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Pan Sino International Holding Limited

環新國際有限公司*

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 240,000,000 Shares
(subject to Over-allotment Option)
Placing Price : HK\$0.45 per Placing Share
Nominal value : HK\$0.01 each
Stock code : 8260

Sponsor



Celestial Capital Limited

Bookrunner and Lead Manager



SBI E2-Capital Securities Limited

Co-Lead Managers

**Barits Securities
(Hong Kong) Limited**

**Kingsway Financial
Services Group Limited**

Celestial Capital Limited

Co-Managers

First Shanghai Securities Limited

Japan Asia Securities Limited

ICEA Capital Limited

Koffman Securities Limited

Valid applications for a total of 1,108,860,000 Placing Shares, equivalent to approximately 5 times of the 240,000,000 Placing Shares initially available under the Placing, were received from professional, institutional and other investors. Due to the over-subscription, SBI, the bookrunner and lead manager of the Placing, has over-allocated 36,000,000 Shares, representing 15% of the Shares initially available under the Placing. As a result, an aggregate of 276,000,000 Placing Shares have been conditionally allocated under the Placing. The settlement of such over-allocations was facilitated by the stock borrowing agreement entered into between Mr. Judianto and SBI.

The Company has granted to SBI the Over-allotment Option, exercisable at any time at or before 5:00 p.m. on 25 December 2003 to require the Company to issue at the Placing Price up to an aggregate of 36,000,000 additional new Shares, representing 15% of the Shares initially available under the Placing, for the sole purpose of covering over-allocations in the Placing.

As stated in the Prospectus, SBI may return the borrowed shares to Mr. Judianto by exercising the Over-allotment Option and/or purchasing Shares in the secondary market. If the Over-allotment Option is exercised, an announcement will be made on the GEM website. Any secondary market purchases of Shares will be made at prices not higher than the Placing Price and in compliance with all applicable laws, rules and regulations.

All the placees are independent of and not connected with any of the directors, chief executives, initial management shareholders or substantial shareholders of the Company or any of their respective associates. Kingsway Financial Services Group Limited, one of the co-lead managers, has allocated 3,000,000 Placing Shares (representing approximately 1.1% of the Placing Shares allocated under the Placing and approximately 0.4% of the enlarged issued share capital of the Company) to CMP Fund, a full discretionary fund with over 100 investors managed by Kingsway Fund Management Limited, an associate of Kingsway Financial Services Group Limited. Save as the aforesaid, none of the Placing Shares have been placed to any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.

There is a high concentration of the Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Immediately following the Placing but before the exercise of the Over-allotment Option, the options which may be granted under the Share Option Scheme and the options which have been granted under the Pre-IPO Share Option Scheme, the Company will have a public float of approximately 47.5% of the enlarged issued share capital of the Company.

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Tuesday, 2 December 2003.

Unless defined otherwise, terms used in this announcement shall have the same respective meanings as those defined in the prospectus of Pan Sino International Holding Limited (the “Company”) dated 25 November 2003 (the “Prospectus”).

LEVEL OF INTEREST

Valid applications for a total of 1,108,860,000 Placing Shares, equivalent to approximately 5 times of the 240,000,000 Placing Shares initially available under the Placing, were received from professional, institutional and other investors. Due to the over-subscription, SBI E2-Capital Securities Limited (“SBI”), the bookrunner and lead manager of the Placing, has over-allocated 36,000,000 Shares, representing 15% of the Shares initially available under the Placing. As a result, an aggregate of 276,000,000 Placing Shares have been conditionally allocated under the Placing. The settlement of such over-allocations was facilitated by the stock borrowing agreement entered into between Mr. Judianto and SBI.

The Company has granted to SBI the Over-allotment Option, exercisable at any time at or before 5:00 p.m. on 25 December 2003 to require the Company to issue at the Placing Price up to an aggregate of 36,000,000 additional new Shares, representing 15% of the Shares initially available under the Placing, for the sole purpose of covering over-allocations in the Placing.

As stated in the Prospectus, SBI may return the borrowed shares to Mr. Judianto by exercising the Over-allotment Option and/or purchasing Shares in the secondary market. If the Over-allotment Option is exercised, an announcement will be made on the GEM website. Any secondary market purchases of Shares will be made at prices not higher than the Placing Price and in compliance with all applicable laws, rules and regulations.

As a result of the over-allocations under the Placing, the net proceeds of the Placing are estimated to be approximately HK\$110.0 million. The Directors currently intend to use such net proceeds as follows:

- approximately HK\$73.1 million for expanding into other cocoa-related business;
- approximately HK\$32.1 million for increasing the Group's warehouse capacity, of which approximately HK\$20.6 and HK\$11.5 million will be used for acquiring or constructing a warehouse in Sulawesi and at Serang, Banten, respectively;
- approximately HK\$0.6 million for marketing activities aimed at expanding the Group's trading business; and
- the balance of approximately HK\$4.2 million for additional working capital required for the anticipated increase in business volume of the Group.

All the places are independent of and not connected with any of the directors, chief executives, initial management shareholders or substantial shareholders of the Company or any of their respective associates. Kingsway Financial Services Group Limited, one of the co-lead managers, has allocated 3,000,000 Placing Shares (representing approximately 1.1% of the Placing Shares allocated under the Placing and approximately 0.4% of the enlarged issued share capital of the Company) to CMP Fund, a full discretionary fund with over 100 investors managed by Kingsway Fund Management Limited, an associate of Kingsway Financial Services Group Limited. Save as the aforesaid, none of the Placing Shares have been placed to any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.

RESULTS OF ALLOCATION

Pursuant to the Placing, an aggregate of 276,000,000 Placing Shares will be held by a total of 193 placees as follows:

Number of Placing Shares	Number of Placees
5,000 — 49,999	50
50,000 — 99,999	23
100,000 — 499,999	58
500,000 — 999,999	20
1,000,000 — 4,999,999	27
5,000,000 — 9,999,999	6
10,000,000 or 29,999,999	9
30,000,000 or above	<u>—</u>
Total	<u><u>193</u></u>

The following table sets out the distribution of the 276,000,000 Placing Shares:

	Aggregate number of Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding immediately after the completion of the Placing (assuming the Over-allotment Option is not exercised)
Top placee	25,000,000	9.1%	3.1%
Top 5 placees	92,140,000	33.4%	11.5%
Top 10 placees	152,575,000	55.3%	19.1%
Top 25 placees	217,275,000	78.7%	27.2%

There is a high concentration of the Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at all times immediately after the listing of the Shares on GEM. Immediately following the Placing but before the exercise of the Over-allotment Option, the options which may be granted under the Share Option Scheme and the options which have been granted under the Pre-IPO Share Option Scheme, the Company will have a public float of approximately 47.5% of the enlarged issued share capital of the Company.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM, as well as the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on Monday, 1 December 2003 for credit to the respective CCASS participants' stock accounts or investor participants' stock accounts of the Underwriters or the placees.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on Tuesday, 2 December 2003.

By order of the Board
Pan Sino International Holding Limited
Johanas Herkiamto
Vice Chairman

Hong Kong, 28 November 2003

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material

respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will appear on the GEM website at www.hkgem.com. for 7 days from the date of its posting.

** for identification purposes only*