

PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



UPDATES ON LAND PARCEL LOCATED AT TAIHU MEIXI, HUZHOU, ZHEJIANG PROVINCE

1. Introduction

The Board of Directors (“**Board**”) of Pan Hong Holdings Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the litigation disclosed on Page 146 of the Company’s annual report for the financial year ended 31 March 2019 (“**FY2019 Annual Report**”). According to the judgement issued in 2016 (“**Judgement**”) by Zhejiang Province Deqing Country People’s Court (“**Deqing Court**”) relating to a dispute with the Bureau of Huzhou Land Resources (the “**Bureau**”), the Bureau would be obligated to compensate the Group (subject to appeal) on the basis that the construction project on a parcel of land located at Taihu Meixi, Huzhou, Zhejiang Province, the People’s Republic of China (the “**PRC**”) (the “**Taihu Meixi Land**”) was hindered due to a discovery of cultural buildings. As at 29 May 2019, the Group received an appeal judgement which stated that the Judgement should be repealed and ordered a re-trial of the case by Deqing Court. For more details on the said litigation, please refer to the Company’s FY2019 Annual Report.

The Board of the Company wishes to provide an update on the said litigation that its subsidiary, Huzhou Delong Real Estate Co., Limited, has reached a land exchange agreement (the “**Agreement**”) on 6 January 2020 with Huzhou South Taihu New Area Management Committee (the “**Committee**”) regarding the Taihu Meixi Land.

Under the Agreement, the Taihu Meixi Land currently held by the Group will be exchanged for another parcel of land located at Taihu Meidong, Huzhou, Zhejiang Province, the PRC (the “**Taihu Meidong Land**”) with an additional premium of RMB25.7 million to be paid by the Group. In addition, the Group has to return the compensation of RMB60.7 million received (pursuant to a judgement by the Huzhou Intermediate People’s Court) in May 2017.

2. Details of the Taihu Meidong Land:

Land use right number	: TH-02-01-02C
Location	: Binhu South Unit, Taihu Resort Zone, Huzhou, Zhejiang
Total site area	: 43,608 square metres
Plot ratio	: 1.0 to 1.5
Nature of the land use rights	: Residential use
Fair value	: Approximately RMB205.5 million

3. Implication of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST Listing Manual”)

As specified in Rule 1002(1) of the SGX-ST Listing Manual, a “Transaction” excludes an acquisition or disposal which is in, or in connection with, the ordinary course of its business or of a revenue nature.

Chapter 10 of the SGX-ST Listing Manual is not applicable as the Acquisition is deemed to be in the ordinary course of business of developing residential (and/or commercial) properties. In addition, none of the relative figures computed pursuant to Rule 1006 is negative. As such, no shareholders’ approval is required.

4. Further Information

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 2020.

None of the Directors or controlling shareholders of the Company has any direct or indirect interest in the above transaction (other than their shareholdings in the Company).

By Order of the Board

Wong Lam Ping
Executive Chairman

20 January 2020