

PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda)

(Registration Number: 37749)



BANK BORROWING

The Board of Directors of Pan Hong Holdings Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that 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**”), a wholly and indirectly owned subsidiary of the Company, had obtained a bank borrowing (the “**Bank Borrowing**”) of RMB50.0 million from Bank of Communications Co., Ltd. – Zhejiang Province Branch (交通銀行股份有限公司 – 浙江省分行) (the “**Lender**”) for purposes of the development of Pan Hong Run Yuan (汎港潤源) Phase 2.

The Bank Borrowing is secured by the following:

- a) certain land use rights and properties owned by Huzhou Runyuan at a book value of RMB106.8 million, with a maximum security limit of RMB189.4 million¹;
- b) certain land use rights owned by a Group’s subsidiary, Huzhou Pan Hong Runhe Property Development Limited, at a book value of RMB108.2 million, with a maximum security limit of RMB114.5 million²; and
- c) corporate guarantee from a Group’s subsidiary, Pan Hong Investment Limited, with a maximum security limit of RMB172.5 million³.

¹ For the Bank Borrowing and all future loan agreement(s) for the period up to 1 July 2017 to be entered into between Huzhou Runyuan and the Lender, the maximum security limit is of up to RMB189.4 million.

² For the Bank Borrowing and all future loan agreement(s) for the period up to 15 July 2020 to be entered into between Huzhou Runyuan and the Lender, the maximum security limit is of up to RMB114.5 million.

³ For the Bank Borrowing and all future loan agreement(s) for the period up to 27 May 2018 to be entered into between Huzhou Runyuan and the Lender, the maximum security limit is of up to RMB172.5 million.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the above transaction.

By Order of the Board

Wong Lam Ping
Executive Chairman
15 June 2017