

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 2014

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 2014 (Unaudited)	3 months ended 30 June 2013 (Unaudited)	
Revenue	92,913	130,343	(28.7%)
Cost of Sales	(58,449)	(86,203)	(32.2%)
Gross profit	34,464	44,140	(21.9%)
Other income and gains	6,697	6,767	(1.0%)
Selling and distribution expenses	(4,004)	(3,092)	29.5%
Administrative expenses	(9,700)	(11,119)	(12.8%)
Other operating expenses	-	(213)	(100.0%)
Operating profit	27,457	36,483	(24.7%)
Finance costs	(743)	(278)	167.3%
Profit before income tax	26,714	36,205	(26.2%)
Income tax expense	(12,068)	(12,754)	(5.4%)
Profit for the period	14,646	23,451	(37.5%)
Other comprehensive income, net of tax Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	347	1,937	(82.1%)
Other comprehensive income for the period	347	1,937	(82.1%)
Total comprehensive income for the period	14,993	25,388	(40.9%)
Profit for the period attributable to:			
Owners of the Company	10,049	19,717	(49.0%)
Non-controlling interests	4,597	3,734	23.1%
	14,646	23,451	(37.5%)
Total comprehensive income attributable to:			
Owners of the Company	10,396	21,654	(52.0%)
Non-controlling interests	4,597	3,734	23.1%
	14,993	25,388	(40.9%)
Earnings per share for profit attributable to the owners of the Company during the period (in RMB cents)			
- Basic and Diluted	1.96	3.83	(48.8%)

Note:

	Group	
	3 months ended 30 June 2014	3 months ended 30 June 2013
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	18,182	12,130
Less: amount capitalised in properties held under development	(17,439)	(11,852)
	743	278
Depreciation of property, plant and equipment	456	379
Less: amount capitalised in properties held under development	(69)	(117)
	387	262
Cost of properties held for sale recognised as expense	53,211	78,073
Operating lease charge in respect of land and buildings	71	181
Less: amount capitalised in properties held under development	(22)	(40)
	49	141
Staff costs, including directors' remuneration		
- Wages and salaries	8,556	4,106
- Retirement benefit scheme contributions - defined contribution plans	99	31
Less: amount capitalised in properties held under development	(1,802)	(1,547)
	6,853	2,590
Net fair value loss on financial assets at fair value through profit or loss	-	(275)
and crediting:		
Net fair value gain on financial assets at fair value through profit or loss	272	-
Interest income from bank deposits and cash at banks	2,860	4,392
Rental income	3,408	2,095
Sundry income	157	280

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 2014 Unaudited	31 March 2014 Audited	30 June 2014 Unaudited	31 March 2014 Audited
RMB'000				
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	21,861	22,053	-	-
Investment properties	359,229	359,229	-	-
Investments in subsidiaries	-	-	564,060	564,060
Interest in a joint venture	182,437	182,437	-	-
Interest in an associate	-	-	-	-
Other financial assets	20,000	20,000	20,000	20,000
Long-term pledged deposits	330,000	330,000	-	-
Deferred tax assets	25,164	24,986	-	-
	938,691	938,705	584,060	584,060
Current assets				
Properties held under development	2,260,333	1,607,064	-	-
Properties held for sale	412,665	461,767	-	-
Accounts receivable	3,473	1,584	-	-
Prepayments and other receivables	405,395	816,674	108	110
Amounts due from subsidiaries	-	-	258,339	258,338
Financial assets at fair value through profit or loss	58	6,149	-	-
Pledged deposits	295,777	295,195	-	-
Cash and bank balances	38,169	74,236	132	92
	3,415,870	3,262,669	258,579	258,540
Current liabilities				
Accounts payable	51,795	28,949	-	-
Accruals, receipts in advance and other payables	947,001	727,899	276	274
Provision for tax	172,069	167,806	-	-
Amounts due to related parties	114,133	96,938	246,441	246,130
Bank and other loans	299,718	407,930	-	-
	1,584,716	1,429,522	246,717	246,404
Net current assets	1,831,154	1,833,147	11,862	12,136
Total assets less current liabilities	2,769,845	2,771,852	595,922	596,196
Non-current liabilities				
Bank and other loans	731,500	748,500	-	-
Deferred tax liabilities	48,452	48,452	-	-
	779,952	796,952	-	-
Net assets	1,989,893	1,974,900	595,922	596,196
EQUITY				
Equity attributable to the Company's owners				
Share capital	313,446	313,446	313,446	313,446
Reserves	1,169,976	1,159,580	282,476	282,750
	1,483,422	1,473,026	595,922	596,196
Non-controlling interests	506,471	501,874	-	-
Total equity	1,989,893	1,974,900	595,922	596,196



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 30/06/2014		As at 31/03/2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
299,718	-	407,930	-

Amount repayable after one year

As at 30/06/2014		As at 31/03/2014	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
731,500	-	748,500	-

Details of any collateral

Bank and other loans of approximately RMB537,457,000 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 2014. Bank and other loans of approximately RMB493,761,000 were secured by a deposit of RMB514,250,000 which was classified as "Pledged deposits" as at 30 June 2014.



