

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



汎港地產集團
PAN HONG PROPERTY GROUP

Incorporation of Subsidiary – Huzhou Runyuan

The Board of Directors of Pan Hong Property Group Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to announce the incorporation of a subsidiary in the PRC, Huzhou Pan Hong Runyuan Housing and Land Development Company Limited (湖州汎港潤源房地產開發有限公司) (“Huzhou Runyuan”). Huzhou Runyuan is held by the Group’s wholly-owned subsidiaries Pan Hong Investment Limited and Hangzhou Liyang Housing and Landing Development Co., Ltd. in the ratio of 95% and 5% respectively.

Huzhou Runyuan has a registered and paid-up capital of US\$20 million and US\$5.16 million respectively. The principal activity of Huzhou Runyuan is property development in the PRC. The incorporation of Huzhou Runyuan is in relation to the Group’s plans to develop a property project on land parcels that were recently acquired in Huzhou city, Zhejiang Province. The development is expected to comprise residential and commercial properties with an estimated total gross floor area of around 216,000 square metres (*refer to the Company’s announcement dated 30 July 2009*).

The above investment in Huzhou Runyuan was funded by the remaining net proceeds from the share placement that was completed on 24 August 2009 (“Placement Proceeds”). The Group has utilised approximately S\$7.23 million¹ (US\$ 5.16 million) of the Placement Proceeds for capital injection in Huzhou Runyuan and these funds are retained within the Group. The use of the Placement Proceeds is in accordance with the intended use of such proceeds as disclosed in the Company’s previous announcements on 17 August 2009. The Group shall continue to provide an update on the use of Placement Proceeds as and when the funds are materially disbursed.

The above transaction is not expected to have any material impact on the Group’s earnings per share or net tangible assets for the current financial year ending 31 March 2010.

None of the Company’s directors or controlling shareholder has any interest, direct or indirect, in the above transaction (other than their shareholdings in the Company).

By Order of the Board

Wong Lam Ping
Executive Chairman

18 November 2009

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¹ Based on exchange rate of US\$1 : S\$1.4006