

PAN HONG HOLDINGS GROUP LIMITED

(Incorporated in Bermuda)
(Registration Number: 37749)



Acquisition of Land by the Company's subsidiary

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 Zhan Qian Road (站前路), on the south of the Hong Hai Wan Avenue (红海湾大道) of Shanwei City, Guangdong Province, the People’s Republic of China (the “**Land**”) which was offered for sale by Shanwei Bureau of Natural Resources (汕尾市自然资源局) (“**SBNR**”) through a tender on the Shanwei Public Resources Online Transaction System on 30 April 2021 (the “**Acquisition**”) for a total consideration of RMB717,000,000 (the “**Consideration**”). A successful Bid Notification (成交通知书) was issued by SBNR on 30 April 2021. Land grant contract in relation to the Acquisition would be executed shortly.

2. Principal Terms of the Successful Bid Notification

Date of the Bid Notification	:	30 April 2021
Parties of the Bid Notification	:	Shanwei Pan Hong Runhe Property Development Limited (汕尾汎港润和房地产开发有限公司), an indirect wholly-owned subsidiary of the Group
Land Use Right Number	:	SW-PQH-L-10
Total Site Area	:	92,622 square metres
Maximum Gross Floor Area	:	277,866 square metres
Nature of the Land Use Right	:	Residential and commercial use
Consideration	:	RMB717,000,000 (equivalent to approximately S\$147,046,760)

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 SBNR. The Consideration and the relevant taxes will be funded by the Group’s internal resources, external borrowings and/or through co-development of the Land with non-controlling investors as the Board deems fit. The Group had paid 50% of the Consideration with the remaining to be paid before 26 October 2021.

3. Relevant requirements of the Acquisition

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

- i. As part of corporate social responsibility, the Group is required to build a kindergarten with a total gross floor area of 5,240 to 7,580 square metres and cultural activity centre with a total gross floor area of 1,000 to 2,000 square metres respectively on the Land.
- ii. In addition, the Group is also required to build pension houses with a gross floor area of 20 to 30 square metres per every hundred residential units built.
- iii. The abovementioned public facilities would be transferred to the local government with zero consideration upon completion.

4. Rationale for the Acquisition

The Group is principally engaged in the property development in the People's Republic of China. 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 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 2022.

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 Sum
Executive Chairman

30 April 2021