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 2014	3 months ended 30 June 2013
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before income tax	26,714	36,205
Adjustments for:		
Interest income	(2,860)	(4,392)
Interest expense	743	278
Depreciation of property, plant and equipment	387	262
Net fair value gain for financial assets at fair value through profit and loss	(272)	-
Operating profit before working capital changes	24,712	32,353
Increase in properties held under development and properties held for sale	(173,077)	(666)
Increase in accounts and other receivables, and prepayments, and deposit paid	(2,810)	(259,731)
Decrease/(increase) in financial assets at fair value through profit or loss	6,363	(5,277)
Increase in accounts and other payables, accruals and receipts in advance	241,948	32,975
Cash generated from/(used in) operations	97,136	(200,346)
Interest received	1,478	4,392
Income taxes paid	(7,983)	(43,525)
Net cash generated from/(used in) operating activities	90,631	(239,479)
Cash flows from investing activities		
Purchases of property, plant and equipment	(264)	(1,398)
Proceeds from disposal of investment properties held for sales	-	7,474
Advance to an associate	-	(300)
Increase in pledged deposits with original maturity over three months	(582)	(154,017)
Net cash used in investing activities	(846)	(148,241)
Cash flows from financing activities		
Advance from a related company	16,752	21
Proceeds from shares issued to non-controlling interest by subsidiary companies	-	14,911
New borrowings	60,000	305,677
Repayment of borrowings	(185,218)	(6,088)
Interest paid	(17,739)	(12,130)
Net cash (used in)/generated from financing activities	(126,205)	302,391
Net decrease in cash and cash equivalents	(36,420)	(85,329)
Effect of foreign exchange difference	353	1,633
Cash and cash equivalents at beginning of the period	74,236	331,986
Cash and cash equivalents at end of the period (note)	38,169	248,290
Note:		
Analysis of balances of cash and cash equivalents		
Cash and bank balances	38,169	248,290



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										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			Total
	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
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
Capital contribution made by a non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	14,911	14,911
Transactions with owners	-	-	-	-	-	-	-	-	-	-	-	-	-
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
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
At 1 April 2014 (audited)	313,446	(12,817)	203,250	(2,243)	78,107	3,838	82,217	(3,857)	811,085	-	1,473,026	501,874	1,974,900
Profit for the period	-	-	-	-	-	-	-	-	10,049	-	10,049	4,597	14,646
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	347	-	-	347	-	347
Total comprehensive income for the period	-	-	-	-	-	-	-	347	10,049	-	10,396	4,597	14,993
At 30 June 2014 (unaudited)	313,446	(12,817)	203,250	(2,243)	78,107	3,838	82,217	(3,510)	821,134	-	1,483,422	506,471	1,989,893

Company	Share capital	Treasury shares	Share premium	Contributed surplus	Retained earnings	Proposed final dividend	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
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
At 1 April 2014 (audited)	313,446	(12,817)	203,250	59,579	32,738	-	596,196
Loss for the period	-	-	-	-	(274)	-	(274)
At 30 June 2014 (unaudited)	313,446	(12,817)	203,250	59,579	32,464	-	595,922

- 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 2014 and 30 June 2014	Balance at beginning and the end of the period	518,855,024	(6,544,000)	313,446	(12,817)

- 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 2014 was 518,855,024 (31 March 2014: 518,855,024), of which 6,544,000 (31 March 2014: 6,544,000) 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 2014.

- 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 2014. 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 2014	3 months ended 30 June 2013
Earnings per ordinary share (in RMB cents):	(Unaudited)	(Unaudited)
- Basic and Diluted	1.96	3.83

Note:

The calculation of basic earnings per share was based on the profit attributable to equity holders of the Company of approximately RMB10,049,000 for the 3 months ended 30 June 2014 (3 months ended 30 June 2013: RMB19,717,000) divided by weighted average of 512,311,024 ordinary shares (excluding treasury shares) (3 months ended 30 June 2013: 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 2013: 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 30/06/2014	As at 31/03/2014	As at 30/06/2014	As at 31/03/2014
Net asset value per ordinary share (in RMB cents)	388.42	385.48	116.32	116.37

Note:

The number of ordinary shares of the Company as at 30 June 2014 was 512,311,024 (excluding treasury shares) (31 March 2014: 512,311,024).

