained earnings	Proposed final dividend			
At 1 April 2012 (audited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the period	313,446	(8,280)	203,250	(2,243)	58,739	3,838	82,217	(4,199)	661,290	25,874	1,333,932	442,891	1,776,823
Other comprehensive income									39,652				
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	547	-	-	-	547	-	547
Total comprehensive income for the period	-	-	-	-	-	-	547	39,652	-	40,199	12,860	53,059	53,059
At 30 June 2012 (unaudited)	313,446	(8,280)	203,250	(2,243)	58,739	3,838	82,217	(3,652)	700,942	25,874	1,374,131	455,751	1,829,882
At 1 April 2013 (audited)	313,446	(8,280)	203,250	(2,243)	68,862	3,838	82,217	(8,277)	712,809	26,033	1,391,655	462,689	1,854,344
Profit for the period	-	-	-	-	-	-	-	-	19,717	-	19,717	3,734	23,451
Other comprehensive income													
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	1,937	-	-	-	1,937	-	1,937
Total comprehensive income for the period	-	-	-	-	-	-	1,937	19,717	-	21,654	3,734	25,388	25,388
Capital contribution made by a non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	14,911	14,911
At 30 June 2013 (unaudited)	313,446	(8,280)	203,250	(2,243)	68,862	3,838	82,217	(6,340)	732,526	26,033	1,413,309	481,334	1,894,643

Company	Share capital	Treasury shares	Share premium	Contributed surplus	Retained earnings	Proposed final dividend	Total
At 1 April 2012 (audited)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period	313,446	(8,280)	203,250	59,579	4,494	25,874	598,363
At 30 June 2012 (unaudited)	313,446	(8,280)	203,250	59,579	(704)	-	(704)
At 1 April 2013 (audited)	313,446	(8,280)	203,250	59,579	5,516	26,033	599,544
Loss for the period	-	-	-	-	(471)	-	(471)
At 30 June 2013 (unaudited)	313,446	(8,280)	203,250	59,579	5,045	26,033	599,073

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

Date	Particulars	Number of shares		Amount	
		Issued share capital	Treasury share	Share Capital RMB'000	Treasury share RMB'000
01 April 2013 and 30 June 2013	Balance at beginning and the end of the period	518,855,024	(3,460,000)	313,446	(8,280)

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares as at 30 June 2013 was 518,855,024 (31 March 2013: 518,855,024), of which 3,460,000 (31 March 2013: 3,460,000) were held by the Company as treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

NIL

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group had applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statement for the year ended 31 March 2013.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new and revised International Financial Reporting Standards (IFRSs) which became effective for financial periods beginning on 1 April 2013. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months ended 30 June 2013	3 months ended 30 June 2012
Earnings per ordinary share (in RMB cents):	(Unaudited)	(Unaudited)
- Basic and Diluted	3.83	7.69

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB19,717,000 for the 3 months ended 30 June 2013 (3 months ended 30 June 2012: RMB39,652,000) divided by weighted average of 515,395,024 ordinary shares (excluding treasury shares) (3 months ended 30 June 2012: the weighted average of 515,395,024) during the period.

Diluted earnings per share for the period is the same as the basic earnings per share as there is no dilutive potential share (3 months ended 30 June 2012: Nil).

7. Net asset value (for the issuer and group) per ordinary share based on of the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 30/06/2013	As at 31/03/2013	As at 30/06/2013	As at 31/03/2013
Net asset value per ordinary share (in RMB cents)	367.61	359.79	116.24	116.33

Note:

The number of ordinary shares of the Company as at 30 June 2013 was 515,395,024 (excluding treasury shares) (31 March 2013: 515,395,024).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.

(a) REVIEW OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2013 ("1Q2014") COMPARED TO THE PREVIOUS CORRESPONDING QUARTER ENDED 30 JUNE 2012 ("1Q2013")

Revenue

	3 months ended 30 June 2013	3 months ended 30 June 2012
Revenue (RMB '000)		
Residential	102,069	97,971
Commercial and others	28,274	69,270
	130,343	167,241

The Group's revenue in 1Q2014 was RMB130.3 million compared to RMB167.2 million in 1Q2013, a decrease of 22.1%. The decrease was attributable mainly to fewer handover of residential units of Fuzhou Hua Cui Ting Yuan Phase 1 (抚州华萃庭院一期) and commercial units of Nanchang Honggu Kaixuan (南昌红谷凯旋).

The revenue in 1Q2014 was primarily derived from the handover of residential units in Yichun Royal Lake City Phase 1 (宜春御湖城一期), Fuzhou Hua Cui Ting Yuan Phase 1 as well as Huzhou Hua Cui Ting Yuan Phase 1 (湖州华萃庭院一期) and commercial units in Nanchang Honggu Kaixuan.

As the Group is primarily engaged in property development business, revenue recognition is dependent on the launch of new projects and completion of handover of properties that are sold. Consequently, revenue and profit for the Group looking across quarters will appear irregular.

