

**PAN HONG PROPERTY GROUP LIMITED**  
**(Incorporated in Bermuda)**  
**(Registration Number: 37749)**

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**UPDATE ON USE OF IPO PROCEEDS**

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The Board of Directors of Pan Hong Property Group Limited (the "Company") refers to the issue of 120,000,000 new shares at HK\$0.60 each in the capital of the Company pursuant to an initial public offering of its shares ("IPO").

The Company wishes to provide an update on the use of net proceeds raised from the IPO as follow:

	Amount *(RMB million)	Amount *(S\$ million)
Amount of IPO Proceeds raised	214.2	42.0
Less : Listing Expenses	21.5	4.2
Net IPO Proceeds	192.7	37.8
Less : net IPO Proceeds Utilised for -		
(a) Capital injection to Hangzhou Liyang	41.2	8.1
(b) Capital injection to Huzhou Luzhou	16.5	3.2
(c) Deposit to acquire 90% equity interests in Ever Sure Industrial Ltd which held a land in Beihai	30.0	5.9
(d) Capital injection to acquire 51% interests in Leping City Fenghuang Jincheng Holdings Ltd which held a land in Leping City	12.5	2.5
(e) Capital injection to acquire 50% interests in Jiangxi Hongkelong Group Investment Co., Ltd which held a land in Yichun City	30.0	5.9
Balance	62.5	12.2

\* Based on the exchange rates of RMB:HKD=1:1 and SGD:RMB=5.1:1

BY ORDER OF THE BOARD

Wong Lam Ping  
Executive Chairman

10 April 2007

The Initial Public Offering of Pan Hong's shares was sponsored by CIMB-GK Securities Pte. Ltd.