



PAN HONG'S MANAGEMENT LEADING FROM THE TOP TO REDUCE COSTS

- **Executive Chairman to forgo his salary for 3 months**
- **Group's management taking pay cuts of up to 20%**

Singapore, 22 January 2009 – Main Board-listed Pan Hong Property Group Limited (“Pan Hong” or the “Group”), a niche property developer that focuses primarily on the second and third-tier cities in the People’s Republic of China (“PRC”), today announced that its management will be taking the lead to improve the Group’s cost structure through a salary reduction exercise.

Pan Hong’s Executive Chairman, Mr Wong Lam Ping, has chosen to give up his salary for three months from January 2009 to March 2009. **Its management team has also unanimously agreed to reductions ranging from 10% to 20% with respect to their annual salaries for the year 2008. The management will continue to assess business conditions and the Group’s financial performance to decide if a similar exercise has to be implemented for 2009.**

Said Mr Wong, “While the Group’s financial position remains healthy, our management recognises the importance of leading from the top to lower our cost structure and steer the Group through these difficult times.

As we already have a lean management and staff structure, we do not presently foresee a need to trim our headcount. However, we are implementing hiring and wage freezes as part of our overall cost control measures.

While the outlook has become more challenging, we intend to continue looking at ways to better manage our costs, and also to stay the course in our business plans and pursuit of opportunities.”

About Pan Hong Property Group Limited

Pan Hong Property Group Limited is a niche property developer that focuses primarily on developing high quality residential and commercial properties in the second and third-tier cities in the PRC.

Backed by over 20 years of experience in the PRC’s property development industry, Pan Hong has established its presence in Hangzhou and Huzhou cities in Zhejiang Province, and Nanchang city in Jiangxi Province. Besides these cities, the Group also owns land reserves in Fuzhou, Yichun and Leping cities in Jiangxi Province, and Jiangmen city in Guangdong Province, for property development.

As a testament to the quality of Pan Hong’s property developments, the Group has received several awards for its current project in Nanchang – Nanchang Honggu Kaixuan. In 2007, the Group was conferred the ‘4th Annual Nanchang City Best Property Award’, ‘Most Popular Property in Nanchang’, as well as accolades such as ‘Reputable Brand of the Year in Jiangxi’ and ‘Professional Property Developer of International Standard’.

Pan Hong was listed on the Singapore Exchange on 20 September 2006. Website : <http://www.pan-hong.com>