Gross Profit Margin

Gross profit margin decreased from 48.3% in 1Q2013 to 33.9% in 1Q2014 due to the lower proportion of sales recognised from commercial units in 1Q2014 compared with 1Q2013. Commercial units have a significantly higher gross profit margin compared with residential units.

Other Income and Gains

Other income and gains increased from 3.7 million in 1Q2013 to 6.8 million in 1Q2014. The increase was attributable mainly to the increase in interest income in line with increase in bank and cash balances as well as pledged deposits.

Selling and Distribution Expenses

Selling and distribution expenses increased 53.8% from RMB2.0 million in 1Q2013 to RMB3.1 million in 1Q2014. The higher selling expenses in 1Q2014 were due mainly to the advertising and promotional expenses incurred by Nanchang Sino Harbour Island Villa Project Phase 1 (南昌漢港林島項目一期) which is expected to be launched in the second half of 2013.

Administrative Expenses

Administrative expenses increased 40.1% from RMB7.9 million in 1Q2013 to RMB11.1 million in 1Q2014 due mainly to the increase in land use tax.

Finance Costs

Finance costs decreased by 27.4% from RMB383,000 in 1Q2013 to RMB278,000 in 1Q2014 due to a decrease in bank loans as the borrowing costs are not capitalised to properties held under development.

Income Tax

Income tax expense decreased from RMB21.3 million in 1Q2013 to RMB12.8 million in 1Q2014. The decrease was attributable mainly to the decrease in income tax in line with the decrease in revenue in 1Q2014 and Land Appreciation Tax ("LAT").

The decrease in LAT was attributable mainly to the lower assessable appreciated value of the property in 1Q2014 resulting from more ordinary residential properties being handed over during the period. According to the Provisional Regulations of the People's Republic of China ("PRC") on LAT and relevant implementation rules, an entity which derives a profit from selling or transferring properties shall be liable to pay LAT at progressive rates ranging from 30% to 60%, of the appreciated value of the property, with certain exemptions available for the sale of ordinary residential properties if the appreciated value does not exceed 20% of the deductible items as defined in the relevant LAT regulations. Sales of commercial properties are not eligible for such exemption.

The Group posted a decrease of 55.3% profit after tax of RMB23.5 million in 1Q2014 from RMB52.5 million in 1Q2013.

(b) REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2013 AND CASH FLOW FOR 1Q2014

Properties held under Development

As at 30 June 2013, the Group's properties held under development decreased by RMB118.0 million from RMB1.35 billion as at 31 March 2013 to RMB1.23 billion as at 30 June 2013. The decrease was due mainly to the completion of construction progress of the commercial tower in Nanchang Honggu Kaixuan in 1Q2014.

Properties held for Sale

Properties held for sale increased to RMB517.1 million as at 30 June 2013, from RMB386.5 million as at 31 March 2013 due mainly to the commercial tower in Nanchang Honggu Kaixuan being classified as properties held for sale in 1Q2014.

Accounts Receivable

Accounts receivable increased to RMB2.7 million as at 30 June 2013, from RMB602,000 as at 31 March 2013 due mainly to the receivable for the disposal of Huzhou Hua Cui Ting Yuan Phase 1.

Prepayments and Other Receivables

Group's prepayments and other receivables increased from RMB421.6 million as at 31 March 2013 to RMB679.3 million as at 30 June 2013 out of which RMB234.4 million was attributable to the receivable from the disposal of Hailian Project classified as "Other Receivables" as well as prepayment of RMB253.0 million for the acquisition of Hangzhou Project (杭州项目). The remaining RMB189.2 million was attributable mainly to an increase in the prepayments to contractors for the construction of Fuzhou Hua Cui Ting Yuan and Yichun Royal Lake City.

Amount due from an associate

Amount due from an associate of RMB38.2 million as at 30 June 2013 represents the cash advance to an associated company, Huzhou Delong Real Estate Co., Limited.

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss included listed equity securities in Hong Kong and the PRC.

Financial assets at fair value through profit or loss increased to RMB5.8 million as at 30 June 2013 from RMB533,000 as at 31 March 2013. The increase was attributable mainly to the acquisition of listed equity securities in the PRC.

Pledged Deposits

Long-term and Short-term pledged deposits increased from RMB293.1 million as at 31 March 2013 to RMB447.2 million as at 30 June 2013. The increase was due mainly to the increase in deposits pledged against the bank and other loans to the Group.

Accounts Payable, Accruals, Receipts in Advance and Other Payables

Accounts payable increased to RMB72.0 million as at 30 June 2013 from RMB35.0 million as at 31 March 2013 due to increase in amounts payable to suppliers for construction costs incurred in respect of the Group's properties held under development.

Accruals, receipts in advance and other payables comprise mainly of the receipts in advance in respect of deposit and prepayments relating to the Group's property pre-sales, and the accrued construction costs and project-related expenses that were based on the progress of project development but were not due for payment as at 30 June 2013.

