

PAN HONG PROPERTY GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



汎港地產集團
PAN HONG PROPERTY GROUP

Pan Hong nullifies Cooperation Agreement with Little Golden Star Education Group for its Honggu Kaixuan Kindergarten Project

The Board of Directors (the “Board”) of Pan Hong Property Group Limited (the “Company” and together with its subsidiaries, the “Group”) refers to the announcement issued by the Company on 21 December 2009 in relation to the cooperation agreement entered into with Little Golden Star Education Group (“LGSE”).

The Board wishes to announce that the Company has terminated the cooperation agreement signed with LGSE on 22 May 2010.

Under the cooperation agreement, the Company was to transfer its asset and operating rights of Honggu Kaixuan Kindergarten (“HKK”) to LGSE, in return for an equity interest of 3% in LGSE. LGSE originally intends to seek a public listing on the stock exchanges in Hong Kong or the USA. If LGSE is unable to attain a public listing before 31 December 2013, the ownership of HKK will be transferred back to the Company upon which the Company shall cease to be a shareholder of LGSE.

Pursuant to the Company’s announcement on 21 December 2009, HKK was expected to commence operations on 1 September 2010. As LGSE has presently shelved its listing plan, the Company and LGSE have reached the following agreement amicably:

- the cooperation agreement signed on 20 December 2009 shall be nullified without any compensation from or to either party;
- the Company shall reserve the rights to unilaterally invite tenders to operate the HKK; and
- LGSE shall enjoy right of first offer in the open tender on an equal condition basis

The termination of the cooperation agreement with LGSE is not expected to have any material impact on the Group’s earnings or net asset value for the financial year ending 31 March 2011.

By Order of the Board
Wong Lam Ping
Executive Chairman
31 May 2010

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