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 2014 ("1Q2015") COMPARED TO THE PREVIOUS CORRESPONDING QUARTER ENDED 30 JUNE 2013 ("1Q2014")

Revenue

	3 months ended 30 June 2014	3 months ended 30 June 2013
Revenue (RMB '000)		
Residential	54,477	102,069
Commercial and others	38,436	28,274
	92,913	130,343

The Group's revenue in 1Q2015 was RMB92.9 million compared to RMB130.3 million in 1Q2014, a decrease of 28.7%. The decrease was attributable mainly to fewer handover of residential units of Yichun Royal Lake City (宜春御湖城) Phase 1 and Huzhou Hua Cui Ting Yuan (湖州华萃庭院) Phase 1.

The revenue in 1Q2015 comprised mainly residential units sold in Fuzhou Hua Cui Ting Yuan (抚洲华萃庭院) Phase 2 and Yichun Royal Lake City Phase 1 as well as commercial units sold in Nanchang Honggu Kaixuan (南昌红谷凯旋) and Yichun Royal Lake City Phase 1. In 1Q2014, the revenue was mainly derived from the delivery of residential units in Yichun Royal Lake City Phase 1, Fuzhou Hua Cui Ting Yuan Phase 1 as well as Huzhou Hua Cui Ting Yuan Phase 1 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 sold properties. Consequently, revenue and profit for the Group looking across quarters will appear irregular.

Cost of Sales and Gross Profit Margin

In line with the decrease in revenue, cost of sales decreased 32.2% from RMB86.2 million in 1Q2014 to RMB58.4 million in 1Q2015. Gross profit margin increased from 33.9% in 1Q2014 to 37.1% in 1Q2015 due to the higher proportion of sales recognised from commercial units in 1Q2015 compared with 1Q2014. Commercial units had a significantly higher gross profit margin compared with residential units.

Other Income and Gains

Other income and gains decreased from RMB6.8 million in 1Q2014 to RMB6.7 million in 1Q2015. The decrease was attributable mainly to the decrease in interest income which was in line with decrease in bank and cash balances.

Selling and Distribution Expenses

Selling and distribution expenses increased by 29.5% from RMB3.1 million in 1Q2014 to RMB4.0 million in 1Q2015. The higher selling expenses in 1Q2015 were mainly due to an increase in advertising costs in respect of Huzhou Run Yuan Project (湖州润源项目) Phase 1.

Administrative Expenses

Administrative Expenses decreased by 12.8% from RMB11.1 million in 1Q2014 to RMB9.7 million in 1Q2015 mainly due to the decrease in land use tax in 1Q2015.

Finance Costs

Finance costs increased by 167.3% to RMB743,000 in 1Q2015 from RMB278,000 in 1Q2014 due to an increase in provision of interest expenses payable to the related company. The Group obtained a loan from Pan Hong Company Limited of US\$9,620,330 (approximately RMB59,288,000) which Mr. Wong Lam Ping, the controlling shareholder and director of the Company is beneficial owners. The balance was unsecured, interest rate at 3% p.a. and repayable on demand or on before 26 February 2015.

Income Tax

Income tax expense decreased from RMB12.8 million in 1Q2014 to RMB12.1 million in 1Q2015. The decrease was attributable mainly to the decrease in income tax in line with the decrease in profit in 1Q2015.

Profit for the Period

As a cumulative effect of the foregoing factors, the Group recorded a profit after tax of RMB14.6 million in 1Q2015, a decrease of 37.5% from RMB23.5 million in 1Q2014.

(b) REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2014 AND CASH FLOW FOR 1Q2015

Properties Held Under Development

The Group's properties held under development increased by RMB653.3 million from RMB1.61 billion as at 31 March 2014 to RMB2.26 billion as at 30 June 2014.

The increase was in tandem with the re-classification of prepaid land use rights amounting to RMB412.2 million from the prepayment and other receivables for the acquisition of Hangzhou Ganglian Sino Africa Tower Project (杭州港联中非大厦项目) after the full settlement of the outstanding land use rights of RMB93.8 million during the financial period.

Properties held for Sale

Properties held for sale decreased from RMB461.8 million as at 31 March 2014 to RMB412.7 million as at 30 June 2014, mainly due to handover property units in Fuzhou Hua Cui Ting Yuan Phase 2 and Yichun Royal Lake City Phase 1 to the buyer.

Prepayments and Other Receivables

Group's prepayments and other receivables decreased from RMB816.7 million as at 31 March 2014 to RMB405.4 million as at 30 June 2014. The decrease was mainly due to the re-classification of the prepaid land use rights amounting to RMB412.2 million to property held under development.

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 decreased to RMB58,000 as at 30 June 2014 from RMB6.1 million as at 31 March 2014. The decrease was attributable mainly to the disposal of listed equity securities in the PRC in 1Q2015.