Accruals, receipts in advance and other payables decreased to RMB521.8 million as at 30 June 2013 from RMB525.8 million as at 31 March 2013 is due mainly to the realisation of part of the receipts in advance in 1Q2014.

Bank and Other Loans

As at 30 June 2013, the Group had total borrowings of RMB866.3 million, an increase from RMB567.1 million as at 31 March 2013 due mainly to new borrowings in 1Q2014 for the purpose of development cost in future projects.

Of these borrowings, a bank and other loans of approximately RMB399.1 million were secured by a deposit of RMB414.3 million which was classified as "Pledged deposits" as at 30 June 2013.

Based on the Group's total equity of RMB1.89 billion and a deposit collateral of RMB414.3 million, the Group recorded a net gearing ratio (total borrowings less deposit collateral / total equity) of 23.9% as at 30 June 2013, compared to 16.5% as at 31 March 2013.

Cash Flow Analysis

In 1Q2014, the Group recorded RMB239.5 million of net cash used in operating activities which was attributable mainly to an increase in prepayment for the acquisition of land parcel of Hangzhou Project.

Net cash used in investing activities in 1Q2014 amounted to RMB148.2 million was due mainly to the increase in deposits pledged to banks against the bank loans.

Net cash generated from financing activities in 1Q2014 amounted to RMB302.4 million was due mainly to the new borrowings for the period.

As at 30 June 2013, the Group had cash and cash equivalents of RMB248.3 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for 1Q2014 is in line with the previous results announcement made.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

Although the PRC government continues to maintain its policy to cool the property market, the prices of new homes continued to rise. Official data from the National Bureau of Statistics indicated that 65 and 63 out of 70 cities saw higher new home prices in May and June 2013 respectively. On a year-on-year basis, 69 out of 70 cities registered higher prices in June 2013 (Xinhua, 18 July 2013).

Overall, the Group expects the PRC property market to remain challenging in the second half of 2013. The Group is of the view that the series of PRC government policies to curb the excessive growth of housing prices will continue and help stabilise the market in the long-term. Ongoing urbanisation in the PRC will also generate constant demand for improved housing.

Company Update

Property Pre-sales

The property pre-sales activity for the Group's projects in Nanchang, Fuzhou and Yichun cities remained strong. Results of Property Pre-sale Launches (as at 05 August 2013) are summarised in the tables below:

Residential Units

	Nanchang Honggu Kaixuan Phase 2	Fuzhou Hua Cui Ting Yuan Phase 1	Fuzhou Hua Cui Ting Yuan Phase 2	Yichun Royal Lake City Phase 1
Est. total GFA released for sale (total units)	116,214 sqm (1,007 units)	91,853 sqm (633 units)	71,628 sqm (525 units)	72,882 sqm (770 units)
Est. total GFA pre-sold (total units)	113,954 sqm (999 units)	81,913 sqm (584 units)	55,576 sqm (455 units)	63,949 sqm (657 units)
Percentage of pre-sold	98%	89%	78%	88%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 30 June 2013 [^]	407 sqm (3 units)	3,082 sqm (14 units)	55,576 sqm (455 units)	9,187 sqm (89 units)
Pre-sale value not handed over to buyers as at 30 June 2013 [^]	RMB3.37 m	RMB22.08 m	RMB284.65 m	RMB40.86 m
ASP per sqm*	RMB8,287	RMB7,164	RMB5,122	RMB4,448

*: Average Sales Price ("ASP") of the projects is computed as follows: Pre-sale value not handed over to buyer divided by Pre-sale GFA not handed over to buyer.

[^]: Pre-sale value not handed over to buyer is computed as follows: Beginning period pre-sales plus New pre-sales during the period less those handed over to buyers as at 30 June 2013.

Barring any unforeseen circumstances, the Group is cautiously optimistic of better contracted sales for the financial year ending 31 March 2014 compared to the previous corresponding year.

Company Strategies

The Group will continue to focus on sales and pre-sales of existing properties as its key strategy. The Group will replicate its successful investment model in property projects to expand its presence in other provinces in the PRC. Apart from the domestic market, the Group is actively exploring the emerging overseas markets to benefit from an early-mover advantage.

11. Dividend

(a) Current Financial Period Reported On

NIL

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

NIL

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the financial period ended 30 June 2013.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have any general mandate from shareholders for IPTs.

BY ORDER OF THE BOARD

Wong Lam Ping
Chairman
13 August 2013

NEGATIVE ASSURANCE CONFIRMATION

Statement by Directors pursuant to SGX Listing Rule 705(5)

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Pan Hong Property Group Limited which may render these interim financial results for the quarter ended 30 June 2013 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
Pan Hong Property Group Limited

Wong Lam Ping
Executive Chairman

Chan Chun Kit
Executive Director

Date: 13 August 2013