

# PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda)  
(Registration Number: 37749)



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## Acquisition of Land by the Company's subsidiary

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### 1. Introduction

The Board of Directors (“**Board**”) of Pan Hong Holdings Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Group has made a successful bid for the land use rights of the land located on the east of Da Xiang Road (大享路), on the south of the Long Xi North Road (龙溪北路), on the north of the Qing Fang Road (轻纺路) of the Feng Huang West District (凤凰西區), Wuxing District, Huzhou City, Zhejiang Province, the PRC (the “**Land**”) which was offered for sale by Huzhou Bureau of Natural Resources and Planning (湖州市自然资源和规划局) (“**HBNRP**”) through a tender on the Zhejiang Land Use Rights Online Transaction System on 4 June 2019 (the “**Acquisition**”) for a total consideration of RMB275,000,000 (the “**Consideration**”). The bidder qualification review by HBNRP was passed and a successful Bid Confirmation (成交确认书) was issued by HBNRP on 4 June 2019. Land grant contract in relation to the acquisition was entered into on 14 June 2019.

### 2. Principal Terms of the Successful Bid Confirmation

Date of the Bid Confirmation	:	4 June 2019
Parties of the Bid Confirmation	:	Huzhou Pan Hong Runhe Housing and Land Development Company Limited (湖州汎港润和房地产开发有限公司), an indirect wholly-owned subsidiary of the Group
Location of the Land	:	Hukaitu No. 2019-03 (湖开土 2019-03 号)
Total Site Area	:	36,122 square metres
Maximum Gross Floor Area	:	65,020 square metres
Nature of the Land Use Rights	:	Residential use
Consideration	:	RMB275,000,000 (equivalent to approximately S\$54,398,354)

The Consideration was arrived at after taking into account the minimum bid price, current market conditions, location of the Land, and land price in the surrounding area with reference to the information available from HRNBP. The Consideration and the relevant taxes will be funded by the Group's internal resources and/or bank borrowings as the Group's Board deems fit. The Group had paid a deposit of RMB44.4 million and 50% of the remaining Consideration is required to be paid within 30 days from the Date of Bid Confirmation, and thereafter the rest to be paid within 6 months from the Date of Bid Confirmation.

### **3. Relevant requirements of the Acquisition**

The salient relevant requirements associated to the Acquisition are set out below:

- i. As there are several buildings and premises erected on the Land, the Group has to pay a total compensation of approximately RMB400,000 to the local government separately and would be responsible for the demolition.
- ii. As part of corporate social responsibility, the Group is required to build a wine culture exhibition centre with gross floor area of not less than 2,000 square metres on the Land.
- iii. The Group is required to retain not less than 35% of the total gross floor area under its own title for at least a minimum period of not less than 8 years.

### **4. Rationale for the Acquisition**

The Group is principally engaged in the property development in the PRC. The Land is intended to be developed as a residential project, which will increase the Group's investment proportion in residential properties.

The Board considers that the Acquisition is in the interests of the Group and the Shareholders as a whole and the terms thereof are fair and reasonable.

### **5. 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. As such, no shareholders' approval is required.

### **6. 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).

The Company will also provide further updates on the Acquisition, when appropriate and available.

### **By Order of the Board**

**Wong Lam Ping**  
Executive Chairman

19 June 2019