Accounts Payable, Accruals, Receipts in Advance and Other Payables

Account payables increased to RMB51.8 million as at 30 June 2014 from RMB28.9 million as at 31 March 2014 due to an 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 increased from RMB727.9 million as at 31 March 2014 to RMB947.0 million as at 30 June 2014. Accruals, receipts in advance and other payables comprised mainly of advance receipts from customers in respect of the Group's property pre-sales, accrued construction costs and project-related expenses that were based on the progress of the project development but were not due for payment as well as guarantee deposit by the subcontractor as at 30 June 2014. The increase in accruals, receipts in advance and other payables was mainly due to the increase in advance receipts from the customers of Fuzhou Hua Cui Ting Yuan Phase 3 and Yichun Royal Lake City Phase 2 as well as guarantee deposit by the subcontractor for construction of Huzhou Run Yuan Project Phase 1.

Amounts due to related parties

Amounts due to related parties increased from RMB96.9 million as at 31 March 2014 to RMB114.1 million as at 30 June 2014. The increase was attributable mainly to cash advance from a related company – Pan Hong Company Limited.

Bank and Other Loans

As at 30 June 2014, the Group had bank and other loans of RMB1.03 billion, a decrease from RMB1.16 billion as at 31 March 2014 mainly due to repayment of bank and other loans during the period.

Of these bank and other loans of approximately RMB493.8 million were secured by a deposit of RMB514.3 million which was classified as "Pledged deposits" as at 30 June 2014.

Based on the Group's total equity of RMB1.99 billion and a deposit collateral of RMB514.3 million, the Group recorded a net gearing ratio (bank and other loans less deposit collateral / total equity) of 26.0% as at 30 June 2014, compared to 31.8% as at 31 March 2014.

Cash Flow Analysis

In 1Q2015, the Group recorded RMB90.6 million of net cash generated from operating activities which was attributable mainly to the increase in advance receipts from customers as well as guarantee deposit by the subcontractor.

Net cash used in investing activities in 1Q2015 amounted to RMB846,000 mainly due to the increase in pledged deposits.

Net cash used in financing activities in 1Q2015 amounted to RMB126.2 million mainly due to repayment of borrowings.

As at 30 June 2014, the Group had cash and cash equivalents of RMB38.2 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

The property market in PRC continued on a downward trend as evidenced by official data. Data published by the National Bureau of Statistics (“NBS”) indicated that new home prices in 55 out of a statistical pool of 70 major PRC cities recorded a month-on-month drop in June 2014, compared with 35 cities in May 2014. Even though the property purchase rules in a number of PRC cities have been relaxed, the Group expects the PRC property market to remain challenging in CY2014.

Company Update

Property Pre-sales

The property pre-sales activity for the Group’s projects in Huzhou, Fuzhou and Yichun cities remained strong. Results of Property Pre-sale Launches (as at 04 August 2014) are summarised in the tables below:

Residential Units

	Huzhou Run Yuan Project Phase 1	Fuzhou Hua Cui Ting Yuan Phase 1	Fuzhou Hua Cui Ting Yuan Phase 2	Fuzhou Hua Cui Ting Yuan Phase 3	Yichun Royal Lake City Phase 1	Yichun Royal Lake City Phase 2
Est. total GFA released for sale (total units)	10,077 sqm (105 units)	91,853 sqm (633 units)	79,933 sqm (550 units)	104,142 sqm (1,007 units)	92,330 sqm (1,013 units)	28,112 sqm (320 units)
Est. total GFA pre-sold (total units)	3,250 sqm (34 units)	84,548 sqm (601 units)	66,903 sqm (505 units)	78,570 sqm (774 units)	74,590 sqm (803 units)	27,405 sqm (300 units)
Percentage of pre-sold	32%	92%	84%	75%	81%	97%
Pre-sale GFA (units pre-sold) not handed over to buyers as at 30 June 2014 ^	3,250 sqm (34 units)	1,037 sqm (6 units)	10,574 sqm (51 units)	78,570 sqm (774 units)	4,096 sqm (57 units)	27,405 sqm (300 units)
Pre-sale value not handed over to buyers as at 30 June 2014 ^	RMB21.60m	RMB6.65m	RMB73.66m	RMB400.10m	RMB16.22m	RMB126.60m
ASP per sq m*	RMB6,659	RMB6,413	RMB6,966	RMB5,092	RMB3,960	RMB4,620
Expected completion date	Q4CY2016	Completed	Completed	Q4CY2014	Completed	Q1CY2015

*: 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 2014.

Company Strategies

Focusing on pre-sales and quickening the Group’s pace of property development will continue to be its key strategies. In addition, the Group will continuously look into expanding its business of property investments to provide long-term and stable returns through rental income.

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/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the financial period ended 30 June 2014.

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
11 August 2014

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 2014 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: 11 August 2014