

## PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)

(Registration Number: 37749)

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### INCORPORATION OF SUBSIDIARIES AND JOINT VENTURE COMPANY

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The Board of Directors of Pan Hong Property Group Limited (“**Pan Hong**” or “**the Company**”) wishes to announce the followings:

1. Incorporation of a subsidiary : Jiangmen Pan Hong Kaixuan Real Estate Development Co. Ltd (“Jiangmen Pan Hong Kaixuan”) (江门汎港凯旋房地产开发有限公司)

by Jiangxi Asia City Real Estate Development Co. Ltd (“Jiangxi Asia City), a wholly-owned subsidiary of Pan Hong.

Jiangmen Pan Hong Kaixuan has a registered and paid-up capital of RMB 40 million and RMB 30 million respectively. Jiangmen Pan Hong Kaixuan is engaged in property development business. Jiangxi Asia City has a 75% shareholding in the capital of Jiangmen Pan Hong Kaixuan while the remaining 25% is held by a third party.

2. Setting of a joint venture company : Jiangxi Ganghong Industrial Co. Ltd (“Jiangxi Ganghong”) (江西港洪实业有限公司)

between Pan Hong Investment Limited, a wholly-owned subsidiary of Pan Hong and Jiangxi Hongkelong Group Investment Co., Ltd (江西洪客隆实业有限公司).

Jiangxi Ganghong has a registered and paid-up capital of RMB 100 million and RMB 50 million respectively. Jiangxi Ganghong is engaged in property development business. Pan Hong Investment Limited has a 50% shareholding in the capital of Jiangxi Ganghong and the remaining 50% is held by Jiangxi Hongkelong Group Investment Co., Ltd (江西洪客隆实业有限公司).

3. Incorporation of a wholly-owned subsidiary : Fuzhou Pan Hong Kaixuan Real Estate Development Co. Ltd (“Fuzhou Pan Hong Kaixuan”) (抚州汎港凯旋房地产开发有限公司)

by Sino Harbour Ltd, a wholly-owned subsidiary of Pan Hong.

Fuzhou Pan Hong Kaixuan has a registered and paid-up capital of RMB 450 million and RMB 100 million respectively. Fuzhou Pan Hong Kaixuan is also engaged in property development business.

The above investments were funded by internal resources as well as bank borrowings and are not expected to have any material impact on the Company’s earnings per share or net tangible assets for the financial year ended 31 December 2007.

None of the Company’s directors or controlling shareholder has any interest, direct or indirect, in the above transaction.

BY ORDER OF THE BOARD

Wong Lam Ping  
Executive Chairman

21 February 2008

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