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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)*

**(Stock code: 8260)**

### **CHANGE OF THE INTENTION OF THE USE OF PROCEEDS FROM THE SUBSCRIPTION**

The Board would like to inform the shareholders of the Company regarding the change of the Company's intention of the use of the net proceeds derived from the Subscription.

Reference is made to the announcement made by Pan Sino International Holding Limited (the "Company") dated 12th April, 2005 in respect of the subscription of 160,000,000 new shares of the Company (the "Subscription") and wishes to update the public the current position regarding its intended use of net proceeds of the Subscription.

The Subscription raised the net proceeds of approximately HK\$47.8 million. The board of directors of the Company (the "Board") originally intended to use the whole of such proceeds for the general working capital of the expansion of the existing cocoa bean trading business of the Company. In view of the current cash flows from the Company's daily operation are enough for the expansion of the existing cocoa trading business and that the capital requirement for such expansion is far less than the original expectation, the Board, after due consideration, has decided to reserve the entire amount of the net proceeds from the Subscription (i.e. approximately HK\$47.8 million) for the general working capital of the Company's cocoa processing operations development which the Company considers as a significant investment. As at the date of this announcement, no part of the net proceeds from the Subscription has been utilized and the entire amount is placed in a licensed bank in Indonesia as an interest-bearing deposit.

The Board would like to inform the shareholders of the Company that the Company plans to set up cocoa processing operations in Makassar, Sulawesi in Indonesia, the estimated total cost of which is approximately HK\$300 million, the balance of the costs of setting up the cocoa processing operations (i.e. approximately HK\$252.2 million) would be financed by existing financial resources of the Company. The Company has already identified the suitable land for setting up the cocoa processing factory and market research and feasibility studies have been conducted. However, the developments in respect of this plan are at a preliminary stage, no agreements

have yet been reached and no construction has yet been started as at the date of this announcement. It is expected that the construction of the cocoa processing operation plant would commence in the first quarter of year 2006 and would be completed in the first quarter of year 2007. Further announcement(s) will be made by the Company, as and when necessary.

\* *For identification purposes only*

By Order of the Board  
**Pan Sino International Holding Limited**  
**Rudi Zulfian**  
*Executive Director*

Jakarta, Indonesia, 29th December, 2005

*As at the date of this announcement, Mr. Harmiono Judianto, Mr. Johanas Herkiamto and Mr. Rudi Zulfian are the executive Directors and Ms. Novayanti, Mr. Gandhi Prawira and Ms. Goh Hwee Chow, Jacqueline are the independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 remain on the GEM website at “www.hkgem.com” on the “Latest Company Announcements” page for at least seven days from the day of its posting.*